The Honorable James G. Crawford, Presiding

Agenda

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<thead>
<tr>
<th>Time</th>
<th>Item</th>
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<tr>
<td>6:00 PM</td>
<td>Call to Order, Welcome, Roll Call and Declaration of Quorum</td>
<td>Jim Crawford</td>
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<td>Chairman will review meeting guidelines at this time.</td>
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<tr>
<td>6:10 PM</td>
<td>Review of Agenda</td>
<td>Jim Crawford</td>
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<td>Chairman will consider additions or revisions to the agenda at this time.</td>
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<td>6:15 PM</td>
<td>Recognitions and Presentations</td>
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<td>Motion to approve</td>
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<td></td>
<td>• Request for Membership in TJCOG – Town of Pine Level</td>
<td>Renée Boyette</td>
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<td>• COVID-19 Impacts and Outlook for RDU Airport</td>
<td>Don Rains</td>
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<td>• Presentation of Fiscal Year 2020-2021 Triangle J Council of Governments Budget</td>
<td>Michael Landguth</td>
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<td>• Report from the Nominating Committee - FY2021 Officers</td>
<td>Lee Worsley</td>
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<tr>
<td>7:10 PM</td>
<td>Consent Agenda</td>
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<td>Motion to approve</td>
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<td>Items on the Consent Agenda are considered routine and will be enacted</td>
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<td>by a single motion unless a member of the Board requests an item be removed. Any item removed from the Consent Agenda will be considered individually as part of the regular agenda.</td>
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<td>• Approval of Board of Delegates minutes – April 22, 2020</td>
<td>Hallie Allen</td>
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<td>• Appointment of the Triangle J Regional Corporation Class of 2023</td>
<td>Lee Worsley</td>
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<td>• FY 2019-2020 Budget Amendment No.3</td>
<td>Judy Weller</td>
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<td>• Adoption of FY2021 Budget Resolution</td>
<td>Lee Worsley</td>
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<td>• Election of TJCOG FY2021 Officers</td>
<td>Renee Boyette</td>
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May 27, 2020 Board of Delegates Agenda – continued

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<tr>
<th>Time</th>
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<tr>
<td>7:11 PM</td>
<td>Items Pulled from Consent</td>
<td>Jim Crawford</td>
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<tr>
<td>7:16 PM</td>
<td>Chairman's Report</td>
<td>Jim Crawford</td>
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<td>Receive as information</td>
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<td>7:20 PM</td>
<td>Executive Director’s Report</td>
<td>Lee Worsley</td>
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<td>Around the Region</td>
<td>Lee Worsley Group</td>
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<td>7:55 PM</td>
<td>Other Business</td>
<td>Jim Crawford</td>
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<td>8:00 PM</td>
<td>Adjourn</td>
<td>Jim Crawford</td>
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Request for membership in TJCOG – Town of Pine Level

**Background:** The Town of Pine Level, located in Johnston County, is requesting membership in Triangle J, effective May 27, 2020. At its May 11, 2020 meeting the Town Commission adopted the attached resolution accepting and approving Triangle J’s Bylaws and Charter Resolution and is now petitioning for membership in Triangle J. Also, at the May meeting, the Mayor appointed himself, Mayor Jeff Holt, to serve as the delegate and Commissioner Greg Baker to serve as the alternate delegate to the TJCOG Board of Delegates.

All things required by the TJCOG Bylaws and Charter Resolution having been accomplished, this matter now comes before the Board of Delegates for consideration. Town officials will be present at this meeting and provide introductory remarks about the Town of Pine Level.

**Recommendation(s):** It is recommended the Board of Delegates receive this information, welcome officials from the Town of Pine Level, approve the Town’s membership in TJCOG, and seat their delegate and alternate delegate.

**Staff Responsible:** Renée Boyette, Administration and Member Services Director
A RESOLUTION RATIFYING, ACCEPTING AND APPROVING THE
BYLAWS AND CHARTER RESOLUTION OF THE
TRIANGLE J COUNCIL OF GOVERNMENTS

WHEREAS, the Town of Pine Level has determined to make application for membership
in the Triangle J Council of Governments; and,

WHEREAS, as a prerequisite to membership in Triangle J the Town is required to ratify,
accept and approve the Bylaws and Charter Resolution of the Triangle J Council of
Governments; and,

WHEREAS, it is the desire of the Town of Pine Level to become a member of the
Council of Governments and be an integral part of Region J; and,

WHEREAS, the Town of Pine Level has reviewed the referenced documents and finds
them in order sufficient to ratify same as a condition of membership; and,

WHEREAS, the Town of Pine Level looks forward to joining its municipal and county
colleagues in addressing the regional issues of concern to local governments throughout the
seven-county region;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF
THE TOWN OF PINE LEVEL that the Town does hereby ratify, accept and approve the
Triangle J Council of Governments' Bylaws and Charter Resolution as a condition of the Town's
membership within the Triangle J Council of Governments.

Adopted and Approved this the 11th day of May, 2020.

ATTEST:

Connie Capps
Deputy Town Clerk

Jeff Holt
Mayor
Triangle J Board of Delegates Meeting  
Agenda Comments – May 27, 2020

Agenda Section: Recognitions and Presentations  
COVID-19 Impacts and Outlook for RDU Airport

**Background:** The Raleigh-Durham Airport remains a critical economic driver for the TJCOG region with rapid growth in passenger travel and domestic and international flights. Vision 2040, the airport’s most recent strategic plan that was approved in 2017 by the Federal Aviation Administration, outlines all short- and long-term development needs to meet these increasing demands and future needs. At this time, RDU growth is exceeding expectations for the airport and projections made by Vision 2040 and tracking more than a decade ahead of master plan projections. That means all the capacity enhancement projects identified in the plan to occur over that period must be implemented now. During this time, Michael Landguth, RDU’s President and Chief Executive Officer, will discuss the changing needs of the airport and the ways that COVID-19 has impacted plans and projections.

**Recommendation(s):** It is recommended that the Board of Delegates receive the information from RDU’s President and Chief Executive Officer Michael Landguth and provide feedback based on the presentation and related questions.

**Staff Responsible:** Alana Keegan, Engagement Specialist
Background: On April 15, 2020, the Executive Director sent his recommended budget to members and alternates of the Board of Delegates and the managers of TJCOG’s member governments. During the April 22, 2020 Board of Delegates meeting, the recommended budget was presented to the members of the Board of Delegates and the required public hearing was held. There were no comments during the public hearing.

Since the Board received the budget in April a new opportunity in our Housing Priority Area has developed and the recommended budget has been adjusted to reflect this new opportunity. It increases the total TJCOG budget by $15,490 to $16,761,599. The attached budget resolution reflects the changes to recognize the new opportunity. Additionally, a memo from TJCOG Planning Director John Hodges-Copple describes the new funding opportunity.

When the Executive Director presented the Recommended Budget to the Board in April, he stressed that at the time, there were no indications, at the time, of changes to programs because of COVID-19. Since April, TJCOG has been notified that there may be some delayed funding from one of our largest funders, NCDOT, in the Transportation Demand Management (TDM) program and reduction of funding from our Clean Fuel Advanced Technology (CFAT). TJCOG staff are working diligently to develop alternative scenarios. In order to provide as much flexibility as possible, the Executive Director is requesting that the Board adopt the recommended budget, but authorize the Executive Director to delay merit increases for employees until such time that the Executive Director is satisfied that the budget situation is stable and to allow the merit increase to be an amount determined appropriate by the Executive Director, up to 3%. Further, any merit increases would exclude the Executive Director. Additionally, there is about $20,000 in technology and office furniture replacements planned in next year’s budget. These purchases will also be held until the Executive Director feels like the time is appropriate based on the budget situation.

On May 8, 2020, the TJCOG Board of Delegates Officers met to discuss the recommended budget. No changes were made to the recommended budget during the officers meeting. A full version of the recommended budget may be viewed here: https://www.tjcog.org/publications/2020-2021-budget.

A copy of the Budget Resolution for Fiscal Year 2020-21 is attached for the Board’s consideration and must be adopted by the Board of Delegates to establish the Fiscal Year 2020-21 budget for TJCOG.

Recommendation(s): It is recommended that the Board of Delegates adopt the Fiscal Year 2020-2021 Budget Resolution and allow the Executive Director to implement merit increases when deemed appropriate by the Executive Director. It is further recommended that the Board give flexibility to the Executive Director to implement the merit amount, across the board, in an amount up to 3%. Finally, any merit increases will not be applicable to the Executive Director’s salary.

Staff Responsible: Lee Worsley, Executive Director
BE IT RESOLVED by the Board of Delegates of Triangle J Council of Governments, Durham, North Carolina that the following anticipated revenues and division expenditures are hereby appropriated for the operation of said Council of Governments for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

SECTION 1. General Fund

Expenditures by Division:

- Member Services: $524,656
- Economic Development: $241,000
- Regional Planning: $4,667,331
- Aging Services: $11,216,689
- General Government: $111,923

General Fund Total Expenditures: $16,761,599

Revenues by Source:

- Federal: $2,050,174
- Fed/State Pass Thru: $11,125,542
- State: $457,266
- Member Assessment: $648,408
- Special Local Assessment: $866,542
- Local Aging Share: $276,043
- In-Kind/Cost Share: $46,328
- Project Income: $1,087,703
- Interest Income: $8,500
- Deferred Revenue: $152,553
- Other Revenue: $21,819
- Assigned Fund Balance: $20,721

General Fund Total Revenues: $16,761,599

SECTION 2. The Finance Officer is hereby authorized to transfer funds within and among divisions without the approval of the Board of Delegates.

SECTION 3. Copies of this resolution shall be furnished to the Finance Director so that they may keep this resolution on file for their direction and disbursement of funds.

Adopted and Approved this the 27th day of May 2020.

James Crawford, Chairperson Triangle J Council of Governments

Attested: Lee Worsley, Executive Director
Triangle J Board of Delegates Meeting
Agenda Comments – May 27, 2020

Agenda Section: Recognitions and Presentations; Consent Agenda
Report from the Nominating Committee and Election of FY2021 Officers

**Background:** In accordance with applicable provisions of Triangle J’s Charter Resolution and Bylaws, the Triangle J Board of Delegates shall elect officers for the upcoming fiscal year “no later than the regular May meeting of the Board of Delegates”. The Nominating Committee is responsible for developing a slate of nominees for Triangle J’s 2020-2021 officer positions of chairman, first vice-chair, second vice-chair, and secretary/treasurer. The Nominating Committee is also responsible for recommending nominees for any vacancies that occur during the fiscal year.

The Nominating Committee met and developed a recommended slate of officers for FY2020-2021. At this time on the agenda, the Nominating Committee will provide its report and recommendations for FY2020-2021 officers.

**Recommendation(s):** It is recommended the Board of Delegates be prepared to receive this report, open the floor for additional nominations, and elect officers for FY2020-2021.

**Staff Responsible:** Renée Boyette, Administration and Member Services Director.
MEMORANDUM

May 27, 2020

TO: Triangle J Board of Delegates

FROM: Nominating Committee: Rebecca Wyhof Salmon, Ron Currin, Jennifer Robinson, Pamela Baldwin

SUBJECT: Nominations for 2020-2021 Triangle J COG Officers

The Nominating Committee has completed its deliberations and presents its recommendation herein for 2020-2021 Triangle J officers. The committee considered all expressions of interest by board members and an effort was made to select candidates who have a demonstrated commitment to regionalism.

After due consideration, the Nominating Committee submits the following nominations for election to the respective offices named:

- Chair: Don Rains, Town of Princeton
- First Vice-Chair: Kathleen Ferguson, Town of Hillsborough
- Second Vice-Chair: Mark Wilson, Town of Archer Lodge
- Secretary/Treasurer: DeDreana Freeman, City of Durham

Although not an elected office, Jim Crawford will serve as Immediate Past Chair.

These nominees are faithful contributors to Triangle J and demonstrate a true commitment to the region and its many challenges that lie ahead. The candidates all have good attendance records and avidly advocate for regional solutions and cooperation among Triangle J’s membership.

It is the committee’s belief that these individuals make an outstanding slate of officers for the coming year and that each will be a dedicated public official for the region. It is recommended the Board of Delegates be prepared to receive this report, open the floor for additional nominations, and elect TJCOG officers for the 2020-2021 fiscal year.

Thank you for your consideration of this report. We trust you will find this recommendation acceptable. Feel free to call on us should you have any questions.
Draft Minutes
Board of Delegates Meeting
Wednesday, April 22, 2020
6:00 PM
Held via simultaneous communication on WebEx

Delegates and Alternate Delegates Attending:
Wilma Laney, Town of Aberdeen
Bob Smith, Town of Angier
Brett Gantt, Town of Apex
Mark Wilson, Town of Archer Lodge
Jerry Medlin, Town of Benson
Thomas Beale, Town of Broadway
Donald Andrews, Town of Broadway (A)
David Seiberling, Town of Cameron
Randee Haven-O’Donnell, Town of Carrboro
Michael Parker, Town of Chapel Hill
James Crawford, Chatham County
DeDreana Freeman, City of Durham
Larry Smith, Town of Fuquay-Varina
Ken Marshburn, Town of Garner
Kathleen Fergusson, Town of Hillsborough
Shaun McGrath, Town of Holly Springs
Butch Lawter, Johnston County
Jessica Day, Town of Knightdale (A)
Amy Dalrymple, Lee County
Steve Rao, Town of Morrisville
Sally Greene, Orange County
Pamela Baldwin, Town of Pittsboro
Kevin Drum, Village of Pinehurst
Jane Hogeman, Village of Pinehurst (A)
Don Rains, Town of Princeton
Ronnie Currin, Town of Rolesville
Michelle Medley, Town of Rolesville (A)
Rebecca Wyhof Salmon, City of Sanford
Bill Haiges, Siler City
Byron McCallister, Town of Selma
Andy Moore, Town of Smithfield
Carol Haney, Town of Southern Pines
Sig Hutchinson, Wake County
Chad Sary, Town of Wake Forest
David McGowan, Town of Wilson’s Mills
Larry Loucks, Town of Zebulon

Delegates Absent:
Jimmy Chalfinch, Town of Carthage
Jennifer Robinson, Town of Cary
Jason Thompson, Town of Clayton
James Hill, Durham County
Tim Cunnup, Town of Goldston
Trinity Henderson, Town of Kenly
Lonnie English, Town of Robbins
Corey Branch, City of Raleigh
Jon Lutz, Town of Wendell
Jay Langston, Town of Micro
Carol Haney, Town of Southern Pines (E)

(A) – Alternate Delegate       (E) – Excused Absence

TICOG staff attending:
Lee Worsely, Executive Director
Hallie Allen, Office Assistant
Renée Boyette, Administration & Member Services Director
Jenny Halsey, Local Government Consultant/HR Officer
John Hodges-Copple, Regional Planning Director
Alana Keegan, Engagement Specialist
Judy Weller, Finance Director

Call to Order, Welcome & Declaration of Quorum
Chair Crawford called the meeting to order at 6:02 PM and noted this Board of Delegates meeting was being held via simultaneous communication on the WebEx platform and was
being livestreamed on TJCOG’s website. Chair Crawford conducted a roll call to verify the attendance of delegates and alternates then declared there was a quorum present.

**Approval of Agenda**
Chair Crawford presented the agenda for the April 22, 2020 Board of Delegates meeting and asked for a motion to approve. Ms. Ferguson made a motion to approve the agenda as presented. Mr. Haiges seconded the motion; the motion was passed unanimously.

**Recognitions and Presentations**
None.

**Consent Agenda**
- Approval of Board of Delegates minutes – January 22, 2020
- FY 2020 Budget Amendment No. 2 & Interim Budget/Expenditure Comparison Report
Chair Crawford presented the Consent Agenda for approval. Mr. Wilson made a motion to approve the Consent Agenda as presented. Mr. Rao seconded the motion; the motion was passed unanimously.

**Business**
- Presentation of FY 2021 Recommended Budget
Lee Worsley, TJCOG Executive Director, presented the TJCOG FY 2021 Recommended Budget and Work Plan. TJCOG is required by law to have the proposed budget distributed to the Board by April 15th. TJCOG officers will meet in early May to discuss feedback from the April Board of Delegates meeting. TJCOG is scheduled to have the budget prepared and presented to the Board of Delegates on May 27th for adoption.

**Impact of COVID**
Mr. Worsley shared he is proud of the staff and their flexibility over the past few weeks, as they have transitioned 100% to a telework environment and responded to member and regional needs through COVID-19. Mr. Worsley recognized the Town of Cary, who provides technical support to TJCOG. AmeriCorps volunteer work has stopped but accommodations have been made in Durham to meet hourly requirements. Weekly calls are being held with HR directors, and municipal and county managers and assistants to discuss how to move forward in planning around COVID-19. TJCOG created a policy tracker to organize policy changes for member governments to increase efficiency in policymaking during the pandemic. Mr. Worsley thanked the Executive Committee for organizing quickly to update emergency sick leave requirements in the Personnel Policy. He also thanked the Finance Department for their efforts in processing payroll in preparing the budget. Mr. Worsley recognized the Area Agency on Aging for providing technical assistance to providers on use of funds, support to staff, and coordinating with the National Guard and foodbanks for food delivery for older adults.
Budget: By the Numbers
The 2020-2021 recommended budget is $16,746,109 (best case scenario), which is an approximately 3.67% increase from last year’s adopted budget of $16,152,260. Mr. Worsley stated TJCOG’s budget was nearly complete when COVID-19 took place in March. As of right now, the pandemic does not present a threat to next year’s funding. TJCOG is funded on projects, deliverables, and expectations of local, state, and federal governments. TJCOG does not have a pool of sales taxes or property taxes. Mr. Worsley shared that TJCOG’s plan is to monitor its funding sources and programs to deal with any possible issues fund by fund.

Member Dues
Mr. Worsley recognized TJCOG needs to have a conversation about member dues, however this year is not the year to do so. TJCOG recommends member dues remain the same for next year. Current member assessments are $0.39 per capita up to 150,000 population and $.20 per capita after 150,000 population. Dues have not increased since 1996-1997. Member dues are used to (1) match funds for projects requiring a local match (2) for contingency and fund balance replenishment and (3) to pay a portion of salaries for 16 TJCOG staff members. Mr. Worsley stated member dues serve as the foundation for all funding. The demands for matches using member dues are going up. Member assessments represents about 4% of the total budget. Six TJCOG projects require a local match, representing $59,071 in member assessments.

Priorities
Mr. Worsley stated the following areas were priorities for FY 2020-2021. The highlights for each area are as follows:

- Aging and Human Services
  - Area Agency on Agency will present the New Regional Area Plan for Aging and Human Services 2020-2024 for adoption.
  - Area Agency on Agency will present the plan to the Board for deliberation next month.
- Affordable Housing
  - Partnerships with member governments will continue to provide technical assistance and best practice work.
  - TJCOG will continue to work with Lee, Durham, and Harnett counties to administer home repair funds.
  - TJCOG is working with the Local Government Federal Credit Union and Self-Help Credit Union to expand housing work.
- Economic Development
  - Mr. Worsley anticipates that the COVID-19 pandemic will present new opportunities for work related to economic development.
  - TJCOG is entering its third year as the US EDA Economic Development District; the focus in 2021 is to work on the comprehensive economic development strategy.
• TJCOG is helping build capacity for economic development activities with the Environmental Protection Agency through the Brownfields Consortium, where partners share resources for brownfields development.
• Foreign Trade Zone #93 is a long-standing economic development tool for communities that allows approved businesses to realize duty savings, improve supply chain efficiency, and increase their competitive edge over foreign-based competitors. The FTZ program has been crucial in retaining jobs for the private sector.

• Resilience
  o In 2019, the Board of Delegates directed TJCOG to focus on flooding and storm water.
  o TJCOG is currently waiting on EDA for updates on a very large potential grant for storm water infrastructure mapping.
  o COVID-19 has shed new light on resiliency opportunities in comparison to traditional weather-related items.
  o The importance of cybersecurity has re-emerged in the region due to the increased use of technology resources.

• Strategy and Innovation
  o TJCOG currently brings together staff from across local governments in the region who are working on strategic planning initiatives.
  o The Strategy and Innovation Group wants to develop a Regional Academy to provide an opportunity for local governments to learn together about strategy and innovation and solve probs together versus on their own.
  o TJCOG identifies data and GIS as a huge opportunity.

• Technical Assistance to our Members
  o Over the past few years, TJCOG has not prioritized technical assistance as much as they could have.
  o TJCOG has recently helped several member governments on their land use plans; there has been some discussion about assisting members on land use planning daily.
  o Mr. Worsley is beginning to meet with several local governments on solid waste and recycling issues in response to the region’s growing issues on recycling and solid waste.
  o TJCOG donated several laptops to smaller governments, which helped them telework during COVID-19.
  o TJCOG partners with the Piedmont Triad Regional Council to offer many different HR opportunities.
  o TJCOG is working with the Cape Fear River Assembly on their strategic plan.
  o Mr. Worsley stated that he is excited about the Regional Recruitment Partnership. It was developed out of the 2018 Regional Summit and the Sandbox Challenge. Twenty local police departments to date have partnered with TJCOG to diversify law enforcement recruitment and promote careers in law enforcement.
In the “Outside the Sandbox Podcast Series”, Mr. Worsley interviews individuals across the region to get their perspectives on important topics.

Mr. Worsley and Jenny Halsey, Human Resource Officer, facilitates the local government managers of Moore County. Previously, the managers were not meeting regularly.

The “Drug and Alcohol” program will continue to support member governments in the region.

**Transportation**

- Transportation is a very large priority for TJCOG.
- “Safe Routes to School” is a new project where TJCOG does outreach in the community for education in elementary and middle schools throughout the region. It is funded by the North Carolina Department of Transportation.
- The “Triangle Area Rural Transportation Planning Organization” program will continue.
- TJCOG supports the Durham-Chapel Hill-Carrboro and the Capital Area Metropolitan Planning Organizations’ by acting as the data source for both organizations.
- The “Transportation Demand Management” program is a very large portion of the budget. It promotes alternatives to single occupancy vehicles.

**Water Resources**

- Water resources projects are a long-standing priority at TJCOG.
- TJCOG serves as the Administrative and Fiscal Agent for the newly established Triangle Water Supply Partnership.
- As part of the Jordan Lake One Water initiative, TJCOG leads several workgroups of various stakeholders to develop recommendations for financial structure, evaluation metrics, and monitoring requirements.

**Employee Items**

- The budget includes a proposed 3% merit increase for employees that meet or exceed expectations.
- No new staff members are recommended as part of next year’s budget.
- There is 1 staff reclassification recommended in the Area Agency on Aging.
- TJCOG received a favorable increase in health insurance this year at 2%.

**Indirect Expenses**

- Indirect budget includes facility lease, technology costs, finance department, office assistants and executive director salaries, legal costs, and office equipment costs.
- Overhead costs are charged across every department to pay for indirect expenses.
- Ways to lower indirect costs are to cut expenditures in indirect costs or increase program revenues.

**Contingency update**

- Last year revenues were tight and there was no room to set funds aside for contingency.
This year contingency is budgeted at $46,343 to use for unknown issues that may arise or match local government funding.

Questions in response to Presentation of FY 2021 Recommended Budget

Ms. Laney asked if the list of identified priorities was presented in order of priority. Mr. Worsley answered no, they are all priorities.

Ms. Baldwin asked what the State is trying to do with the Area Agency on Aging in response to COVID-19. Mr. Worsley stated the Area Agency on Agency Director communicates what she is hearing from multiple agency service providers with the State. Mr. Worsley also stated TJCOG is newly engaged with the State of NC and the National Guard to coordinate food delivery with a specific focus on the elderly. TJCOG’s role with long term care facilities for senior adults is based on residents’ rights and advocacy, which is different than authority from the state.

Ms. Hageman asked why smaller members pay greater dues per capita in comparison to larger towns. Mr. Worsley answered all members pay $0.39 per capita for each resident up to 150,000 and once the population exceeds 150,000, the dues reduce to $0.20. Larger communities pay $0.39 for the first 150,000; the population threshold was changed from 100,000 to 150,000 several years ago and the Board delegated the additional funds generated were to be used for development and infrastructure work. Ms. Hageman suggested that if TJCOG seeks to receive more membership dues, they should have assessments be more consistent. Mr. Hodges-Copple explained there used to be a lower threshold for member assessments before there was a need for development and infrastructure. Mr. Worsley added there are other ways member governments pay for services directly provided by TJCOG.

Mr. McGrath asked for a comparison of member assessments with other COGs for next year. Chair Crawford asked staff to provide comparable member assessments for in state and out of state COGs.

Mr. Drum thanked TJCOG for coordinating regular managers meetings for the Village of Pinehurst and other towns in Moore County.

Mr. Rao asked if members had different ideas about strategy and innovation, how to bring best practices on collaboration and data to TJCOG’s attention as it relates to strategy and innovation. Mr. Worsley answered all questions relative to strategy and innovation can be directed to Jenny Halsey, TJCOG’s Local Government Consultant/Human Resources Officer. Mr. Rao further expressed COVID-19 will likely affect town budgets, therefore the need for regional collaboration is greater than ever.

Mr. Gantt asked for an explanation of why there is a change in contracts year to year in the budget. Mr. Worsley explained contracts are for different projects for different entities and it’s natural to see that fluctuate based on the work TJCOG has been asked to do.
• **Open Public Hearing for FY 2021 Recommended Budget**

Chair Crawford asked for a motion to officially open the public hearing. *Mr. Marshburn made a motion to open the public hearing on the TJCOG FY 2021 Recommended Budget*. *Ms. Laney seconded the motion; the motion was unanimously approved. Chair Crawford opened the public hearing at 7:10pm.*

Chair Crawford reported that no comments had yet been submitted and explained that the public could submit comments via tj cog@tjcog.org. He said the public hearing will be held open for 20 minutes while the Board moves to other items on the agenda.

• **Resolution of Support for Rail Corridor Acquisition by NCDOT**

TJCOG Regional Planning Director John Hodges-Copple presented the Resolution of Support for Rail Corridor Acquisition, which was a request by integrated mobility personnel at the North Carolina Department of Transportation. There is a federal grant program that provides funds for purchasing track and right-of-way. Mr. Hodges-Copple shared that the Commonwealth of Virginia recently purchased part of the S-Line and it extends into North Carolina. NCDOT plans to apply for funds to continue the rail corridor acquisition to extend the S-Line. Mr. Hodges-Copple stated TJCOG’s ask is to continue the resolution.

Mr. Hutchinson, noted he is chair of CAMPO, and shared this is a major opportunity for the region regarding transportation. If the NCDOT can provide the S-Line, it would provide a high-speed connection to Virginia and come through Wake Forest. Downtown Wake Forest to Downtown Raleigh would be a 23-minute ride versus the current Capital Boulevard commute via automobile. Apex, Cary, Raleigh, and Wake Forest would connect on the North to South commuter rail network in connection to the existing East to West with Garner, Raleigh Morrisville, Cary, RTP-Durham. Chair Crawford shared that Chatham County has already passed a resolution in favor of this transportation plan.

*Ms. Dalrymple made a motion to approve the Resolution of Support for Rail Corridor Acquisition by NCDOT. Mr. Hutchinson seconded the motion; the motion was passed by a unanimous vote.*

**Chair’s Report**

Chair Crawford stated he will send out an email reminder to the nominating committee. Chair Crawford stated the nominating committee will present its report and a proposed slate of officers for FY2021 at the May Board of Delegates meeting.

**Executive Director’s Report**

Mr. Worsley stated there was no further business to report. He stated COVID-19 challenges could present opportunities to collaborate and TJCOG is here and ready to assist members. He complimented Chair Crawford on facilitating the meeting and thanked TJCOG staff for all that they have been doing to adjust to COVID-19.
Closure of Public Hearing on FY 2021 Recommended Budget
Chair Crawford confirmed that no inquires or comments came in for the public hearing and that the designated 20-minute waiting period had expired.

Chair Crawford asked for a motion to close the public hearing. *Mr. Smith motioned to close the public hearing. Mr. Rains seconded the motion; the motion was passed with a unanimous vote. Chairman Crawford closed the public hearing at 7:22 pm.*

**Around the Region**
Chair Crawford asked each delegate to share how their communities are dealing with COVID-19 and share any questions or concerns with the group. Chair Crawford called the roll to acknowledge each member in attendance during the virtual meeting.

**Other Business**
Mr. Wilson asked the Board of Delegates to observe a moment of silence to recognize those families and workers impacted by this pandemic. Chair Crawford concurred and asked the Board to observe this moment of silence.

Having no further business, *Mr. Smith made a motion to adjourn. Mr. McGrath seconded the motion; the motion passed unanimously. Chair Crawford adjourned the meeting at 8:31 PM.*

___________________________  __________________
Hallie Allen, Recording Officer  James G. Crawford, Chair
Agenda Section: Consent Agenda
Appointment of the Triangle J Regional Corporation Class of 2023

**Background:** The Board of Delegates is responsible for appointing Board members of the Triangle J Regional Corporation. The Triangle J Regional Corporation was authorized by the Triangle J COG Board of Delegates and is a separate legal entity that is currently applying for 501C3 not-for-profit status from the IRS. The 501C3 will work with Triangle J COG to apply for funding opportunities on behalf of member governments, and the region, when those funding opportunities are only available for not-for-profit entities.

A Board of Directors for the Triangle J Regional Corporation has been established and appointments are made by the Triangle J Board of Delegates. A nominating committee consisting of Triangle J Regional Corporation Board members Bethany Chaney (Nominating Committee Chair), Audra Killingsworth and Rae Buckley presented a slate of Board member nominees for the full 501C3 Board to consider. The 501C3 Board concurred with the Nominating Committee’s recommendations and presents the following recommended slate of Triangle J Regional Corporation Board members to the TJCOG Board of Delegates for terms beginning on July 1, 2020 and ending on June 30, 2023.

- DeDreana Freeman, TJCOG Board Delegate and Durham Councilmember
- Nancy Medlin, Deputy Town Manager, Town of Clayton
- Jim Simeon, Former TJCOG Board Delegate and former Southern Pines Councilmember
- Mark Wilson, TJCOG Board Delegate and Archer Lodge Councilmember

All individuals recommended for appointment are currently members of the Triangle J Regional Corporation Board of Directors and have agreed to continue service on the 501C3 Board if reappointed. Since the 501C3 was created less than a year ago, the members being considered for reappointment have only served 2 years on the 501C3 Board so that 1/3 of the 501C3 Board will have terms expiring each year.

**Recommendation(s):** It is recommended that the TJCOG Board of Delegates accept the recommendation of the Triangle J Regional Corporation Board of Directors and appoint DeDreana Freeman, Nancy Medlin, Jim Simeon and Mark Wilson to the Triangle J Regional Corporation Board of Directors for terms beginning on July 1, 2020 through June 30, 2023.

**Staff Responsible:** Lee Worsley, Executive Director
Agenda Section: Consent Agenda

**Background:** Triangle J has renegotiated its contract for auditing services with Cherry Bekaert LLP for a period of five years. Attached is the Local Government Commission (LGC) Contract and Audit engagement letter for FY 2019-20. Cherry Bekaert LLP has proposed a contract price of $27,700 for the audit services associated with the financial statements, which is comparable to the current agreement. The Finance Director has reviewed all materials and is satisfied with its accuracy and suitability for acceptance.

**Recommendation(s):** It is recommended the Board of Delegates accept and approve the LGC Contract for preparing financial statements and performing the audit for FY 2019-20; that the Chairman be authorized to sign the LGC Contract; and the Finance Director be authorized to sign the engagement letter. Following execution, the LGC Contract will be submitted to the Local Government Commission for its review and approval.

**Staff Responsible:** Judy Weller, Finance Director
February 4, 2020

Ms. Judy Weller  
Triangle J Council of Governments  
4307 Emperor Boulevard, Suite 110  
Durham, North Carolina 27703  

Dear Ms. Weller:

This engagement letter between Triangle J Council of Governments (hereafter referred to as the “Council”) and Cherry Bekaert LLP (the “Firm” or “Cherry Bekaert”) sets forth the nature and scope of the services we will provide, the Council’s required involvement and assistance in support of our services, the related fee arrangements, and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services, and to achieve the mutually agreed-upon objectives of the Council.

SUMMARY OF SERVICES

We will provide the following services to the Council as of and for the year ended June 30, 2020:

Audit and attestation services

1. We will audit the basic financial statements of the Council as of and for the year ended June 30, 2020 including the governmental activities, the general fund, and the fiduciary fund.

2. We will audit the supplementary information and schedule of expenditures of federal and state awards. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

3. We will apply limited procedures to the Management’s Discussion and Analysis (“MD&A”) and Required Supplementary Information (“RSI”) which will consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements.

Accounting and other services

We will provide the following additional services:

4. Assist in the preparation of the financial statements and footnotes.
5. Complete the appropriate sections of and sign the Data Collection Form.
YOUR EXPECTATIONS

Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the Council’s expectations. Our service plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

The Council recognizes that our professional standards require that we be independent from the Council in our audit of the Council’s financial statements and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with the Council and the Council should not expect that we will act only with due regard to the Council’s interest in the performance of this audit, and the Council should not impose on us special confidence that we will conduct this audit with only the Council’s interest in mind. Because of our obligation to be independent of the Council, no fiduciary relationship will be created by this engagement or audit of the Council’s financial statements.

The engagement will be led by April Adams, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

AUDIT AND ATTESTATION SERVICES

The objective of our audit is the expression of opinions as to whether the Council’s basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and the State Single Audit Implementation Act.

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Council’s internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.
Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Uniform Guidance; the Single Audit Act Amendments of 1996; State Single Audit Implementation Act and OMB Guidance for Grants and Agreements (2 CFR 200) and will include tests of accounting records and other procedures as deemed necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Council’s financial statements. We will also issue written reports upon completion of our Single Audit. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

NONATTEST ACCOUNTING AND OTHER SERVICES

In connection with any of the audit, accounting, or other services noted below, we will provide a copy of all schedules or other support for you to maintain as part of your books and records supporting your basic financial statements. You agree to take responsibility for all documents provided by Cherry Bekaert and will retain copies based on your needs and document retention policies. By providing these documents to you, you confirm that Cherry Bekaert is not responsible for hosting your records or maintaining custody of your records or data and that Cherry Bekaert is not providing business continuity, or disaster recovery services. You confirm you are responsible for maintaining internal controls over your books and records including business continuity and disaster recovery alternatives. In addition, any documents provided to Cherry Bekaert by the Council in connection with these services will be considered to be copies and will not be retained by Cherry Bekaert after completion of the accounting and other services. You are expected to retain anything you upload to a Cherry Bekaert portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

The accounting and other services described in this section are nonaudit services, which do not constitute audit services under Government Auditing Standards, and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming Council’s management responsibilities.

In conjunction with providing these accounting and other services, we may use third-party software or templates created by Cherry Bekaert for use on third-party software. Management expressly agrees that the Council has obtained no rights to use such software or templates and that Cherry Bekaert’s use of the Council’s data in those applications is not deemed to be hosting, maintaining custody, providing business continuity, or disaster recovery services.
Accounting services
We will advise Council’s management about the application of appropriate accounting principles, and may propose adjusting journal entries to the Council’s financial statements. The Council’s management is responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the Council’s financial statements. If, while reviewing the journal entries, the Council’s management determines that a journal entry is inappropriate, it will be the Council’s management’s responsibility to contact us to correct it.

Financial statement preparation
We will assist in the preparation of the Council’s financial statements and related notes, based on information provided by the Council. However, the responsibility for the Council’s financial statements and notes remains with the Council’s management. This responsibility includes establishing and maintaining adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, the safeguarding of assets, and adjusting the financial statements for any material misstatements as well as reviewing and approving for publication the draft financial statements prepared with our assistance.

Data Collection Form
We will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to the Council; however, it is the Council’s management’s responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors’ reports, and corrective action plan) along with the Data Collection Form to the designated federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors’ reports or nine months after the end of the audit period.

Council’s management responsibilities related to accounting and other services
For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, retain relevant copies supporting your books and records, and accept overall responsibility for the results of the services.

Prior to the release of the report, the Council’s management will need to sign a representation letter acknowledging its responsibility for the results of these services, and acknowledging receipt of all appropriate copies.

COUNCIL’S MANAGEMENT RESPONSIBILITIES RELATED TO THE AUDIT
The Council’s management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that the Council’s management and financial information is reliable and properly reported. The Council’s management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of
federal awards and all accompanying information in conformity with U.S. GAAP; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationship in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

The Council’s management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under Uniform Guidance, (3) additional information that we may request for the purpose of the audit and (4) unrestricted access to persons within the Council from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Council involving (1) the Council’s management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Council received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the Council complies with applicable laws, regulations contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is the Council’s management’s responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

The Council’s management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation
have not changed from those used in the prior period or, if they have changed, the reasons for such changes); and (4) the Council has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with U.S. GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The Council’s management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The Council’s management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing Council’s management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all the Council’s management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

FEES

The estimated fee contemplates only the services described in the Summary of Services section of this letter. If the Council’s management requests additional services not listed above, we will provide an estimate of those fees prior to commencing additional work.
The following summarizes the fees for the services described above:

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<tr>
<th>Description of Services</th>
<th>Estimated Fee</th>
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<tr>
<td><strong>Audit and attestation services</strong></td>
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<td><strong>Accounting and other services</strong></td>
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<td>Complete the appropriate sections of and sign the</td>
<td>Include above</td>
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<td>Data Collection Form</td>
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The fees will be billed periodically. Invoices are due on presentation. A service charge will be added to past due accounts equal to 1½% per month (18% annually) on the previous month’s balance less payments received during the month, with a minimum charge of $2.00 per month.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. If you have any questions, please call April Adams at 919-782-1040.

Sincerely,

CHERRY BEKAERT LLP

ATTACHMENT – Engagement Letter Terms and Conditions

______________________________
Genre Director

TITLE: Finance Director DATE: 05/27/2020

______________________________
Culture Director

TITLE: Finance Director DATE: 05/27/2020
Cherry Bekaert LLP

Engagement Letter Terms and Conditions

The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

LIMITATIONS OF THE AUDIT REPORT

Should the Council wish to include or incorporate by reference these financial statements and our report thereon into any other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards (“GAAS”) to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the Council will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

LIMITATIONS OF THE AUDIT PROCESS

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by the Council’s management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statements. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statements. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the Council) on the financial statements.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. In the event that we have to consult with the Council’s counsel or counsel of our choosing regarding any illegal acts we identify, additional fees incurred may be billed to the Council. You agree that the Council will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the Council’s financial statements. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statements, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.
AUDIT PROCEDURES – GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Council’s management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Council or to acts by the Council’s management or employees acting on behalf of the Council. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of the Council’s management of any material errors and fraud, or illegal acts that come to our attention during the course of our audit. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

AUDIT PROCEDURES – INTERNAL CONTROLS

Our audit will include obtaining an understanding of the Council and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control, including cybersecurity, and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.
As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the Council’s management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants (“AICPA”) professional standards, Government Auditing Standards, and the Uniform Guidance.

AUDIT PROCEDURES – COMPLIANCE

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Council's compliance with provisions of applicable laws and regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Council’s major programs. The purpose of these procedures will be to express an opinion on the Council’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

NONATTEST SERVICES

All nonattest services to be provided in the attached engagement letter shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under nonattest services in the attached letter.

You agree that the Council’s designated individual will assume all the Council’s management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, the designated individual is responsible for:

- Making all financial records and related information available to us.
- Ensuring that all material information is disclosed to us.
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- Identifying and ensuring that such nonattest complies with the laws and regulations.
The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the Council’s designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the Council’s designated individual. Such advice and guidance shall be limited as permitted under the Code of Professional Conduct.

COMMUNICATIONS

At the conclusion of the audit engagement, we may provide the Council’s management and those charged with governance a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the Council make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement, we will ensure that certain additional matters are communicated to the appropriate members of the Council. Such matters include (1) our responsibility under GAAS; (2) the initial selection of and changes in significant accounting policies and their application; (3) our independence with respect to the Council; (4) the process used by Council’s management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates; (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statements or our report; (6) any disagreements with the Council’s management concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements; (7) our views about matters that were the subject of the Council’s management’s consultation with other accountants about auditing and accounting matters; (8) major issues that were discussed with the Council’s management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and (9) serious difficulties that we encountered in dealing with the Council’s management related to the performance of the audit.

We have attached, as required by LGC of North Carolina, a copy of the report on our most recent peer review.

OTHER MATTERS

Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 12 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.), or their representatives (“Regulators”) pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow
Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the AICPA. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the Council may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

Electronic transmittals
During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. As an alternative, we recommend using our Client Portal ("Portal") to transmit documents. Portal allows the Council, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, and other electronic methods to transmit and receive information, including confidential information between the Firm, the Council, and other third party providers utilized by either party in connection with the engagement.

Use of third-party providers
In the normal course of business, we may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third-party service provider. On these occasions, we remain responsible for the adequate oversight of all services performed by the third-party service provider and for ensuring that all services are performed with professional competence and due professional care. We will adequately plan and supervise the services provided by the third-party service provider; obtain sufficient relevant data to support the work product; and review compliance with technical standards applicable to the professional services rendered. We will enter into a contractual agreement with the third-party service provider to maintain the confidentiality of information and be reasonably assured that the third-party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

Subpoenas
In the event we are requested or authorized by the Council, or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for the Council, the Council will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

Dispute resolution procedures
If any dispute, controversy, or claim arises in connection with the performance or breach of this Agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation would be conducted by a mediator acceptable to both parties. Both parties would exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute, controversy, or claim.
Waiver of Trial by Jury
In the event the parties are unable to successfully mediate any dispute, controversy or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.

Independent Contractor
Each Party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

No Third-Party Beneficiaries
The Parties do not intend to benefit any third party by entering into this Agreement, and nothing contained in this Agreement confers any right or benefit upon any person or entity who or which is not a signatory of this Agreement.

TERMS AND CONDITIONS SUPPORTING FEE
The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the Council’s personnel, timely delivery of requested audit schedules and supporting information, timely communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden Council requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed-upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fee does not include assistance in bookkeeping or other accounting services not previously described. If for any reason the Council is unable to provide such schedules, information, and assistance, the Firm and the Council will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the Council will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the Council with respect to matters of accounting, financial reporting, or other significant business issues as permitted by professional standards. Accordingly, time necessary to affect a reasonable amount of such consultation is reflected in our fee. However, should a matter require research, consultation, or audit work beyond that amount, the Firm and the Council will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the Council at this time, but do not include any time related to the application of new auditing or accounting standards that impact the Council for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing, and extent of our planned audit procedures and will communicate with the Council concerning the scope of the additional procedures and the estimated fees.
The Council agrees to pay all costs of collection (including reasonable attorneys’ fees) that the Firm may incur in connection with the collection of unpaid invoices. In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the Council will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the Council and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.
Report on the Firm’s System of Quality Control

October 22, 2019

To the Partners of Cherry Bekaert LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer’s Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FIDICIA, an audit of broker-dealers, and an examination of service organizations [SOC 1 engagement].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Cherry Bekaert LLP has received a peer review rating of pass.

EisnerAmper LLP
EisnerAmper LLP
The Governing Board of Delegates
Primary Government Unit (or charter holder) Triangle J Council of Governments
and Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and Auditor Name Cherry Bekaert LLP
Auditor Address 2626 Glenwood Ave. Suite 200 Raleigh, NC 27608

Hereinafter referred to as Auditor

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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with Government Auditing Standards if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity’s auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor’s receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as “significant deficiencies and material weaknesses” in AU-C 265 of the AICPA Professional Standards (Clarified). The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked ‘approved’ with approval date shall be returned to...
the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit’s (Units’) audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management’s Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor’s opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors’ opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit’s (Units’) financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the
Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners’ Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit’s (Units’) failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26.  E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27.  For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.
FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and Governmental Auditing Standards, 2018 Revision. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☑Auditor ☐Governmental Unit ☐Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

<table>
<thead>
<tr>
<th>Name:</th>
<th>Title and Unit / Company:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judy Weller</td>
<td>Finance Director/Triangle J Council</td>
<td><a href="mailto:jweller@tjcog.org">jweller@tjcog.org</a></td>
</tr>
</tbody>
</table>

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3.0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

### PRIMARY GOVERNMENT FEES

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<tr>
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<td>Additional Fees Not Included in Audit Fee:</td>
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<td>Fee per Major Program</td>
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<td>Writing Financial Statements</td>
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<td>All Other Non-Attest Services</td>
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<tr>
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### DPCU FEES (if applicable)

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# SIGNATURE PAGE

## AUDIT FIRM

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<tr>
<th>Audit Firm*</th>
<th>Cherry Bekaert LLP</th>
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<tbody>
<tr>
<td>Authorized Firm Representative (typed or printed)*</td>
<td>April Adams</td>
</tr>
<tr>
<td>Date*</td>
<td>02/04/20</td>
</tr>
<tr>
<td>Signature*</td>
<td>April Adams</td>
</tr>
<tr>
<td>Email Address*</td>
<td><a href="mailto:aadams@cbh.com">aadams@cbh.com</a></td>
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## GOVERNMENTAL UNIT

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</tr>
<tr>
<td>Approved Audit Contract*</td>
<td>(G.S.159-34(a) or G.S.115C-447(a))</td>
</tr>
<tr>
<td>Mayor/Chairperson (typed or printed)*</td>
<td>James Crawford</td>
</tr>
<tr>
<td>Signature*</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>Email Address</td>
<td></td>
</tr>
</tbody>
</table>

| Chair of Audit Committee (typed or printed, or “NA”) | N/A |
| Date                                               | 05/27/2020 |
| Email Address                                      | jweller@tjcog.org |

## GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

<table>
<thead>
<tr>
<th>Primary Governmental Unit Finance Officer* (typed or printed)</th>
<th>Judith Weller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature*</td>
<td>Judith Weller</td>
</tr>
<tr>
<td>Date of Pre-Audit Certificate*</td>
<td>05/27/2020</td>
</tr>
<tr>
<td>Email Address*</td>
<td><a href="mailto:jweller@tjcog.org">jweller@tjcog.org</a></td>
</tr>
</tbody>
</table>
SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

<table>
<thead>
<tr>
<th>DPCU*</th>
<th>N/A</th>
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</thead>
<tbody>
<tr>
<td>Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))</td>
<td>Signature*</td>
</tr>
<tr>
<td>DPCU Chairperson (typed or printed)*</td>
<td>Date*</td>
</tr>
<tr>
<td></td>
<td>Email Address*</td>
</tr>
</tbody>
</table>

| Chair of Audit Committee (typed or printed, or “NA”) | Signature |
| Date | Email Address |

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

| DPCU Finance Officer (typed or printed)* | Signature* |
| N/A | |
| Date of Pre-Audit Certificate* | Email Address* |

Remember to print this form, and obtain all required signatures prior to submission.
Agenda Section: Consent Agenda  
FY 2019-20 Budget Amendment No. 3

**Background:** Since the adoption of the Fiscal Year 2019-20 budget, TJCOG has received some changes in revenues and expenditures. Inasmuch, Fiscal Year 2019-20 Budget Amendment No. 3 is presented to the Board of Delegates for consideration. This amendment is routine in nature and ordinarily would be on consent agenda.

This amendment addresses the following: A change in revenues due to new contract agreement. Attached, you will find a copy of the proposed budget modifications. These changes are designed to keep Triangle J compliant with the NC Budget and Fiscal Control Act.

**Recommendation(s):** It is recommended that the Board of Delegates approve Fiscal Year 2019-20 Budget Amendment No. 3, as attached.

**Staff Responsible for Technical Support:** Judy Weller, Finance Director.
A Resolution for Budget Amendment No. 3 of the Fiscal Year 2019 - 2020

WHEREAS, the Triangle J Council of Governments adopted its 2019-20 Budget Resolution on May 22nd, 2019; and,
WHEREAS, it is necessary for Triangle J to make a revision by way of the following budget amendment;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DELEGATES OF THE TRIANGLE J COUNCIL OF GOVERNMENTS that Triangle J's FY 2019-20 Budget Resolution is hereby amended by Budget Amendment No. 3 as follows:

### 4003 Member Services

The following accounts should be adjusted by:

<table>
<thead>
<tr>
<th>Revenue Account</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Income</td>
<td>$52,000</td>
</tr>
<tr>
<td>Total</td>
<td>$52,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense Account</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual</td>
<td>$35,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>$8,300</td>
</tr>
<tr>
<td>Fringe</td>
<td>$3,568</td>
</tr>
<tr>
<td>Indirect</td>
<td>$5,132</td>
</tr>
<tr>
<td>Total</td>
<td>$52,000</td>
</tr>
</tbody>
</table>

Purpose: Received additional revenue
Funding: Various projects

Jim Crawford, Chair

Attest:

Lee Worsley, Executive Director
Agenda Section: Around the Region
Community Engagement in the Region During COVID-19

**Background:** At the request of local government managers and staff, TJCOG is hosting a series of Regional Roundtables over the next month on challenging topics and pressing issues for municipalities responding to and planning for COVID-19 impacts. One of these roundtables will center on community engagement, the changing dynamic of engagement during social distancing and ongoing COVID-19 restrictions, the importance of equitable engagement, and the ways that different organizations are testing new engagement strategies. The roundtable is being designed specifically for staff, but it is equally valuable for elected officials and the TJCOG Board, collectively, to discuss and share ideas around engagement. During this time, delegates are encouraged to share ways they are attempting to engage residents during COVID-19, questions for their peers, and observations about the topic in their organization or across the region.

**Recommendation(s):** It is recommended that the Board of Delegates share examples, questions, and best practices around community engagement during the COVID-19 pandemic.

**Staff Responsible:** Alana Keegan, Engagement Specialist