



Minutes of the Finance & Operations Committee (FOC) Meeting  
of the Board of Trustees of the Utah Transit Authority (UTA)  
Wednesday, April 12, 2017  
FrontLines Headquarters, 669 West 200 South, Salt Lake City, UT

**Committee Members:**

*Jeff Acerson, FOC Chair*  
Cort Ashton  
Greg Bell  
Dannie McConkie  
Jeff Hawker - Excused

**Attending Board Members:**

Charles Henderson  
Brett Milburn  
Robert McKinley  
Necia Christensen

UTA Staff members were available for comment.

---

**Call to Order**

Chair Acerson called the meeting to order at 12:03 p.m.

**Safety First Minute**

Chair Acerson yielded the floor to Dave Goeres, Chief of Safety & Security and Technology Officer for UTA who offered a brief safety message.

**02-08-17: TOC & FOC Joint Meeting Report Approval**

A motion to approve the February 8, 2017 TOC & FOC joint meeting minutes was made by Trustee Dannie McConkie and seconded by Trustee Jeff Acerson. Motion Carried. Trustee Cort Ashton abstained from voting because he wasn't in attendance at the last meeting.

**Dec/Jan/Feb Financial Reports & Dashboards**

Robert Biles, UTA Vice President of Finance presented.

- December numbers are preliminary, the year-end audit will be starting soon
  - Sales Taxes of \$245 million was \$3 million over the budgeted amount of \$242 million. \$1.7 million of the taxes received were from Prop 1
  - Fare Revenue of \$50.4 million came in below the budgeted amount of \$53.3 million. This was due to a drop in ridership.
  - Operating Expenses of \$240.1 million came in \$15 million under budget. This was mostly due to a savings in fuel, \$2 million savings in wages and benefits, and \$2 million from warranty recovery funds.
- February
  - YTD Sales Taxes of \$18.4 million is higher than the budgeted amount of \$17.5 million.
  - YTD Fare Revenue of \$8.3 million are below the budgeted amount of \$8.9 million by 6.7%.
  - YTD Ridership is down 1.5% compared to the same period in 2016.
  - YTD Operating Expenses of \$40.8 million is \$3.9 million below the budget of \$44.7 million.
  - YTD IPR of \$4.54 exceeds the goal of \$4.50, with fuel savings IPR is \$4.041.

Board Chair Robert McKinley asked whether the decrease in ridership is related to the cost of fuel. Chair Acerson stated that he could commission his students (or UDOT) to do a study to see if there is a correlation between fuel, traffic jams, and UTA's schedule to see if they have a direct bearing on ridership.

Jerry Benson, UTA President/CEO stated he liked the idea. He went on to say a study was done years ago and now may be a good time to share it with the committee again and decide if it should be updated.

### **2017 Leasing Program**

Mr. Biles presented.

- 2017 budget included the acquisition of 49 buses, 40 paratransit vans, and 40 vans via lease-purchase agreements
- The resolution authorizes the Treasure, or Deputy Treasurer, and CEO/President select and approve the principal amounts, interest rates, terms, description of equipment and other pricing terms as long as the lease-purchase agreements fall within the following parameters:
  - Amount: \$30,017,914 (\$1.8 million lower than the adopted 2017 capital budget lease amount for vehicles)
  - Term: 12 years or less
  - Interest Rate: 3.6% or less

A motion to forward the 17-04-01 Vehicle Lease Parameters Resolution to the Board Executive Committee to forward on to the full Board for approval was made by Trustee McConkie. Trustee McKinley seconded the motion. The motion passed unanimously.

### **Quarterly Investment Report**

Mr. Biles presented.

- The UTA Treasurer is required to provide a quarterly investment report to the Finance & Operations Committee which acts as the designated Investment Committee.
- There has been no investment activity for the first quarter of 2017.
- Zion's Wealth Advisors continues to manage a separate portfolio of investments totaling \$24.9 million, with maturities of three years or less.
- All other available cash is invested with the state investment pool (PTIF), which earned yields of 1.1644%, 1.1843%, for January and February.
- UTA invests in compliance with the Money Management Act

### **Operations/Capital/Assets (OCA) Dashboards**

Todd Provost, UTA Vice President of Operations, Capital, & Assets presented.

- Operations - Ridership & Reliability
  - YTD Ridership of 7.37 million is 1.53% lower than the same period in 2016. This may be due to a decrease in special events being held in Salt Lake City.
  - YTD Reliability of 91.38% is 2.49% lower than the same period in 2016. This was due to a 93% increase in snow fall, major accidents (including fatalities), and catenary issues.

Board Chair Robert McKinley questioned the standard of 88%. Mr. Benson explained that 88% is the industry standard but UTA has a stretch goal for each of the business units to exceed that.

Trustee Cort Ashton suggested staff track two reliability numbers; one for overall reliability and one for events out of staff control.

- Capital – Environmental
  - UTA has a goal to continually reduce its carbon footprint on the environment
  - Digital monitoring systems for HVAC and lighting have been installed so they can be easily managed to save on use and expenses
  - Station snowmelt systems turned on during a snow storm are done so on a rolling cycle to maintain energy efficiency

Mr. Benson explained that UTA participates in the Environmental Management System and has been certified by ISO since 2005. Each year UTA sets goals for improvement, often around fuel, emissions, spills, etc. and looking at innovations on how we program our vehicles so the most efficient vehicles are put on the routes with the most miles.

- Asset Management – State of Good Repair
  - Inspections are done to keep UTA’s assets in a state of good repair. Over 1,500 inspections are done per month. On light rail alone, over 36,000 inspections/repairs are done per year to keep us in a state of good repair
  - UTA’s goal is to maintain all of our assets at a rating of give or above. Failure to be in a state of good repair is any asset with a two or below rating.

Discussion about the various inspections/work being done to find, prioritize, prevent, repair, and maintain, UTA’s assets in a state of good repair took place. Chair Acerson stated a lot of great work is being done and a positive media story about it would be nice.

**Asset Management & Capital Development Overview**

Mr. Provost yielded the floor to Paul Edwards, UTA Director of Asset Management and Steve Meyer, UTA Director of Capital Projects to share their presentations.

- Mr. Edwards presented on Asset Management Snow Removal for 2016-2017 and Improvements for 2017-2018
  - A list of Infrastructure Elements for 2016-2017 was displayed which included: stations, park-n-ride lots with sidewalks, bus stops, service centers, intermodal hubs, right of way and track miles, crossing gates, switches, and derails.
  - Utah’s snow year is from October to April. A list of the number of snow removal resources (staff) was displayed, along with a list of additional staff that are on call to assist for significant snow fall events.
  - A list of pre-winter preparation activities that are completed by staff from the Facilities and MOW departments was shared.
  - A snow removal matrix of events conducted by the Facilities and MOW employees prior to the arrival of storms was displayed.
  - Things that went well during the 2016-17 snow removal year and opportunities for improvement for the 2017-18 season were discussed.

Discussion about the snow removal activities that take place, and/or should take place or be improved on UTA’s infrastructure to make sure it’s safe for our customers was discussed.

Chair Acerson asked Mr. Edwards what the natural barriers are that he sees and if he has what he/his staff needs to be able to do their jobs. Mr. Edwards explained that the financial constraints within all

of transit and not having enough staff makes things difficult. He went on to say his staff is overworked but prioritizes their work so they can be as efficient as they possibly can with the staff that they have. Mr. Benson reminded Chair Acerson and the rest of the Board members present that in his State of UTA presentation to the Board, he mentioned UTA is behind on its state of good repair. For instance, some buses and light rail vehicles are 18 years old and should've been replaced after 15.

- Mr. Meyer presented the Capital Projects – Process / 5 year Plan
  - Mr. Meyer displayed the Capital Projects organization chart and shared a little bit about what each area/person does to support the department.
  - 2017 Capital Budget – Total \$256,096,193
    - Revenue/Service Vehicles = \$42,397,425 (includes full value of leased vehicles)
    - Information Technology = \$14,086,817
    - Facilities, Safety = \$2,346,245
    - Capital Development = \$155,791,144
    - Rail Maintenance = \$4,579,036
    - State of Good Repair = \$25,675,659
    - Proposition 1 Projects = \$11,220,638
  - A list of the 2017 Capital State of Good Repair/Safety projects was displayed. Mr. Meyer read through them and briefly explained what each of one entailed.

#### **Input & Date for the Next Committee Meeting**

- March/April Financial Reports & Dashboards
- Planning (Bus/LR/CR) Presentation
- Safety Report & SSO Update
- GMSSC Report

#### **Adjourn**

Trustee Ashton made a motion to adjourn at 2:01 p.m. Trustee McConkie seconded the motion. Meeting adjourned

Transcribed by:

Aj Anderson, Sr. Office Specialist to the  
VP of Operations, Capital, & Assets

[aanderson@rideuta.com](mailto:aanderson@rideuta.com)

(801) 287-2309