



**Report of the Meeting
of the
Finance & Audit Committee (FAC) of the Utah Transit Authority (UTA)
held at UTA FrontLines Headquarters located at
669 West 200 South, Salt Lake City, Utah
May 9, 2018**

Committee Members Present:

Jeff Acerson, Committee Chair
Cort Ashton

Gina Chamness (excused)
Dannie McConkie

Committee Members Excused/Not in Attendance: Three committee members were present with one excused. Also in attendance was Necia Christensen, who was participating on the agenda. Toby Mileski and Bret Millburn joined toward the end of the meeting.

Also attending were members of UTA staff.

Welcome and Call to Order. Chair Acerson welcomed attendees and called the meeting to order at 10:34 a.m. with three voting committee members present.

1. Safety Minute. Chair Acerson yielded the floor to Dave Goeres, UTA Chief Safety, Security and Technology Officer, for a brief safety message.

2. Item(s) for Consent

- Approval of March 19, 2018 Finance & Audit Meeting Report
- Approval of April 11, 2018 Finance & Audit Meeting Report
- Approval of April 17, 2018 Finance & Audit Meeting Report

A motion to approve the consent agendas was made by Trustee McConkie and seconded by Trustee Christensen. The motion carried by unanimous consent.

3. February & March Financial Reports & Dashboards

Bob Biles, Vice President of Finance, presented an overview of the reports.

A motion to accept the financial reports and dashboards and forward to the full board was made by Trustee McConkie and seconded by Trustee Ashton. The motion passed by unanimous consent.

4. Q1 2018 Quarterly Investment Report

Bob Biles presented the investment report for the first quarter of 2018. A motion to approve the report was made by Trustee Ashton and seconded by Trustee McConkie. The motion passed by unanimous consent.

5. Contracting & Expenditure Authority

Bob Biles reviewed the proposed resolution which addresses granting contract and expenditure authority and remaining in compliance with Senate Bill 136. The resolution looks at three distinct sections which include: 1) contracts, 2) change orders and 3) disbursements.

In-depth discussions occurred which included: questions regarding the process for reviewing and approving disbursements, procurement policy and procedure, as well as how the decisions of the two designees would be ratified by the entire Board. There was also some discussion as to how the approval process would fall within the Utah Open Meetings act.

Todd Mills, Supply Chain Manager, outlined the procurement processes and explained that there is a system of checks and balances established which ensure that once the invoices are brought to the two committee members, that procurement procedures and regulations will have been adhered to. A brief explanation was also provided regarding the appeal process. Trustee Ashton was assured that a checklist would be provided to those designated as the trustees for approving the invoices in order to assist them with their stewardship over this new task. Steve Meyer, Acting Interim Executive Director, also provided additional information regarding the process and the checks and balances in place. Discussion on whether a Finance & Audit Committee review (rather than two committee members' review) would be more appropriate for review and approval of items under \$1 million. It was clarified that the full Board would review and approve contracts, change orders and disbursements exceeding \$999,999. Bob Biles, VP Finance, also provided detail

descriptions of what the majority of the invoices include and defined what an “emergency” would constitute. Discussion ensued.

A motion to forward the resolution to the full Board of Trustees regarding Contracting & Expenditure Authority to the full board was made by Trustee Ashton and seconded by Trustee McConkie. The motion passed by unanimous consent.

6. Revenue Service Vehicle Lease

Bob Biles outlined the proposed resolution to lease new revenue vehicles as well as the reasons and logic behind leasing vs. purchasing. Budget constraints and interest rates were thoroughly reviewed.

A motion to send the resolution regarding Revenue Service Vehicle Leases to the full board was made by Trustee Ashton and was seconded by Trustee McConkie. The motion was approved by unanimous consent.

7. Disposition of Surplus Property

Disposition of excess property was presented by Paul Drake, Senior Manager of Real Estate and Transit Oriented Development. Mr. Drake presented a recommendation to reclassify three UTA-owned properties as surplus. Addresses and property descriptions were provided. These included:

- 1) Vacant property @ 2240 South 1040 West, West Valley City
- 2) Orem Transfer Facility Property @ 1145 South 750 East, Orem
- 3) Residence @ 8397 South Spaulding Court, West Jordan City

A motion was made by Trustee McConkie and seconded by Trustee Ashton to move the recommendation to reclassify listed properties to “surplus” and to authorize staff to solicit bids to the full board as shown in the proposed resolution. The motion was approved by unanimous consent.

8. Pension Plan Amendments

The Pension Committee has responsibility to oversee the pension plan of the Authority and conducts a semi-annual review of investments. As the committee chair, Trustee Christensen presented two proposed amendments to the Pension Plan. Based on the information presented by Cambridge Associates, LLC (UTA’s investment advisor) and Milliman, Inc. (UTA’s actuarial consultant) the resolution proposing the changes better

aligns the Plan's assumption earning rate with the current outlook for future investment forecasts at 7% (vs. 7.25% which the assumed 10-year earning rate is currently at).

A motion to forward a recommendation for the proposed resolution regarding Pension Plan Amendments to reflect the 7% earnings assumption to the full board to accept the proposed amendments was made by Trustee Ashton and was seconded by Trustee McConkie. The motion was approved by unanimous consent.

9. Update Ogden/Weber BRT

Steve Meyer provided a quick update on the Ogden/Weber State BRT project.

10. Closed Session. Chair Acerson indicated there were matters to be discussed in closed session relative to discussion of the purchase, exchange, lease or sale of real property.

A motion to move into closed session was made by Trustee Ashton and seconded by Trustee McConkie. The motion carried by unanimous consent and the FAC moved into closed session at 11:58 a.m.

Open Session. A motion to return to open session was made by Trustee Ashton and seconded by Trustee McConkie. The motion carried by unanimous consent and the FAC returned to open session at 12:10 p.m.

11. Action Taken Regarding Matters Discussed in Closed Session. No action was taken regarding the matter discussed in closed session.

12. Other Business. No other business was discussed.

13. Adjournment. The meeting was adjourned at 12:20 p.m. by motion.

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://www.utah.gov/pmn/sitemap/notice/458633.html> for entire content.

This document along with the digital recording constitute the official minutes of this meeting.