



Utah Transit Authority
Budget Document
2018

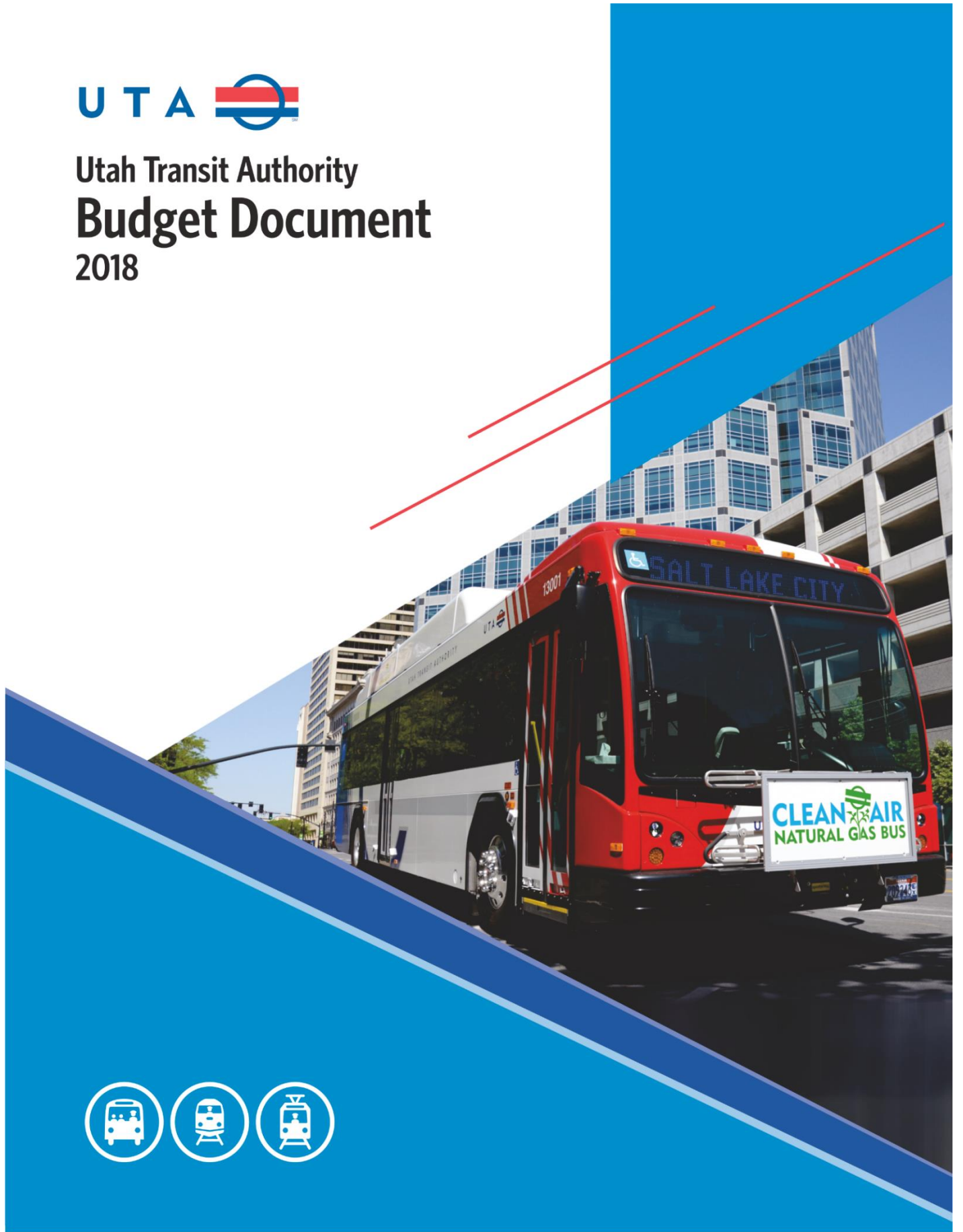


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Foreword

The adopted budget document contains a variety of information regarding Utah Transit Authority. To assist the reader in locating subjects of interest, the organization of this document is described below. The reader may also refer to the Table of Contents and Glossary for additional information.

Document Organization

The UTA 2018 Budget Document has six major areas: Introduction and Overview; Financial Structure, Policy, and Process; Financial Summaries; Capital and Debt; Department Information; and Statistical and Supplementary Information.

Section 1, **Introduction and Overview** contains the Budget Message, which is a description of priorities and challenges for the budgeted 2018 year. The message describes significant changes in priorities from the previous year and highlights challenges facing UTA in developing the current budget. This section also includes UTA's Strategic Plan, the Budget Process and the UTA policies that apply to the budget process.

Section 2, **Financial Structure, Policy and Process** starts with UTA's organization chart. A discussion of fund descriptions and structure follows as well as a discussion of the basis of budgeting. The section ends with a listing of key financial policies and a detailed description of UTA's budget process.

Section 3, **Financial Summaries** begins with a summary of overall Authority revenues and expenditures, followed by expenditure summaries for UTA's functional operating areas with a comparison between 2016 actual, 2017 budget, and 2018 budget totals. This section also includes a summary of projected fund balances, a discussion of key revenues projected reserves, and a summary of UTA's long-range financial forecast.

Section 4, **Capital and Debt** leads off with UTA's summary capital budget and is followed with detailed descriptions of capital projects included in the 2018 budget and their effect on the operating budget. UTA's debt profile and annual debt service payments complete this section.

Section 5, **Department Information** begins with a position summary schedule and is followed by department descriptions. They are organized by each individual Executive's area of responsibility and displays each business unit included in their area. Starting with the President/CEO's office, each department description contains the following:

- Department name and Executive
- Department function
- Department organization chart

Performance goals are provided at the end of this section.

Section 6, **Statistical and Supplementary Information** contains a budget glossary as well as a Utah Transit Authority and Community Profile.

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to Utah Transit Authority for its annual budget for the fiscal year beginning January 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Utah Transit Authority
Utah**

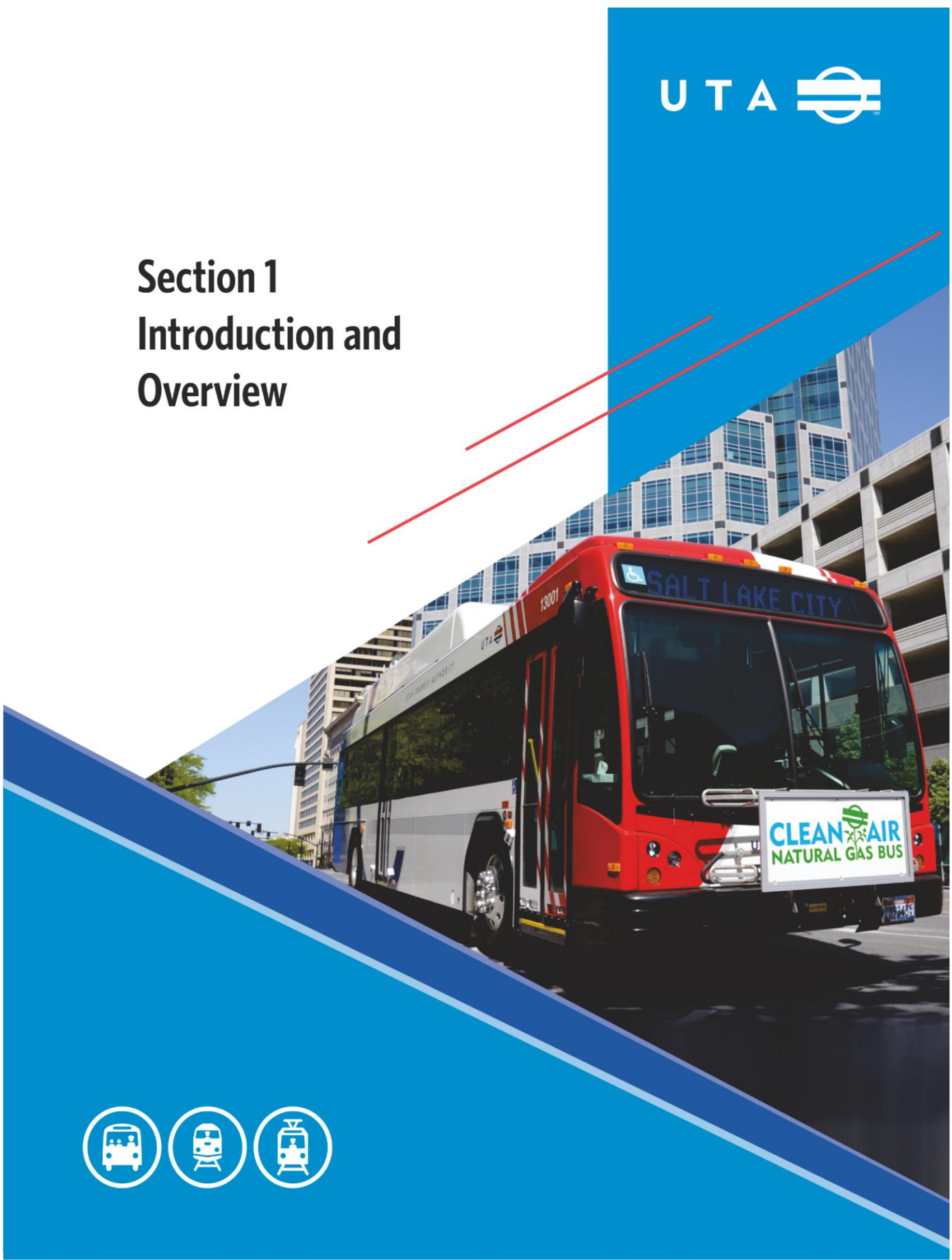
For the Fiscal Year Beginning

January 1, 2017

Christopher P. Morill

Executive Director

Section 1 Introduction and Overview



Utah Transit Authority

2018 Budget Message

The 2018 budget has been developed in alignment with the Board of Trustees' strategic plan. The five focus areas within the strategic plan are below:

Customer Experience

UTA is committed to continually improving its customer-focused approach as well as its products and services and will be constantly focused on improving accessibility to the system and breaking down barriers to ensure every customer has the best possible experience. We will deliver safe, reliable, accessible and easy to understand mobility solutions that delight the customer and increase their access to opportunity.

Customer Experience

UTA will make its customer experience intuitive and predictably accessible and continue to break down barriers to riding so it becomes the transportation service of choice. We will deliver safe, reliable, accessible, and easy-to-understand mobility solution that improve quality of life, enhance the user experience, and increase access to community and employment resources.

Leadership and Advocacy

UTA is an advocate in improving quality of life and providing exceptional transportation options to those we serve. UTA works side-by-side with all of our community partners to offer a variety of mobility solutions to meet growing transportation demands. UTA is committed to serving as leaders and advocates for our communities by supporting sound public policy and transportation plans that improve quality of life and build strategic partnerships designed to solve mobility challenges.

Access to Opportunity

UTA is actively planning for future transportation planning for future transportation needs. This is done by continually refining short, medium, and long-term plans that will provide access along the Wasatch Front and support Utah's growing population into 2040. This will be done by utilizing technologically advanced analytics and planning tools to design and implement an optimized, total transit network that connects people to their communities.

Strategic Funding

UTA is charged with being good stewards of public resources. Sixty-nine percent of UTA's operation is funded by a portion of local sales taxes that are voter-approved in each county within the transit district. Future growth projections for the state, and the associated increase in transportation demands, call for additional funding to expand service offerings. We are committed to identifying new funding strategies while maximizing existing resources in order to optimize service offerings.

Workforce of the Future

The capacity to achieve our mission is tied directly to the capability of our workforce. UTA is committed to achieving a high-performing organizational culture where every employee is passionate about serving our customers. We will promote a culture that fosters a dynamic workforce of diverse and engaged employees who are committed to improving their everyday work.

This alignment has taken place in numerous areas within UTA. Some of the more notable ones include headcount management, asset replacement, and customer experience initiatives.

Headcount Management

UTA's partners have been instrumental in helping UTA increase the amount of bus service in Utah, Davis, and Weber counties. These partnerships directly improve our customers' experience and their ability to work, live and play along the Wasatch Front. Through careful route and service design, UTA will be able to increase bus service by 3% by adding only 57 positions.

Combining high performance and employee development, UTA identified several opportunities to increase headcount but reduce overall costs. Putting a pencil to their ability to perform locomotive maintenance, commuter rail personnel developed a business plan which would allow them to perform this work, improve quality, and, even with 25 new headcount, reduce operating costs by \$500,000 per year.

Reviewing vacancies allowed a reduction of 8.6 administrative positions from the 2018 budget. In addition, operational reviews resulted in 15 positions being reassigned to different positions that more closely aligned with the Board of Trustee's strategic plan.

Description	Number
2017 Budgeted FTE	2,545.5
Bus service – funded by Prop 1 in Davis and Weber Counties	16.0
Bus service – begin Provo-Orem BRT operations in Utah County	39.8
Locomotive maintenance – perform in house to reduce costs (\$500,000/year)	25.0
TRAX car rebuild – Perform work in house to reduce costs	10.0
Other Operational	1.0
Administrative positions removed	(8.6)
2018 Budgeted FTE	2,628.7

Asset Replacement

Although UTA has a relatively young transit infrastructure, a significant portion of the capital budget, \$62.8 million, is being directed toward keeping our infrastructure in a state of good repair. As noted above, an in-house light rail capital maintenance team has been established to perform quarterly light rail car overhauls throughout their 30-year useful life. Through a targeted overhaul approach, this team will continue to achieve substantial cost reductions. Another notable rail project involves replacing switches at the 400 South and Main crossing, the most heavily used section of the light rail system. Vehicle replacement plans include 29 buses, 29 paratransit vehicles, and 75 vans. Replacing these buses also improves air quality along the Wasatch Front as they will produce 15 times fewer emissions than the buses they are replacing.

Customer Experience Initiatives

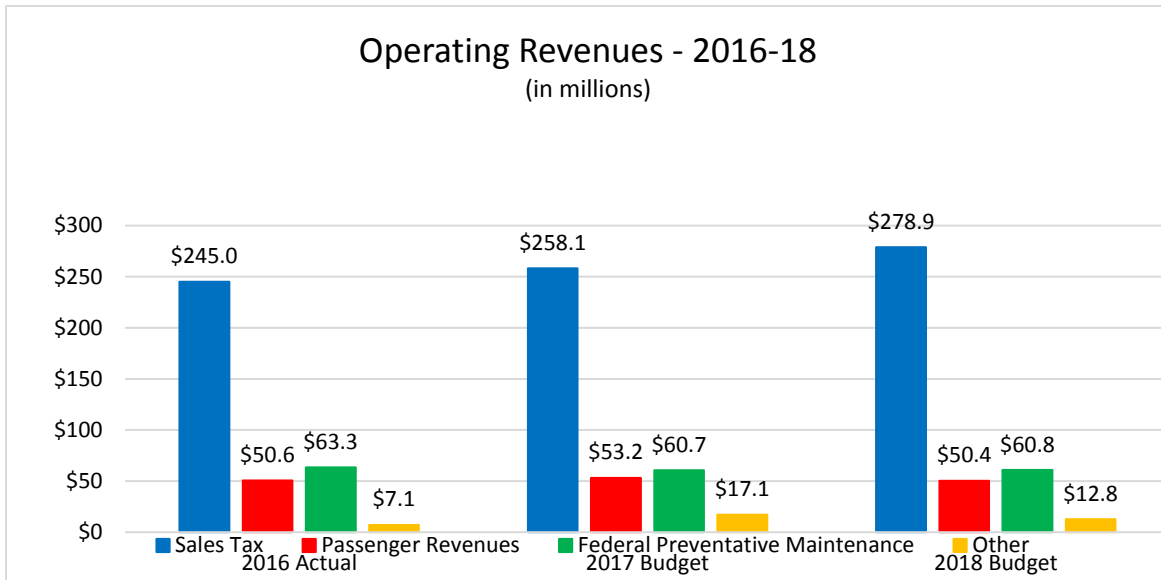
Customer preferences and expectations of their transit system have grown. It is no longer sufficient to be just a transportation option. More and more users want a simple fare schedule, an easily navigated transit system, and an understanding of service standards.

During 2018, UTA will, through multiple methods, be seeking extensive public comment on its fare structure with a goal of implementing a revised, simpler fare structure in early 2019. One method of simplification is UTA GoRide, a new mobile ticketing app launched in 2017. Additional ticketing options will be added to the app in 2018.

Several different enhancements aimed at easy navigation will be put in place during the next year. There is a strong community desire for increased bus service and the 2018 budget provides it. These increases range from six-minute peak-time bus service when the Provo-Orem bus rapid transit line opens in August to Proposition 1 service improvements in Davis and Weber counties to innovative mobility solutions like the Weber/Davis Voucher and Utah Valley Rides programs to expanded ski service. UTA will also be undertaking a comprehensive look at how we can improve signage and wayfinding on the system, particularly at key transfer points like Salt Lake Central Station.

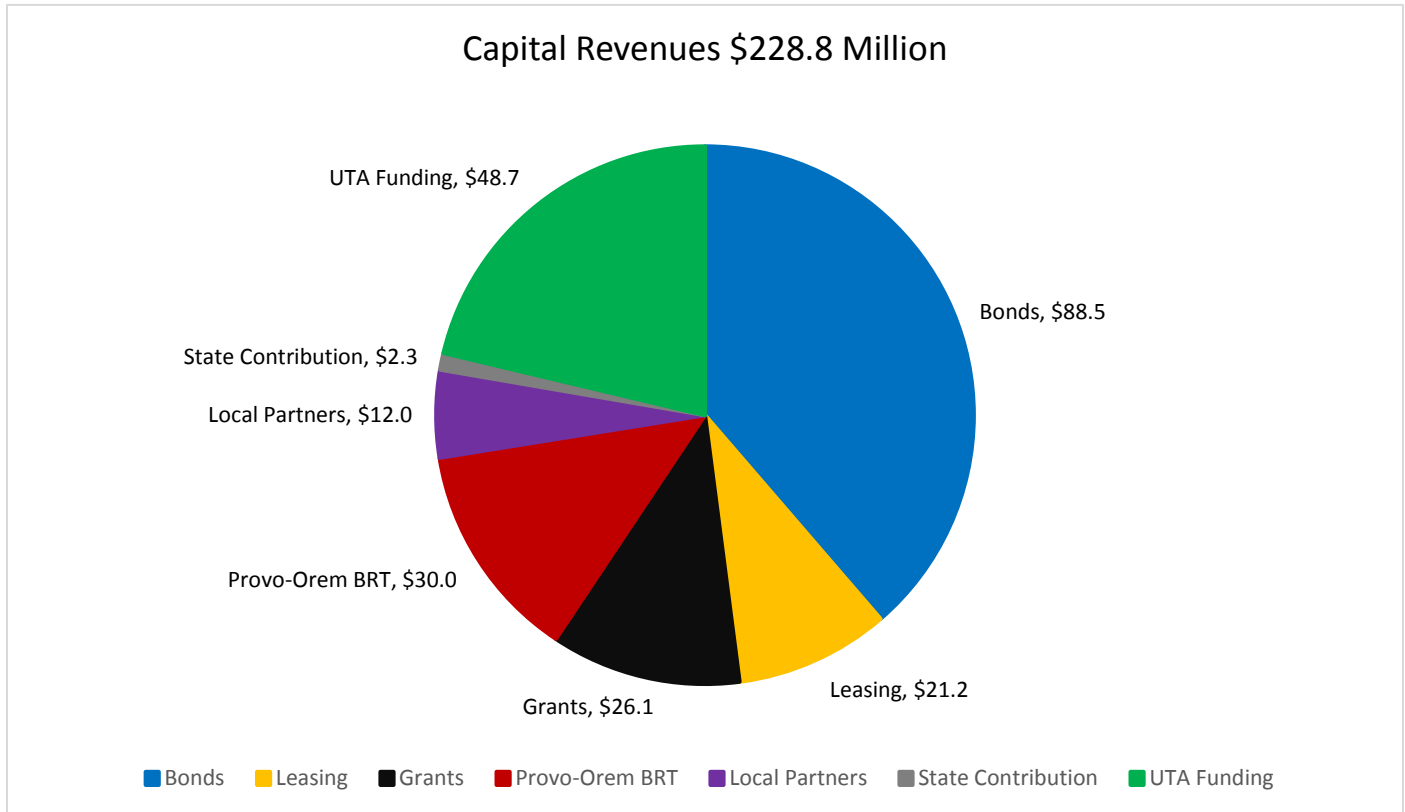
Finally, UTA will be revising and putting into writing the service standards that customers can expect from us.

As shown below, operating revenue growth is being driven by the 13.8% increase in sales tax from 2016 to 2018. A little over 1% of the overall increase is attributable to additional sales tax revenues authorized by Davis, Weber and Tooele county voters.

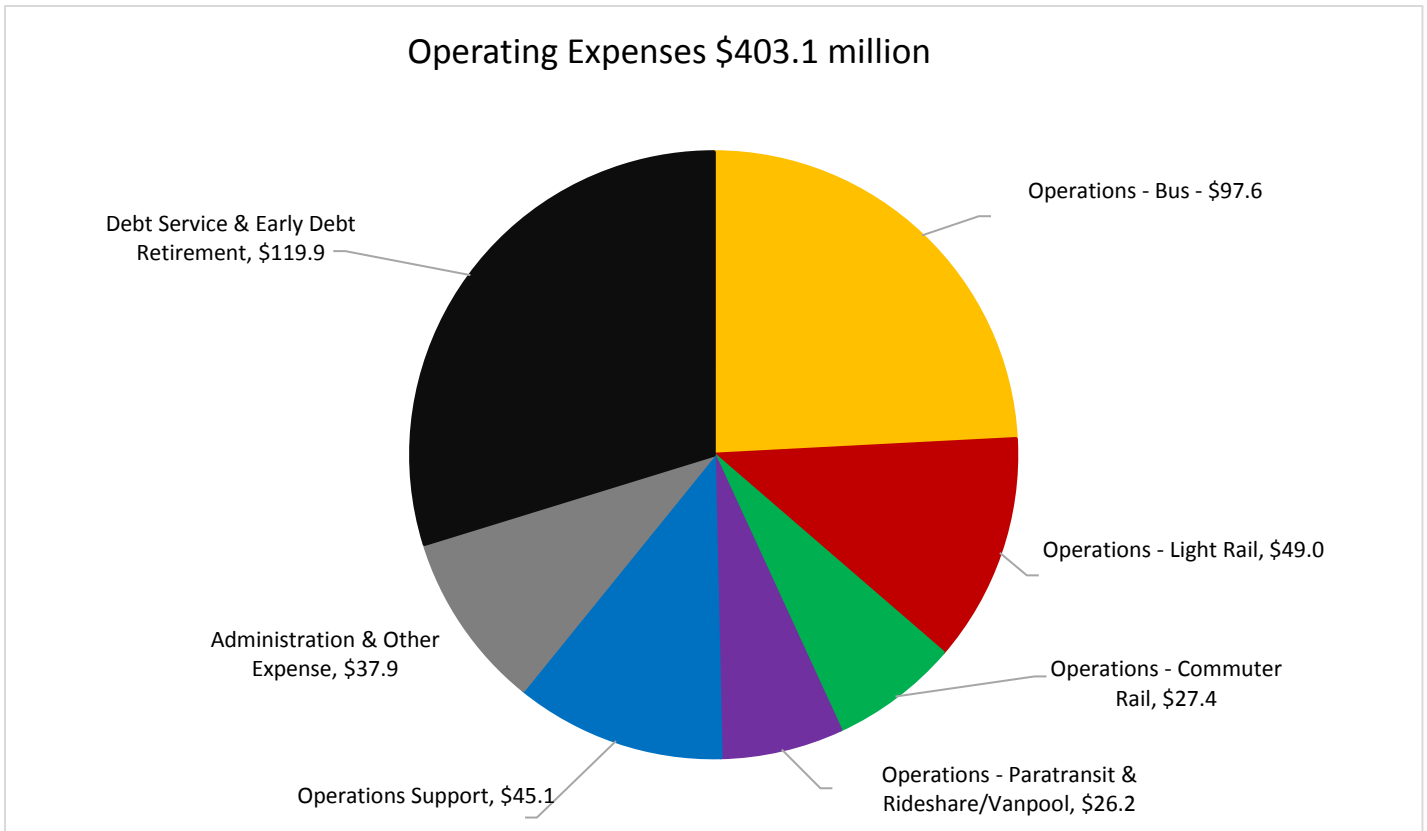


Salt Lake Central Transportation Hub

Capital revenue sources continue to be quite diverse and reflect UTA’s ability to be successful in seeking grant funding as well as entering into partnerships with numerous local partners. For the first time since 2012, next year’s capital revenues will include a bond issue, estimated at \$88.5 million, to pay costs for projects such as positive train control (\$30 million), the Airport TRAX station relocation (\$25.3 million), and Provo-Orem bus rapid transit (\$10.2 million).



Almost 61% of the total \$403.1 million operating budget is allocated to running transit operations with 30% allocated to debt service and early debt retirement. Just over 9% of the total budget is allocated to administration and other expense.



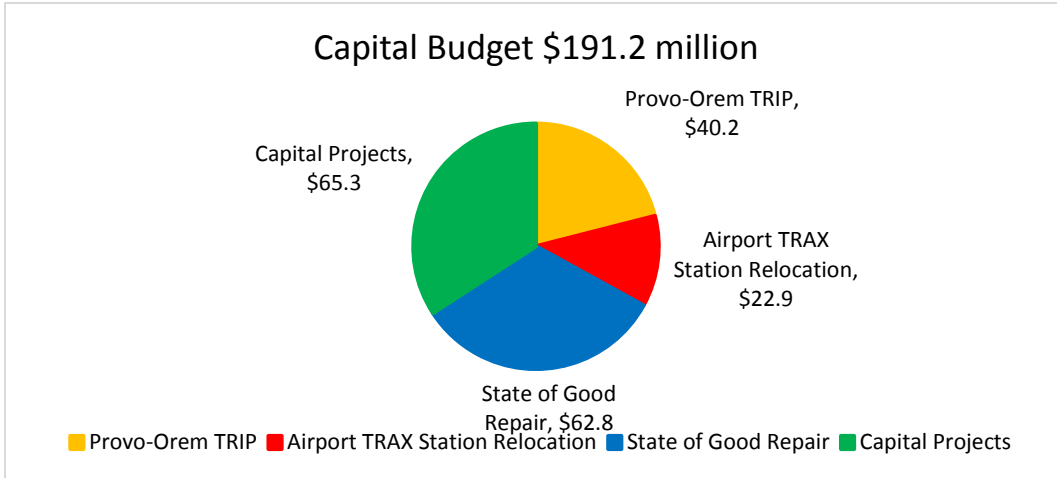
As noted above, UTA continues to use techniques like LEAN and continuous improvement to generate and implement service enhancing ideas.

Next year’s \$191.2 million capital budget includes the completion of the Provo-Orem TRIP project. This partnership between the Federal Transit Administration (FTA), Utah Department of Transportation (UDOT), Utah County, Provo City, Orem, City, Utah Valley University, Brigham Young University, and UTA, includes a bus rapid transit system that connects the Orem FrontRunner station, Utah Valley University, Brigham Young University, and the Provo FrontRunner station with six-minute peak service.

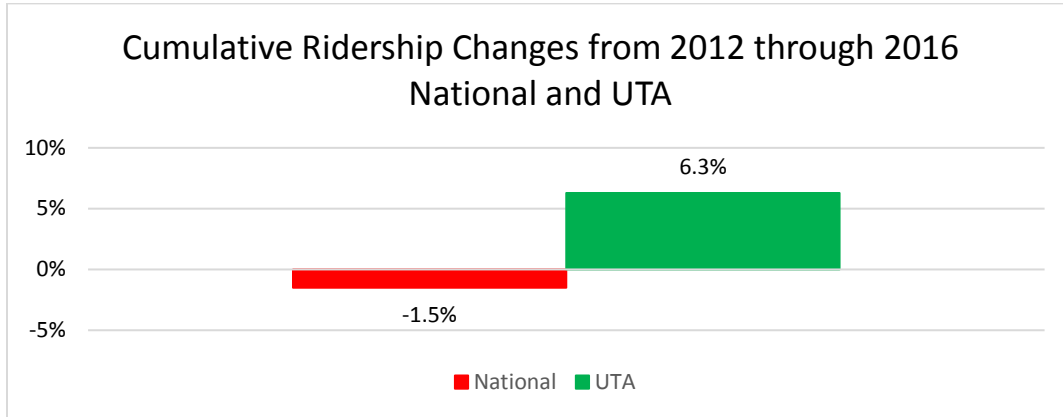
In partnership with Salt Lake City International Airport, UTA will be moving the terminus of the TRAX Green Line to a prime location at the new airport terminal. Laying the new track and construction of the new station will be completed in coordination with construction of the new terminal and should be completed and in operation by 2020.

FTA and UTA share the priority of keeping our infrastructure in a state of good repair. Accordingly, almost \$62.8million has been set aside in the 2018 budget to replace vehicles, overhaul rail vehicles, and maintain rail systems and facilities.

Other capital projects will improve first and last mile access to our transit system, complete the installation of positive train control, add safety enhancements to the TRAX system, begin Phase 1 improvements for the Depot District maintenance facility, and satisfy a commitment to build a parking garage for the Sandy transit-oriented development project.



Transit ridership for the last few years across the country has been trending downward. Lower fuel prices have been a major contributor to the trend. Through a combination of increased service and other customer service initiatives, over the four-year period, UTA has been able to outperform national ridership trends (decline of 1.5%) with a net increase of 6.3%.



In closing, I want to draw attention to the 2,600+ UTA employees who are working every day to provide a safe, convenient, and cost-effective transit system upon which you, our riders, and Wasatch Front residents can depend. It takes a workforce of dedicated men and women to ensure UTA maintains world-class service reliability while meeting riders' needs. They are a very special group of people and deserve our thanks and appreciation for all they do to make the wheels of the bus, or train, go round and round.

With sincerest regards,

Robert K. Biles
Chief Financial Officer

About the Utah Transit Authority

UTA's mission is simple – we move people. Since its beginnings in 1970, UTA has expanded from a small company operating 90 buses and traveling 3 million annual service miles, to its current system that offers streetcar, light rail, commuter rail, bus rapid transit (BRT) vanpool, fixed-route bus, express bus, ski bus, paratransit, and route deviation services. The agency currently provides more than 45 million passenger boardings annually with 157,000 average daily weekday boardings. The Special Services Business Unit offers paratransit and route deviation services along the Wasatch Front totaling 2.7 million revenue miles and 427,000 passenger boardings per year. UTA's bus services (regular fixed route, express, and bus rapid transit) operate 15.5 million revenue miles and boast 20 million passenger boardings annually. The Salt Lake Valley TRAX light rail system operates 2.9 million annual revenue miles with more than 18.7 million passenger boardings, while the commuter rail system, which extends from the Salt Lake Central Station north to Ogden and south to Provo, operates over 1.3million revenue miles and attracts more than 4.5 million passenger boardings annually. The S-Line streetcar, which connects neighborhoods in South Salt Lake and Sugar House, operates approximately 76,000 revenue miles and has nearly 457,000 passenger boardings per year.

UTA serves the populations of Weber, Davis, Utah, Box Elder, Tooele and Salt Lake counties. Since UTA covers a large geographic region and more than 80 percent of the state's population, the agency works to support Utah's thriving economy by helping communities grow the way they want to and to help people get to where they want to go when they need to be there. In recent years, UTA has renewed its emphasis on service and is committed to listen to customers and communities in order to provide more transit access and the services and schedules that are most needed.

UTA'S STRATEGIC PLAN

In early June 2017 the UTA Board of Trustees met in a workshop setting to exchange ideas and discuss and strategize about areas of focus, objectives and goals that would guide resource allocation at UTA for the coming decade. A key goal in this workshop was to revisit the UTA's Vision and Mission as well as update the 2020 Strategic Plan which was adopted in 2013. UTA fully embraces its role as a public, governmental entity funded largely by local tax dollars, and the associated duties owed to the taxpayers as such. Therefore, UTA is always looking for opportunities to continually improve and take a fresh look at the future in order to be the best steward of their tax dollars.

The primary focus areas of the workshop were:

- *Identifying issues, gaps and opportunities (i.e. innovative mobility solutions) to meet and exceed the transportation needs of the communities UTA serves;*
- *Bring clarity to the roles, responsibilities and accountability of the Agency to the public and other stakeholders;*
- *Identify opportunities to ensure continuing credibility, trust and transparency;*
- *Reconnect, re-energize and re-focus the board on their critical role in strategically guiding the Agency today and into the future;*
-

In the months leading up to the Board workshop, Board engagement included several pre-work items including site visits, ride-alongs and interviews with each Board member's appointing authority. These pre-work activities ultimately produced for each Board member a uniquely intimate perspective on the dynamic service delivery teams who provide the best possible products for public transit users through innovation, critical thinking and great customer experiences. It was clear from this pre-work initiative that UTA Employees are putting the riders first every day and achieving desired outcomes, for more than 45 million boardings per year.

Taking inspiration from the Wasatch Front Regional Council's 2040 regional transportation plan, the Board of Trustees developed the *Taking Transit Forward – Integrated Mobility 2040* strategic plan. The plan provides guidance and context on how the Board of Trustees, UTA Executive Leadership, and UTA staff will position the agency to deliver the best and most innovative mobility options in the region. Guidance is provided through new Vision and Mission statements as well as the five focus areas in the strategic plan.

UTA's Vision

We move people.

UTA's Mission

To provide integrated mobility solutions to service life's connections, improve public health, and enhance quality of life.

Areas of Focus

Customer Experience
Leadership and Advocacy
Access to Opportunity
Strategic Funding
Workforce of the Future

As shown in the following table, the five focus areas yielded seven strategic objectives. To further each of these strategic objectives, specific initiatives have been developed and included in the 2018 budget.

2018 Board Strategic Objectives

<i>Strategic Plan Focus Area</i>	<i>Strategic Objective</i>	<i>2018 Budget Initiative</i>
Customer Experience	<i>Improve Service</i>	6% service increase in Weber and Davis counties - Prop 1
		Provo-Orem BRT revenue service begins August 2018
		Overall 3% increase in bus revenue miles
	<i>Better Customer Experience</i>	Reorganizing internal communications functions and implementing updated plans
		Mobile ticketing app, UTA GoRide, add new options
		Assessing and improving signage and wayfinding
		Add security cameras on the TRAX system
		Improving community outreach
	Leadership and Advocacy	<i>Partnering with Communities</i>
Increase service to Park City		
University ticket-as-fare and event sponsorships		
Continue improving ski service		
Relocating TRAX station at Salt Lake City International Airport		
Access to Opportunity	<i>Encourage Transit Innovation</i>	New office of “Innovative Mobility Solutions” to create pilot projects such as Weber/Davis Voucher and Utah Valley Rides projects and electric buses
Strategic Funding	<i>Maintaining a State of Good Repair</i>	Replace 135 vehicles – 29 buses, 2 trolleys, 29 paratransit, and 75 vans
	<i>Retire Long-term Debt Ahead of Schedule</i>	Rail infrastructure and vehicle overhauls
		Take debt service from 2015 bond refunding and increase early debt retirement account to \$47.4 million.
Workforce of the Future	<i>Develop Future Employees</i>	Establish “maintenance mentors” internship program for high school and college students
		Overhaul of TRAX SD vehicles

2018 Final Budget Key Assumptions

Early in the 2018 budget process, staff began identifying key assumptions that would assist in the development of the 2018 budget. Initial assumptions from June were re-evaluated in August and presented to the Board of Trustee's Finance and Operations Committee in September for their review. Between the October presentation of the 2018 tentative budget and the December presentation of the 2018 final budget, key assumptions were reviewed again. There were no material changes to the key assumptions since they were presented to the Finance and Operations Committee in September. The key assumptions and rationale for the assumptions are provided below.

Sales Tax Revenues: 6.0% increase over 2017 projected sales tax collections. Based upon:

Long term trends in sales tax growth

State tax growth projections

Impact of voter-approved Proposition 1 sales tax revenue in Davis, Weber and Tooele counties

Federal Preventative Maintenance Revenues: Per the FAST Act, Section 5307 revenues were increased by 2.45% while Section 5337 (Rail preventative maintenance) revenues were increase by 1.67%.

Employee Compensation:

4% increase for bargaining unit employees

3% increase for administrative employees which also incorporates projected market salary lane adjustments

Benefits: Medical insurance costs projected to increase 6.5% bargaining unit and 9.0% administrative in May 2018

Energy & Utilities: Increase of 2.7% over 2017 rates

Based on Rocky Mountain Power projections

Service Changes: Net increase of \$6.9 million to bus/rail/paratransit service

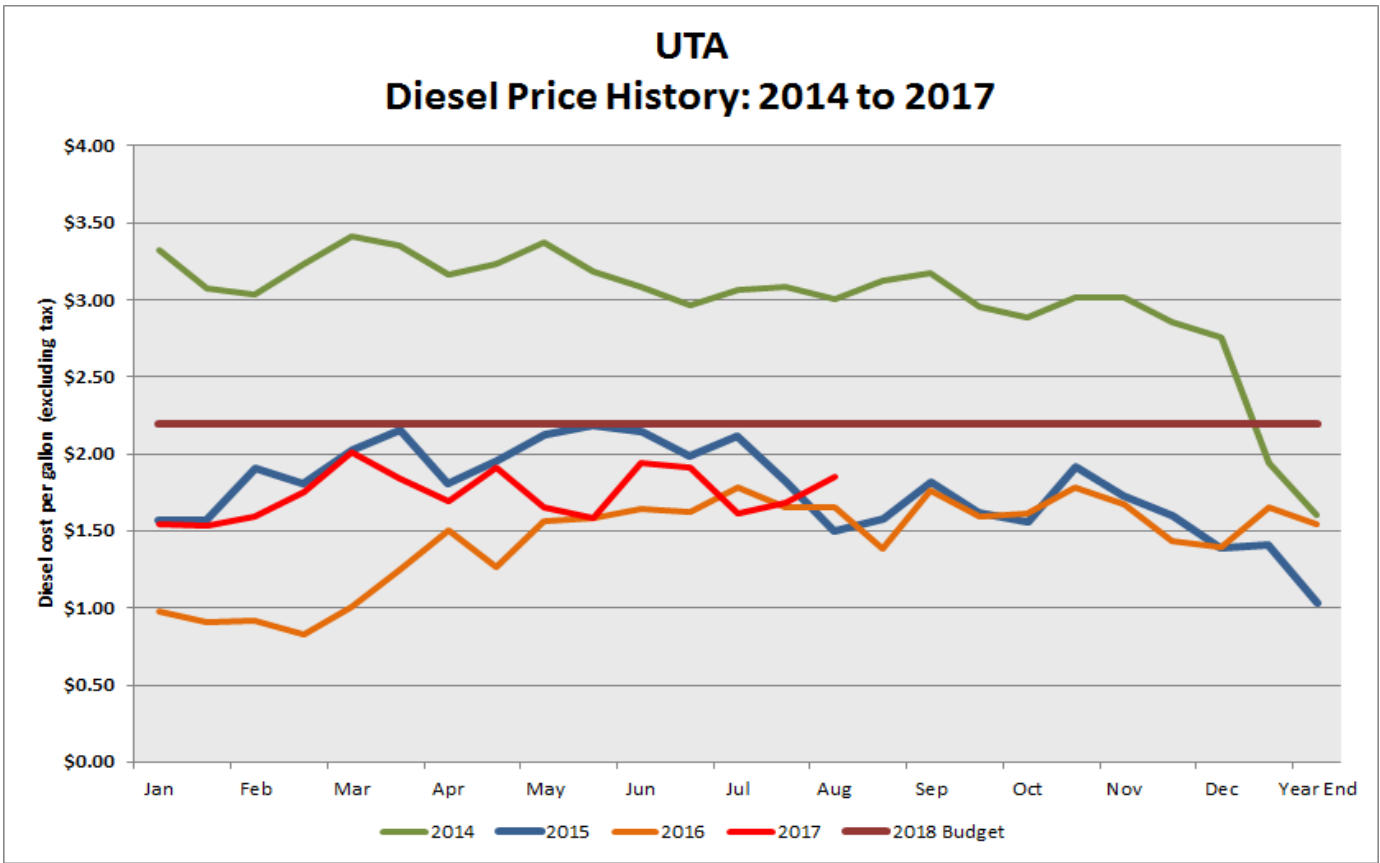
Principal and Interest Payments: These amounts reflect the scheduled bond principal and interest payments plus an anticipated \$88.5 million bond issue in 2018 for total principal and interest payments of \$113.2 million less a federal interest subsidy of \$8.8 million plus estimated lease payments of \$9.5 million for revenue service vehicles.

Early Debt Retirement: Savings from the 2015 Sales Tax Refunding Bonds of \$6.1 million are scheduled to be added to the Debt Rate Stabilization Reserve, which will bring the reserve amount to approximately \$47.4 million at the end of 2018.

State of Good Repair: In accordance with national efforts to bring all transit systems into a state of good repair, UTA has allocated \$62.8 million of its capital budget toward vehicle replacements, technology replacements and upgrades, facility maintenance, rail vehicle overhauls, and positive train control.

Diesel Fuel: Average of \$2.20 per gallon (reduced from \$2.50)

Reflects UTA long term pricing expectations, with conservative assumptions due to impacts on operating budget if amount underestimated. See Diesel Price History Graph (next page).



The Fuel Price History: The Diesel Price History chart shown above illustrates the monthly changes in UTA diesel prices from January 2014 to August 2017. The red line represents the actual 2017 UTA diesel price. For most of 2017 the price per gallon of diesel moved within the \$1.50 to \$2.00 per gallon range. UTA has reduced our budgeted fuel price from \$2.50 in 2017 to \$2.20 in 2018, but prices may spike to higher levels and are being closely monitored.

2018 Final Budget Overview

- **Economic Outlook**
 - Continued vibrant growth in employment and retail sales for Utah and the U.S.
 - Personal income expected to maintain growth between 5.5% and 6.5%
 - Energy costs are predicted to increase by 2.7% in 2018

- **Revenue Projections**
 - Sales tax growth remains strong
 - Passenger revenue is projected to remain at 2016-17 levels

- **Operating Expense Projections**
 - Provo-Orem BRT operations begin in August 2018
 - Bus service added in Davis and Weber counties in August 2018
 - Paratransit service increased for enhanced mobility options
 - Operating expenses include increased benefit costs such as medical insurance
 - Training personnel consolidated into operating support from operating business units

- **Capital Expenditures**
 - Includes 2018 construction cost of \$40.2 million for Provo-Orem BRT and \$22.9 million for Airport TRAX station relocation
 - Applies \$62.8 million toward maintaining infrastructure investment in a state of good repair
 - Other capital is directed toward first/last mile projects throughout the service area, completing positive train control, passenger improvements, adding five electric buses, double tracking a portion of the Sugar House S-Line, and placing red light signal enforcement at two key TRAX locations.

2018 Final Operations Budget: Expense Projections

	2017 Budget	2018 Budget
Bus Service	\$90,762,000	\$97,522,000
Commuter Rail	27,700,000	27,375,000
Light Rail	48,553,000	48,964,000
Paratransit	21,795,000	23,010,000
Rideshare/Vanpool	2,576,000	3,210,000
Operations Support	42,154,000	45,154,000
General & Administrative	30,911,000	32,394,000
Total Net Operating Expense	\$264,451,000	\$277,629,000

Key Elements:

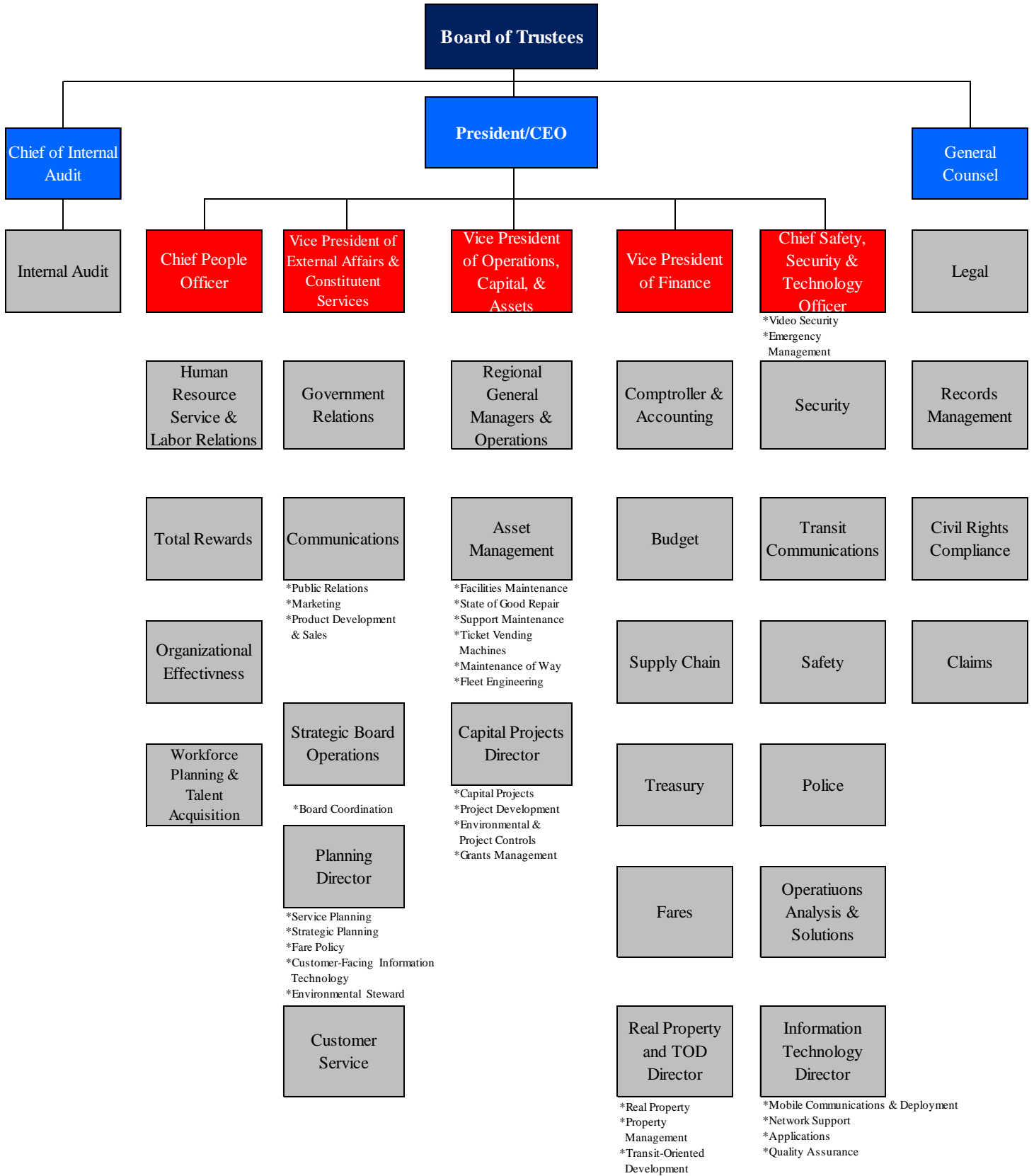
- **Service Increase:** Includes total net service increase of \$7.4 million
 - Increased bus service (Provo-Orem BRT, Davis and Weber counties, and ski service): Net increase of \$4.8 million
 - Mobility management service: Net increase of \$1.5 million
 - Vanpool: Net increase of \$0.6 million

- **Operations Support & Administration**
 - Software and hardware maintenance: Net increase of \$1.2 million

- **FTE Changes:** 83.2 FTE increase
 - Operations: Increase 91.8 FTE
 - Administrative: Decrease 8.6 FTE
 - Administrative: 15 positions were reassigned to new priorities

Section 2 Financial Structure, Policy, and Process





Financial Structure

Fund Descriptions and Fund Structure

UTA reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Department /Fund Relationship

Within the enterprise fund, UTA maintains two budgets – one for operations and one for capital. Within the operations budget, expenses are tracked by type of service mode (bus, light rail, commuter rail, paratransit, or rideshare/vanpool) as well as operations support, administrative, non-operating, and debt service.

Departments within operations by type of service are:

Bus	Light Rail	Commuter Rail	Paratransit	Rideshare Vanpool
Mt. Ogden Operations	Light Rail Operations	Commuter Rail Operations	Paratransit Operations	Vanpool Administration
Mt. Ogden Maintenance	Light Rail Maintenance	Commuter Rail Maintenance	Paratransit Maintenance	Rideshare Administration
Mt. Ogden Administration	Light Rail Jordan River Maintenance	Commuter Rail Administration	Special Service Administration	
Timpanogos Operations	Light Rail Administration		Mobility Management	
Timpanogos Maintenance	Rail Fleet Sustainability			
Timpanogos Administration	Right of Way Maintenance	Right of Way Maintenance		
Meadowbrook Operations				
Meadowbrook Maintenance				
Meadowbrook Administration				
Central Maintenance				
Integrated Service				
Transit Communications Center				

Departments within the Operations Support, Administrative, and Non-operating classifications are provided below.

Operations Support	Administrative	Non-operating
Financial Services	Supply Chain Administration	Real Estate
Operations Analysis	Chief Financial Officer	Major Program Development
Data Quality and Ridership	Budget	Transit-oriented Development
Technology Development	Accounting	Planning
Operation Research & Development	Salt Lake & Ogden Intermodal Hubs	
Technology Support - Facilities	Chief Technology Officer	
Telecommunications	Quality Assurance	
Customer Service	Technology Deployment	
TVM Maintenance	Technology Support	
Facilities	Application Development	
Support Maintenance	Network Support	
Fleet Engineering	Chief Operations Officer	
Asset Management	Vice President External Affairs	
Purchasing	Product Development and Sales	
Warehouse	Public Relations & Marketing	
Materials Management	Government Relations	
Safety	Corp. & Board Support	
Security	Board Coordination	
Organizational Effectiveness	Chief People Officer	
Electronic Fare Collection	Workforce Planning and Talent Acquisition	
	Human Resources Services	
	Total Rewards	
	General Manager	
	Innovative Mobility Solutions	
	Internal Audit	
	General Counsel	
	Civil Rights	
	Risk Management	

Within the capital budget, expenses are tracked by Provo-Orem BRT (a new bus rapid transit system being constructed in Utah County), Airport TRAX station relocation, State of Good Repair (capital maintenance to the transit infrastructure), or new capital projects. More detail about capital expense is provided in the Capital and Debt section.

Basis of Budgeting

Budgeting is based upon the accrual basis with these exceptions:

- UTA budgets capital expense rather than depreciation expense
- In addition to bond interest expense, UTA budgets annual bond principal payments
- The annual budget excludes amortization of bond issuance premiums and discounts

Financial Information and Policies

Basis of Accounting

The Authority reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Standards for Reporting Purposes

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Planning Assistance and Preventative Maintenance Grants

Federal planning assistance grants received from the Federal Transit Administration (FTA) and preventative maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. The current reauthorizations act, Fix America's Surface Transportation (FAST), allows for the replacement and repair of aging infrastructure.

Federal Grants for Capital Expenditures

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 35% to 93% of the cost of property and equipment acquired by the Authority through federal grants. Grant funds for capital expenditures are earned and recorded as capital contribution revenue when the capital expenditures are made and eligibility requirements are met.

Classification of Revenues and Expenses

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions such as passenger revenues and advertising revenues.

Operating expense: Operating expenses include payments to suppliers, employees, and on behalf of employees and all payments that do not result from transactions defined as capital financing or investing activities.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34. Examples of non-operating revenues would be the contributions from other governments (sales tax), federal grants and investment income.

Contributions from Other Governments (Sales Tax)

As approved by the voters in serviced municipalities, sales tax for transit is collected to provide the Authority with funds for mass transit purposes. Funds are utilized for operations and for the local share of capital expenditures. Sales tax revenues are accrued as a revenue and receivable for the month in which the sales take place. The Authority does not have taxing authority in any jurisdiction, therefore this revenue is considered a contribution from another government.

Approved Local Option Sales Tax:

Salt Lake County	0.6875%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.5260%
Tooele County	0.4000%

Cash and Cash Equivalents

Cash equivalents include amounts invested in a repurchase agreement, a certificate of deposit and the Utah Public Treasurers' Investments Fund, including restricted and designated cash equivalents. The Authority considers short-term investments with an original maturity of three (3) months or less to be cash equivalents.

Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, local government partners, pass sales and investment income. Management does not believe any credit risk exists related to these receivables.

Parts and Supplies Inventories

Parts and supplies inventories are stated at the lower of cost (using the moving average cost method) or market. Inventories generally consist of fuel, lube oil, antifreeze and repair parts held for consumption. Inventories are expensed as used.

Property, Facilities and Equipment

Property, facilities and equipment are stated at historical cost. Expenditures that substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Property, facilities and equipment are capitalized if they have individual costs of at least \$5,000 and a useful life of over one year.

Except for sales of assets in which the unit fair market value is less than \$5,000, proceeds from facilities and equipment purchased with funds provided by federal grants for capital expenditures are remitted to the FTA on the same percentage basis that such funds were provided by grant contracts with the FTA, or used for similar capital expenses.

Depreciation is calculated using the straight-line method over the established useful lives of individual assets as follows:

Land and Rights of Way	Not depreciated
Facilities and Land Improvements	10-50 years
Revenue Vehicles	7-25 years
Other Property and Equipment	3-10 years

Interest is capitalized when incurred in connection with the financing of construction projects.

Amount Recoverable – Interlocal Agreement

In 2008, the Authority entered into an agreement with the Utah Department of Transportation (UDOT) that required the Authority to pay UDOT \$15 million in 2008 and \$15 million in 2009 for the rights to Salt Lake County's 2% of the .025% part 17 sales tax through the years 2045.

The Authority records such payments made to other entities for rights to future revenues as Amount Recoverable – Interlocal Agreement. This amount is amortized over the life of the agreement.

Compensated Absences

Vacation pay is accrued and charged to compensation as expense as earned. Sick pay benefits are accrued as vested by Authority employees.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage and destruction of assets; environmental matters; worker's compensation self-insurance; damage to property; and injuries to passengers and other individuals resulting from accidents, errors, and omissions.

Under the Governmental Immunity Act, the maximum statutory liability is \$717,100 for one person in an occurrence, and \$2,455,900 aggregate for two or more persons in an occurrence on or after July 1, 2016. The Authority is self-insured for amounts up to these limits. The Authority has Railroad Liability Coverage of \$100 million with \$5 million of risk retention. The Authority is self-insured for worker's compensation up to the amount of \$1 million per incident and has

excess insurance for claims over this amount. The Authority self-insures for public officials errors and omissions up to \$2 million and carries \$10 million in excess of this. The Authority insures damage to property in excess of \$100,000. The authority has insurance or retains the risk depending on what is in the Authority's best interest for all other matters. The only significant reduction in insurance coverage has been the decision to self-insure public officials' errors and omissions. There have been no settlements in excess of insurance coverage during the last three years.

A liability for a claim is established if information indicates that it is probable a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

Net Position

The Authority's net position is classified as follows:

- *Net investment in capital assets:* The components of net position consists of the Authority's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as component of net investment in capital assets.
- *Restricted for debt service:* This component of net position consists of that portion of net position that is restricted by debt covenants for debt service.
- *Restricted for interlocal agreement:* This component of net position consists of that portion of net position that is restricted by interlocal agreement.
- *Restricted for escrows:* This component of net position consists of that portion of net position that is restricted by escrow agreement.
- *Unrestricted:* This component of net position consists of that portion of net position that does not meet the definition of restricted or net investment in capital assets.

Budgetary and Accounting Controls

The Authority's annual budgets are approved by the Board of Trustees, as provided for by law. Operating and non-operating revenues and expenditures are budgeted on the accrual basis except for depreciation, bond principal payments, and amortization of bond issuance premiums and discounts. Capital expenditures and grant reimbursements are budgeted on a project basis. Multi-year projects are approved in whole, but are budgeted based on estimated annual expenses.

The Authority adopts its annual budget in December of the preceding year based on recommendations of staff and the Board Finance and Operations Committee.

The first step in developing the Authority's budget is a review of the Transit Development Program and Long Range Financial Plan. This plan then acts as a focus for the development of programs and objectives. Concurrent with the development of programs and objectives, revenues for the coming year are estimated. The estimates of the coming year's revenues are then used as a guide for the Authority to determine the amount of change in service to be provided in the following year. Once the level of service for the coming year is determined, each manager develops a departmental budget.

UTA BOARD OF TRUSTEES BYLAWS
ARTICLE VII – BUSINESS ADMINISTRATION

Section 1 Fiscal Year

The fiscal year of the Authority shall commence on January 1 and end on December 31 of each calendar year.

Section 2 Principal Place of Business

The principal place of business for the Authority, and the location of all offices and departments, shall be determined from time to time by the Board. The secretary shall publish the location of the principal place of business in the Government Entity Database maintained by the Division of Corporations of the State of Utah.

Section 3 Tentative Budget

- A. Within 30 days after it is approved by the Board, and at least 30 days before the Board adopts its final budget, the Board shall send a copy of the tentative budget, a signature sheet, and notice of the time and place for a budget hearing to the chief administrative officers and legislative bodies of each municipality and unincorporated county area within the district of the Authority.
- B. Within 30 days after it is approved by the Board and at least 30 days before the Board adopts its final budget, the Board shall send a copy of the tentative budget to the governor and the Legislature for examination and comment.

Section 4 Final Budget

- A. Before the first day of each fiscal year, the Board shall adopt the final budget by an affirmative vote of a majority of all trustees. Copies of the final budget shall be filed in the office of the Authority. If for any reason the Board shall not have adopted the final budget on or before the first day of any fiscal year, the tentative budget for such year, if approved by formal action of the Board, shall be deemed to be in effect for such fiscal year until the final budget for such fiscal year is adopted.
- B. The Board may, by an affirmative vote of a majority of all trustees, adopt an amended final budget when reasonable and necessary, subject to any contractual conditions or requirements existing at the time the need for such amendment arises.

Section 5 Annual Audit Report

- A. The Board shall cause an annual audit of the Authority’s financial statements to be conducted in accordance with general accepted auditing standards following the end of each fiscal year. The audit shall be performed by an independent certified public accounting firm selected by the 16 member Board. The auditor shall provide a signed auditor’s opinion as to the fair presentation of the financial position of the Authority and the results of Authority operations and changes in its financial position for the fiscal year ended. The Board may cause other audits to be made by the Chief Internal Auditor or an independent auditor.
- B. As soon as practicable, but no later than 30 days after its presentation to the Board, the Board shall submit to the chief administrative officers and legislative bodies of each municipality and unincorporated county area within the district of the Authority a copy of its annual audit report.

**Utah’s Debt Enabling Statute for Independent Special Districts (UTA)
17A-2-1035 Limitation on indebtedness of district**

Districts may not incur any indebtedness, which exceeds in the aggregate 3% of the fair market value of all real and personal property in the district. Within the meaning of this section, “indebtedness” includes all forms of debt which the district is authorized to incur by this part or by any other law. Bonds issued that are payable solely from revenues derived from the operation of all or part of the district facilities may not be included as indebtedness of the district for the purpose of the computation.

**Executive Limitations Policy No. 2.1.8
Service Sustainability Reserve Fund
April 22, 2015**

The President/CEO shall, at the direction of the Board of Trustees, establish a reserve fund equal to 5% of the Authority’s annual budget (the “Reserve Fund”). The President/CEO shall not fail to:

1. Create a Reserve Fund in a separate account from a portion of the Capital Reserve that is available in excess of the amount anticipated in the annual budget each year until the reserve is fully funded. The amount to be contributed will be determined after review of the annual budget results with the Board of Trustees with the goal of the Reserve Fund being fully funded. Report to the Board of Trustees’ Finance & Operations and Planning Development Committees information as to the use of the Reserve Fund that will include the details concerning the extraordinary circumstances causing the revenue shortfall or cost overrun and indicating the amount and the budget year against which the funds are to be applied.
2. Use the Reserve Fund to preserve service levels when the Authority is facing a revenue shortfall or cost overrun due to extraordinary circumstances, such as an economic downturn or rapid rise in fuel prices or any combination of such events.
3. Transfer Funds or use the Reserve Fund as he deems appropriate and necessary and do so without prior authorization of the Board of Trustees.
4. Replenish the Reserve Fund when it is used as provided for by this Policy.

Executive Limitations Policy No. 2.3.2
Financial Conditions and Activities
June 25, 2003

Financial conditions and activities shall not incur financial jeopardy for Utah Transit Authority (“Authority”), nor deviate from the Board’s Ends policies. Accordingly, the General Manager shall not:

1. Incur debt for the Authority without prior Board approval.
2. Use any long term reserves without prior Board approval.
3. Fail to reduce current year expenditures when current year revenues are below the current year budgeted revenues.
4. Make contributions from Authority funds except for purposes that enhance the objectives of public transit.
5. Violate laws, regulations, generally accepted accounting principles (GAAP), rulings or policies regarding financial conditions and activities.

Executive Limitations Policy No. 2.3.3
Budgeting
June 21, 2014

Budgeting for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board’s Ends priorities, risk fiscal jeopardy, or fail to be derived from the five year plan. In addition, the General Manager shall not:

1. Fail to budget funds as are necessary for the successful, efficient, and prudent operation of the Utah Transit Authority.
2. Fail to include credible projections of revenues and expenses, separation of capital and operational items, beginning and ending balances, and disclosure of planning assumptions.
3. Fail to budget to meet all bond covenants and debt obligations.
4. Fail to expend in any one fiscal year only such funds as are reasonably projected to be available in that period.
5. Fail to maintain a working capital reserve of at least 9.33% (one month expense plus 1%) of annual budget operating expenses.
6. Fail to establish adequate cash reserves for: debt service reserve funds, debt service funds, risk contingency funds for the Authority’s self-insurance program, reserve funds as may be required by law or by contract, or other specific purpose funds as directed by the Board.

Budget Process

This section describes the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also includes procedures for amending the budget after adoption and the process used in developing the capital budget. A budget calendar for the budgeted year 2018 is included at the end of this section.

Budget Process: A standing committee appointed and designated by the Board shall be responsible for development of the annual budget of the Authority. Currently the assignment for the development of the budget has been assigned to the Board Finance and Operations Committee. The President/CEO and Vice President Finance, with the advice and counsel of the appointed committee, shall prepare annually a preliminary budget for the ensuing year including operation, maintenance, administration expenses, debt service, and capital expenditures.

The yearly process starts in June with an initial development of short-term strategies for the upcoming year by the Board Finance and Operations Committee and President/CEO. Financial Planning Managers are assessing federal funding, economics, taxes, labor, and political trends and developing a revenue projection based on this information.

During July the Financial Planning Manager develops the budget preparation instructions. UTA staff review current projects, capital equipment needs, and pending orders.

The Financial Planning Manager meets with the manager and officers of each Business Unit Manager and Department to present the Capital Budget Preparation Instructions and reviews guidelines for preparing the Departments Operational Guide and Capital Equipment Request.

By late August each department prepares an operating budget and capital needs request, consistent with and linking to the Board strategic plan. Using that information, the Financial Planning Manger develops preliminary operating and capital budgets. The Executive Team then reviews the items. Capital items that are requested will be added to the capital budget based on need (as determined by the Executive Team) and funding available through the Capital Reserve Fund and any grant funding that may be available.

In October, the President/CEO presents the 2018 tentative budget to the Board's Finance and Operations Committee, which reviews the 2018 tentative budget and approves subsequent presentation of the tentative budget to the Board. Once the tentative budget is approved by the Board, it is sent to the Governor's Office, State Legislature and Local Governments for a 30-day comment period. The Financial Planning Manager makes recommended changes as directed by the President/CEO to arrive at the 2018 Final Budget. The Finance and Operations Committee considers the 2018 Final Budget at their December meeting and then forwards it to the Board of Trustees for their consideration and approval at their December meeting.

Adoption of Annual Budget: Before the first day of each fiscal year, the Board shall adopt the annual budget by a vote of a quorum of the total Board. If, for any reason, the Board has not adopted the annual budget on or before the first day of January of any fiscal year, the preliminary budget for such year shall be in effect for such fiscal year until the annual budget is adopted.

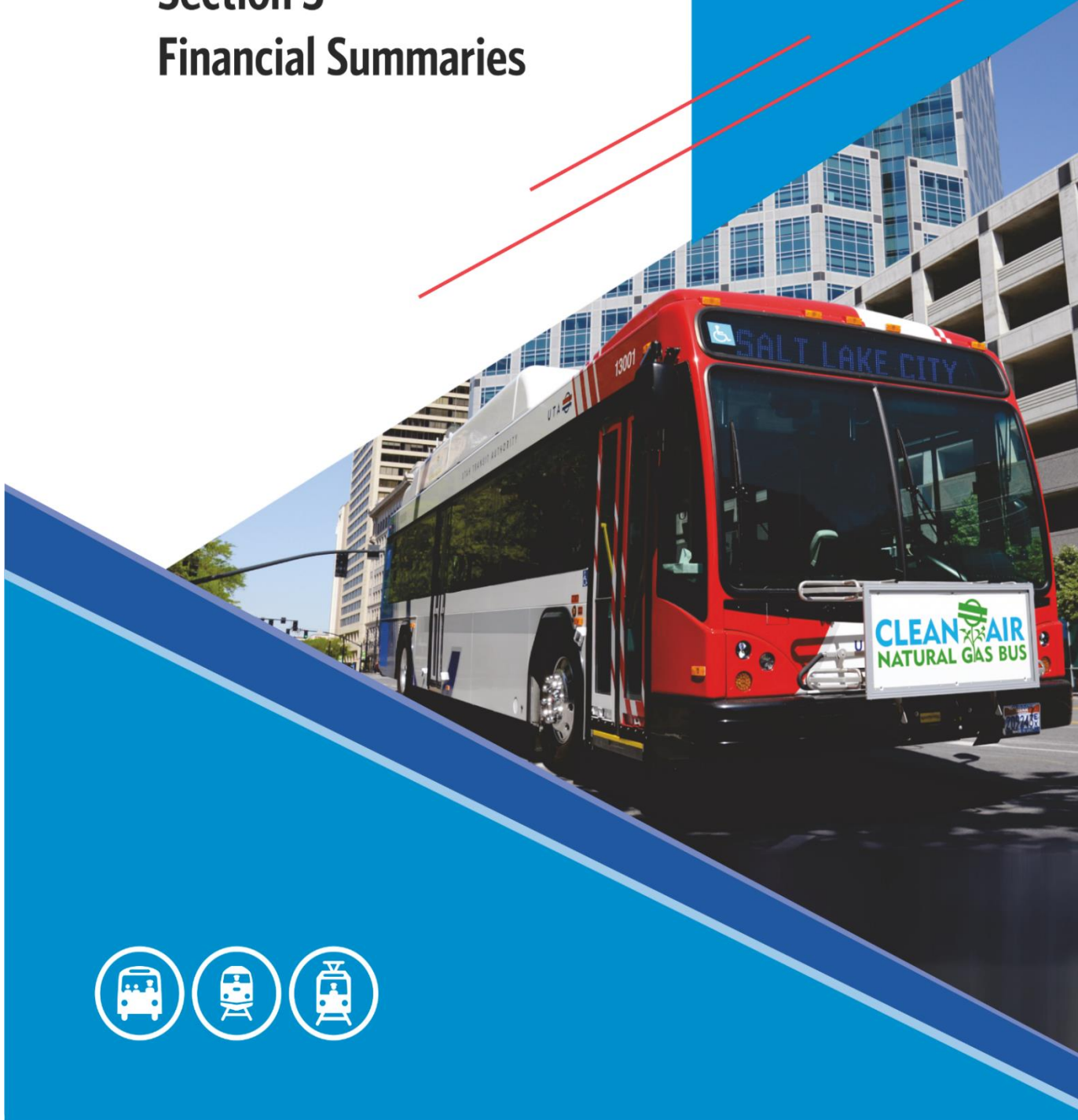
Please refer to the 2018 UTA Budget Preparation Schedule at the end of this section.

Amendment of Annual Budget: The Board may, by a vote of a quorum of the total Board at any duly-held regular, special or emergency meeting, adopt an amended annual budget when reasonable and necessary, subject to contractual conditions or requirements existing at the time the need for such amendment arise.

2018 UTAH TRANSIT AUTHORITY BUDGET PREPARATION SCHEDULE

<u>Task</u>	<u>Completion Date</u>
Board Finance and Operations Committee and President/CEO develop of short-term strategies for the upcoming year	June 30, 2017
Updated Transit Finance Plan published after incorporating changes and updated projections of capital, operating expense, and tax revenue.	June 30, 2017
Executive team provides final 2017 reorganization cost and details to the Vice President Finance. Chief People Officer provides 2018 staff alignment plan and costs to Vice President Finance.	July 13, 2017
Vice President Finance completes 2018 operating budget targets in accordance with Executive team guidance.	July 14, 2017
Executives present 2018 budget targets and communication to their key staff members along with expectations for 2018 budget review and continuous improvement goals. Chameleon PowerBudget system budget templates unlocked to allow managers to start preparation of department operating budgets.	July 21, 2017
Operating and capital budget preparation instructions provided to business unit managers via on-site department meetings.	July 31 thru August 4, 2017
Operating budget by department by account, description of department function, and red-lined organization chart due to Budget. Draft 2018 capital plan, including 2017 carryforward projects, provided to Vice President Finance.	August 25, 2017
Present preliminary Transit Finance Plan model assumptions, economic factors, and key budget initiatives to Finance and Operations Committee. Executive team evaluates proposed 2018 budget and effects on the Transit Finance Plan.	September 13, 2017
Executive team reviews final changes to 2018 budget.	September 19, 2017
Transit Financial Plan is updated using proposed 2018 budget.	September 29, 2017
Staff prepares tentative budget document and mails to Board of Trustees.	October 3, 2017
Finance and Operations Committee reviews 2018 tentative budget.	October 11, 2017
Board of Trustees reviews and approves 2018 Tentative Budget at Board meeting. Time is set for public hearing in November Board meeting.	October 25, 2017
Budget Review and Comment Period.	November 1-30, 2017
Board holds public hearing on 2018 Budget.	November 15, 2017
Finance and Operations Committee reviews all public comments and considers the 2018 Final Budget.	December 6, 2017
Presentation of the 2018 Final Budget to Board of Trustees for final approval.	December 13, 2017
Submit Final Budget to State Auditor.	January 5, 2018
Prepare, print and distribute Budget Document and Strategic Plan to Policy Forum, Board, and Operating Departments.	January 5, 2018

Section 3 Financial Summaries



Combined 2018 Budget

	Operating	Capital	Total
Revenue			
Sales Tax	\$278,909,000	-	\$278,909,000
Federal Preventative Maintenance	60,827,000	-	60,827,000
Passenger Revenue	50,337,000	-	50,337,000
Advertising	2,483,000	-	2,483,000
Investment Income	3,732,000	-	3,732,000
Other Revenues	4,865,000	-	4,865,000
Motor Vehicle Registration	1,907,000	-	1,907,000
Capital Grants	-	\$26,115,000	26,115,000
Provo-Orem TRIP	-	\$30,000,000	30,000,000
Local Contributions	-	11,968,000	11,968,000
State Contribution	-	2,350,000	2,350,000
Bond and Lease Financing	-	109,689,000	109,689,000
Total Revenue	403,060,000	180,122,000	583,182,000
Expense by Function			
Bus	97,522,000	-	97,522,000
Commuter Rail	27,375,000	-	27,374,000
Light Rail	48,964,000	-	48,964,000
Paratransit Service	23,010,000	-	23,010,000
Rideshare/Vanpool	3,210,000	-	3,210,000
Operations Support	45,154,000	-	45,154,000
General & Administrative	32,394,000	-	32,394,000
Non-operating	5,505,000	-	5,505,000
Debt Service	113,977,000	-	113,977,000
Capital		191,180,000	191,180,000
Total Expense by Function	397,111,000	191,180,000	588,291,000
Estimated Beginning Fund Balance, January 1	149,617,000	48,706,000	198,323,000
Reimburse Operating Fund	37,648,000	(37,648,000)	-
Contributions to (from) Reserves Included in Budget	5,949,000	(11,058,000)	(5,109,000)
Estimated Ending Fund Balance, December 31	\$193,214,000	\$ -	\$193,214,000

Utah Transit Authority 2018 Operating Budget

	Actual 2016	2017 Budget	Budget 2018
<u>Revenue</u>			
1. Sales Tax	\$ 245,008,417	\$ 258,109,000	\$ 278,909,000
2. Federal Preventative Maintenance	63,334,769	60,676,000	60,827,000
3. Passenger Revenue	50,624,354	53,175,000	50,337,000
4. Advertising	2,226,667	2,333,000	2,483,000
5. Investment Income	1,732,939	2,098,000	3,732,000
6. Other Revenues	3,108,191	6,391,000	4,865,000
7. Motor Vehicle Registration	-	1,823,000	1,907,000
8. 2015 Crossover Refunding Reserve	-	4,485,000	-
9. Total Revenue	<u>366,075,337</u>	<u>389,090,000</u>	<u>403,060,000</u>
<u>Operating Expense</u>			
10. Bus	82,476,517	90,762,000	97,522,000
11. Commuter Rail	29,076,765	27,700,000	27,375,000
12. Light Rail	39,857,000	48,533,000	48,964,000
13. Paratransit Service	19,172,673	21,795,000	23,010,000
14. Rideshare/Vanpool	2,796,086	2,576,000	3,210,000
15. Operations Support	36,248,482	42,154,000	45,154,000
16. General & Administrative	<u>32,311,210</u>	<u>30,911,000</u>	<u>32,394,000</u>
17. Total Operating Expense	<u>241,938,733</u>	<u>264,451,000</u>	<u>277,629,000</u>
<u>Non-Operating Expense</u>			
18. Contributions to Reserves	-	4,752,000	-
19. Planning/Real Estate/TOD/Major Program Development	<u>4,245,093</u>	<u>6,060,000</u>	<u>5,505,000</u>
20. Total Non-operating Expense	<u>4,245,093</u>	<u>10,812,000</u>	<u>5,505,000</u>
<u>Debt Services</u>			
21. Principal and interest	95,991,432	107,002,000	113,977,000
22. Contribution to Early Debt Retirement Reserve	<u>4,323,000</u>	<u>2,842,000</u>	<u>5,949,000</u>
23. Total Debt Service	<u>100,314,432</u>	<u>109,844,000</u>	<u>119,926,000</u>
24. Total Expense	\$ <u>346,498,258</u>	\$ <u>385,107,000</u>	\$ <u>403,060,000</u>

The following pages contain more detailed information for each line of the 2018 Operating and Non-Operating expense budgets shown above.

Bus Service

• Salt Lake	\$ 58,683,000
• Mt. Ogden	21,006,000
• Timpanogos	15,393,000
• Operations Planning	943,000
• Transit Dispatch	<u>1,500,000</u>
Total in 2018 Final Budget:	<u>\$ 97,522,000</u>

Commuter and Light Rail Service

• Commuter Rail, TRAX – operations	\$ 23,604,000
• Commuter Rail, TRAX – maintenance	31,331,000
• Commuter Rail, TRAX – administration	3,276,000
• Maintenance of Way	<u>18,132,000</u>
Total in 2018 Final Budget:	<u>\$76,339,000</u>

Paratransit Service

• Operations, maintenance & administration	<u>\$23,010,000</u>
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Rideshare / Vanpool Service

• Vanpool and Rideshare administration	<u>\$3,210,000</u>
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Operations Support

• Administrative Services	\$ 5,068,000
• Financial Services	
• Supply Chain Management	
• Customer Service	2,762,000
• Chief People Office	2,624,000
• Chief Operations Officer	19,968,000
• Support Maintenance, Fleet Engineering, Facilities	
• Business Solutions	4,133,000
• Technology Support, Telecommunications, Ops Research	
• Safety (incl. Police)	<u>10,598,000</u>
Total Operations Support in 2018 Final Budget:	<u>\$ 45,154,000</u>

Administration

• Administrative Services	\$ 2,836,000
• Accounting, CFO, Budget & Analysis	
• Chief People Office	3,281,000
Human Resources and Labor Relations	
• Customer Focus	5,665,000
• VP External Affairs, Government Relations, Public Relations & Marketing	

• Chief Operations Officer	452,000
• Chief Operations Officer	
• President/ CEO	2,399,000
• President, Board Support, Board Coordination, and Innovative Mobility	
• Internal Audit	460,000
• Legal	5,913,000
• General Counsel, Civil Rights, Risk Management	
• Technology	11,389,000
• Chief Technology Officer, Technology Deployment Support, Application Development and Network Support	
Total Administration in 2018 Final Budget:	<u>\$ 32,394,000</u>
Total Operating Expenses in 2018 Final Budget:	<u><u>\$277,629,000</u></u>

Planning/Real Estate/TOD/Major Program Development

	<u>2018 Budget</u>
Planning	\$ 2,147,000
Real Estate/TOD	1,391,000
Major Program Dev	<u>1,967,000</u>
Total Planning/Real Estate/TOD/Major Program Development Expense	<u>\$ 5,505,000</u>

**UTAH TRANSIT AUTHORITY
OPERATING BUDGET
2018**

	<u>Actual 2016</u>	<u>Budget 2017</u>	<u>Budget 2018</u>
*** UTA BUS DETAIL ***			
*** BUS OPERATIONS ***			
LABOR	\$ 33,272,953	\$ 35,408,331	\$ 38,817,045
FRINGES	16,722,601	17,412,520	18,680,280
SERVICES	94,460	51,000	244,144
FUEL AND LUBRICANTS	33,906	51,350	52,000
SUPPLIES	183,104	139,730	148,576
UTILITIES	46,224	43,300	47,500
TRAVEL & MEETINGS	46,835	25,300	19,435
OTHER	(19,189)	12,871	255,435
* TOTAL BUS OPERATIONS *	<u>50,380,895</u>	<u>53,144,402</u>	<u>58,264,415</u>
*** BUS MAINTENANCE ***			
LABOR	10,832,897	11,929,583	12,496,938
FRINGES	5,233,161	5,576,308	5,823,933
SERVICES	1,067,129	264,387	280,732
FUEL AND LUBRICANTS	5,681,492	9,792,615	9,311,459
TIRES AND TUBES	1,422,325	1,532,433	1,690,300
PARTS	3,346,836	3,625,081	3,995,581
SUPPLIES	367,469	526,728	567,804
TOOLS	109,989	99,163	103,886
UTILITIES	13,984	17,050	17,967
TRAVEL & MEETINGS	37,046	82,920	86,165
WARRANTY SCRAP RECOVERIES	(174,611)	(143,046)	(222,598)
OTHER	206	(900)	257,147
* TOTAL BUS MAINTENANCE *	<u>27,937,923</u>	<u>33,302,322</u>	<u>34,409,315</u>
*** TOTAL BUS SERVICE***	78,318,818	86,446,724	92,673,730
EXPENSES CAPITALIZED	(6,375)	0	0
FEDERAL PLANNING FUNDS	0	0	0
TOTAL OFFSETTING FUNDS	<u>(6,375)</u>	<u>0</u>	<u>0</u>
*** NET BUS SERVICE ***	<u>78,312,443</u>	<u>86,446,724</u>	<u>92,673,730</u>
*** ADMINISTRATIVE SUPPORT***			
LABOR	2,517,939	2,423,580	2,789,484
FRINGES	1,218,247	1,255,452	1,277,292
SERVICES	99,826	269,819	330,099
FUEL AND LUBRICANTS	3,387	2,350	5,400
SUPPLIES	81,309	70,400	83,600
UTILITIES	19,636	19,030	22,000
TRAVEL & MEETINGS	75,903	75,525	93,157
OTHER	147,828	199,120	247,501
* TOTAL ADMINISTRATIVE SUPPORT *	<u>4,164,074</u>	<u>4,315,276</u>	<u>4,848,533</u>
TOTAL UTA BUS	82,476,517	90,762,000	97,522,263
EXPENSES CAPITALIZED			
FEDERAL PLANNING FUNDS	0	0	0
TOTAL OFFSETTING FUNDS	<u>0</u>	<u>0</u>	<u>0</u>
*** NET UTA BUS ***	<u>\$ 82,476,517</u>	<u>\$ 90,762,000</u>	<u>\$ 97,522,263</u>

**UTAH TRANSIT AUTHORITY
OPERATING BUDGET
2018**

	Actual 2016	Budget 2017	Budget 2018
*** RAIL SERVICE DETAIL ***			
*** RAIL OPERATIONS ***			
LABOR	\$ 14,896,622	\$ 15,076,162	\$ 15,917,611
FRINGES	6,741,709	6,402,136	7,362,594
SERVICES	163,777	116,000	128,500
FUEL AND LUBRICANTS	57,275	62,000	70,957
SUPPLIES	222,672	214,000	182,019
UTILITIES	97,992	72,000	67,600
TRAVEL & MEETINGS	55,272	36,300	50,600
OTHER	5,359	10,400	6,400
* TOTAL RAIL OPERATIONS *	<u>22,240,677</u>	<u>21,988,998</u>	<u>23,786,281</u>
*** RAIL VEHICLE MAINTENANCE ***			
LABOR	7,730,939	10,654,420	12,581,857
FRINGES	3,509,273	4,452,443	5,719,533
SERVICES	3,735,724	4,426,842	1,350,668
FUEL AND LUBRICANTS	3,946,228	6,492,151	5,815,609
PARTS	10,571,669	10,794,296	13,198,009
SUPPLIES	712,103	921,370	993,910
TOOLS	118,967	179,362	434,650
UTILITIES	18,970	24,445	27,269
TRAVEL & MEETINGS	38,785	37,478	72,792
WARRANTY SCRAP RECOVERIES	(2,160,522)	(40,000)	(1,180,153)
OTHER	7,565	(4,700)	300
* TOTAL RAIL MAINTENANCE *	<u>28,229,702</u>	<u>37,938,108</u>	<u>39,014,444</u>
*** MAINTENANCE OF WAY ***			
LABOR	6,756,697	6,844,235	6,132,742
FRINGES	3,017,729	2,904,564	2,758,558
SERVICES	501,643	580,000	680,000
FUEL AND LUBRICANTS	139,315	230,001	195,000
PARTS	549,701	325,500	326,000
SUPPLIES	337,402	174,390	186,500
TOOLS	48,564	20,000	40,000
UTILITIES	6,950,017	7,977,341	7,758,189
TRAVEL & MEETINGS	45,670	51,500	52,250
WARRANTY SCRAP RECOVERIES	(396)	0	2,000
OTHER	1,924	(3,500)	0
* TOTAL MAINTENANCE OF WAY *	<u>18,348,267</u>	<u>19,104,031</u>	<u>18,131,239</u>
*** TOTAL RAIL SERVICE***	68,818,646	79,031,137	80,931,964
EXPENSES CAPITALIZED	(2,595,908)	(5,687,528)	(7,868,817)
FEDERAL PLANNING FUNDS			
TOTAL OFFSETTING FUNDS	<u>(2,595,908)</u>	<u>(5,687,528)</u>	<u>(7,868,817)</u>
*** NET RAIL SERVICE ***	66,222,737	73,343,609	73,063,147
*** ADMINISTRATIVE SUPPORT***			
LABOR	1,449,119	1,597,716	1,793,424
FRINGES	685,177	776,880	807,600
SERVICES	379,254	336,500	398,000
FUEL AND LUBRICANTS	850	6,100	900
SUPPLIES	67,829	61,500	97,500
UTILITIES	12,196	26,200	22,000
TRAVEL & MEETINGS	42,257	35,000	35,000
OTHER	92,605	129,495	181,408
* TOTAL ADMINISTRATIVE SUPPORT *	<u>2,729,288</u>	<u>2,969,391</u>	<u>3,335,832</u>
TOTAL RAIL SERVICES	68,952,026	76,313,000	76,398,979
EXPENSES CAPITALIZED	(18,261)	(60,000)	(60,000)
FEDERAL PLANNING FUNDS	0	0	0
TOTAL OFFSETTING FUNDS	<u>(18,261)</u>	<u>(60,000)</u>	<u>(60,000)</u>
*** NET RAIL SERVICES ***	\$ 68,933,765	\$ 76,253,000	\$ 76,338,979

**UTAH TRANSIT AUTHORITY
OPERATING BUDGET
2018**

	Actual 2016	Budget 2017	Budget 2018
*** PARATRANSIT SERVICE DETAIL ***			
*** PARATRANSIT OPERATIONS ***			
LABOR	\$ 5,739,065	\$ 6,193,838	\$ 6,402,861
FRINGES	2,852,168	3,129,545	3,134,721
SERVICES	23,743	48,400	66,504
FUEL AND LUBRICANTS	1,572	5,500	3,000
SUPPLIES	60,022	67,500	18,000
UTILITIES	4,515	5,000	4,000
TRAVEL & MEETINGS	11,903	22,500	10,000
OTHER	37,118	4,500	1,000
* TOTAL PARATRANSIT OPERATIONS *	8,730,106	9,476,783	9,640,086
*** PARATRANSIT MAINTENANCE ***			
LABOR	1,774,348	1,862,356	1,965,173
FRINGES	869,976	940,450	943,519
SERVICES	55,776	76,357	79,357
FUEL AND LUBRICANTS	583,932	1,222,207	1,181,551
TIRES/TUBES	173,264	181,276	185,776
PARTS	372,867	370,426	377,247
SUPPLIES	47,219	53,952	60,452
TOOLS	7,644	6,020	6,020
UTILITIES	3,537	3,186	3,286
TRAVEL & MEETINGS	11,959	5,700	7,000
WARRANTY SCRAP RECOVERIES	(3,017)	0	
OTHER	8,997	10,900	10,900
* TOTAL PARA MAINTENANCE *	3,906,502	4,732,830	4,820,281
*** TOTAL PARATRANSIT SERVICE***	12,636,608	14,209,613	14,460,367
EXPENSES CAPITALIZED	(2,664)	0	0
FEDERAL PLANNING FUNDS	0	0	0
TOTAL OFFSETTING FUNDS	(2,664)	0	0
*** NET PARATRANSIT SERVICE ***	12,633,943	14,209,613	14,460,367
PURCHASED SERVICES	4,271,062	5,072,905	5,055,391
*** ADMINISTRATIVE SUPPORT***			
LABOR	1,464,351	1,608,472	1,673,741
FRINGES	804,519	888,924	889,187
SERVICES	25,294	433,559	817,995
SUPPLIES	38,708	55,516	75,000
UTILITIES	7,515	8,480	10,480
TRAVEL & MEETINGS	14,097	24,250	25,500
OTHER	3,708	4,573	1,850
* TOTAL ADMINISTRATIVE SUPPORT *	2,358,192	3,023,774	3,493,753
TOTAL PARATRANSIT	19,263,198	22,306,292	23,009,511
EXPENSES CAPITALIZED	(90,524)	0	0
FEDERAL PLANNING FUNDS	(1)	(511,292)	0
TOTAL OFFSETTING FUNDS	(90,525)	(511,292)	0
*** NET PARATRANSIT ***	\$ 19,172,673	\$ 21,795,000	\$ 23,009,511

UTAH TRANSIT AUTHORITY OPERATING BUDGET 2018

	Actual 2016	Budget 2017	Budget 2018
*** VANPOOL/RIDESHARE SERVICE DETAIL ***			
*** VANPOOL/RIDESHARE OPERATIONS ***			
LABOR	\$ 502,404	\$ 621,404	\$ 562,512
FRINGES	244,225	307,416	277,284
SERVICES	44,941	43,500	101,120
FUEL	669,980	800,892	784,120
MAINT ITEMS	421,141	481,884	470,664
SUPPLIES	7,230	20,000	18,084
UTILITIES	3,677	3,100	6,000
INSURANCE	852,688	875,000	915,115
TRAVEL & MEETINGS	2,740	12,500	10,000
OTHER	47,060	66,101	65,600
* TOTAL VANPOOL/RDSHR OPERATIONS *	2,796,086	3,231,797	3,210,499
EXPENSES CAPITALIZED	0	0	0
FEDERAL PLANNING FUNDS	0	(655,797)	0
TOTAL OFFSETTING FUNDS	0	(655,797)	0
*** NET VANPOOL/RIDESHARE SERVICE ***	\$ 2,796,086	\$ 2,576,000	\$ 3,210,499

UTAH TRANSIT AUTHORITY OPERATING BUDGET 2018

	Actual 2016	Budget 2017	Budget 2018
*** OPERATIONS SUPPORT DETAIL ***			
LABOR	\$ 19,856,535	\$ 22,213,777	\$ 24,121,269
FRINGES	9,302,628	10,089,301	11,080,810
SERVICES	3,340,224	3,775,707	3,524,752
FUEL AND LUBRICANTS	316,468	325,537	336,538
TIRES AND TUBES	0	600	2,000
PARTS	831,993	986,126	1,145,700
SUPPLIES	619,479	833,525	1,279,037
TOOLS	150,947	99,675	121,600
REPAIRS	422,158	175,000	474,575
UTILITIES	3,815,071	3,701,838	3,716,129
TRAVEL & MEETINGS	117,704	240,427	277,212
WARRANTY SCRAP RECOVERIES	478	0	0
OTHER	1,917,633	4,712	19,430
*** TOTAL OPERATIONS SUPPORT ***	40,691,317	42,446,225	46,099,052
EXPENSES CAPITALIZED	(4,002,924)	(292,225)	(945,463)
NON-FEDERAL PLANNING FUNDS	(423,523)	0	0
EXP TRANSFER-FEDERAL COST	(16,388)	0	0
TOTAL OFFSETTING FUNDS	(4,442,836)	(292,225)	(945,463)
	\$ 36,248,482	\$ 42,154,000	\$ 45,153,589

Operations Support includes:

Customer Service, Telecommunications, OPO, EFC, Tech Support
Financial Services, Facilities, Fleet Engineering, Support Maintenance,
Training, Security, Safety & Environmental Management

UTAH TRANSIT AUTHORITY OPERATING BUDGET 2018

	Actual 2016*	Budget 2017	Budget 2018
*** GENERAL & ADMINISTRATION DETAIL ***			
LABOR	\$ 11,585,176	\$ 12,255,637	\$ 13,403,256
FRINGES	4,869,074	5,177,139	5,346,048
SERVICES	6,560,351	6,845,496	7,224,620
FUEL AND LUBRICANTS	4,403	6,400	7,225
SUPPLIES	578,858	681,001	632,118
UTILITIES	717,178	701,421	664,518
INSURANCE	2,990,121	2,357,252	2,201,430
TRAVEL & MEETINGS	258,991	551,753	618,015
MEDIA COSTS	440,448	610,000	552,000
CONTINGENCY	1,695,872	1,473,249	1,010,000
OTHER	1,180,075	392,616	902,425
*** TOTAL ADMINISTRATION ***	30,880,547	31,051,964	32,561,655
EXPENSES CAPITALIZED	(342,414)	(69,192)	(167,000)
TRANSFER TO FED PREV MAINTENANCE	1,973,767	0	0
FEDERAL PLANNING FUNDS	(200,690)	(71,772)	0
TOTAL OFFSETTING FUNDS	1,430,663	(140,964)	(167,000)
*** NET ADMINISTRATION EXPENSE ***	\$ 32,311,210	\$ 30,911,000	\$ 32,394,655

Administration includes:

Internal Audit, President, Civil Rights, Board Coordination
Information Services, General Counsel, Risk Mgt, Accounting,
Purchasing, Central Support Administration, Chief People Officer,
Labor Relations, Human Resources, V.P. External Affairs,
and Public Relations/Marketing.

*2016 Includes Real Estate

UTAH TRANSIT AUTHORITY OPERATING BUDGET 2018

	Actual 2016*	Budget 2017	Budget 2018
*** NON-OPERATING EXPENSE DETAIL ***			
LABOR	\$ 2,754,214	\$ 3,785,664	\$ 3,349,296
FRINGES	1,211,925	1,699,572	1,377,030
SERVICES	1,284,211	1,494,858	2,923,224
FUEL AND LUBRICANTS	6,998	15,375	12,275
SUPPLIES	111,666	279,660	70,896
UTILITIES	18,801	39,200	24,200
TRAVEL & MEETINGS	62,045	76,350	41,800
LEASES	0	280,000	269,900
OTHER	305,060	127,430	85,760
*** TOTAL NON-OPEX ***	5,754,921	7,798,109	8,154,381
EXPENSES CAPITALIZED	(847,329)	(1,738,109)	(2,648,891)
OFFSETTING NON FEDERAL FUNDS	0	0	0
FEDERAL PLANNING FUNDS	(662,499)	0	0
TOTAL OFFSETTING FUNDS	(1,509,828)	(1,738,109)	(2,648,891)
*** NET NON-OPERATING EXPENSE ***	\$ 4,245,093	\$ 6,060,000	\$ 5,505,490

Non-Operating Expense includes:

Capital Development, Real Estate, Transit Oriented Development
Planning, Major Investment Studies

*2016 excludes RealEstate

Projected Fund Balance

UTA FUND BALANCE REPORT 2018 FORECAST						
	General Account	Bond Accounts	Risk Contingency Accounts	Restricted Revenue Account	Capital Projects	Project All Funds 2018
BEGINNING FUND BALANCE – 1/01/18	\$78,958,000	\$60,499,000	\$8,064,000	\$2,096,000	\$48,706,000	\$198,323,000
Revenue:						
Passenger	50,337,000					50,337,000
Advertising	2,483,000					2,483,000
Investment Income	3,732,000					3,732,000
Sales Tax	278,909,000					278,909,000
Other Revenue	4,865,000					4,865,000
Federal Operating Funds/Prev. Maintenance	60,827,000					60,827,000
Motor Vehicle Registration	1,907,000					1,907,000
Capital Grants					26,115,000	26,115,000
Local Contributions					41,968,000	41,968,000
State Contribution					2,350,000	2,350,000
Bond and Lease Financing					109,689,000	109,689,000
TOTAL RESOURCES	482,018,000	60,499,000	8,064,000	2,096,000	228,828,000	781,505,000
Transfers To (+) / From (-)	(106,014,000)	143,662,000			(37,648,000)	0
TOTAL AVAILABLE RESOURCES	376,004,000	204,161,000	8,064,000	2,096,000	191,180,000	781,505,000
Expenditures:						
Operating Expenses	277,629,000					277,629,000
Non-operating	5,505,000					5,505,000
Debt Service (Principal and Interest)		113,977,000				113,977,000
State of Good Repair Capital Projects					62,822,000	62,822,000
Provo-Orem BRT Capital Project					40,227,000	40,227,000
Airport TRAX Station Relocation					22,902,000	22,902,000
Other Capital Projects					65,229,000	65,229,000
TOTAL EXPENDITURES	283,134,000	113,977,000	0	0	191,180,000	588,291,000
ENDING FUND BALANCE – 12/31/18	\$92,870,000	\$90,184,000	\$8,064,000	\$2,096,000	\$ 0	\$193,214,000

Description of Fund Structure

General Fund: This fund is the chief operating fund of UTA. It is used to account for all financial resources and expenses except those accounted for in the other funds. Payment for the cost of all capital projects are paid out of the general fund with the exception of rail construction (including light rail and commuter rail), which is paid for out of the Rail Construction Fund.

Bond Accounts: This fund was created to hold monies set aside for the payment of debt service on bonds. The funds are held by a Trustee and administered pursuant to Bond Indenture provisions. The amount in this fund is set by the indenture. This fund also includes all Debt Service Reserve accounts.

Risk Contingency Account: The Risk Contingency Fund is used for UTA's self-insurance program. The Utah Governmental Immunity Act, which sets limits for governmental liability, applies to the Authority.

Restricted Assessment Account: The Restricted Assessment Fund was created to segregate sales tax authorized by Brigham City, Willard and Perry (municipalities within Box Elder County) with the specific restriction that all funds would be used for right of way acquisition and corridor preservation to fund a fixed guideway or expanded public transportation system within the taxing jurisdictions.

Capital Projects Fund: This fund is used for capital projects, including the procurement of rail vehicles.

Revenues

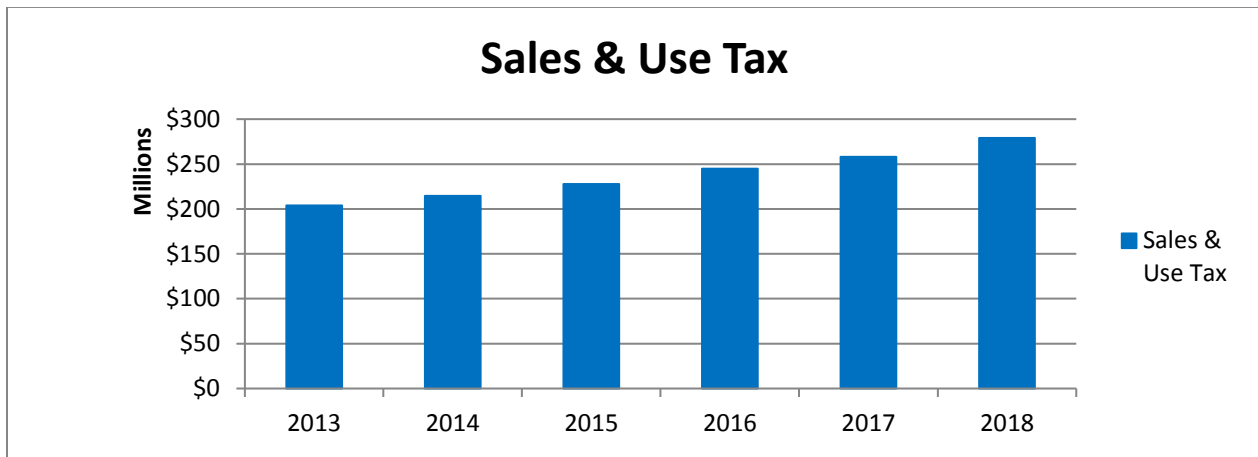
Source: Sales and Use Tax

The largest operating source of revenue for the Authority is a local option sales tax, which is imposed by the service area of the Authority. In November 2015 the voters in Davis, Weber, and Tooele Counties approved a ballot measure (Proposition 1) increasing the rate of tax. The sales tax rate is .55% for Box Elder County and .65% for Weber and Davis counties. The rate is 0.6825% for Salt Lake County, 0.526% for Utah County, and 0.4% Tooele County. This revenue is projected to generate \$278.9 million in 2018.

UTA's growth rate for Sales and Use Tax from 1990 to 2015 is 5.5%. For 2017, the State of Utah Revenue Assumption Committee (last meeting in September 2017) estimates retail sales will grow by 7.2%. Their estimated growth for 2018 is 5.4%. The Authority estimated 2018 sales tax revenue is based on a 6.00% increase over projected 2017 sales tax.

Year	2013	2014	2015	2016	2017*	2018*
Sales Tax	\$203,806,328	\$214,683,276	\$227,703,023	\$245,008,417	\$258,109,000	\$278,909,000

* Budget

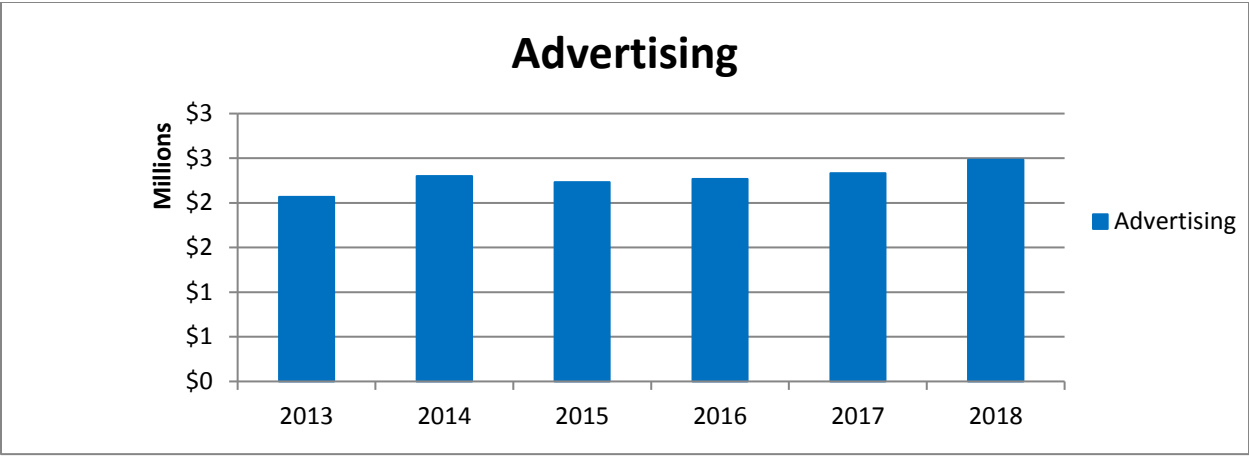


Source: Advertising

Advertising revenues for the Authority comes from the lease of exterior space on the sides and rear of the bus and light rail vehicles. The compound annual growth rate for advertising over the last four years has been somewhat flat. For 2018 advertising is projected to produce \$2.483 million, a slight increase due to opening of new routes and based and on new contract guarantees.

Year	2013	2014	2015	2016	2017*	2018*
Advertising	\$2,066,667	\$2,300,000	\$2,233,333	\$2,266,667	\$2,333,000	\$2,483,000

* Budget

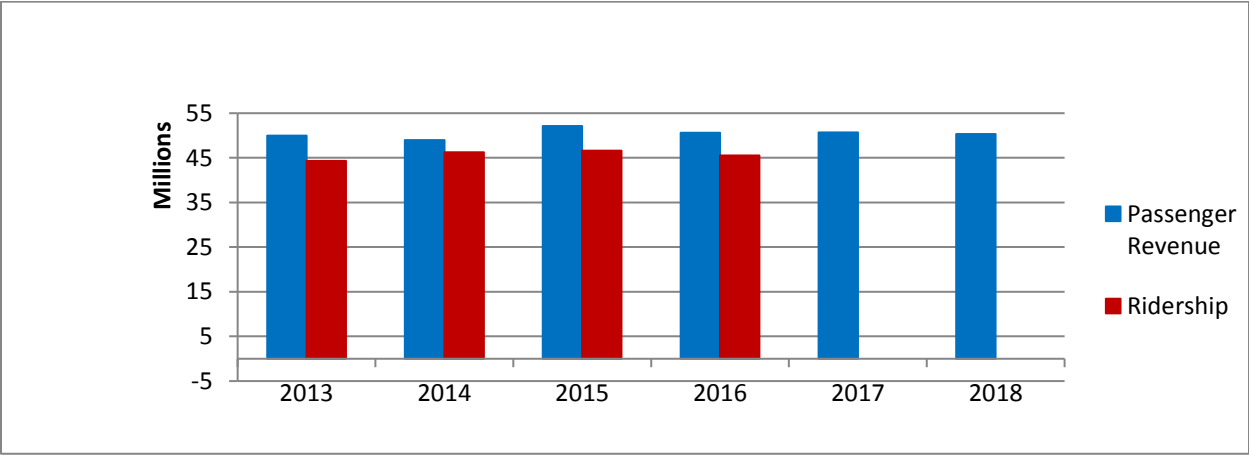


Source: Passenger Revenue

The Authority base fare is \$2.50, fares range from \$1.25 for senior citizens to \$5.50 for premium express service. Due to increased bus service along with population and employment growth, ridership and passenger revenues are expected to increase. UTA projects \$50.3 million in passenger revenue in 2018.

Year	2013	2014	2015	2016	2017*	2018*
Passenger Revenue	\$49,977,533	\$48,976,890	\$52,112,909	\$50,624,354	\$53,175,000	\$50,337,000
Ridership	44,281,254	46,279,409	46,577,166	45,521,914	N/A	N/A

* Budget

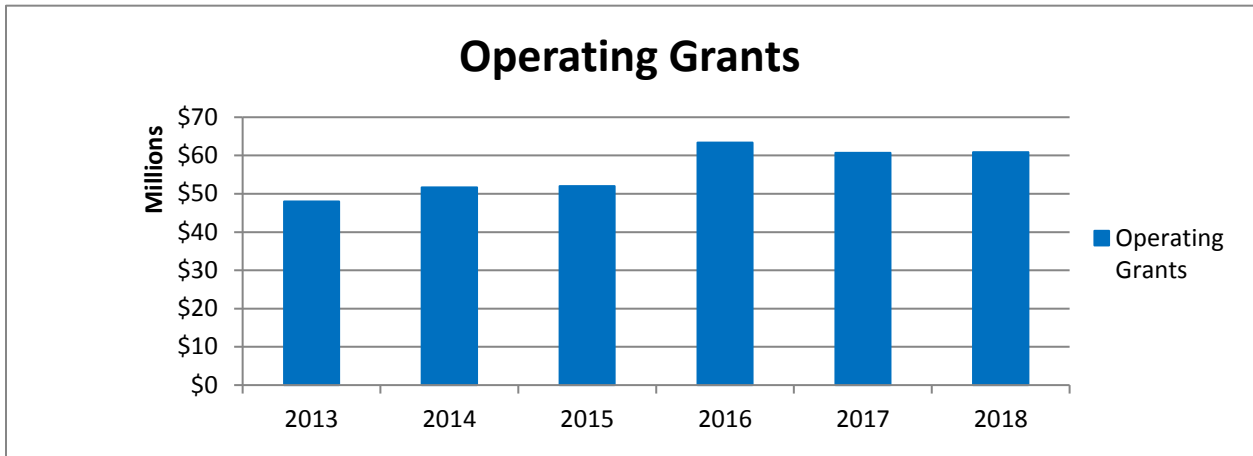


Source: Federal Operating and Preventative Maintenance Revenue Grants

In 2016 the Transportation Bill, Fixing Americas’ Surface Transportation (FAST) was approved by Congress. FAST allows the Authority to use formula funds for preventive maintenance as defined by the National Transit Database. The use of these funds for preventive maintenance is a direct reduction of funds available for capital projects. These formula funds may be used to cover up to 80% of preventive maintenance costs with the balance being used for other capital projects. The Amounts for 2017 and 2018 are based on a slight increase of funding due to additional qualifying rail lines and new apportionments from the FAST act.

Year	2013	2014	2015	2016	2017*	2018*
Operating Grants	\$47,986,240	\$51,648,000	\$52,000,012	\$63,334,769	\$60,676,000	\$60,827,000

* Budget



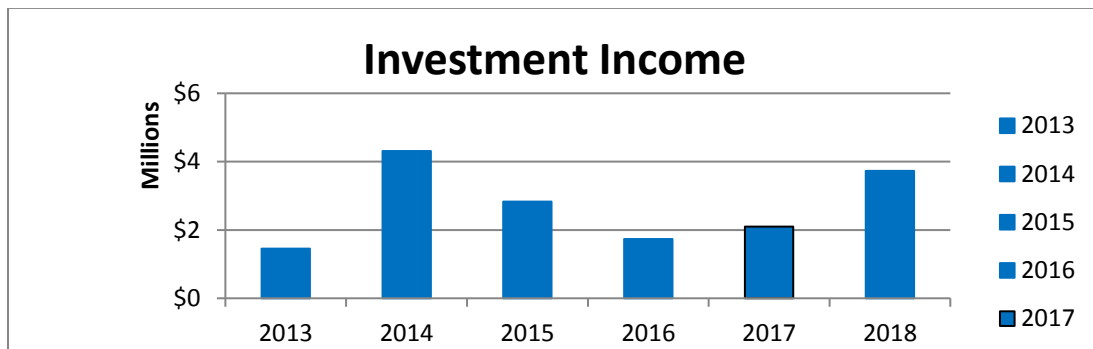
Source: Investment Income

Interest income consists of interest earned on invested operating funds not yet expended and funds held for future capital expenditures. Some of the Authority’s funds are invested with the Public Treasurers Investment Fund managed by the State Treasurer’s office; others are placed in investments that can yield a higher interest but are still secure.

An approximate rate of 2.20% is applied to projected reserve accounts in the 2018 Transit Development Plan model.

Year	2013	2014	2015	2016	2017*	2018*
Investment Income	\$1,455,039	\$4,313,024	\$2,831,406	\$1,732,939	\$2,400,000	\$3,732,000

* Budget



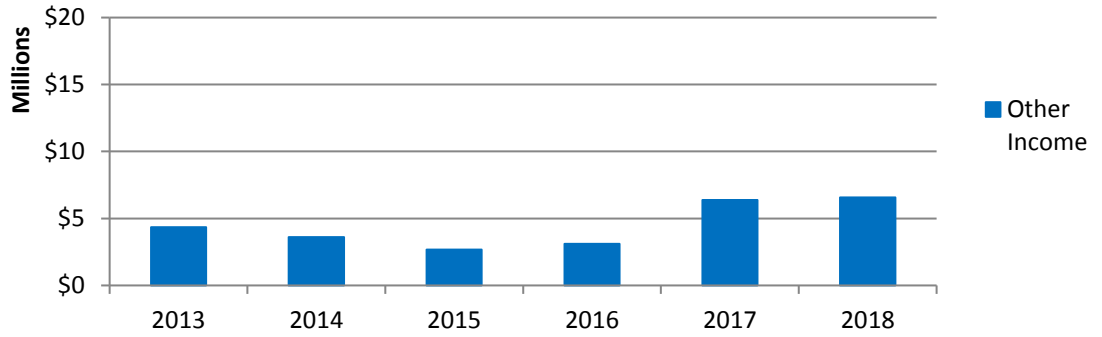
Source: Other Income

Other income consists of income from rents and leases on the right-of-way and discounts taken. Vanpool revenue is now accounted for with passenger revenue. Other income projected for 2017 includes a one-time distribution of \$7.1 million from transit-oriented development revenues and \$1.86 million from motor vehicle registration fees. Other revenues in 2018 include \$1.9 million from motor vehicle registration fees, \$1.1 million from Utah County for Provo-Orem BRT operations and \$0.3 million from transit-oriented development revenues.

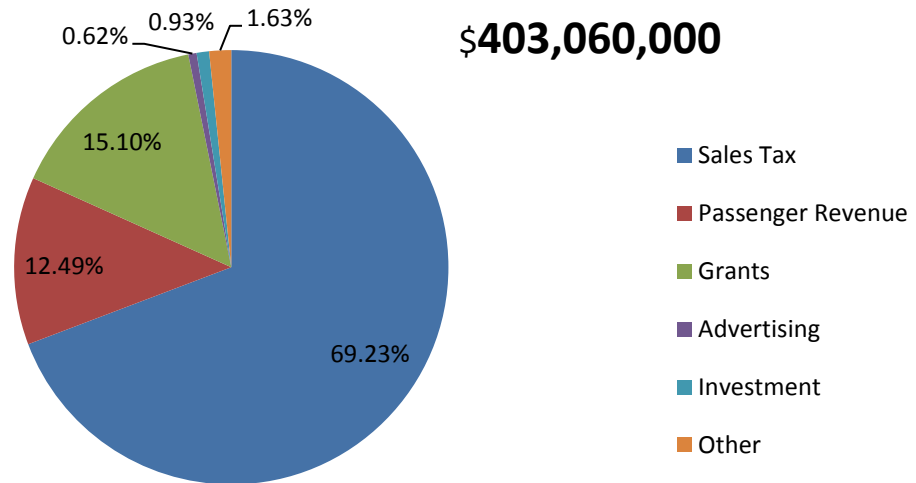
Year	2013	2014	2015	2016	2017*	2018*
Other Income	\$4,347,724	\$3,601,268	\$2,671,936	\$3,108,191	\$6,391,000	\$6,772,000

* Budget

Other Income



2018 Budgeted Operating Revenues



Utah Transit Authority
Long-range Financial Forecast
(In thousands)

	Budget 2018	Estimated 2019	Estimated 2020	Estimated 2021	Estimated 2022
Revenue					
Sales Tax	\$278,909	\$292,854	\$307,497	322,872	\$339,016
Federal Prevent. Maint.	60,827	62,060	67,101	70,321	71,013
Passenger	50,337	55,803	58,817	58,531	59,088
Advertising	2,483	2,433	2,483	2,533	2,583
Investment	3,732	5,716	6,269	7,798	5,570
Other	<u>6,772</u>	<u>9,396</u>	<u>10,696</u>	<u>10,762</u>	<u>9,162</u>
Total Revenues	<u>403,060</u>	<u>428,262</u>	<u>452,863</u>	<u>472,817</u>	<u>486,430</u>
Expenses					
Bus	97,522	100,204	102,959	105,791	108,700
Commuter Rail	27,375	28,128	28,901	29,696	30,513
Light Rail	48,964	50,311	51,694	53,116	54,576
Paratransit	23,010	23,643	24,293	24,961	25,647
Rideshare/Vanpool	3,210	3,298	3,389	3,482	3,578
Operations Support	45,154	46,396	47,672	48,983	50,330
General/Administrative	32,394	33,285	34,200	35,141	36,107
Non-Operating	5,505	5,656	\$5,812	5,972	6,136
Operational Efficiencies	<u>(4,810)</u>	<u>(7,596)</u>	<u>(7,805)</u>	<u>(8,020)</u>	<u>(8,240)</u>
Total Operating & Non-Operating Expense	<u>278,324</u>	<u>283,325</u>	<u>291,115</u>	<u>299,122</u>	<u>307,347</u>
Net Available	<u>124,736</u>	<u>144,937</u>	<u>161,748</u>	<u>173,695</u>	<u>179,083</u>
Capital Revenues					
Provo-Orem TRIP	30,000	-	-	-	-
Bonds/Leasing	109,689	16,491	83,555	21,391	27,493
Grants	26,115	9,224	10,600	14,403	8,372
Local Revenues	<u>14,318</u>	<u>6,450</u>	<u>3,000</u>	<u>2,500</u>	<u>2,500</u>
Total Capital Revenues	<u>180,122</u>	<u>32,165</u>	<u>97,155</u>	<u>38,294</u>	<u>38,365</u>
Capital Expense					
Capital Outlay	191,180	48,128	87,171	89,122	69,161
Debt Retirement	-	-	-	-	98,000
Debt Service	<u>113,977</u>	<u>123,159</u>	<u>136,001</u>	<u>147,844</u>	<u>154,723</u>
Total Capital & Debt Service Expense	<u>305,157</u>	<u>171,287</u>	<u>223,172</u>	<u>236,966</u>	<u>321,884</u>
Net Change	(299)	5,815	35,731	(24,977)	(104,436)
Beginning Balance	<u>198,323</u>	<u>198,024</u>	<u>203,839</u>	<u>239,570</u>	<u>214,593</u>
Ending Balance	<u>\$198,024</u>	<u>\$203,839</u>	<u>\$239,570</u>	<u>\$214,593</u>	<u>\$110,157</u>

Utah Transit Authority
 Long-range Financial Forecast
 Ending Balances
 (In thousands)

	Budget 2018	Estimated 2019	Estimated 2020	Estimated 2021	Estimated 2022
Restricted Reserves:					
Debt Service	\$42,801	\$42,801	\$42,801	\$42,801	\$42,801
Debt Rate Stabilization	47,383	71,336	89,409	97,420	447
Service Sustainability	13,916	14,166	14,555	14,956	15,367
Working Capital	25,977	26,443	27,170	27,917	28,685
Risk	8,064	8,225	8,390	8,558	8,729
Fuel and Parts	<u>4,915</u>	<u>4,915</u>	<u>4,915</u>	<u>4,915</u>	<u>4,915</u>
Total Restricted Reserves	143,056	167,886	187,240	196,567	100,944
Unrestricted Balance	<u>54,968</u>	<u>35,953</u>	<u>52,330</u>	<u>18,026</u>	<u>9,213</u>
Total Ending Balance	<u>\$198,024</u>	<u>\$203,839</u>	<u>\$239,570</u>	<u>\$214,593</u>	<u>\$110,157</u>

Description of Restricted Reserves

Debt Service – This reserve is required by bond covenants for the payment of debt service in the event that UTA fails to make payments (which has never happened).

Debt Rate Stabilization – UTA Board policy requires savings from a bond refunding be placed into this reserve. This reserve may be used for early debt retirement, payment of debt service if needed to fund a new bond reserve, or other use as determined by UTA Board. The current intent is to use the accumulated savings from the 2013, 2014, and 2015 refunding's to retire portions of the 2012 bond issue in 2022.

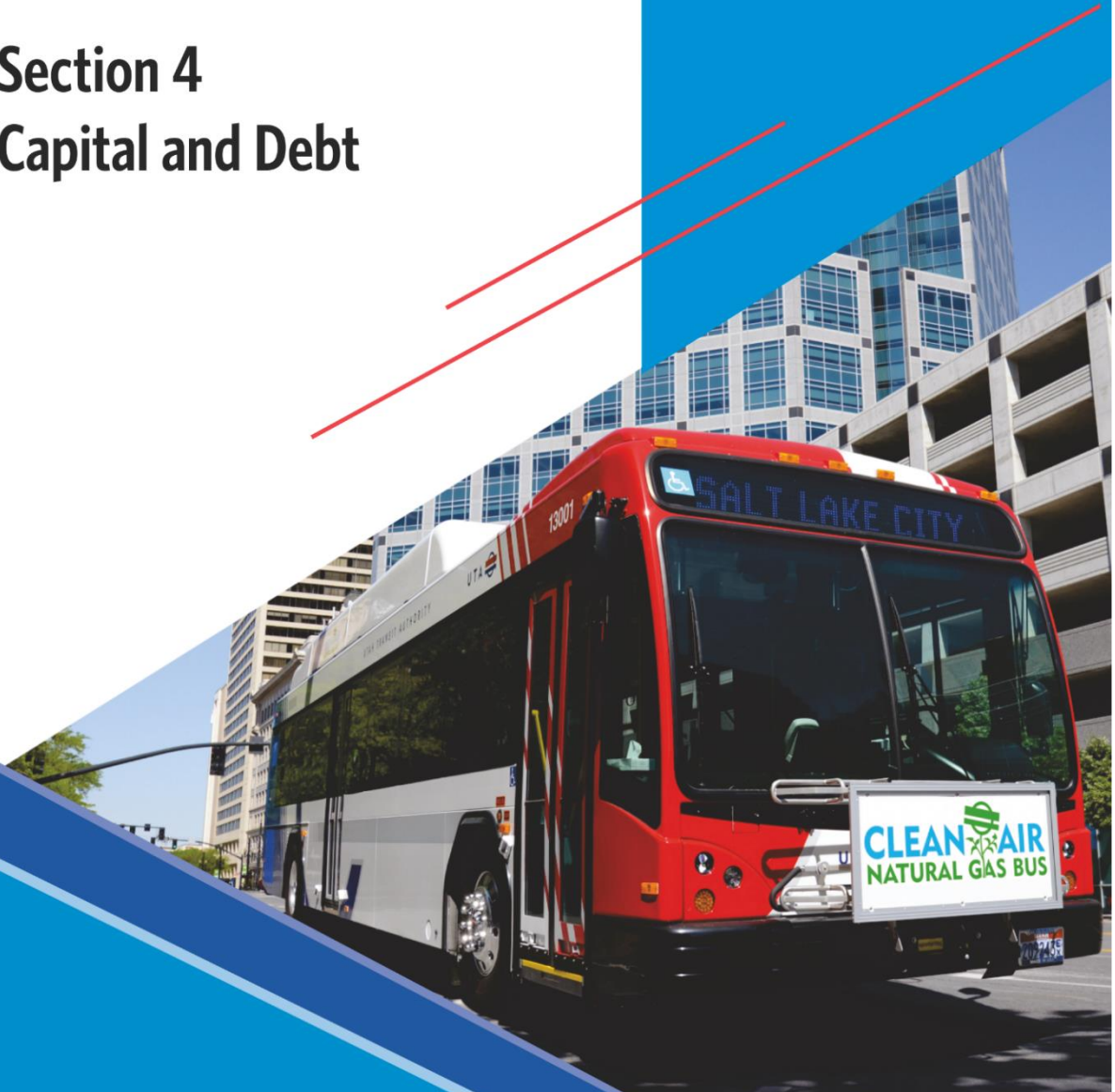
Service Sustainability – UTA Board policy requires an amount equal to 5% of budgeted operating cost be held in this reserve. This reserve may be used to avoid service reductions at such times as the Authority faces a revenue shortfall or cost overrun due to extraordinary circumstances.

Working Capital – UTA Board policy requires an amount equal to 9 1/3% of budgeted operating cost be held in this reserve so the Authority can meet cash flow needs should revenue or grant payments be delayed.

Risk – This reserve supports UTA's self-insurance program. Utah Governmental Immunity Act (UGIA) suggests that entities establish these funds as a separate trust account but that is not required.

Fuel and Parts – The fuel reserve is set at \$.30 per gallon and currently represents \$1.915 million of the reserve amount. The fuel reserve may be used if the average fuel price for the year exceeds the budgeted fuel price. The parts reserve was initially funded at \$3 million and has a maximum level set at \$6 million. The reserve will be increased by annual parts expense savings (actual expense less than budgeted expense). The reserve may be used for a large, unforeseen parts expense (e.g., train engine replacement or fleet-wide replacement of expensive parts).

Section 4 Capital and Debt



**UTAH TRANSIT AUTHORITY
2018 CAPITAL BUDGET – SUMMARY
(in thousands)**

	Final Budget 2017
<u>Funding Sources</u>	
Provo-Orem TRIP	\$30,000
Bonds/Leasing	109,689
UTA Funding	48,706
Grants	26,115
Local Revenues	<u>14,318</u>
Total Funding Sources	<u>228,828</u>
<u>Expense</u>	
Provo-Orem BRT	40,227
Airport TRAX Station Relocation	22,902
State of Good Repair Projects (29 buses, 2 trolleys, 29 paratransit vans, 75 Rideshare vans, technology upgrades and replacements, facility maintenance, SD overhauls, and rail maintenance)	6,822
Other Capital Projects (first/last mile improvements, positive train control, Sugar House double track, electric bus implementation, red light signal enforcement, Depot District Phase 1, and several other capital projects)	<u>65,229</u>
Total Expense	<u>\$191,180</u>



Capital Expenditures

As part of UTA's budgeting process, each year managers submit to their department directors a list of capital items and projects requested for the upcoming budget year. These items are reviewed by the Executive Team against the following criteria:

- Does the expenditure provide lower operating cost, increase ridership, or increase passenger revenues?
- Will the expenditure generate grant or operating revenue of 20% or more of the cost?
- Does the improvement contribute toward a state of good repair (SGR)?

After the capital items/project list is compiled and approved by the Executive Team, it is submitted to UTA's Board of Trustees for final approval. These items must support UTA's Strategic Plan, Board Goals, and Corporate Objectives in order to be approved.

Replacement buses, paratransit vans, Rideshare vans and service vehicles will arrive in 2018 to update current vehicle inventories and increase safety to our customers. Information systems will provide better communication and information within UTA, and facilities, bus and rail maintenance is ongoing and will be provided by current UTA staff or contractors within the capital and operating budget.

Funding for the Capital Projects in this budget come from five major sources:

- 1) Current grants the Authority has received from the federal government, which generally require a 50% to 93% local match.
- 2) Future grants anticipated from the federal government. These grants also require a local match. If future anticipated grants are not received, capital projects and contingent capital projects either may not be purchased or are purchased with local reserves.
- 3) Local reserves are accumulated as a result of contributions to capital reserves from excess of operating revenues over operating expenses.
- 4) Contributed Capital received from outside sources is used to help offset funds required for a capital project.
- 5) Financing of capital projects, buses, and other revenue service vehicles.

A list following this narrative shows the major categories of capital projects. The table also shows how much will come from current grants, what will be required in future grants and how much local match will come from UTA reserves by fiscal year. Projects in 2017 that were not completed but approved to be carried over are also included in the capital budget. Each year the new budget cycle requires projects that have not been completed during the calendar year to be resubmitted and approved for the next calendar year.

Updating this plan by July 2018 will be the first step in the planning process for the 2019 budget.

CAPITAL PROJECTS DESCRIPTIONS

Provo-Orem Bus Rapid Transit (BRT)

The purpose of this new service is to meet the transit demand in Utah County between those two cities and students commuting to Brigham Young University and Utah Valley University. The \$160 million project will be completed in August 2018. Funding for the \$40.2 million expense in 2018 is split between a grant from FTA (\$15 million), proceeds from the 2016 Utah County bond issue (\$15 million), and proceeds from a 2018 UTA bond issue (\$10.2 million).

Impact on Operating Budget

Service is scheduled to begin in August 2018. Operating cost will increase approximately \$3.5 million per year but will be offset by fares and Utah County's operations and maintenance subsidy through 2028.

Airport Station TRAX Relocation

Salt Lake City International Airport is undergoing an almost \$3 billion renovation, including the relocation of its terminal building. In order to provide front door light rail service to the new terminal building, UTA will be required to relocate a portion of its light rail track as well as the Airport TRAX station at an estimated cost of \$22.9 million. Proceeds from the 2018 bond issue will be used to pay for this improvement.

Impact on Operating Budget

There is no expected impact to the 2018 or future operating budgets.

State of Good Repair Projects

Revenue Service Vehicles

In 2018 the revenue vehicle purchases consist of 29 buses, 2 trolleys, 29 paratransit vehicles and 75 Rideshare vans. These buses will help keep UTA's fleet updated. Funding requirements will be met with a leasing program (\$21.2 million), grants (\$500,000), and local match (\$1.8 million). These vehicles will be part of a replacement program for UTA's fleet. Included in the cost are support and inspection services. This area also includes funding for revenue service vehicle repair components (such as replacement engines and transmission) of \$1,350,000 and replacement of several support vehicles (\$300,000).

Impact on Operating Budget

The replacement buses purchased in 2018 will save UTA an estimated 15% in fuel. Paratransit vans will have little if any impact on the operating budget for 2018 because they are replacing older vehicles but are not increasing operating miles and hours, which are factors in the operating budget. In addition the operating budget will not need to allocate as much funding for bus and van repair parts during the vehicles warranty period.

Technology Office – Information/Communications and ITS

Validator Replacement

During 2018, UTA will undertake a project to replace all 1,300 of the aging validators on its buses at and its train stations. Validators capture "tap on – tap off" rider information, which is used to calculate and bill riders or third-party payers.

Impact on Operating Budget

Maintenance costs will be lower during the initial warranty period and will be realized in the first few years of the three-year project.

TRAX Wi-Fi Camera System

Upgrading the Wi-Fi system on TRAX cars will alleviate the current throughput constraint for the TRAX cameras.

Impact on Operating Budget

Operating costs are expected for the support of personnel and licensing and maintenance agreements associated with this vendor-supplied technology. The operating cost in 2018 is minimal due to the system being on initial warranty period. The operating cost of this system in future years starting in 2020 will be approximately \$5,000 per year.

State of Good Repair Projects

Over \$29.6 million will go toward the updating, repairing, and replacing of UTA infrastructure. Projects planned for 2018 include: \$16.6 million for the SD Rail Cars Rebuild Program, \$6.1 million for replacement of the Main and 400 South

interlocking system, \$1.7 million for locomotive engine rebuilds, and \$1.1 million to replace vertical lift modules in three parts warehouses. Eighteen other state of good repair projects are estimated to cost \$4.1 million.

Impact on Operating Budget

Rebuilding SD rail cars and locomotive engine rebuilds should allow maintenance costs to remain level.

Facilities & Bus Maintenance and Office Equipment

Two categories are included in this capital project area:

1. Safety and Security projects. These projects ensure the safety team's equipment is replaced on a timely basis and that safety features such as cameras and fencing may be added to the system.
2. Office Capital Equipment. This allows for replacement of various office machines that may wear out throughout the year.

Impact on Operating Budget

This area has little new measurable impact on the operating budget. It does serve to keep our equipment maintained and updated, which adds to UTA employee's ability to achieve our mission.

Capital Projects

TIGER Grant Projects

In conjunction with six counties, two metropolitan planning agencies, and dozens of Utah cities, UTA was notified in late 2016 that it had been awarded a \$20 million grant which will be matched with local funding to improve transit access as well as trails and bikeways feeding into the transit system over the next five years. Projects in 2018 are estimated at almost \$13 million.

Positive Train Control

In 2018, UTA will complete the remaining \$6.4 million of work on this project. Positive train controls are used to slow down and stop a train if the train's speed exceeds set limits.

Red Light Signal Enforcement

To improve passenger safety, two TRAX intersections that have multiple light rail crossings will be equipped with red light signal enforcement infrastructure. Estimated cost for this project is \$5.1 million.

Electric Bus Implementation

Five additional electric buses will be procured and placed into service, primarily to provide service to the University of Utah. Total project cost is set at \$6.3 million.

Depot District Clean Fuels Technology Center

The project will replace the existing aging and undersized Central bus facility, allowing for growth of bus service, housing up to 150 alternative and standard fuel buses with the ability to expand to 250 buses in the future allowing for the addition of 5,000 additional daily riders by the year 2050. The initial phase of the project constructed the CNG Fuel & Fare Collection building on the site.

Sugar House S-Line Double Track

Funded by a grant from Salt Lake County, two blocks of the S-Line in South Salt Lake will be double tracked. When completely double tracked, the S-Line will be able to handle more frequent service between the Sugar House area in Salt Lake City and the City of South Salt Lake.

Sandy Parking Structure

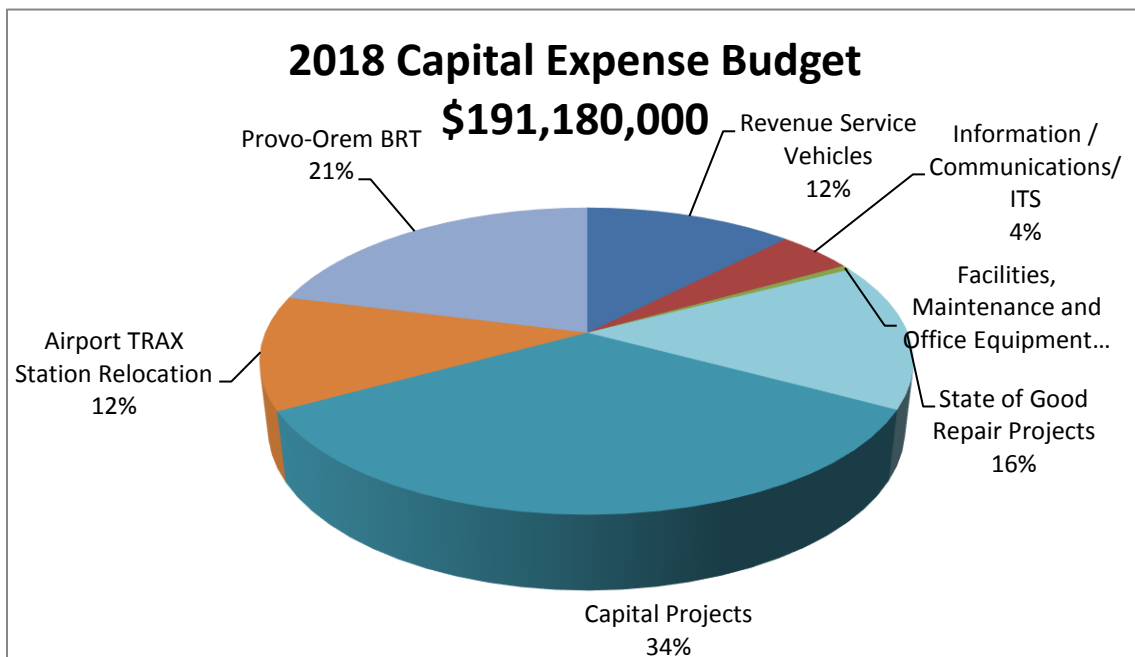
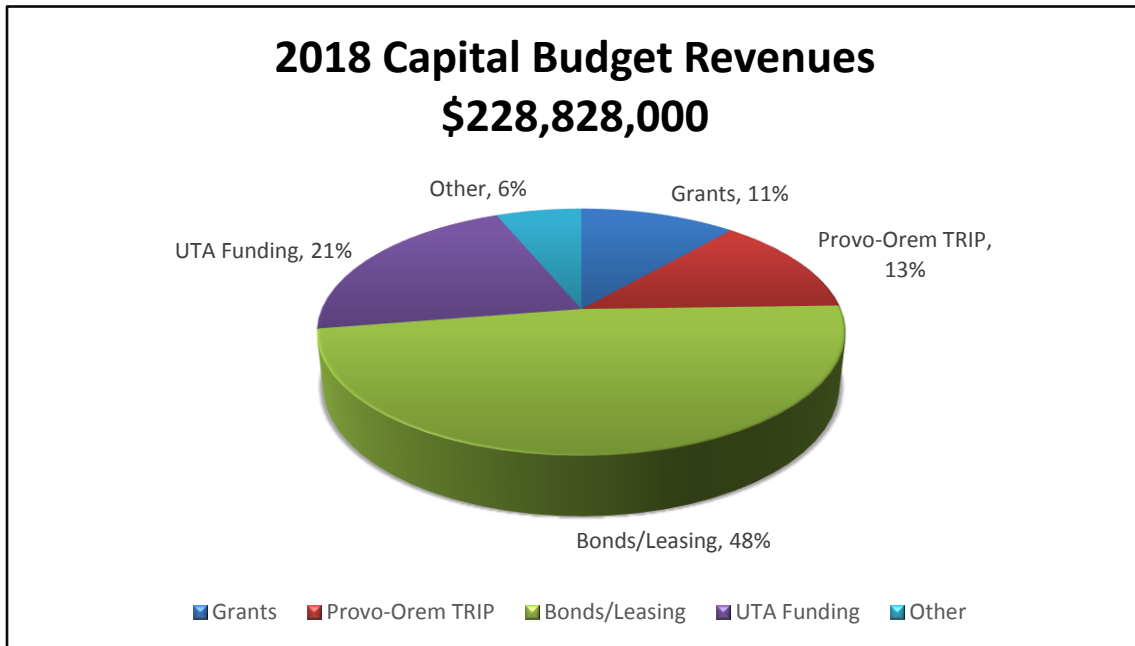
Rapid growth within the Sandy transit-oriented development is accelerating the need to construct a 300-stall parking garage. Funded by a \$2 million STP grant from FHWA and \$3.4 million of proceeds from the sale of adjacent property, the parking structure is anticipated to be completed in 2019.

Proposition 1 Improvements

Funding from UTA’s share of the quarter-cent sales tax will be used to add additional buses (\$2.6 million), expand the Mt. Ogden service facility (\$1.5 million), provide passenger amenities (\$3.9 million), like bus shelters, in Davis, Weber, and Tooele counties, and advance the Ogden-Weber State University bus rapid transit intermodal facility. Approximately \$2.4 million of proceeds from the 2018 bond issue will be used to purchase the Tooele Bus Facility.

Impact on Operating Budget

After initial warranty periods, there will be a gradual increase in maintenance costs for these infrastructure improvements. Operating costs for the Proposition 1 improvements will be funded through the on-going Proposition 1 sales tax. Electric buses are expected to lower initial operating costs, mainly for fuel. Other increases in operating costs are expected to be minimal.



2018 Capital Budget

List of Projects and Funding Source

Project Name	2018 Budget	Grants	Local Partners	Provo-Orem BRT Funding	Leases	Bonds	UTA Funded
Provo-Orem TRIP	\$ 40,227,000			\$30,000,000		\$10,227,000	\$ -
Airport Station Relocation	\$ 22,901,499					\$22,901,499	\$ -
State of Good Repair							
Revenue / Service Vehicles							
Replacement Buses	\$ 15,450,761	\$ 2,848,793			\$12,099,239		\$ 502,729
Replacement Paratransit	2,856,000				2,856,000		-
Bus Engine and Transmission Replacement	1,350,000						1,350,000
Ogden Trolley Cars	1,195,000				1,195,000		-
Van pool 11-Pass Van replacement	954,429				954,429		-
Van pool 12-Pass Van replacement	572,658				572,658		-
Van pool 7-Pass Van replacement	501,078				501,078		-
Van pool 15-Pass Van replacement	336,996				336,996		-
Non-Rev Service Vehicle Replacement	300,000						300,000
Total Revenue/Service Vehicles	\$ 23,516,922	\$ 2,848,793	\$ -	\$ -	\$18,515,400	\$ -	\$ 2,152,729
Information Technology							
Fares - Reader Replacement	\$ 2,662,850						\$ 2,662,850
Light rail vehicles cameras	1,250,000						1,250,000
Bus Communication On-Board Technology	640,000						640,000
Mobility Management	617,649	424,519					193,130
SIRE/ECM Replacement (AKA Legal Software)	600,000						600,000
Rail Passenger Info	600,000						600,000
IT Pool	500,000						500,000
Network Infrastructure Equipment & Software	400,000						400,000
Information Security Equipment & Software (PCI Compliance and Cyber Secu	400,000						400,000
Rail Communication On-Board Technology	365,000						365,000
FarePay Card Provider Alternative (replacement and RFP of INCOM)	325,000						325,000
Electronic Fare Collection	290,000						290,000
Server, Storage Infrastructure Equipment and Software	275,000						275,000
Radio Communication Infrastructure	250,000						250,000
EFS On-Prem Hosting (move from VIX Hosting)	250,000						250,000
Application Development and Enhancements	200,000						200,000
JDE Tools Release Upgrade	150,000						150,000
New MS SQL Server Licenses	150,000						150,000
Enterprise Security Replacement	150,000						150,000
JDE Time / Labor Improvements	80,000						80,000
Trapeze Enhancements	75,000						75,000
MDC Next Generation Design and Prototype (Code and HW Design)	50,000						50,000
Paratransit software enhancements	39,319						39,319
Expense Underspend	(1,725,000)						(1,725,000)
Total Information Technology	\$ 8,594,818	\$ 424,519	\$ -	\$ -	\$ -	\$ -	\$ 8,170,299
Facilities, Safety, & Admin Equip.							
Safety and Security	\$ 1,035,796	\$ 240,796					\$ 795,000

Project Name	2018 Budget	Grants	Local Partners	Provo-Orem BRT Funding	Leases	Bonds	UTA Funded
Infrastructure State of Good Repair Projects							
Vehicle Overhauls	15,545,304						\$ 15,545,304
Main St/4th S interlocking - Rehab switches/frogs	\$ 6,100,000					6,100,000	-
Other state of good repair	2,068,810		10,000				2,058,810
Prime mover engine rebuild and turbocharger replacement (Commuter Rail)	1,713,646	600,000					1,113,646
Replace Vertical Lift Modules - warehouse	1,146,000						1,146,000
SD Light Rail Vehicle Rehab	1,092,000						1,092,000
LRT Stray Current Control	750,000						750,000
Comet Car Tires	653,700						653,700
450 East Crossover	400,000						400,000
JR Rail Vehicle Maintenance	300,000						300,000
Paint Room at Meadowbrook	299,681						299,681
Roof Replacements	287,500						287,500
Commuter Rail Grade Crossing Program	275,000						275,000
Transit Asset Management	265,000						265,000
Pedestrian Crossing Updates	220,000						220,000
Bus Lift Replacements	212,500						212,500
650 South TRAX Station	200,000		200,000				-
Office Equipment	100,000						100,000
Timp Fit factory remodel and equip replacement	35,000						35,000
American Fork P&R bus pull out removal	10,000						10,000
Project under runs assumed	(2,000,000)						(2,000,000)
Total State of Good Repair	\$ 29,674,141	\$ 600,000	\$ 210,000	\$ -	\$ -	\$ 6,100,000	\$ 22,764,141
Total State of Good Repair	\$ 62,821,677	\$ 4,114,108	\$ 210,000	\$ -	\$ 18,515,400	\$ 6,100,000	\$ 33,882,169
Capital Projects							
Tiger Grant Projects (w/o Prop#1)	\$ 13,043,078	\$ 9,969,896	\$ 2,105,087				\$ 968,095
Positive Train Control (PTC)	6,400,000	3,520,000				2,480,000	400,000
Electric Bus Implementation	6,318,500	5,427,100	271,400				620,000
Sandy Parking Structure	5,400,000	2,000,000					3,400,000
Red Light Signal Enforcement	5,076,193					5,076,193	-
Depot District - Phase 1	4,239,856	247,149	2,350,000			1,642,707	-
Sugar House double track	4,000,000		4,000,000				-
Box Elder Right-of-Way	2,050,000						2,050,000
UDOT I-15 widening/7200 South bridge	2,000,000		2,000,000				-
South Davis BRT	1,200,000		1,200,000				-
Wayfinding Signage Plan	1,000,000						1,000,000
Signal Pre-emption Projects w/UDOT	732,000		732,000				-
SW SLCounty ROW preservation	600,000		600,000				-
Weber Cnty CR ROW Preservation	500,000		500,000				-
FL 2015 ROW	447,500						447,500
MOW Building - Clearfield	350,000		350,000				-
Downtown TRAX signal improvements	199,507	186,000					13,507
Bus Bay expansion - Provo Station	150,000	120,000					30,000
FLHQ Generator	120,000						120,000
DSI Inventory software & scanners	104,200						104,200
System-wide ADA bus stop impr.	100,000						100,000
Other Capital Projects	69,536	30,240					39,296
Total Capital Projects	\$ 54,100,370	\$ 21,500,385	\$ 14,108,487	\$ -	\$ -	\$ 9,198,900	\$ 9,292,598
Prop 1 Projects							
Prop 1 Passenger Imp. Weber/Davis County	\$ 3,856,107						\$ 3,856,107
Mt Ogden Expansion Buses	2,647,645				2,647,645		-
Tooele Bus Facility Purchase/Upgrade	2,450,000					2,450,000	-
Mt Ogden Expansion Facility	1,247,915						1,247,915
Ogden-WSU BRT/Weber Intermodal	785,400	500,000					285,400
Prop 1 Passenger Imp - Tooele County	80,000						80,000
Prop #1 for Tiger - Tooele	61,216						61,216
Total Prop 1 Projects	\$ 11,128,283	\$ 500,000	\$ -	\$ -	\$ 2,647,645	\$ 2,450,000	\$ 5,530,638
Total Other Capital Projects	\$ 65,228,653	\$ 22,000,385	\$ 14,108,487	\$ -	\$ 2,647,645	\$ 11,648,900	\$ 14,823,236
Total Capital Budget	\$ 191,178,829	\$ 26,114,493	\$ 14,318,487	\$ 30,000,000	\$ 21,163,045	\$ 50,877,399	\$ 48,705,405
Reimbursement of prior years' capital expenditures						37,648,601	
Total Budgeted 2018 Bond Issue						\$ 88,526,000	

Debt

UTA issued debt for the first time in 1997 to build Utah’s first TRAX line, which has evolved into today’s Blue Line between Draper and downtown Salt Lake City. After completing that line and a spur to the University of Utah for the 2002 Winter Olympic Games, UTA had an historic opportunity in 2002 to purchase approximately 175 miles of railroad corridor and access rights from Union Pacific Railroad. The corridor extended from the northern limit of the Authority’s transit district in Brigham City to Payson at the southern limit. It also included a portfolio of related real property. The newly acquired UP corridor provided an unrivaled chance to create a cohesive rail network linking much of the Wasatch Front.

Voters throughout UTA’s service area enthusiastically embraced our initial TRAX and FrontRunner lines and approved measures in 2006 to increase countywide sales tax rates to expand the rail network. The resulting FrontLines 2015 program added four new light rail lines, extensions of two others, the S-Line streetcar, and commuter rail service between Salt Lake City and Provo. Bonding was required to complete these projects within the short timeframe (six years) desired by public officials and voters. UTA’s financial commitment to the \$3.45 billion overall budget was \$2.05 billion in sales-tax-backed bonds, while \$1.40 billion was funded by federal grants. It’s interesting to note the Great Recession hit shortly after construction began and the FrontLines program provided a fortuitous and much-needed boost to the region’s economy during the downturn. The program was completed in late 2013, 1 1/2 years ahead of schedule, 17 years ahead of what was contemplated in the Regional Transportation Plan, and \$300 million under budget. Today, UTA’s rail network is considered ahead of its time for a metro area our size, is the envy of other cities, and has provided untold economic value and mobility options to northern Utah communities.

In the years since incurring this significant debt, UTA has worked diligently to refinance debt and make early payments to reduce loan balances. We’ve contributed more than \$17 million to our debt-reduction fund over the past few years. Scheduled contributions the next four years will bring our debt-reduction fund to approximately \$98 million by the end of 2021.

Outstanding debt as of December 27, 2017 by bond issue is provided in the chart below. .

Bond Series	Final Maturity	Outstanding Principal
Senior Debt:		
2005A	2022	\$8,635,000
2006C	2032	112,635,000
2008A	2023	54,295,000
2009B - BABs	2039	261,450,000
2015A	2038	668,655,000
Total Senior Debt		<u>\$1,105,880,000</u>
Subordinate Debt:		
2007A	2035	\$126,352,069
2010 - BABs	2040	200,000,000
2012	2042	282,755,000
2015A	2037	192,005,000
2016	2032	145,691,497
Total Subordinate Debt		<u>946,803,566</u>
Total Outstanding Debt		<u>\$2,052,683,566</u>

Annual principal and interest payments are provided in the following chart.

Fiscal Year Ending December 31	Total Principal	Total Interest	Total Debt Service
2018	\$9,200,000	\$100,743,143	\$109,943,143
2019	\$15,580,000	\$100,099,262	\$115,679,262
2020	\$25,480,000	\$99,083,180	\$124,563,180
2021	\$34,680,000	\$97,615,180	\$132,295,180
2022	\$43,610,000	\$95,627,737	\$139,237,737
2023	\$54,665,000	\$93,116,618	\$147,781,618
2024	\$57,470,000	\$90,307,643	\$147,777,643
2025	\$60,405,000	\$87,379,555	\$147,784,555
2026	\$63,510,000	\$84,281,855	\$147,791,855
2027	\$84,955,000	\$81,004,774	\$165,959,774
2028	\$88,945,000	\$77,013,374	\$165,958,374
2029	\$102,735,000	\$72,827,384	\$175,562,384
2030	\$107,740,000	\$67,909,481	\$175,649,481
2031	\$113,050,000	\$62,595,879	\$175,645,879
2032	\$99,023,566	\$76,610,473	\$175,634,039
2033	\$98,195,000	\$53,270,103	\$151,465,103
2034	\$103,010,000	\$48,455,148	\$151,465,148
2035	\$108,365,000	\$43,391,334	\$151,756,334
2036	\$113,690,000	\$38,093,367	\$151,783,367
2037	\$119,120,000	\$32,354,066	\$151,474,066
2038	\$127,405,000	\$26,000,516	\$153,405,516
2039	\$135,945,000	\$18,916,963	\$154,861,963
2040	\$143,190,000	\$11,142,131	\$154,332,131
2041	\$70,605,000	\$5,370,625	\$75,975,625
2042	\$72,110,000	\$1,802,750	\$73,912,750
Totals	\$2,052,683,566	\$1,565,012,541	\$3,617,696,107

On December 28, 2017, UTA advance refunded a portion of the 2015A subordinate bonds through a \$120,575,000 direct purchase financing with Wells Fargo Securities. Proceeds of the 2017 direct purchase plus \$4,236,650 of bond reserves were placed into an escrow account to defease \$111,155,000 of the 2015A bonds. The interest rate on the three-year direct purchase is 2.41% while the coupon interest rate on the 2015A bonds was 5%.

UTA intends to retire the 2017 direct purchase in conjunction with the 2018 bond issue discussed below. Current plans are to close on the 2018 bond issue on March 15, 2018. Under that scenario, 2018 debt service savings from just the lower direct purchase interest rate from December 28, 2017 to March 15, 2018 will be approximately \$652,000.

Net present value savings from the 2017 direct purchase and the subsequent 2018 bond issue are estimated to be over \$10 million. Actual net present value savings, and the effect on debt service in the 2018 budget, will be determined upon completion of the 2018 bond issue.

Plans for 2018 include an \$88.5 million bond issue, which will fund the following eight capital projects.

Project Description	Reimbursement of Prior Expense	2018 Budget	Total
Positive Train Control	\$27,503,000	\$2,480,000	\$29,983,000
Airport TRAX Station Relocation	2,399,500	22,901,500	25,300,000
Provo-Orem BRT	-	10,227,000	10,227,000
Depot District – Phase 1	6,347,100	1,642,700	7,989,800
Main and 400 South Interlocking	-	6,100,000	6,100,000
TRAX Red Light Signal Enforcement	-	5,076,200	5,076,200
Tooele Bus Facility	-	2,450,000	2,450,000
700 South Curve Replacement	1,400,000	-	1,400,000
Totals	\$37,648,600	\$50,877,400	\$88,526,000

Section 5 Departmental Information



Position Summary Schedule

UTAH TRANSIT AUTHORITY TENTATIVE FULL-TIME EQUIVALENT (FTE) BY ORGANIZATIONAL RELATIONSHIP OPERATIONS, OPERATIONS SUPPORT AND GENERAL AND ADMINISTRATION

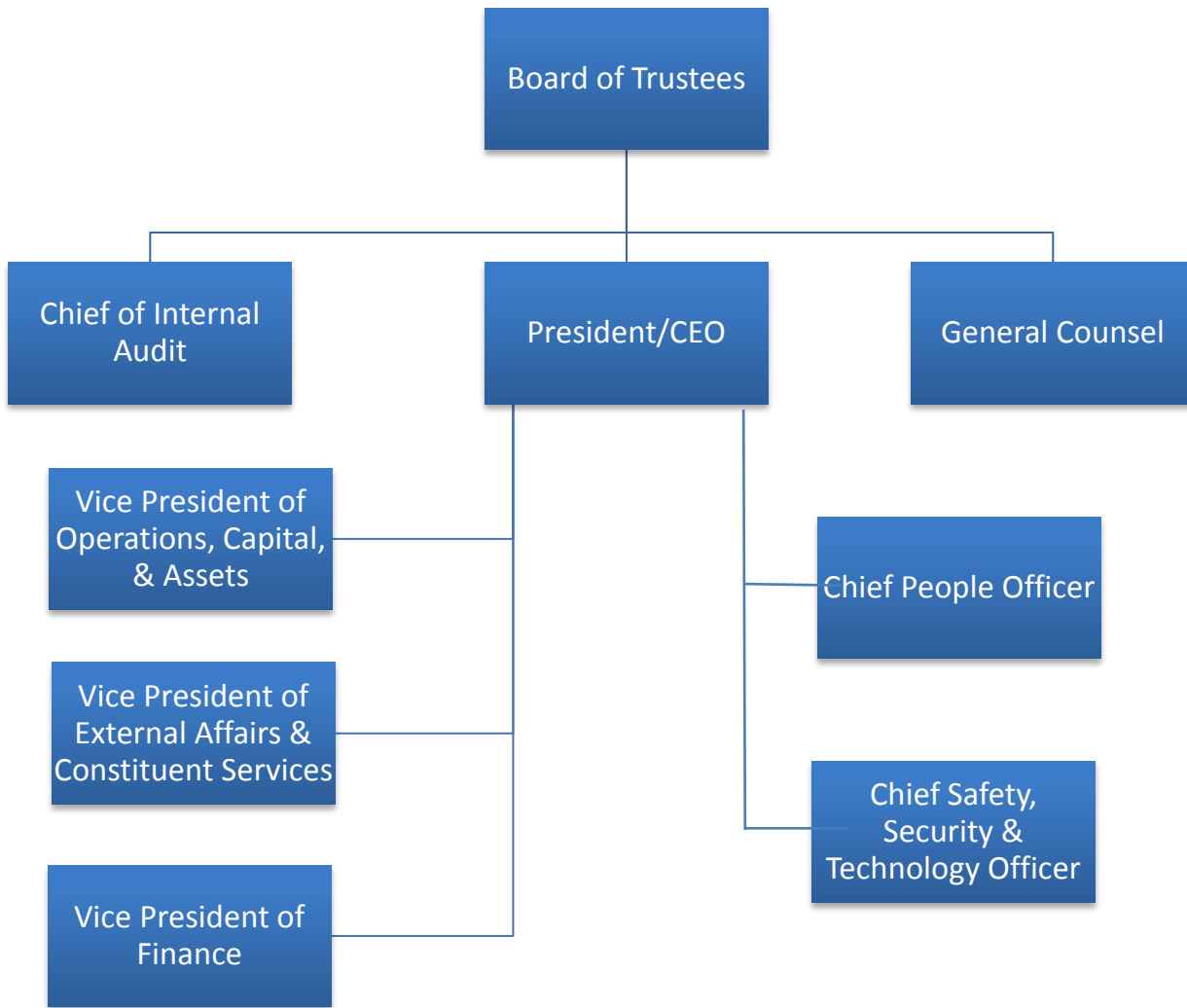
	Budget 2016	Budget* 2017	Budget * 2018
OPERATIONS:			
Bus			
Salt Lake			
Administration	7.0	6.5	7.0
Operations	546.5	544.5	533.0
Maintenance	140.0	141.0	141.0
Salt Lake	693.5	692.0	681.0
Ogden			
Administration	2.0	2.0	4.0
Operations	158.4	189.0	200.0
Maintenance	42.0	47.0	49.0
Ogden	202.4	238.0	253.0
Timpanogos			
Administration	7.0	5.0	5.0
Operations	104.0	106.0	134.0
Maintenance	32.0	32.0	37.0
Timpanogos	143.0	143.0	176.0
Rail			
Light Rail Administration	16.0	19.0	20.0
Light Rail Operations	184.0	192.0	193.0
Light Rail Maintenance	122.0	141.0	149.0
Commuter Rail Administration	3.0	2.0	3.0
Commuter Rail Operations	112.0	112.5	113.5
Commuter Rail Maintenance	35.0	35.0	62.0
Maintenance of Way	101.0	104.0	103.0
Rail	573.0	605.5	643.5
Special Services			
Special Services Administration	28.0	28.0	28.0
Paratransit Operations	136.0	138.0	138.0
Paratransit Maintenance	34.0	34.0	35.0
Vanpool Administration	8.0	9.0	9.0
Mobility Management	5.0	6.0	7.0
Rideshare Administration	1.0	2.0	1.0
Special Services	212.0	217.0	218.0
Operations Subtotal	1,823.9	1,895.5	1,971.5

	Budget 2016	Budget* 2017	Budget * 2018
OPERATIONS SUPPORT AND GENERAL AND ADMINISTRATION:			
Chief Executive Officer			
Chief Executive Officer	1.0	1.0	1.0
Innovative Mobility Services			4.0
Corp & Board Support	7.0	3.0	2.0
Chief Executive Officer	8.0	4.0	7.0
V.P. of Operations, Capital, and Assets			
Chief Operation Officer	2.0	2.0	2.0
Support Maintenance	28.0	28.0	28.0
Fleet Engineering	13.0	4.0	4.0
Facilities	87.0	88.0	90.0
Asset Mgt		8.0	8.0
TVM Maintenance		4.0	4.0
Major Program Development	20.0	23.0	22.0
Training	28.2	-	-
V.P. of Operations, Capital, and Assets	178.2	157.0	158.0
Chief Financial Officer			
Chief Financial Officer and Contract Administration	2.0	2.0	2.0
Accounting	15.0	14.0	16.0
Supply Chain Mgt & Contract Admin	45.0	49.0	50.0
Financial Services	12.6	12.7	13.0
Transit Oriented Development	3.0	2.0	2.0
Real Estate	11.0	6.0	6.0
Electronic Fare Collection	6.0	6.0	3.0
Budget and Financial Analysis	2.0	2.0	2.0
Chief Financial Officer	96.6	93.7	94.0
Chief People Officer			
Labor Relations	10.0	10.0	7.0
Human Resources	22.5	23.5	8.5
Organizational Effectiveness		34.7	34.8
Chief People Officer			13.0
Chief People Officer	32.5	68.2	63.3
Chief Safety, Security, and Technology Officer			
Safety	26.5	25.5	25.5
Transit Comms Center	19.0	19.0	19.0
Security	74.2	78.2	87.0
Application Development	15.0	10.5	10.0
Network Support	15.0	15.0	16.0
IT Director	1.0	3.0	4.0
Technology Development	5.0		-
Technology Deployment	4.0	5.0	-
Technology Support	4.0		-
Applications Support		10.0	13.0
Quality Assurance		4.0	2.0
Communications & Deployment		5.0	5.0
Radio & Rail Communications	8.0	8.0	8.0
Operational Research and Development	17.5	-	-
Bus Communications	12.0	12.0	11.0
Ops Analysis	-	14.0	14.0
Data Quality and Ridership	-	10.0	8.0
Chief Safety, Security, and Technology Officer	201.2	219.2	222.5

	Budget 2016	Budget* 2017	Budget * 2018
V.P. of External Affairs			
Planning	23.0	15.0	18.5
Public Relations and Marketing	10.0	12.0	13.0
Product Development & Sales	6.0	5.0	5.0
Board Coordination	1.0	1.0	2.0
Customer Service	44.0	45.0	46.0
Government Relations	-	6.0	3.0
V.P. of External Affairs	2.0	4.0	4.0
	<hr/>	<hr/>	<hr/>
V.P. of External Affairs	86.0	88.0	91.5
Internal Audit			
Internal Audit	3.0	3.0	3.0
	<hr/>	<hr/>	<hr/>
Internal Audit	3.0	3.0	3.0
Legal			
General Counsel	9.0	9.0	10.0
Civil Rights	3.0	3.0	3.0
Risk Management	6.0	5.0	5.0
	<hr/>	<hr/>	<hr/>
Legal	18.0	17.0	18.0
Operations Support and General and Administration Subtotal	<hr/>	<hr/>	<hr/>
	623.5	650.0	657.3
	<hr/>	<hr/>	<hr/>
UTAH TRANSIT AUTHORITY	2,447.3	2,545.5	2,628.7
	<hr/>	<hr/>	<hr/>

*** Reflects organizational change made January 2017**

UTA Organizational Chart



Department Descriptions

Department Name:
President/CEO

Office of President/CEO
Jerry R. Benson

Department Function

The President/CEO's staff is comprised of six functions including: Office of the President/CEO; Finance; External Affairs & Constituent Services, Operations, Capital & Assets, Safety, Security & Technology, and Human Relations. The President/CEO's staff is charged with overseeing the provision of year-round transit service to tens of thousands of residents along the Wasatch Front; assisting the Authority's customers in obtaining information on transit services; engaging in short and long-term transportation planning efforts, maintaining assets in a state of good repair; ensuring the safety, security, and functionality of the transit system and infrastructure; leading the Authority's overall communications activities; facilitating community and government relations efforts; overseeing media and publicity activities; supporting employee recruitment, training, and development; and coordinating the work of the Board of Trustees. Additionally, the departments are responsible for overseeing the budget process, generating financial analyses, and conducting public opinion and market expectation research.

The President/CEO's areas of emphasis include the following:

- Provide a personal "one-on-one" focus with customers, employees, and stakeholders
- Move continually toward a more sustainable, environmentally-conscious organization and operation
- Create and operate a world-class family of services as a single transportation network
- Maintain and build innovative partnerships
- Create a culture of collaboration that promotes mutual respect, trust, transparency, and excellence

Office of the President/CEO

This organizational area provides direct support for the President/CEO in areas including federal, state, and local governmental relations, board coordination, and agency priorities. It also coordinates the work of the executive team and completes special projects.

Vice President of Operations, Capital & Assets

This area brings the operating business units together under centralized leadership to provide a single, cohesive operational plan delivering reliable service to customers while maintaining a localized approach in plan delivery. This was identified as one of the organization's strengths during an assessment team review.

The capital and assets groups function as a service organization to the broader agency to provide the pre-operational development and post-operational management of physical assets (bus and rail construction projects, information technology, transit-oriented development, maintenance facilities, etc.). Activities generally fall into two groups: those that occur prior to operation (environmental planning, design, construction and commissioning, and turnover) and those that occur in operation (cataloguing assets, preparing maintenance plans, performing major construction work relating to that maintenance, maintaining UTA facilities). Grant management is also included as part of these functions.

Vice President of External Affairs & Constituent Services

A critical function of this area is understanding and meeting the needs of UTA's customers. This function works in conjunction with business solutions and technology on matters such as fares, communications, and marketing.

Other functions in this area include government relations and planning. The planning function includes strategic planning as well as external work with metropolitan planning organizations and local governments on short and long-range transportation planning, land use planning, station planning, etc.

Vice President of Finance

This area provides support to the organization in managing its financial and material resources. Is also responsible for reporting on the Authority's fiscal activities through monthly and annual financial reports as well as debt administration, cash flow planning, fare collection, and investment activities. This group manages the financial sustainability of the organization, analyzes economic conditions, and estimates future conditions. Management of all funds is incorporated in this function.

This group also includes responsibility for real estate, including the direct supervision of transit-oriented development projects, and procurement.

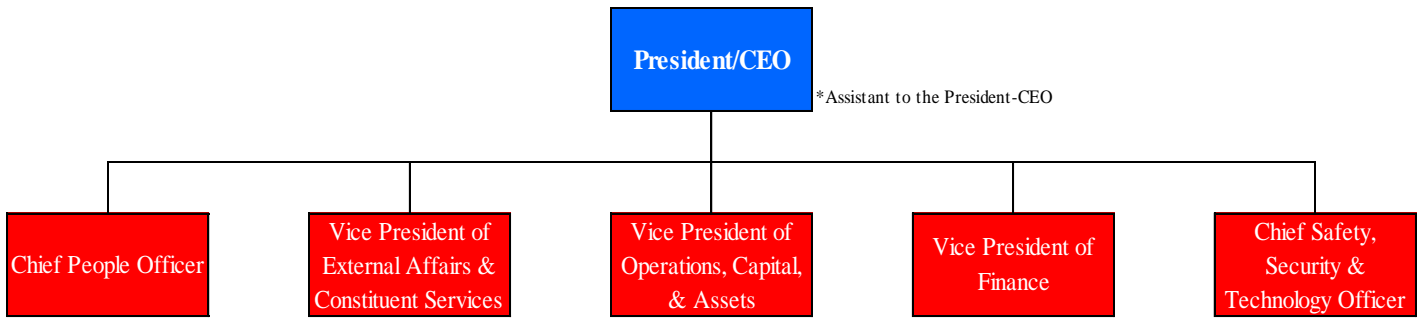
Chief Safety, Security and Technology Officer

The safety department safeguards customers, employees, and property. A safe commuting and working environment is provided for customers and employees through various methods of policing to insure order and the protection of customers, employees, and property from crime.

The technology area provides the organization with the ability to gather and disseminate data and assists the other functional areas with analysis to allow for improved decision making. It establishes performance requirements, evaluates the operations of the organization, suggests methods that may assist in a more business-like operation, and develops tools that are helpful in accomplishing these ends.

Chief People Officer

The Chief People Office manages human resources by hiring the best employees, providing competitive salaries and benefits, and affecting the Authority's positive people management and leadership development programs.



Department Name:
**Vice President of Operations and Capital
& Assets**

Operations, Capital, & Assets
Todd Provost

Department Function

Under the direction of the Vice President, the Office of Operations, Capital, & Assets consists of six regional general managers, and two directors. There is a total of approximately 2,130 employees of which 81% are bargaining unit employees and the remaining 19% are administrative employees. Specifically, the Office of Operations, Capital, & Assets consists of the following:

OPERATIONS

The Operations department is responsible for delivering all of UTA's transit service on a daily basis. Operations provides fixed-route bus, flex route bus, paratransit, vanpool/rideshare, light rail, streetcar, and commuter rail services covering Weber, Davis, Salt Lake and Utah counties and portions of Box Elder and Tooele counties. Operations have a fleet of 522 fixed-route buses, which include flex route, hybrid-electric, Compressed Natural Gas (CNG), ski, and over-the-road coaches, plus 133 paratransit buses. In addition, operations has a fleet of 479 vanpool vehicles, 117 light rail vehicles, 53 commuter rail cars and 18 locomotives. Operations serve 6,273 bus stops, 50 light rail stations, 7 streetcar stops, and 16 commuter rail stations with an annual ridership exceeding 45.5 million. Operations has a total of 1,897 employees of which 60% are operators, 21% work in maintenance, and the remaining 19% are administrative employees. Operations consists of the following:

Business Units

1. Mt. Ogden Business Unit – Eddy Cumins, Regional General Manager

The Mt. Ogden Business Unit provides fixed route bus service in Davis, Weber, & Box Elder counties, express service to Salt Lake and ski service to the Powder Mountain and Snowbasin ski resorts. The Mt. Ogden Business Unit has 253 employees and 105 vehicles.

2. Timpanogos Business Unit – Mary DeLaMare-Schaefer, Regional General Manager

The Timpanogos Business Unit provides fixed route bus service for Utah County and ski service to Sundance ski resort. The Timpanogos Business Unit has 176 employees and 68 vehicles.

3. Salt Lake Business Unit – Lorin Simpson, Regional General Manager

The Salt Lake Business Unit consists of two garages (Meadowbrook and Central) and is the provider of fixed route bus service and Bus Rapid Transit (BRT) service for Salt Lake County. In addition, the Salt Lake Business Unit is responsible for the Park City-Salt Lake City Connect, express service to Tooele and Davis counties, and ski service to the Snowbird, Alta, Solitude, and Brighton ski resorts. This business unit has 681 employees and 316 vehicles.

4. Special Services Business Unit – Cheryl Beveridge, Regional General Manager

The Special Service Business Unit is responsible for Utah Transit Authority's paratransit, flex route, coordinated mobility management, travel training, vanpool, and carshare services throughout all of UTA's service area. The Special Services Business Unit provides service directly and also through private and non-profit contractors. The Special Services Business Unit has 218 employees, 133 paratransit buses, 35 flex route buses, and 479 vanpool vehicles.

5. Light Rail Business Unit (TRAX) – Jeff LaMora, Regional General Manager

The Light Rail Business Unit is responsible for both commuter and light rail fleet sustainability as well as the operation and maintenance of four light rail (TRAX) lines (Blue, Green, Red and S-Line), all of which serve Salt Lake County and run on a total of 45 miles of electrified double track. The Light Rail Business Unit has 362 employees and 117 light rail vehicles.

6. Commuter Rail Business Unit (FrontRunner) – Bruce Cardon, Regional General Manager

The Commuter Rail Business Unit is responsible for the operation and maintenance of UTA's commuter rail line (FrontRunner). This service spans 89 miles of track and serves Weber, Davis, Salt Lake and Utah counties. The Commuter Rail Business Unit has 179 employees, 53 commuter rail cars, and 18 locomotives.

ASSET MANAGEMENT – Paul Edwards, Director of Asset Management

Under the direction of the director, the department of Asset Management has a total of 211 employees of which 77% are bargaining unit employees and 23% are administrative employees and consists of the following divisions:

1. Facilities Maintenance

Managed by Kevin Anderson, this division maintains bus stops, train stations, park and ride lots, maintenance of UTA facilities, and office buildings. The department also performs and manages contracts for snow removal throughout the system.

2. State of Good Repair

Managed by Dan Hofer, this division maintains bus and rail systems in a state of good repair and is one of the Federal Transit Administration's highest priorities. Having well maintained, reliable transit infrastructure – track, signal systems, bridges, tunnels, vehicles, and stations – will ensure safe, dependable and accessible services.

3. Support Maintenance:

Managed by Kyle Stockley, this division provides overall support for the operations bus business units providing technical support, body shop services, painting, and repair of broken down or damaged vehicles.

4. Ticket Vending Machines

Managed by Brian Richardson, this division is responsible for the maintenance and repair of the ticket vending machines located at bus and rail stations throughout the system.

5. Maintenance of Way

Managed by David Hancock, and Travis Baxter, this division is responsible for the repair, replacement, and maintenance of all commuter and light rail infrastructure, gates, track, and signal systems.

6. Fleet Engineering

Managed by Kyle Stockley, this division is responsible for mapping out a systematic approach to the ongoing management and planning for rehabilitation and replacement of UTA's fleet of transit vehicles.

CAPITAL PROJECTS & DEVELOPMENT – Steve Meyer, Director of Capital Projects

Under the direction of the director, the department of Capital Projects & Development has 22 administrative employees and consists of the following divisions:

1. Capital Projects

Managed by Grey Turner, this division is responsible for the design, construction, and project management of major capital projects.

2. Project Development

Managed by Hal Johnson, this division is responsible for project development, working with local entities to identify support for a specific project, and identify funding prior to a project going on to environmental study, design, and construction.

3. Environmental and Project Controls

Managed by Mary DeLoretto, this division is responsible for the environmental analysis of new capital projects and leads and coordinates the environmental and quality management programs for all of UTA. This division also provides project controls oversight of capital projects including schedules, change orders, and contracts.

4. Grants Management:

Managed by Mary DeLoretto, this division provides UTA oversight of federal grants and federal formula funds to ensure compliance with federal requirements and coordinates overall UTA efforts in the preparation of grant requests.

Vice President of
Operations, Capital, &
Assets

Regional General
Managers & Operations

Asset Management
Director

- *Facilities Maintenance
- *State of Good Repair
- *Support Maintenance
- *Maintenance of Way
- *Fleet Engineering

Capital Projects
Director

- *Capital Projects
- *Project Development
- *Environmental & Project
Controls
- *Grants Management

**Department Name:
Vice President of External Affairs
& Constituent Services**

*External Affairs
Nichol Bourdeaux*

Department Function

The following departments are included in External Affairs: Government Relations, Communications, Board Operations, Planning and Customer Service. Department functions focus on building trust and strengthening relationships with the riders, local government officials, business leaders, and taxpayers.

Government Relations

The Government Relations staff works proactively with our federal, state, and local government officials to promote the interests of UTA and our customers. This is primarily focused in four areas:

- 1) Raising awareness of the benefits of transit, including connecting people to jobs and schools, in the broader community
- 2) Ensuring steady and reliable funding streams continue in order for UTA to pursue our organizational mission
- 3) Demonstrating agency accountability, transparency, and openness with all of our municipal and governmental partners
- 4) Working with our local, regional, and national partners in the environmental, economic development, and mobility sectors for opportunities to partner and collaborate

Communications

The Communications staff is comprised of two departments – Public Relations and Marketing and Product Development and Sales.

The PR and Marketing department is charged with leading the Authority's overall corporate communications, advertising and marketing program, facilitating community and government relations efforts, overseeing media and social media activities, as well as managing customer information tools like the website. Additionally, the department is responsible for coordinating public opinion and market research.

During 2018, the Public Relations and Marketing department will continue to be responsible for establishing and maintaining a consistent brand identity for UTA. The group will coordinate major advertising and marketing campaigns, facilitate public outreach efforts as needed for the agency's capital projects and service changes, coordinate and support outreach efforts with elected officials and community stakeholders, support and facilitate marketing initiatives for individual business units, oversee media relations and social media, and facilitate employee communications. Additionally, the department will support efforts to evaluate the agency's customer information and signage, ensuring all signage is compliant with UTA's brand guidelines.

This group will also plan and implement major public events that celebrate agency milestones, which in 2018 include, but not limited to, FrontRunner's 10th Anniversary and the grand opening of Provo Orem TRIP. The group will continue to provide messaging guidance for agency initiatives and issues, coordinate UTA's media relations efforts, maintain key community relationships, and work proactively with the media, and facilitate crisis communications expertise as necessary. In addition, the department will continue to manage website development, online content, the Authority's social media strategy, and UTA's graphic arts and video production services.

In 2018 the department will continue with its new initiative to assign a staff liaison to identified key departments (clients) throughout the agency, proactively being a resource and supporting their initiatives with needed marketing and/or communications support.

The Product Development and Sales (PDS) department is comprised of marketing representatives that previously reported to the Regional General Managers of each business unit. The group manages UTA's current pass products and programs

by negotiating and executing contracts, identifying opportunities/needs for new pass programs, performing analysis on contract pricing, and projecting impacts to revenue and ridership.

The PDS Department works closely with other UTA departments to support the evolution of UTA's fare structure and pass programs and ensures pass products align with UTA's brand and comply with corporate fare policy. The group works with agencies outside UTA to promote ridership by helping agencies effectively administer pass programs, providing education, supporting community events, developing new pass options and maintaining and growing relationships.

The mission of the PDS department is to collaborate with UTA's corporate, education, government, and community partners to promote public transportation by developing, implementing, and marketing transit pass products.

Customer Service

The Customer Service Department has several customer-facing functions that offer information, education, lost item recovery, feedback and concerns support, as well as the sale of fare media to customers throughout UTA's service area.

The Contact Center team provides information and support regarding route information, trip planning, and other complexities that affect the customer's transportation needs. The Customer Focus team receives customer and constituent feedback or opinions about their experiences with UTA, investigates concerns and documents the feedback in a tracking system. The agents verify facts and offer resolutions to customers in a timely manner. The feedback is then provided to the executive team for future UTA improvements. Electronic Customer Communication Specialists communicate information regarding system delays and emergency notifications regarding rail incidents via email, Twitter and platform signage. Customer Service is also responsible for collecting and documenting lost items lost in a database system to assist customers in recovering missing items. Fine adjudication and hearings related to civil citation received while using the UTA system are processed by our Hearing Officer.

Board Operations

The Board Coordination group will continue providing the Board of Trustees with appropriate information on staff activities, organizing board meetings and retreats, and implementing new Board member training programs. The group will also continue to maintain critical board documents such as the policy manual, contact lists, etc.

Planning

The Planning Department works with the President/CEO to develop the short and long-term vision and direction of the organization. Planning is comprised of three groups: Integrated Service Planning, Strategic Planning, and Customer Experience.

Integrated Service Planning develops, monitors, and adjusts all of UTA's fixed bus routes to give our customers the best service possible. This group maintains the UTA Service Planning Policy, which guides UTA's service planning processes and decision-making, develops a five year transit service master plan that applies the policy to specific service areas, and then works with operations planners to implement service on the ground.

Strategic Planning is responsible for strategic planning and long-range planning at UTA. This ranges from travel demand forecasting, to fare policy evaluation, to GIS modeling of ridership trends, to assisting with the development of the Metropolitan Planning Organizations' Regional Transportation Plan. This group also has a large role with our community for developing UTA's first and last mile strategy, which seeks to bridge the gaps between points or origin, traditional transit service, and final destinations by integrating biking, walking, and innovative partnerships with the "sharing economy" in the UTA system. Additionally, in 2018 a new Environmental Stewardship and Sustainability focus area will work to build community partnerships to elevate the consideration of environmental issues into UTA's decision-making and to communicate UTA's role as a leader in improving the environment to external audiences.

New in 2018, UTA's Customer Experience team will combine customer-facing elements currently spread throughout UTA into one department. The focus of this new team will be to elevate and prioritize consideration of the impacts and benefits to the customer in all UTA decision-making. This team's tasks will include considering improved wayfinding signage, technology tools, station and platform design, and communication methods to enhance the experience of riding transit for

UTA's customers. Additionally, this group will manage the work of a new Citizen Advisory Board, as well as take a more critical approach to evaluating the data collected by UTA to better understand customer needs and patterns.

Vice President of
External Affairs &
Constituent Services

Government
Relations Director

Communications
Director

- *Public Relations
- *Marketing
- *Product Development &
Sales

Strategic Board
Operations Director

- *Board Coordination

Planning Director

- *Service Planning
- *Strategic Planning
- *Customer Experiences

Customer Service

Department Name:
Vice President of Finance

Finance Services
Robert Biles

Department Function

The Finance Department provides support to the organization in managing its financial, material, and property resources. The following departments are included in Finance: Accounting, Budget, Supply Chain, Treasury, Fares, Transit- oriented Development, and Property Administration.

Finance is responsible for reporting on the Authority’s fiscal activities through monthly and annual financial reports as well as debt administration, accounting, budgeting, cash flow planning, fare collection, property administration, and investment activities. Through Supply Chain, goods and services are acquired through competitive processes to get the best value for the Authority.

Transit-oriented Development manages the development of UTA property and assists communities with their planning for transit-oriented developments on non-UTA owned lands surrounding rail stations and major bus service corridors.

Property Administration manages the acquisition and disposal of property as well as permitting for utilities and others wishing access or easements to UTA property.

Vice President
of Finance

Comptroller &
Accounting

Budget

Supply Chain

Treasury

Fares

Real Property
and TOD
Director

*Real Property
*Property
Management
*Transit-Oriented
Development

Department Name:
**Chief Safety & Security and
Technology Officer:**

Safety & Security and Technology
David Goeres

Department Functions

The Safety, Security & Technology Office consists of the following departments: Security, Safety, Transit Communications Center, Emergency Management, Police, Operational Analysis and Solutions, and Information Technology.

Safety

The UTA Safety department has the responsibility for providing safety oversight of construction and operation for all modes of transit services, which includes Frontrunner commuter rail, TRAX light rail, fixed-route bus service, special services and vanpool. This oversight includes the construction of systems and the work environment for operators, mechanics, and administrative staff. Providing safe and efficient transit service for passengers and a healthful work environment and for all employees is the first priority of UTA and its focus of improving our safety culture. A safety budget is developed to support improvements as needed for projects, personnel, training, industrial hygiene testing, and safety equipment. Safety department personnel are responsible for the development of overall safety plans for UTA and coordination with local municipalities, Utah's State Safety Oversight, and the Federal Railroad and Transit administrations. Safety administrators have a primary role in the functioning of safety committees, whose primary purpose to observe, track and mitigate hazards. The Safety department is led by a manager and six safety administrators covering bus, rail, construction, and occupational health. Security is responsible for the upkeep and updating of the Transit Agency Safety Plan.

Public Safety

Public Safety has responsibility to provide a secure transit system for all modes of UTA transit. This includes the buses, trains, transit stations, and UTA operations, maintenance and administrative facilities. As a result, customers and employees enjoy an environment made safe by fully certified peace officers and facility security staff. UTA Public Safety personnel are on the transit system daily and respond to calls to perform a full spectrum of policing functions. Fare enforcement, law and order and incident investigation, and scene management are primary functions of the department. The ongoing coordination effort requires continued personnel training and coordination with many city agencies and other UTA departments. The Public Safety department is an active member of the Valley Police Chief Alliance, and is led by a police chief, with six command staff (captains, lieutenants), 11 sergeants, 54 officers and 3 office staff.

Security (Facility and Video)

Security efforts focus on protection of UTA personnel, property, and equipment. Bus and rail yards are patrolled by facility security guards to detect and deter damage or theft of UTA property. Physical security barriers, such as fences and gates, are installed, and their effectiveness is evaluated as necessary to further the protection efforts. Access to facilities by key and access card are closely evaluated and updated to ensure control of admittance to facilities and property. Video security systems within UTA are designed to enhance the safety and security of our passengers and the UTA infrastructure. Video systems are currently located at facilities, platforms, park and ride lots, and on bus and rail vehicles. The systems are recorded to assist UTA in recovery of damages from theft and accidents and to assist in recreating incidents. Operation of the system is managed by the Video Security System committee, which meets bi-monthly to set policy, priorities, and direction for the programs. Security directorate has one manager, one administrator, and 17 facility security guards. Security is also responsible for the upkeep and updating of the System Security Plan.

Emergency Management

The role of emergency management is to ensure UTA and its employees are able to respond to incidents and natural disasters that may occur. This is done by ensuring the appropriate emergency preparation plans for our facilities and systems are complete, providing training, and by planning and conducting drills and exercises designed to evaluate UTA response. Emergency response coordinates closely with all business units, and with state and local officials, to ensure the role of UTA in a regional or local event is well planned and executed. The emergency management program manager coordinates with UTA's Fire, Life, Safety and Security committee to plan, conduct and evaluate emergency response drills in preparation for new rail lines, and to ensure compliance with requirements.

Transit Communications Center (Bus & Police)

The role of the TCC is to monitor, assist and coordinate response agency and bus system response to incidents in UTA's system. It also provides police dispatch service that monitors and dispatches calls to officers. The center has a manager, two assistant managers and 16 dispatchers responsible for communications with the bus operators and UTA police officers on the system. The TCC operates 24 hours a day and receives the "See Something, Say Something" 801-287-EYES (3937) calls from customers on the system. It also receives and processes text tips received from UTATIP at 274637.

Operations Analysis and Solutions (OAS)

The primary focus of the Operations Analysis and Solutions office is to use appropriate technology tools that will improve UTA's services to its customers, increase operational efficiencies, improve operations and management performance, and enhance our image in the eyes of the public. OAS empowers data driven decision making and seeks to solve difficult business problems. OAS seeks to understand business unit operations to provide the correct simple or complex solutions to issues. Simple solutions can be completed within the office. If complex application development solutions are required, OAS coordinates with Information Technology to plan and complete the new development. The department will also continue to automate processes for other UTA business units.

Information Technology (IT)

Information Technology provides ongoing support for and improvements to applications, data network needs, telephone communication, on-board technologies and radio communication. Special attention is given to the security of data and computer network to protect against the ever-growing threat of intrusion and the ever-changing offering of cellular and mobile devices. Information technology will provide programming and data management services to business units and departments in support of their goals. Emphasis in 2017 will be on performance measurement and quality improvement for all technology systems. A key initiative will orient UTA Business Units to data and information availability while educating users how this information can be used in data driven business decisions. Use of SharePoint, Point of Business and Information Builder software will be strengthened and made more easily accessible in 2018. These efforts are intended to leverage the current infrastructure in order to increase and improve data management and "single point of truth" reporting and analysis. Opportunities for technology application exist in providing customer information, enhancing the riding experience through information, entertainment, reliability, and travel time reduction.

OAS and IT will collectively strive in continuous improvement efforts to find cost savings through software and hardware efficiencies and technology automation of our processes. The departments will also continue to automate processes for other UTA business units and departments.

**Chief Safety,
Security &
Technology Officer**

*Video Security

*Emergency Management

Security

Safety

Transit
Communications
Center

Police

Operations Analysis
& Solutions

Information
Technology Director

*Mobile Communications
& Deployment

*Network Support

*Applications

*Quality Assurance

**Department Name:
Chief People Officer**

*Office of the Chief People Officer
Kim Ulibarri*

Department Function

The Chief People Officer and team support UTA by leading the Human Capital Management and Organizational Effectiveness functions.

Workforce Planning and Talent Acquisition provides service to UTA by recruiting and onboarding the best qualified talent whose beliefs and behaviors are aligned with the agency’s True Norths and Values. The team creates collaborative partnerships through stewardship, inclusivity, and continuous improvement through effective and efficient data driven solutions.

HR Services partners with business leaders in designing and implementing UTA’s people strategies and serves employees throughout the employment life-cycle. Labor Relations liaise between the businesses units and the ATU, and assures contract compliance.

Total Rewards designs, implements, and administers benefits and compensation programs and maintains and develops HRTIS and support systems in order for the Authority to continue attract and retain high performing talent.

The Organizational Effectiveness teams lead the Continuous Improvement and Training teams to develop employee skills, provide learning programs, increase employee engagement, and assist the businesses in continuous improvement and customer experience strategies.

Chief People Officer

Organizational Effectiveness

Total Rewards

Workforce Planning & Talent Acquisition

HR Services & Labor Relations

Department Name:
Chief of Internal Audit:

Internal Audit
Riana De Villiers

Department Function

The UTA Board of Trustees has established the Internal Audit Department (Internal Audit) as a key component of the agency's governance framework. UTA's Internal Audit Charter serves as a framework for Internal Audit in the performance of its duties and is intended to provide a basis for the Board to evaluate the Internal Audit function. The components of this Internal Audit Charter include:

- Mission Statement
- Scope of Work
- Responsibilities
- Audit Plan
- Reporting
- Independence and Authority
- Standards of Audit Practice

Mission Statement

The mission of Internal Audit is to improve UTA's operations and systems of internal controls and add value through independent, objective assurance and consultative support. Internal Audit helps UTA accomplish its objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope of Work

The scope of audit coverage is agency-wide, including all department and business units of UTA. In order to fulfill its mission, Internal Audit must determine whether UTA's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that:

- Risks are appropriately identified and managed
- Operations are adequately controlled
- Financial, managerial, and operating information is accurate, reliable, and timely
- Employee actions are in compliance with policies, standards, procedures, and applicable laws and regulations
- Legislative or regulatory issues impacting UTA are properly addressed
- Programs, plans and objectives are achieved
- Resources are acquired economically, used efficiently, and adequately protected
- Interaction occurs as needed between the various internal organizations and external regulatory authorities

Responsibilities

The Chief Internal Auditor and the Internal Audit staff have responsibility to:

- Facilitate management's annual risk assessment
- Assist management to identify and document the key processes and related internal controls supporting operations and financial reporting
- Develop an annual Audit Plan using appropriate risk-based methodology (including risks or control concerns identified by management, the Audit Committee and external audits) and submit that plan to the Audit Committee for review and approval
- Test the design and operational effectiveness of the key controls supporting operations and financial reporting.
- Communicate opportunities for improving internal control, efficiencies, and UTA's image to the appropriate level of management
- Issue an audit report to the Audit Committee and any other relevant parties at the conclusion of each audit in order to communicate the audit findings, recommendations, and management action plans

- Follow-up with management to ensure action plans are performed by management within the mutually agreed timeframe to address the risks and deficiencies identified
- Prepare and present quarterly reports to the Audit Committee summarizing the status of Internal Audit's execution of the Audit Plan, the results of audit activities and the remedial status of findings noted within previous audit reports
- Review UTA's programs and practices around ethics, fraud, and misconduct with management and the Audit Committee
- Assist in the investigations of suspected misconduct or fraudulent activities within the organization and notify management and the Audit Committee of the results
- Manage UTA's relationship with the external financial auditors
- Assist UTA management where possible to facilitate external compliance audits generally managed through other departments within UTA
- Serve as a resource to UTA in identifying the need for and characteristics of adequate systems of control
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certification to meet the requirements of this Charter
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing
- Assist the Audit Committee in any other way in connection with the discharge of its duties and responsibilities

Audit Plan

The annual Audit Plan is developed each year based upon input from UTA leadership and the Audit Committee. The annual Audit Plan may include a mix of the following types of audit activity:

- Reviews of compliance with UTA's policies and procedures
- Reviews of internal controls related to significant processes and IT systems to determine whether or not they are properly designed and functioning as intended
- Financial audits, including determining the accuracy and reliability of data developed within UTA, and determining that corporate assets are properly safeguarded
- Reviews of computer-based systems focusing on data security, disaster recovery, and effective use of resources
- Reviews of compliance with external requirements, including accounting rules and applicable regulations
- Operational audits focusing on improving efficiencies or effectiveness with a goal of contributing to cost reduction efforts
- Strategic audits, including due diligence activities and review of the execution of UTA's strategic objectives

To develop the annual Audit Plan, an overall risk-based approach is used to ensure the Internal Audit function provides the greatest possible benefit to UTA. On an ongoing basis, matters considered in developing the annual Audit Plan include the following:

- Review of the strategic and operational plans of UTA
- Degree of risk for potential loss exposure to UTA
- Opportunities to achieve operating benefits
- Existence of known errors, irregularities or control weaknesses
- Results of previous audits
- Changes in operations, systems or controls
- Changes in regulatory or other requirements
- Requests from management, Audit Committee, and External Auditor

Each year, Internal Audit will work with UTA's leadership to perform risk assessment activities designed to identify and prioritize UTA's key risks. This information will be used to identify priorities to be addressed by the annual Audit Plan.

Based on the risk assessment performed, the Chief Internal Auditor will present a proposed annual Audit Plan to the Audit Committee for approval, which will include recommended audits, the timing of those audits, and the estimated resources needed. Any significant deviation from the formally approved Audit Plan will be communicated to the Audit Committee.

Internal Audit planning will be developed in a manner that allows for the coverage of UTA's highest risk areas in a three-year period. The Chief Internal Auditor will determine when certain critical risks and controls require more frequent coverage.

Reporting

A written report will be prepared and issued by the Chief Internal Auditor following the conclusion of each audit and will be distributed as appropriate. The report will include findings and recommendations along with the audited business unit or department's action plans. The significance of the recommendations will impact the timeliness of the follow-up.

Independence and Authority

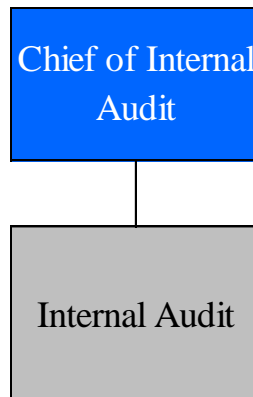
To provide for Internal Audit's independence, the Chief Internal Auditor reports directly to the Audit Committee Chair. All Internal Audit personnel will report to the Chief Internal Auditor. The Chief Internal Auditor will meet at least once every quarter with the Audit Committee. The Audit Committee may choose to meet with the Chief Internal Auditor in private and apart from UTA management for all or a portion of the Audit Committee meeting.

To maintain its independence, the Internal Audit will have no direct operational responsibility or authority over any of the activities under scope of its review. Accordingly, Internal Audit will not develop or install systems or procedures, prepare records, or engage in any other activity that would normally be audited.

Internal Audit is authorized to have unrestricted access to all company activities, records, property and personnel. Restriction to these accesses imposed by any employee or management of UTA, which prevents the Internal Audit from performing its duties, will be reported immediately to the President/CEO/General Manager or directly to the Audit Committee, based on circumstances as determined by the Chief Internal Auditor.

Standards of Audit Practice

The Internal Audit will adhere to the Code of Ethics and International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors in the execution of its duties.



Department Name:

Office of General Counsel

Director:

Jayne Blakesley

Department Function

The Office of General Counsel (the Office) serves as the exclusive source of legal assistance to departments, as well as serving as legal counsel for specific Utah Transit Authority matters as they relate to the Board of Trustees. The Office also provides routine and general legal consultation to the Authority's management, executives, and staff on issues that affect the departments that require outside expertise in particular areas of law and provides general coordination and oversight of outside counsel. The Office processes and responds to all Government Records Access and Management requests. The Office is also responsible for overseeing all state legislative issues affecting the Authority including reviewing legislation, drafting alternative language when requested or as otherwise necessary. The Office reviews and approves all contracts executed by Authority personnel and participates in contract workouts. The Office participates on the negotiation teams for the collective bargaining agreement with the ATU and is responsible for overseeing all labor arbitration hearings. The Office reviews, drafts, and processes all corporate and departmental policies and procedures. The Office also oversees all regulatory proceedings and filings for regulated carriers, including light rail and commuter rail and drafts and approves major interlocal agreements.

The Claims and Insurance Unit of the Office processes all claims for personal injury, property damage and worker's compensation and pursues recovery claims on behalf of the Authority. The Claims and Insurance Unit is also responsible for overseeing the insurance portfolio of the Authority.

The Civil Rights Unit of the Office ensures the Authority remains in compliance with federal laws and regulations regarding Equal Employment Opportunity (EE), the Title VI nondiscrimination in federally-assisted programs (transportation), the Disadvantage Business Enterprise (DBE), and the Americans with Disabilities Act (ADA). The Civil Rights Unit advocates for the Authority's internal and external customers in matters involving services provided and also provides training as needed in order to assure continued Federal Transit Administration funding of the Authority and continued service for our internal and external customers in the areas of EEO for all applicants and employees, transportation service equity, non-discriminatory, accessible and inclusive transportation services for riders with disabilities, and contracting/business opportunities for DBE's.

General
Counsel

Legal











Records
Management






Civil Rights
Compliance

Claims

Performance Measures

Performance measures have been an integral part of UTA’s DNA for some time with a mixture of external and internal measures being used. In 2017, UTA staff undertook a project to develop a set of meaningful outward-facing performance measures for regular webpage reporting. The chart below provides the performance measure, a definition of the measure, the responsible department, the proposed measurement standard, performance as of December 2017, and the status (green, yellow, or red). Up-to-date information on these measures is available at The Performance Measurement Dashboard website, <http://www.rideuta.com/About-UTA/New-UTA-Service-Standards>.

Performance Measure	Measure Definition	Responsible Dept.	Proposed Standard	Performance at Dec 2017	Status as of Dec 2017
Miles per Bus Service Interruption	The distance in miles between bus service interruptions due to mechanical issues.	Bus Maintenance and Operations	18,000 miles between interruptions	25,009 miles	
Number of Avoidable Accidents	The number of avoidable accidents per 100,000 miles.	Bus Operations	.93	.74	
Percentage of On-Time Performance	Trains depart at their scheduled time and buses depart no more than 5 minutes past their scheduled time.	Rail and Bus Operations	88%	92%	
Percentage of Issues Resolved in One Call	How many phone calls can be closed after a single call to Customer Service.	Customer Service	60%	50%	
Percentage Change in Top Complaint: Ticket Vending Machines	Measures the percentage change in the top complaint from the prior year (2016)	Operations	-60%	-64%	
Average Time to Resolve an Issue	Measures the number of days between receipt of a customer complaint and resolution.	Customer Service	7 days	5 days	
Pounds of Seasonal Air Pollutants Prevented	The amount of air pollution (NOX in summer and PM 2.5 in winter) prevented by people choosing to ride transit rather than driving cars.	Capital Development & Planning	30 million	33.6 million	
Total Building Energy Use	The total annual energy use (electricity and natural gas) in UTA buildings.	Facilities Maintenance	139,082 MBTU	104,942 MBTU	
Percentage of Low Emission Vehicles in Fleet	Vehicle fueled by natural gas, electricity, and clean diesel divided by total number of vehicles	Fleet Engineering	60%	56%	
Percentage of Minority/Low Income People with Access to System	Measures the number of Traffic Analysis Zones with target populations that have access to UTA’s service	Planning, Rail & Civil Rights	80%	77%	

Performance Measure	Measure Definition	Responsible Dept.	Proposed Standard	Performance at Dec 2017	Status as of Dec 2017
UTA's Bond Rating	A bond rating is a score assigned by independent agencies and are an indication of the financial strength of the issuing entity.	Finance	AA or better on Senior Debt	AA	
Vehicle State of Good Repair	Measures the percentage of vehicles in UTA's fleet which meets the "good condition" standard.	Asset Management	88%	86%	
Efficiency as Compared to Peer Agencies	Compares UTA's efficiency against comparable transit agencies in terms of cost per mile.	Operations	Top 25%	Top 33%	
Number of Partnerships with Local Governments	Number of collaborations between UTA, local governments, and other partners to advance regional transportation goals.	Planning	35	41	
Number of Public Engagement	Measures the number of annual impressions with the public on Open UTA.	Communications	20	27	

Section 6 Statistical/Supplemental Section



Glossary

Accounting System - Utah Transit Authority is a single enterprise that uses the accrual method of accounting. Under this method of accounting, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

Accrual Accounting - A basis of accounting in which revenues and expenditures are allocated to the year in which they are incurred, as opposed to when cash is actually received or spent.

Alternative Fuels – Fuels other than traditional gasoline/diesel such as compressed natural gas (CNG), liquefied natural gas (LNG), hybrid electric, propane, biodiesel, electric, bio or soy fuel, and hydrogen.

Articulated Bus - A bus, usually 55 feet or more in length with two connected passenger compartments, which bends at the connecting point when turning a corner.

ATU - Amalgamated Transit Union

Bond - Long or short term debt issued by an Authority to help finance new acquisitions of property, facilities, and equipment.

BRT – Bus Rapid Transit - A bus system similar to a fixed guide-way system that includes all or some of the following features: limited stops, traffic signal priority, separate lanes, dedicated right of way, station services, docking systems, and other enhancements.

Balanced Budget - A financial plan that matches all planned revenues and expenditures with proposed service levels.

Budget Message - The opening section of the budget document, which provides the UTA Board and the public with a general summary of the most important aspects of the budget and changes from current and previous fiscal years.

Budget Document – A formal plan of action for a specified time period that is expressed in monetary terms.

Capital Budget - A portion of the annual operating budget that appropriates funds for the purchase of capital equipment items. These expenditures are separated from regular operating items such as salaries, supplies, services, and utilities. The capital budget includes funds for capital equipment purchases such as vehicles, construction of new facilities, office equipment, maintenance machinery, microcomputers, and off-site improvements. They are distinguished from operating items by their value (greater than \$5,000) and projected useful life (greater than one year).

Capital Costs – Costs of long-term assets of a public transit system such as property, buildings, and vehicles.

Commuter Rail - Passenger train service for short-distance travel between a central city and adjacent suburbs.

Debt - The amount of money required to pay interest and principal on the Authority's borrowed funds.

Demand Response - A service where passengers, or their agents, contact UTA to schedule door to door transportation services. A demand response (DR) operation is characterized by the following a) the

vehicles do not operate over a fixed route or on a fixed schedule except, on a temporary basis to satisfy a special need, and b) the vehicle may be dispatched to pick-up several passengers at different pick-up points before taking them to their respective destinations and may even be interrupted en route to these destinations to pick up other passengers. UTA's paratransit program is demand response.

Department - An organizational unit responsible for carrying out major Authority functions, such as operations, administration, and community relations.

Distinguished Budget Presentation Awards Program – A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Discretionary Funding – One time funding or annual funding allocations, which distributed on a competitive basis, must be specifically applied for and not guaranteed like a Formula Funds.

Electronic Fare Collection or EFC - UTA's system of fare payment when such fare payment is made via a unique electronic micro-chip embedded in an electronic fare card media, which may include a credit card or debit card, issued by a bank.

Ends Policies – Policies to guide the Utah Transit Authority toward the ends to be achieved via the means to those ends.

Enterprise Fund – A fund that gives the flexibility to account separately for all financial activities associated with a broad range of municipal services. It establishes a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. Revenues and expenses of the service are segregated into a fund with financial statements separate from all other governmental activities.

FAST Act – Fixing America's Surface Transportation Act is a law that was enacted on Dec. 4, 2015. This law provides long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act maintains focus on safety, keeps intact the established structure of the various transportation programs, and provides a dedicated source of federal dollars for critical transportation projects.

Farebox Revenues – All revenues gained from the sale of passenger tickets, passes, tokens, or other instruments of fare payment.

FY - Fiscal Year - Annual schedule for keeping financial records and for budgeting transportation funds UTA's fiscal year runs from Jan. 1 through Dec. 31, while the federal fiscal year runs from Oct. 1 through Sept. 30.

Formula Funds – Funds specifically allocated to different agencies by the federal government to pay for transportation, transit, and other programs. Funds are allocated annually based on population and other demographic information.

Fringe Benefits - Benefits provided to the employee such as FICA, Pension, Medical & Dental insurance, Life, Short and Long Term Disability insurance, Unemployment insurance, Tool and Uniform allowance and Educational reimbursement.

FTA - Federal Transit Administration - Formerly the Urban Mass Transportation Administration (UMTA), the FTA provides capital and operating funds to the Agency.

FTE – Full Time Equivalent Positions – A part-time position converted to a decimal equivalent of a full time position based on 2,080 hours per year. For example a part-time position working 20 hours per week would be the equivalent of .5 of a full time position.

Fund Balance – Generally defined as the difference between a fund’s assets and liabilities. An adequate fund balance is necessary for numerous reasons, such as to have funds available in case of an emergency or unexpected events, to maintain or enhance the Authority’s position and related bond ratings, to provide cash for operations prior to receipt of revenues, and to maximize investment earnings.

GASB - General Accounting Standards Board – An independent, professional body to establish standards of accounting and financial reporting applicable to state and local governmental entities.

Goal – A statement of broad direction, purpose or intent.

Grants - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital.

Internal Controls – Methods and measures implemented to safeguard assets, provide for accuracy of accounting data, and encourage compliance with policies.

Intermodal - The term “mode” is used to refer to a means of transportation, such as automobile, bus, train, ship, bicycle, and walking. Intermodal refers specifically to the connections between modes. Intermodal is also known as “multimodal.”

Intermodal Centers - A location where various types of transportation modes meet.

Investments – Securities purchased for the generation of income in the form of interest.

Joint Development – Projects undertaken by the public and private sectors in partnership. Usually refers to real estate projects and transit projects undertaken adjacent to, above and /or below each other as a means of financing transit projects with minimal public expense.

LRT – Light Rail Transit - An electric railway with a light volume traffic capacity as compared to heavy rail. Light rail may use shared or exclusive rights-of-way, high or low platform loading, and multi-car trains or single cars. Also known as “streetcar,” “trolley car,” and “tramway.”

Local Match - The portion of funding provided by UTA or other contributors (as opposed to funding provided at the federal level) towards purchase of capital items.

MPO – Metropolitan Planning Organization - Local group that selects highway and transit projects to which funds will be granted. The governor designates an MPO in every urbanized area with a population of over 50,000. The primary MPOs in UTA’s transit district are the Wasatch Front Regional Council (WFRC) and the Mountainland Association of Governments, (MAG).

Non-Attainment Area - Areas of the country where air pollution levels persistently exceed the National Ambient Air Quality standards. Attainment/nonattainment are important factors in determining CMAQ grant funding (see CMAQ).

Operating Budget - A plan outlining expenditures and proposed sources of financing current service. The operating budget does not include capital or reserve monies. The principle sources of revenue are

operating income, sales tax, investment income, and federal grants. All departments are financed through this budget.

Operating Revenue - Funds the Authority receives as income to pay for ongoing operations. It includes such items as sales taxes, fares, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operation Expenses - This term refers to expenditures paid to obtain goods or services including items such as payroll, services, supplies, fuel, utilities, insurance, etc. Capital expenditures are not included.

Paratransit - Transportation service, comparable to fixed-route service, required by the Americans with Disabilities Act (ADA) of 1990 for individuals with disabilities who are unable to use fixed-route transportation systems.

Passengers – The number of transit vehicle boardings, including charter and special trips. Each passenger is counted each time that person boards a vehicle.

Passenger Miles – Total number of miles traveled by passengers on a vehicle. (One bus with 10 passengers traveling 10 miles equals 100 passenger miles.)

Peak Hours - Refers to weekday a.m. and p.m. service during commute hours to carry a maximum number of passengers. An example of commute or peak hours could be defined as time between 6 and 9 a.m. in the morning, and between 3 and 6 p.m. at night.

Performance Measures – Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel – This item includes the cost of all salaries, wages, overtime, and benefits associated with the Authority staff.

PM – Preventative Maintenance Funds – Funding provided by the Federal Transit Administration for preventative maintenance of UTA’s fleet.

Policy Document – A statement of organization-wide financial and programmatic policies and goals that address long-term concerns and issues.

Program Budget – A budget that focuses upon the goals and objectives of a Program, rather than upon its organizational budget units or object classes of expenditure.

Rapid Transit – Synonym for fixed guideway public transport (usually rail or bus rapid transit).

Reserve – An account used to indicate the purpose (insurance or capital) for which the Agency’s year-end balances may be used.

Revenue – Receipts from the sale of a product or provision of service.

Revenue Hours –Hours a transit vehicle travels while in revenue service. A transit vehicle is in revenue service only when the vehicle is available to the public.

Revenue Miles –Miles a transit vehicle travels while in revenue service. A transit vehicle is in revenue service only when the vehicle is available to the public.

RFP – Request for proposal.

Ridership - The number of passengers using a particular mode of transit.

Rideshare- Transportation, other than public transit, in which more than one person shares in the use of the vehicle, such as a van or car, to make a trip. Rideshare assistance is offered by UTA to promote carpooling and company-sponsored van sharing.

Sales Tax – This tax is levied by the State within the service district for the Authority.

Scheduled Miles – Total service scheduled. It is computed from internal planning documents and includes the whole trip (e.g., deadhead, layover/recovery, and actual picking up and discharging of passengers).

STIP – State Transportation Improvement Program - Federally mandated state program covering a four-year span and updated every year. The STIP determines when and if transportation projects will be funded by the state. Projects included in the STIP must be consistent with the long-range transportation plan.

TRAX Light Rail – The UTA light rail system, consisting of the Red (University of Utah to Daybreak), Blue (Downtown to Draper), Green (Airport to West Valley), and S-Line streetcar (Sugar House) lines.

TOD - Transit-oriented Development - A type of development that links land use and transit facilities to support the transit system and help reduce sprawl, traffic congestion, and air pollution. It includes housing, along with complementary public uses (jobs, retail, and services), located at a strategic point along a regional transit system, such as a rail hub or major transit stop.

UDOT – Utah Department of Transportation

Vanpool – A service provided by UTA where the Agency provides the van and a group of 7-15 people with a similar commuting route provide the driver, bookkeeper, and passengers. The group can also be coordinated through the UTA website.

Utah Transit Authority and Community Profile

UTAH TRANSIT AUTHORITY PROFILE

History: The Utah Transit Authority was incorporated on March 2, 1970 under authority of the Utah Public Transit District Act of 1969 to provide a public mass transportation system for Utah communities. The UTA system began operation August 10, 1970 in Salt Lake County with 67 buses.

Today, UTA operates buses, light rail, commuter rail, streetcar, paratransit and vanpools in a 737 square mile service area that stretches over six counties from Payson to Brigham City. The Authority operates in one of the largest geographical service areas of any transit agency in the U.S. and serves a population of over 2.4 million out of nearly 3.1 million people statewide.

Oversight and Governance:

UTA is not a state agency; it is a political subdivision of the State of Utah. Oversight of UTA is exercised by a 16-member Board of Trustees appointed by elected officials within the municipalities and counties within the transit District that pay a local sales tax to support UTA's operation. Through UTA's enabling legislation, the Utah State Legislature determines the number and manner in which board members are appointed. Board members are appointed to serve four-year terms. There are no limits relative to the number of terms a trustee can serve.

UTA Board representation: UTA's board is comprised of five members who are appointed by municipalities within Salt Lake and Tooele counties; one member appointed by Salt Lake County; one member appointed by Salt Lake City; two members appointed by Utah County; one member appointed by each Davis and Weber counties; one member appointed by the governor; one member appointed by the Speaker of the Utah House of Representatives; one member appointed by the Utah State Senate; one member appointed by the Utah Transportation Commission; and one non-voting member appointed by district member municipalities within the un-annexed counties.

Administration:

UTA is managed by a President/CEO, in accordance with the direction, goals and policies of the Board of Trustees. The President/CEO supervises an executive staff of seven department or division heads. The General Counsel and Internal Auditor for the Authority report to the Board of Trustees.

Metropolitan Planning Organizations:

The Metropolitan Planning Organizations (MPO) for the Wasatch Front region or urbanized areas are the Wasatch Front Regional Council (WFRC) and the Mountainland Association of Governments (MAG). They are responsible for developing long-range transportation plans for their areas. These plans address highway networks, transit service, airports, bicycling, and pedestrian facilities, and are based on projected population and employment trends. All of UTA and Utah Department of Transportation long-range transportation plans are developed in cooperation with and approved by WFRC and MAG.

Funding:

The State of Utah does not provide any operational funding or capital funding to UTA. UTA's operational funding comes from the local municipalities and/or counties that have voted to annex to the transit district and pay up to 68.75% of 1% local option sales tax.

It is projected that in 2016, UTA will receive approximately 20% of the operating cost from passengers as fares paid for service.

UTA receives both formula and discretionary federal funds as authorized by the 2016 FAST Act. Formula funds are allocated through Preventative Maintenance Grants as defined by the National Transit Database.

Discretionary funds are competitive and allow 50% to 80% of the capital costs for light rail, streetcar, commuter rail, and BRT to be paid from federal funds provided that there is a 20% to 50% local match and available ongoing operational funds. These are being used to help fund the Provo-Orem BRT project. UTA may seek these funds for future projects. Other smaller discretionary funding opportunities are also being pursued.

Appropriations for both formula and discretionary funds are made by Congress on an annual basis.

Service/Fleet Info:

- Service area covers 737 square miles – 85 municipalities are covered from Payson to Brigham City and includes approximately 80% of the state's population
- 6-county area (all or portions of Salt Lake, Utah, Davis, Weber, Box Elder, and Tooele counties).
- 119 routes – 6,273 bus stops
- 522 active buses, 133 active paratransit vehicles, and 117 TRAX vehicles, 53 commuter passenger rail vehicles, and 18 commuter locomotives, and 479 vanpool vehicles
- UTA ski service runs from November through Easter seven days a week – including Christmas Day – to four resorts in Big and Little Cottonwood canyons, as well as ski resorts in Provo Canyon and Ogden.

Ridership:

- 157,000 average daily weekday (2016)
- 45,521,914 total annual passenger trips (2016)

UTA Services:

- Fixed route bus service
- TRAX (light rail)
- S-Line (streetcar)
- FrontRunner (commuter rail)
- Paratransit (disabled customer service)
- Rideshare (carpooling and vanpooling)
- Ski bus service

Major Projects:

- TRAX 15-mile North/South light rail line completed December 1999.
- University Stadium Extension (Downtown Salt Lake City to University of Utah) TRAX completed December 2001
- Medical Center TRAX Extension (University Stadium to the University Hospital) completed September 2003

- FrontRunner from Salt Lake City to Ogden and Pleasant View completed April 2008
- TRAX Intermodal Hub Extension (Arena Station to Salt Lake Central) completed April 2008
- MAX Bus Rapid Transit: 3500 South (9 miles) completed July 2008
- Mid-Jordan and West Valley TRAX opened August 2011
- FrontRunner South from Provo to Salt Lake City completed December 2012
- Airport TRAX extension completed April 2013
- Draper TRAX extension completed August 2013
- Sugar House Streetcar completed December 2013
- Provo/Orem BRT (10 miles) scheduled opening in 2018

COMMUNITY PROFILE

The Authority's Service Area lies in the region commonly referred to as the Wasatch Front. The total U.S. Census Bureau's 2016 estimated population of these six principal counties is approximately 2,421,466, which represents approximately 79.4% of the State's total 2016 estimated population of 3,051,217.

Box Elder County. The portion of Box Elder County served by the Authority includes the cities of Brigham, Perry and Willard and some unincorporated areas. *For purposes of this document certain information regarding Box Elder County includes the entire county rather than the portion of Box Elder County included in the Service Area.* Box Elder County comprises an area of 5,627 square miles (the fourth largest county in the State) and accounts for approximately 2.2% of the population and approximately 1.7% of the nonfarm employment of the Service Area. The principal city is Brigham City. The county's population increased approximately 6.3% from 2010 to 2016. The largest employment sectors are manufacturing, retail trade, and health care and social assistance.

Davis County. Davis County comprises an area of 268 square miles and accounts for approximately 14.1% of the population and approximately 9.5% of the nonfarm employment of the Service Area. The principal cities include Bountiful, Clearfield, Clinton, Kaysville, Layton, and Syracuse. The county's population increased approximately 11.7% from 2010 to 2016. The largest employment sectors are retail trade, federal government, state government, health care, and social assistance.

Salt Lake County. Salt Lake County comprises an area of 764 square miles and accounts for approximately 46.3% of the population and approximately 58.6% of the nonfarm employment of the Service Area. Salt Lake City is the capital and largest city in the State. The principal cities include Salt Lake City, West Valley City, and Sandy City. The county's population increased approximately 8.9% from 2010 to 2016. The largest employment sectors are retail trade, health care and social assistance, manufacturing, and administration, support, waste management, and remediation.

Tooele County. The portion of Tooele County served by the Authority includes the cities of Tooele and Grantsville and some unincorporated areas. *For purposes of this document certain information regarding Tooele County includes the entire county rather than the portion of Tooele County included in the Service Area.* Tooele County comprises an area of 6,923 square miles (the second largest county in the State) and accounts for approximately 2.7% of the population and approximately 1.2% of the nonfarm employment of the Service Area. The principal cities include Tooele City and Grantsville City. The county's population increased approximately 11.4% from 2010 to 2016. The largest employment sectors are local government, retail, trade, transportation, and warehousing.

Utah County. Utah County comprises an area of 1,998 square miles and accounts for approximately 24.5% of the population and approximately 20.6% of the nonfarm employment of the Service Area. The principal cities include the City of Provo and Orem City. The county's population

increased approximately 14.7% from 2010 to 2016. The largest employment sectors are retail trade, health care and social assistance, education services, and construction.

Weber County. Weber County comprises an area of 531 square miles and accounts for approximately 10.2% of the population and approximately 8.4% of the nonfarm employment of the Service Area. The principal city is Ogden City. The county's population increased approximately 7.1% from 2010 to 2016. The largest employment sectors are manufacturing, health care and social assistance, retail, trade, and local government.