

Finance & Audit Committee Budget Work Session

September 19, 2018



Safety Minute

Dave Goeres



Everything in its place keeps you safe

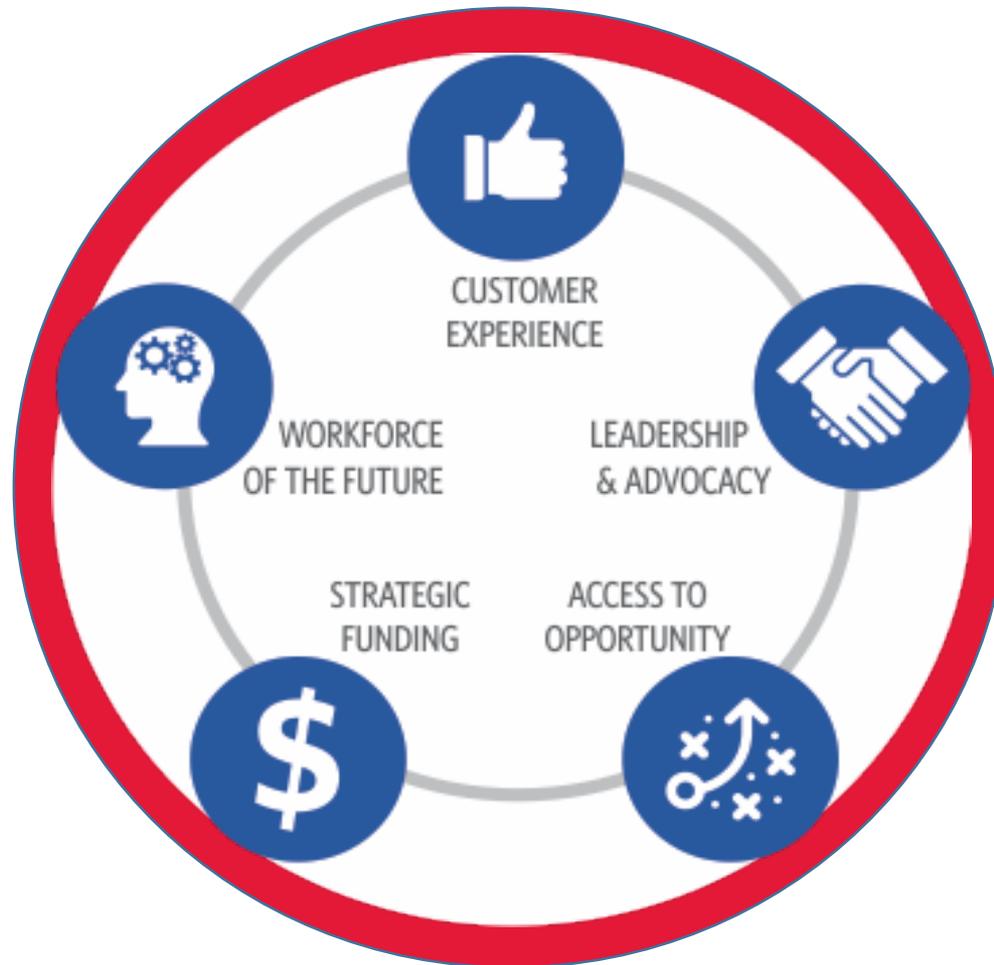


Introduction & Strategic Priorities

Steve Meyer



Strategic Focus Areas



Customer Experience

- Created a team within the Planning Department to coordinate our focus
- Interesting fact: 22% of our customer feedback is commendations regarding our service and employees



Leadership and Advocacy

- UTA regularly participates in the legislature's interim committee meetings
- We are active nationally with the American Public Transportation Association (APTA)
- We meet regularly with our congressional delegation and their staff
- We participate in Wasatch Front Regional Council (WFRC) and Mountainland Association of Governments (MAG) meetings
- At the local level, council of governments (COGs) and city council meetings
- UTA staff are on the boards of the Salt Lake Chamber, edcUtah, Envision Utah, GREENbike, Operation Lifesaver, etc.



Access to Opportunity

- Transit-oriented development
 - Columbus Community Center
- First and last mile projects
 - TIGER grant
 - Contributions to GREENbike
- Transportation land use connection studies
- Innovative mobility
- Pass programs
- Salt Lake City purchase of service



Strategic Funding

- SB 136
 - 4th quarter
 - Transit Transportation Investment Fund (TTIF)
- Improved revenue per rider
 - Pass programs
 - Mobile ticketing app
- Competitive grant opportunities
- Transit-oriented development
- Salt Lake City purchase of service



Workforce of the Future

- Culture of continuous improvement and engagement
- Workforce planning
- In-house apprenticeship program
- Collaboration with Salt Lake Community College
 - Mechanic training program



Our Challenges

- Population growth and air quality
- Access for all
- Innovative mobility
- Sustainable funding



Work Session Schedule

- 10:30-10:50 a.m. Long-Term Financial Plan
- 10:50 a.m.-12:00 p.m. Operations & Capital Development
- 12:00-12:20 p.m. Lunch
- 12:20-1:15 p.m. Strategic Funding
- 1:15-1:30 p.m. Service Planning
- 1:30-2:00 p.m. Other Considerations & Conclusions



Questions?



Long-Term Financial Plan

Bob Biles



One-Year, Five-Year & Long-Term Financial Plan

(in millions)

	2019	2020-2023	2024-2050
Operating Revenue	\$ 436,905	\$ 1,931,307	\$ 26,486,773
Debt Service	127,712	706,967	3,156,825
Net Available for Operations and Capital	309,193	1,224,340	23,329,948
Operations	295,047	1,261,223	13,239,901
Capital Revenue	68,807	311,129	503,414
Capital Expense	120,153	398,418	8,075,046
Net Results for Year	(37,200)	(124,172)	2,518,415
Beginning Balance, January 1	266,204	229,004	104,832
Ending Balance, December 31	\$ 229,004	\$ 104,832	\$ 2,623,247
Required Reserves	\$ 165,335	\$ 100,016	\$ 117,921
Unrestricted	\$ 63,669	\$ 4,816	\$ 2,505,326
<u>Required Reserves Estimates, December 31</u>			
Working Capital	\$ 27,538	\$ 30,616	\$ 63,690
Service Sustainability	14,752	16,402	34,119
Risk	8,225	8,903	15,197
Fuel & Parts	4,915	4,915	4,915
Debt Service	38,564	38,564	-
Debt Rate Stabilization	71,341	616	-
	\$ 165,335	\$ 100,016	\$ 117,921

Questions?



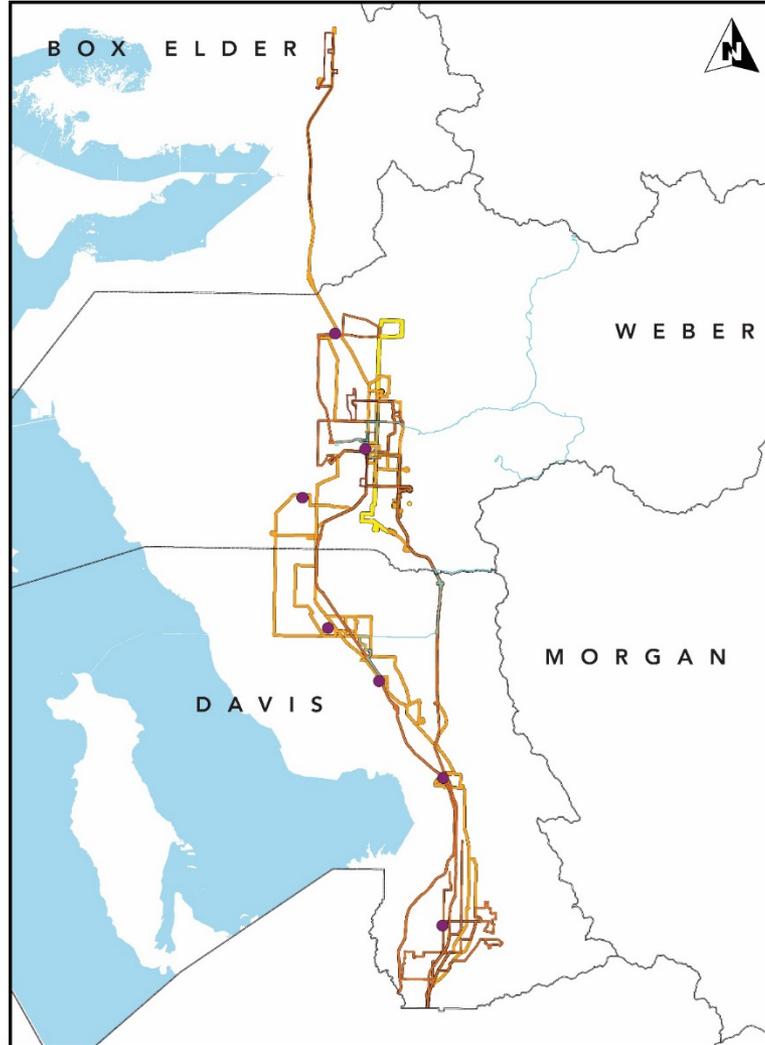
Operations & Capital Development

Eddy Cumins



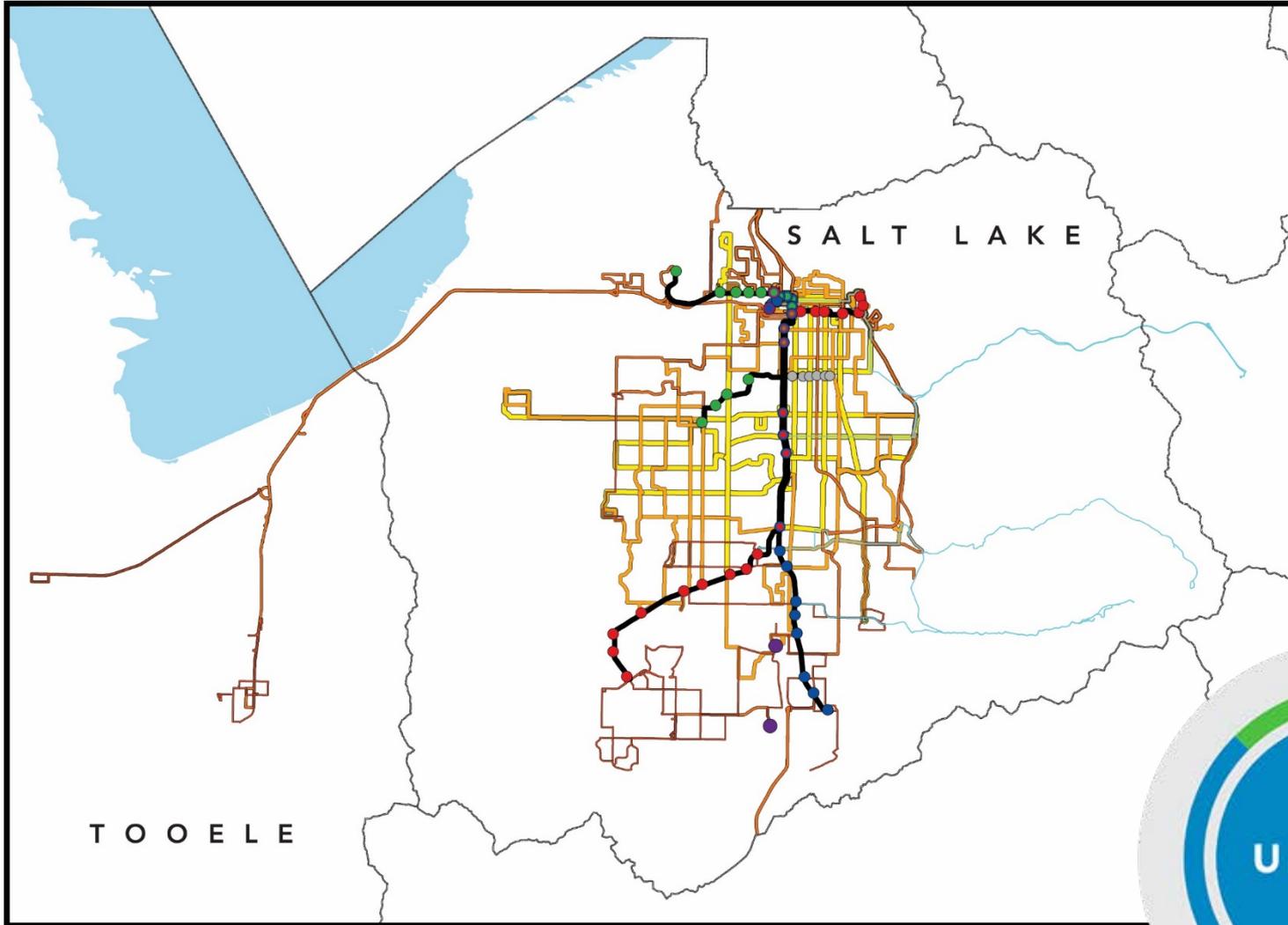
UTA Davis–Weber–Box Elder County Service Area

UTAH TRANSIT AUTHORITY



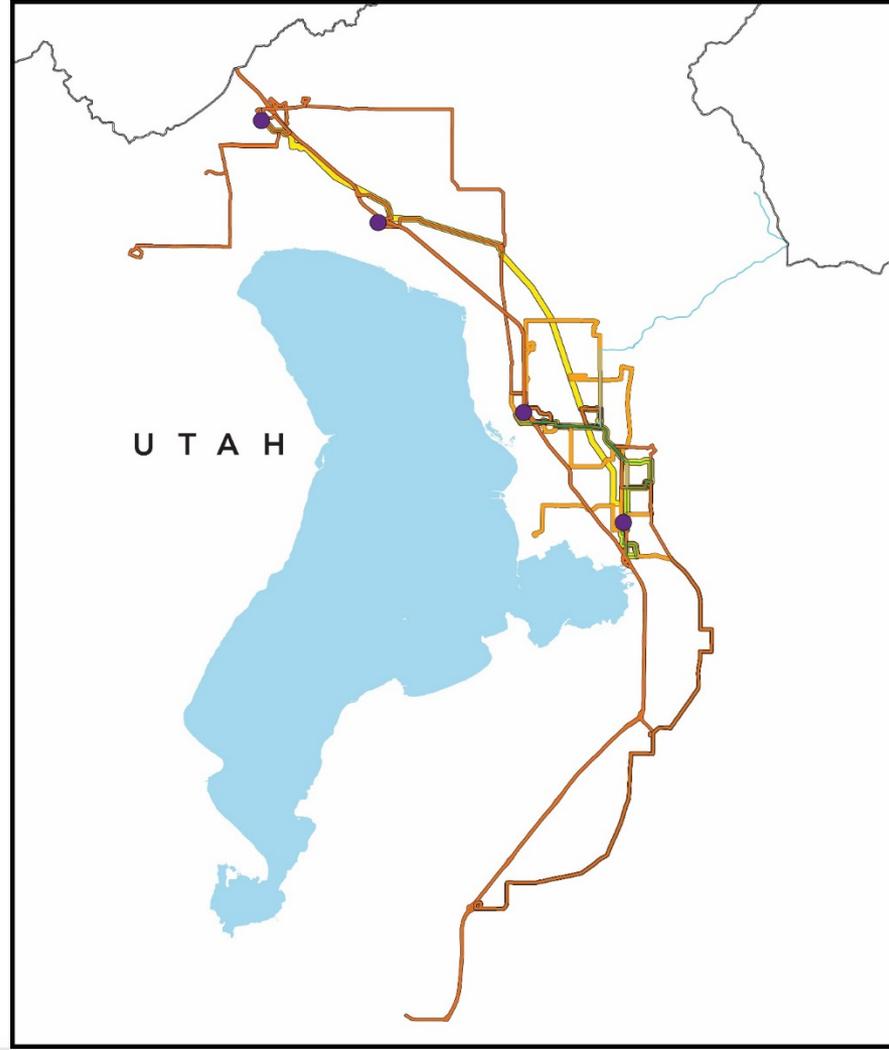
UTA Salt Lake-Tooele County Service Area

UTAH TRANSIT AUTHORITY

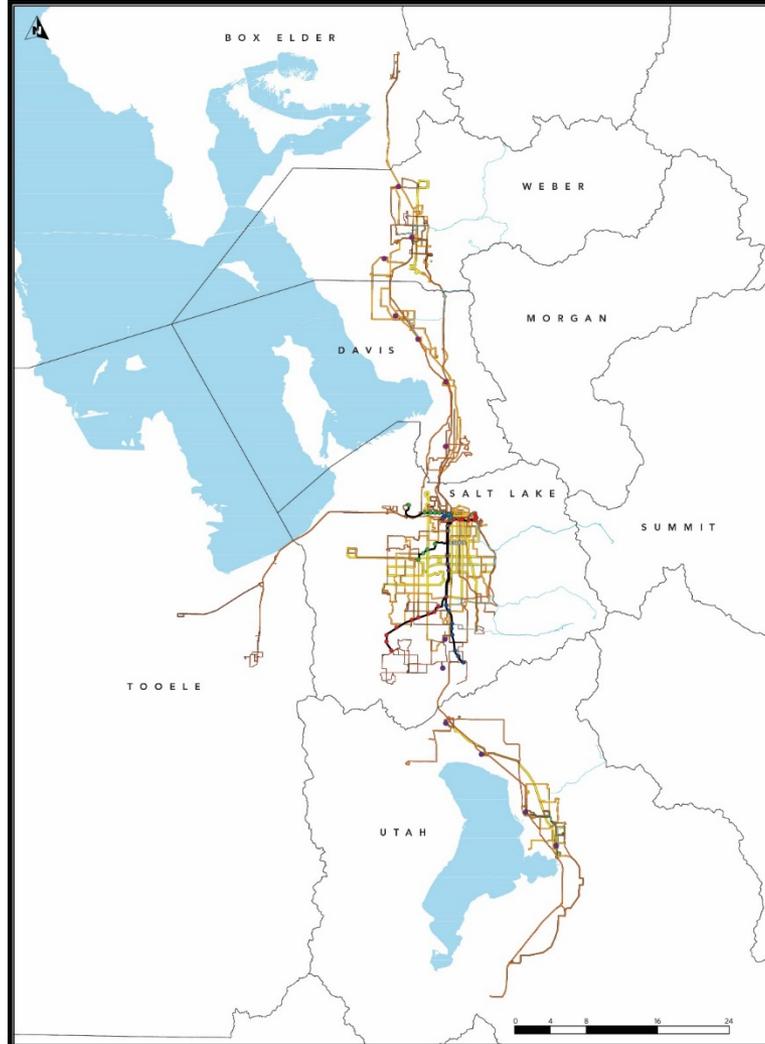


UTA Utah County Service Area

UTAH TRANSIT AUTHORITY

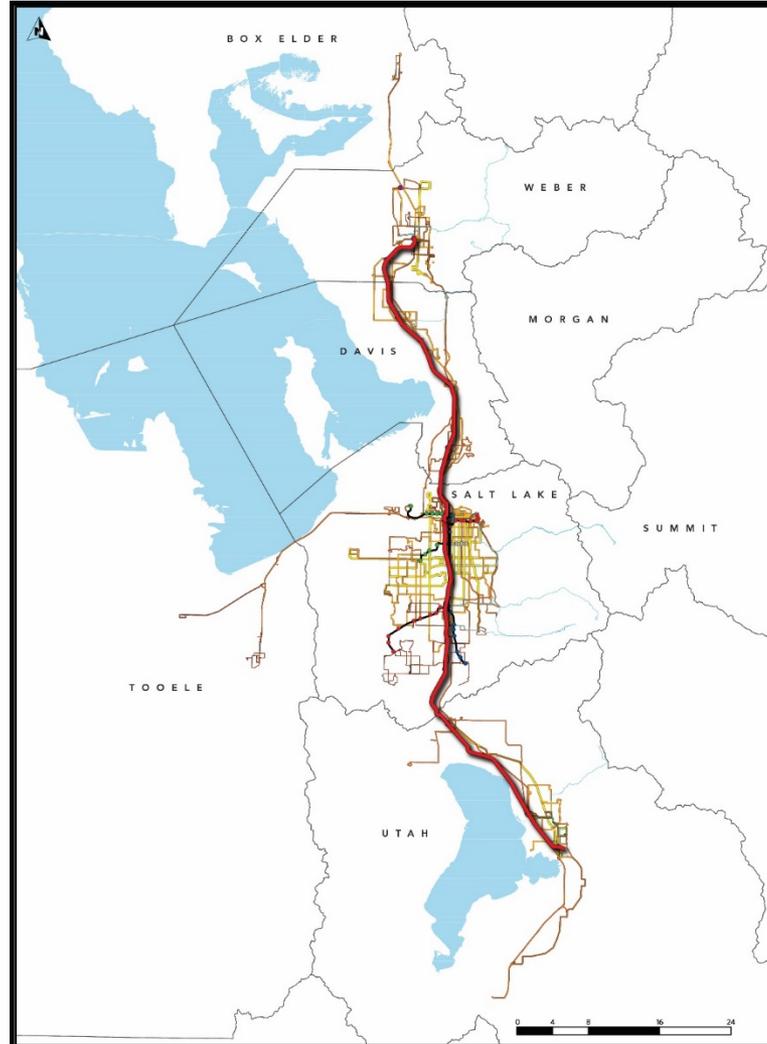


UTA Paratransit Service Area

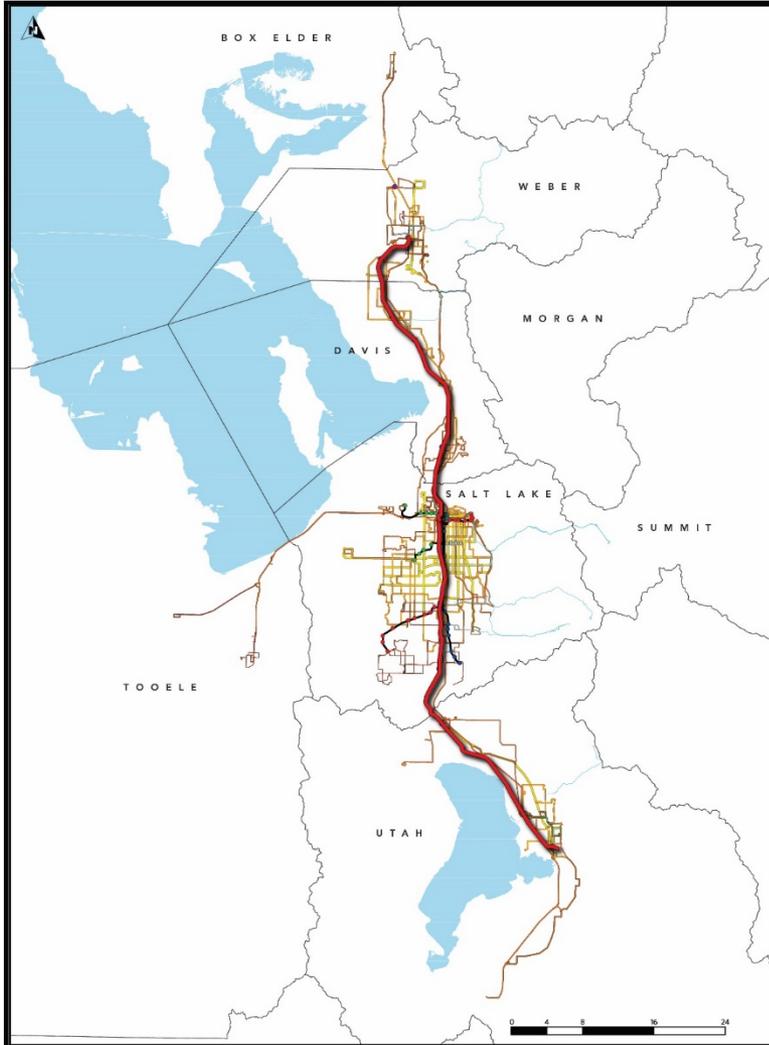


UTA FrontRunner Service Area

UTAH TRANSIT AUTHORITY



UTA Service Operating System Facts



- 1.9M service hours
- 39.7M service miles
- 2,121 operations employees
 - 1,122 operators
 - 570 maintenance employees
 - 429 operations support staff
- 6.4M gallons of diesel
- 437K gallon equivalents of compressed natural gas (CNG)
- 392K gallons of gasoline
- 39.4M kWh of propulsion power

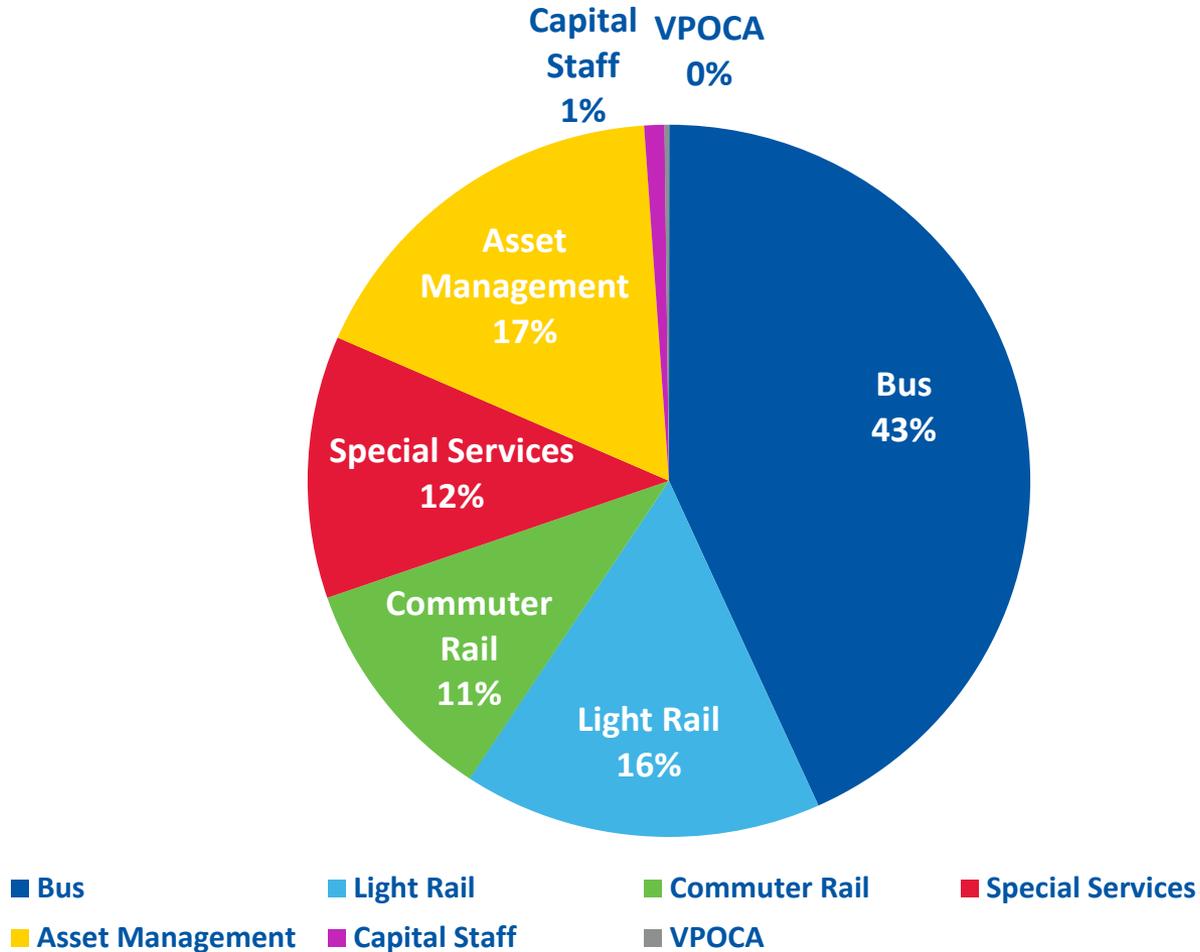


Operating Budget

Department	2018 Budget
TIMPANOGOS RGM	15,392,414
MT. OGDEN RGM	21,005,326
SALT LAKE RGM	58,682,974
SPECIAL SERVICES RGM	26,220,010
ASSET MANAGEMENT DIRECTOR	38,099,635
LIGHT RAIL GM	35,365,330
COMMUTER RAIL GM	22,842,410
CAPITAL PROJECTS DIRECTOR	1,967,475
VP OPERATIONS & CAPITAL	451,160
Grand Total	220,026,734

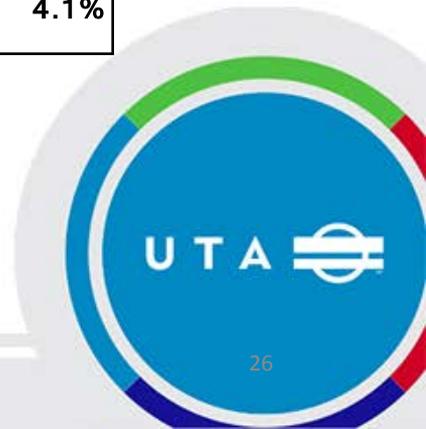


Operating Budget: 2018 Budget Distribution



Operating Budget

January - July 2018	YTD 2018 Actuals	YTD 2018 Budget	YTD 2108 Variance	YTD 2018 Percentage Variance
TIMPANOGOS RGM	8,165,982	8,739,789	573,807	6.6%
MT. OGDEN RGM	11,470,819	11,867,552	396,733	3.3%
SALT LAKE RGM	33,028,341	34,098,263	1,069,922	3.1%
SPECIAL SERVICES RGM	13,561,042	15,244,242	1,683,200	11.0%
ASSET MANAGEMENT DIRECTOR	20,470,714	21,866,034	1,395,320	6.4%
LIGHT RAIL GM	20,633,321	20,528,557	(104,764)	-0.5%
COMMUTER RAIL GM	13,257,298	13,327,319	70,021	0.5%
CAPITAL PROJECTS DIRECTOR	1,026,762	1,081,917	55,155	5.1%
VP OPERATIONS & CAPITAL	198,714	263,166	64,452	24.5%
Grand Total	121,812,994	127,016,839	5,203,845	4.1%



Operating Budget

January - July 2018	YTD 2018 Actuals	YTD 2018 Budget	YTD 2108 Variance	YTD 2018 Percentage Variance	Fuel/Propulsion Savings & SSBU Off-Sets	Variance Without Fuel or SSBU Off-Sets	% Variance
TIMPANOGOS RGM	8,165,982	8,739,789	573,807	6.6%	132,200	441,607	5.1%
MT. OGDEN RGM	11,470,819	11,867,552	396,733	3.3%	212,918	183,815	1.5%
SALT LAKE RGM	33,028,341	34,098,263	1,069,922	3.1%	604,379	465,543	1.4%
SPECIAL SERVICES RGM	13,561,042	15,244,242	1,683,200	11.0%	748,053	935,147	6.1%
ASSET MANAGEMENT DIRECTOR	20,470,714	21,866,034	1,395,320	6.4%	956,292	439,028	2.0%
LIGHT RAIL GM	20,633,321	20,528,557	(104,764)	-0.5%		(104,764)	-0.5%
COMMUTER RAIL GM	13,257,298	13,327,319	70,021	0.5%	392,014	(321,993)	-2.4%
CAPITAL PROJECTS DIRECTOR	1,026,762	1,081,917	55,155	5.1%		55,155	5.1%
VP OPERATIONS & CAPITAL	198,714	263,166	64,452	24.5%		64,452	24.5%
Grand Total	121,812,994	127,016,839	5,203,845	4.1%	3,045,856	2,157,989	1.7%

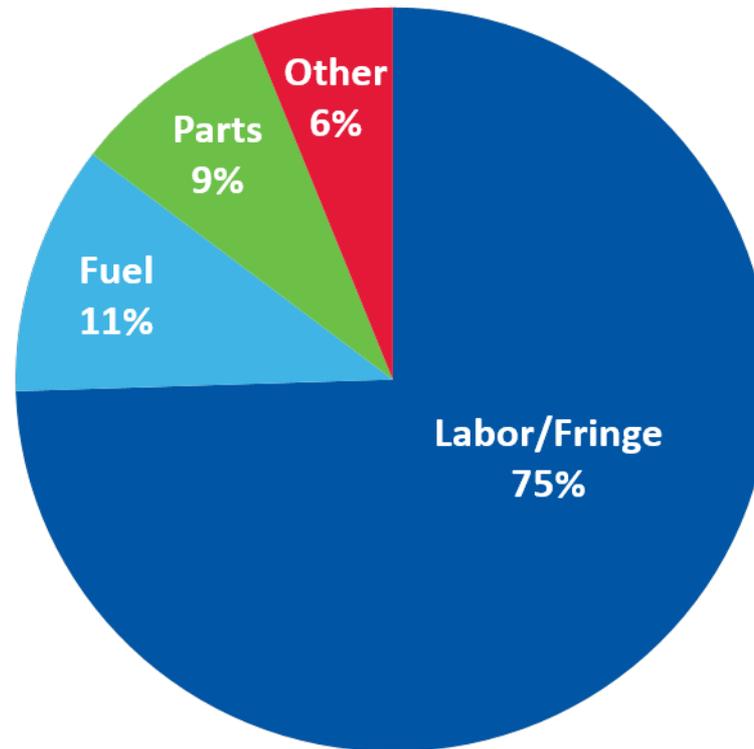


Operating Budget

- 2019 cost drivers and assumptions
 - Service plan
 - 39.7M service miles
 - 1.9M service hours
 - Labor/fringe cost
 - Bargaining unit
 - 3.5% annualized 2019
 - Administration
 - 3% January 2019
 - Fuel
 - \$2.20 to \$2.50 (13.64%)
 - Utah Valley Express (UVX)
 - Full year of service
 - Positive train control
 - Required tenth train



2019 Estimated Operating Expense Distribution



2019 Operating Budget Opportunities

- Refine budgeting process
- Review open vacancies
- Review headcount requests
- Reduce propulsion power budget
- Adjust budgeted miles per gallon

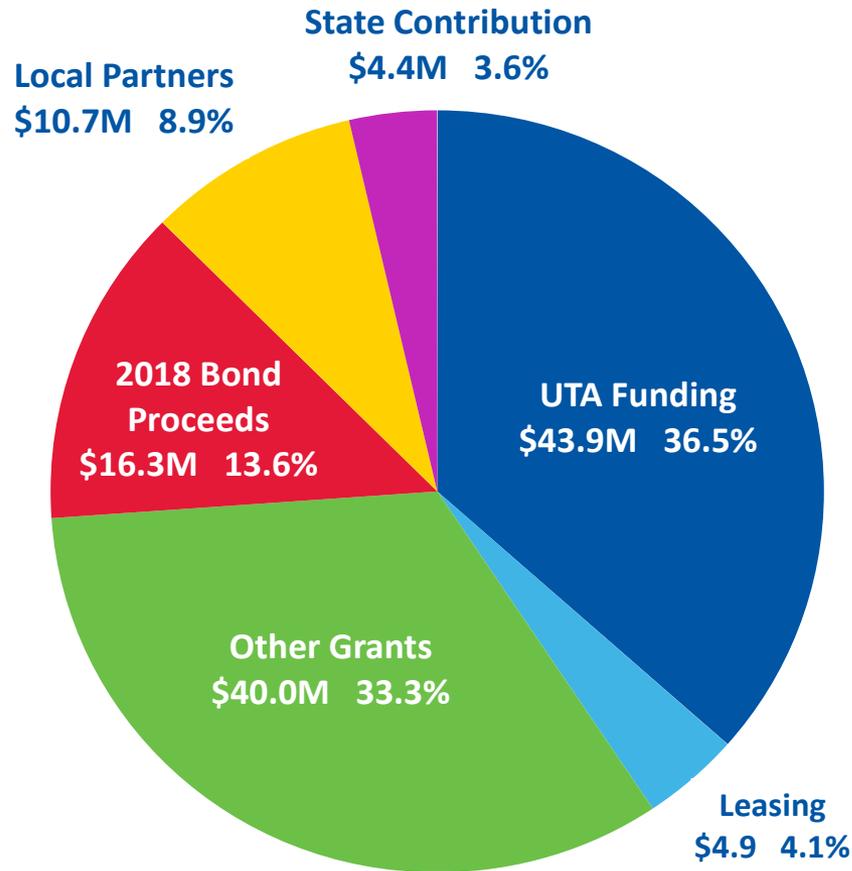


Operating Budget

Department	2018 Budget	2019 Projected Budget	% Increase
TIMPANOGOS RGM	15,392,414	17,524,964	13.9%
MT. OGDEN RGM	21,005,326	21,810,151	3.8%
SALT LAKE RGM	58,682,974	60,308,381	2.8%
SPECIAL SERVICES RGM	26,220,010	26,206,650	-0.1%
ASSET MANAGEMENT DIRECTOR	38,099,635	38,892,094	2.1%
LIGHT RAIL GM	35,365,330	36,185,359	2.3%
COMMUTER RAIL GM	22,842,410	24,483,024	7.2%
CAPITAL PROJECTS DIRECTOR	1,967,475	2,032,382	3.3%
VP OPERATIONS & CAPITAL	451,160	431,702	-4.3%
Grand Total	220,026,734	227,874,708	3.6%



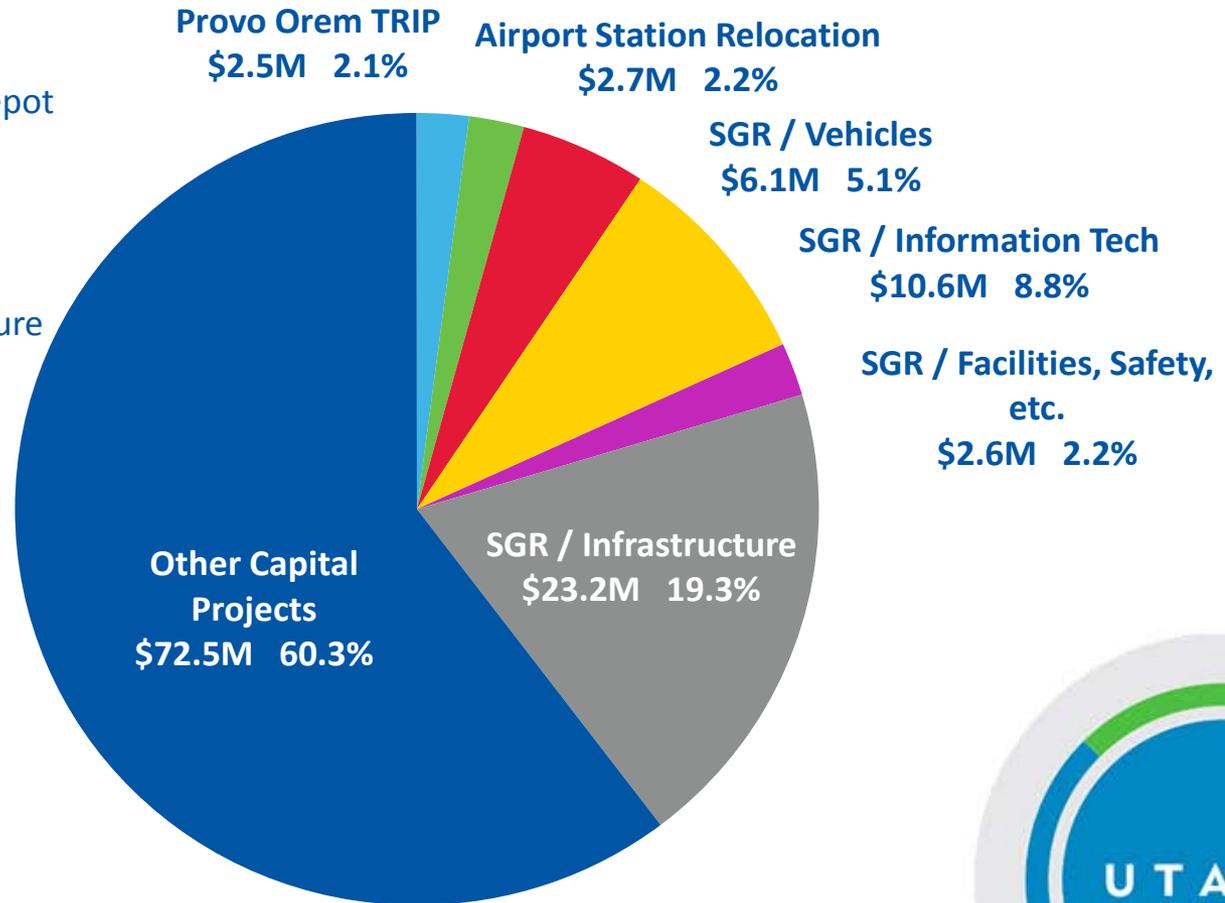
2019 Estimated Capital Revenues: \$120.2M



2019 Estimated Capital Expenses: \$120.2M

Other includes:

- Positive train control
- New Salt Lake bus depot
- South Davis BRT
- Ogden BRT
- Sugar House
- TIGER projects
- Sandy parking structure
- Box Elder ROW



State of Good Repair Total
\$62.8M 32.9%



Questions?

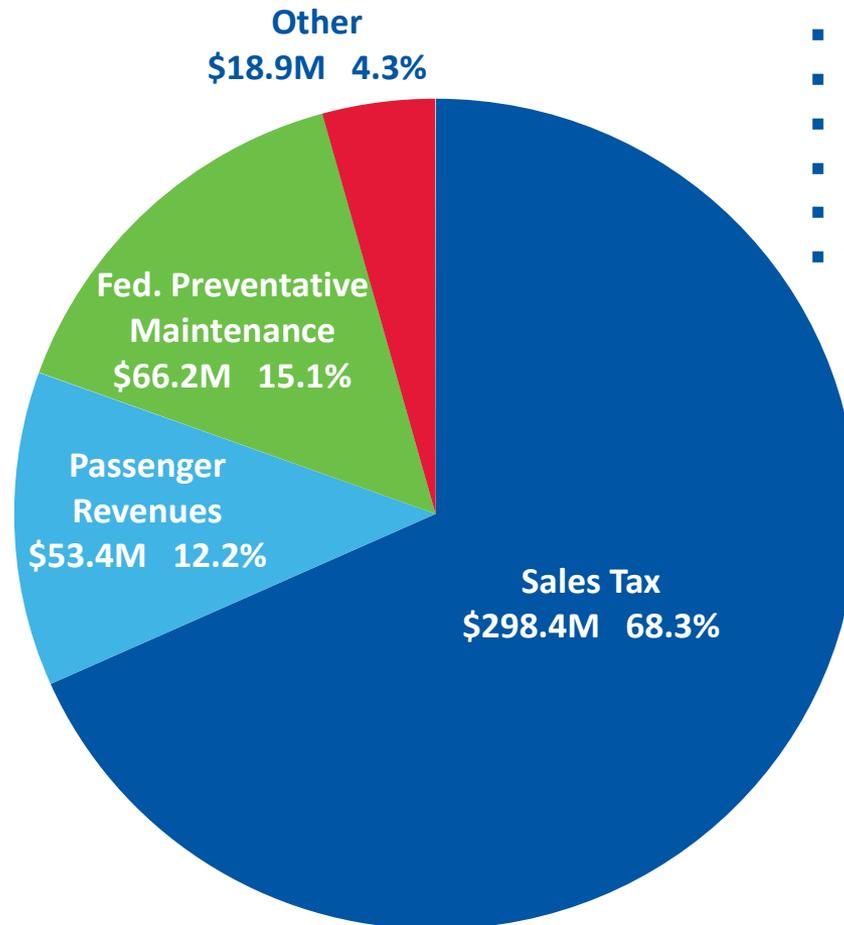


Strategic Funding

Bob Biles



2019 Estimated UTA Operations Revenues: \$436.9M

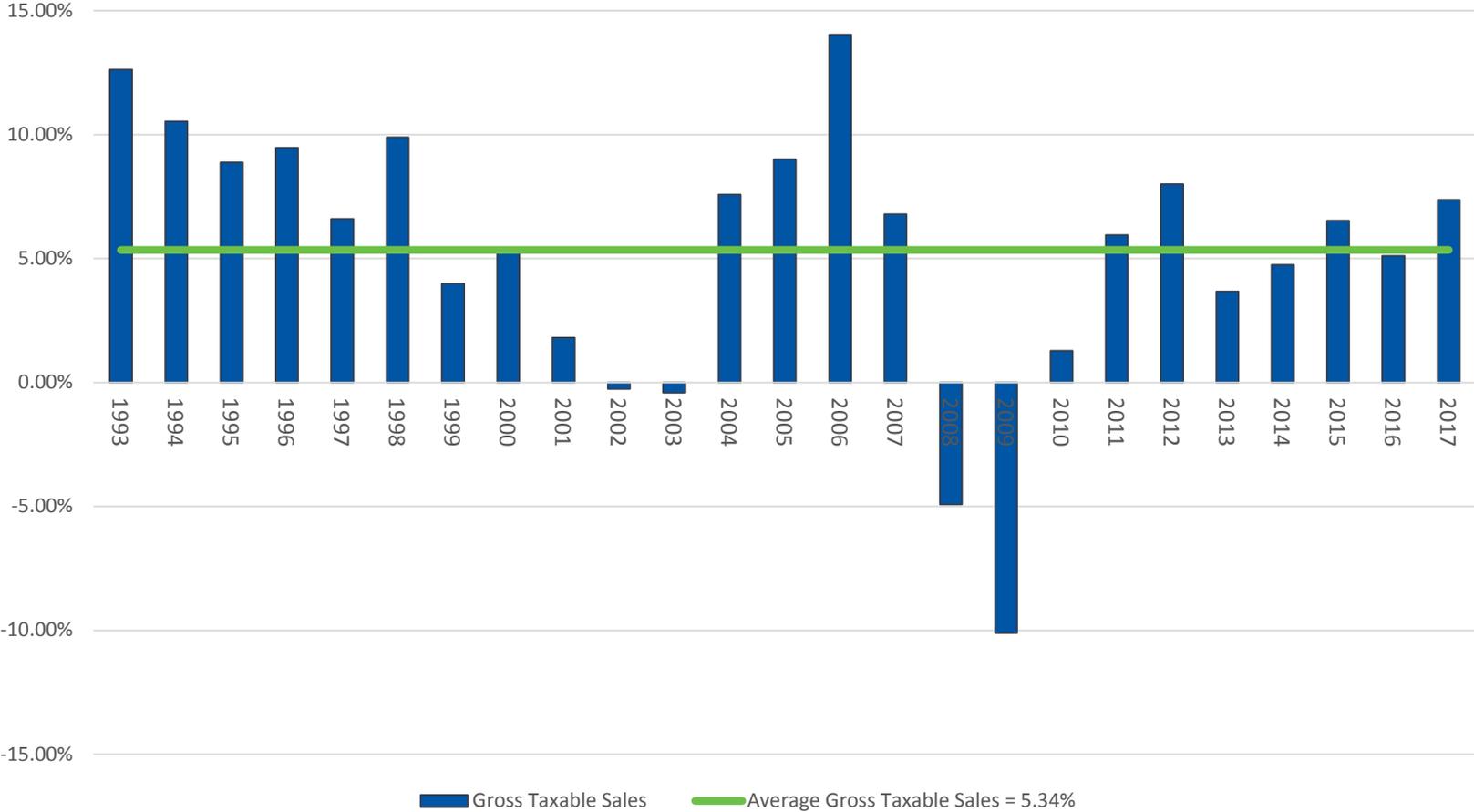


Other Includes:

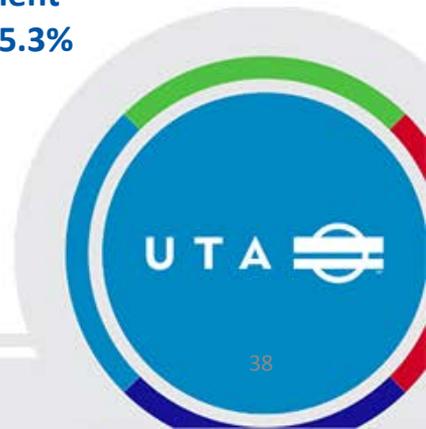
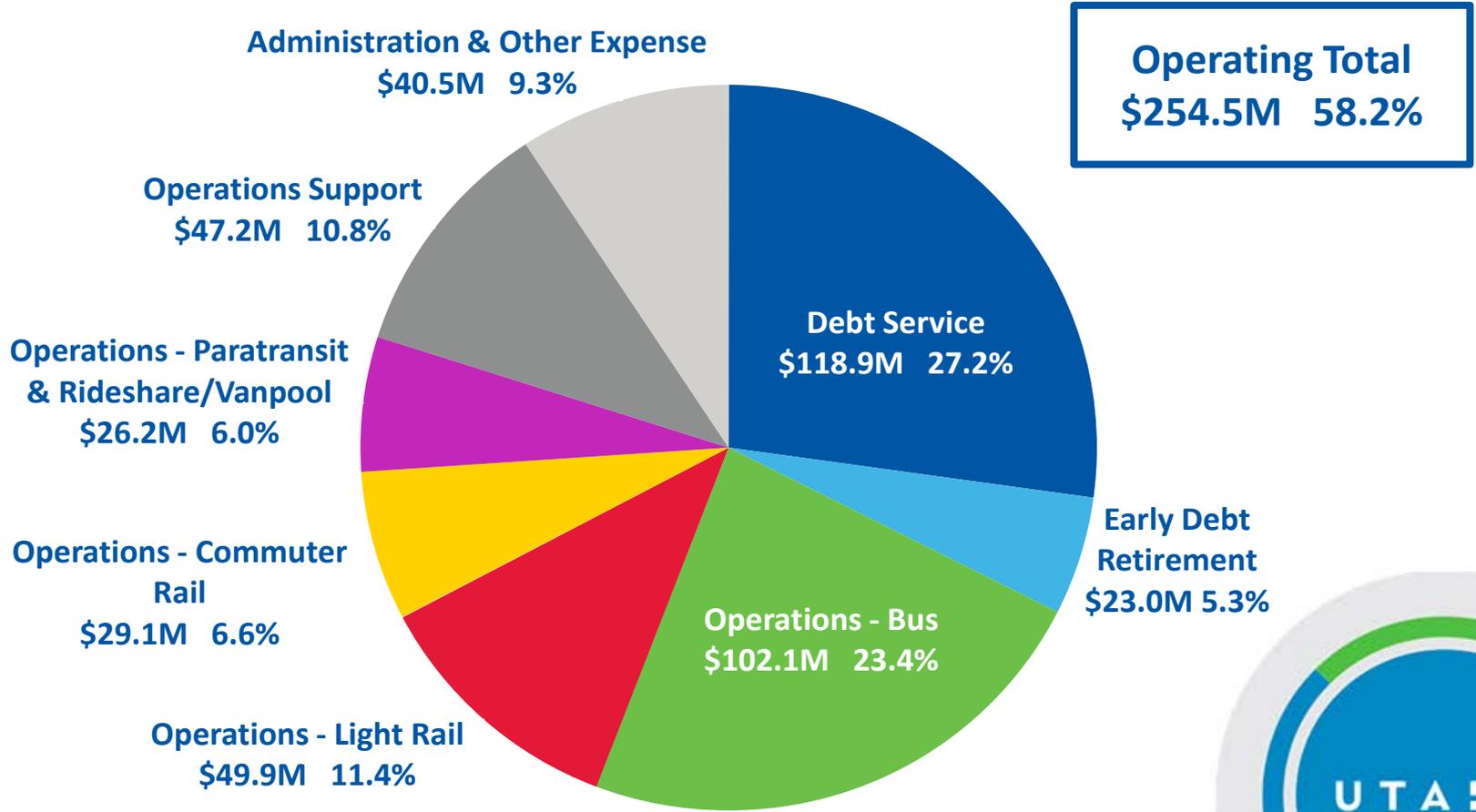
- Investment income - \$8.5M
- Utah County UVX - \$2.5M
- Advertising - \$2.5M
- Grants - \$2.1M
- SLC motor vehicle fees - \$1.9M
- Property fees - \$1.1M
- TOD revenues - \$.3M



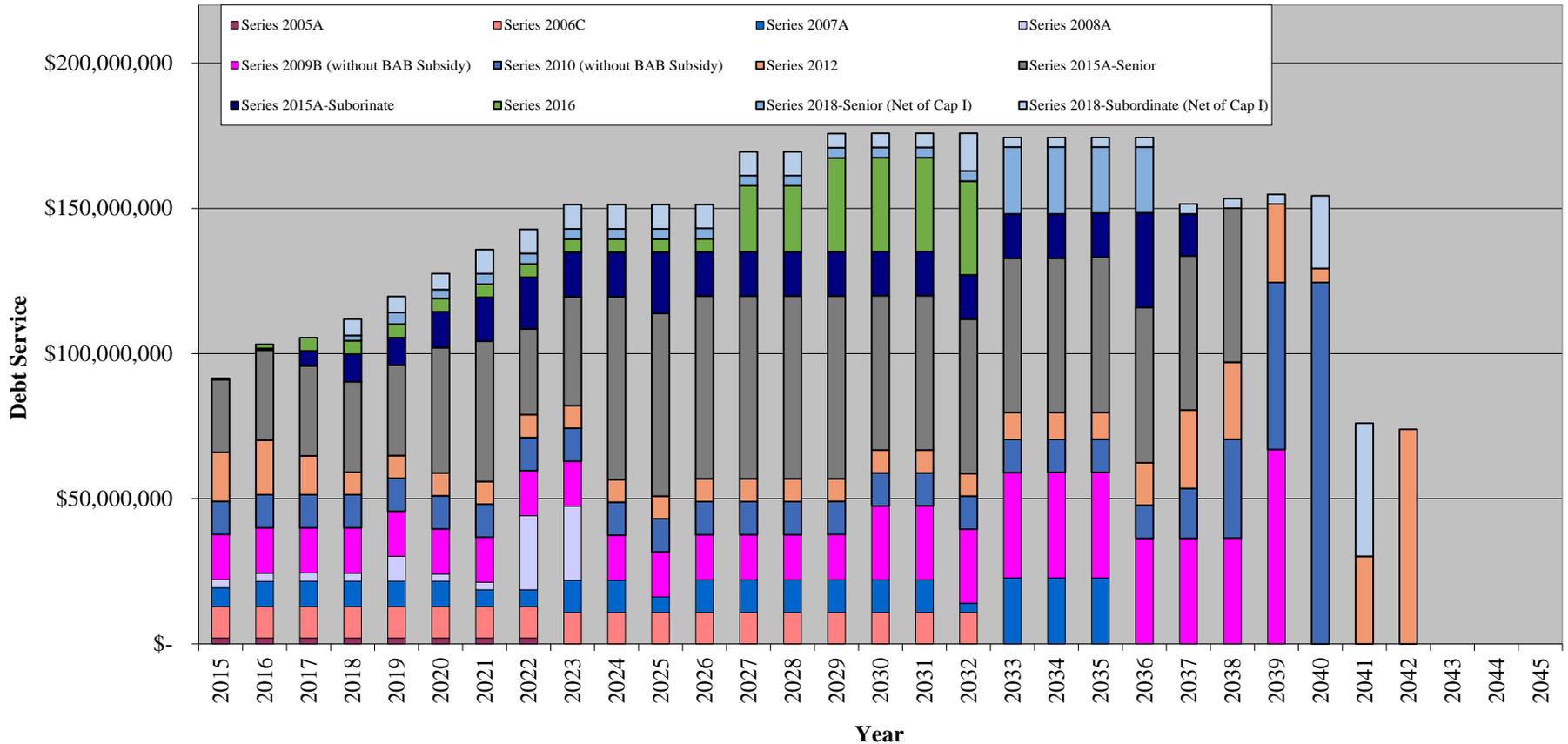
Gross Taxable Sales: Annual Growth Rate (1993-2017)



2019 Estimated UTA Operations Expenses: \$436.9M



Total Outstanding Sales Tax Revenue Bonds (senior and subordinate debt)



Total Rail Assets Added and Related Debt

Rail Assets	Year(s)		Related Debt
TRAX Line - Original	1997-98	\$	92,740,000
Commuter Rail Corridor / TRAX	2002	\$	230,200,000
2015 FrontLines	2005-12	\$	1,958,810,109
PTC, Airport Station	2018	\$	<u>83,765,000</u>
		\$	2,365,515,109
Refundings	2005-18	\$	(64,241,957)
Principal Paid	Through March 2018	\$	<u>(162,771,654)</u>
Debt Outstanding, March 15, 2018		\$	<u><u>2,138,501,498</u></u>

Questions?

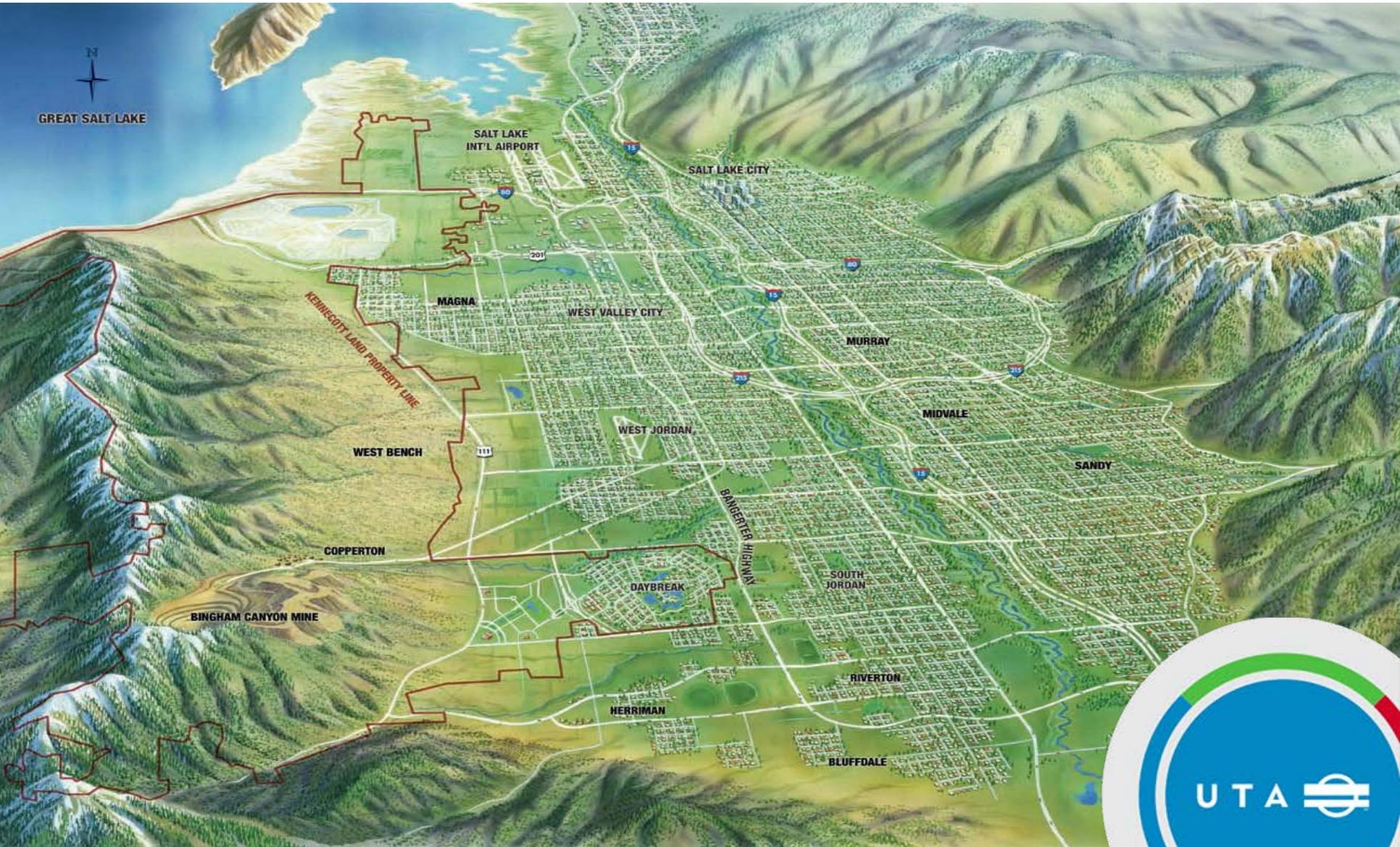


Service Planning

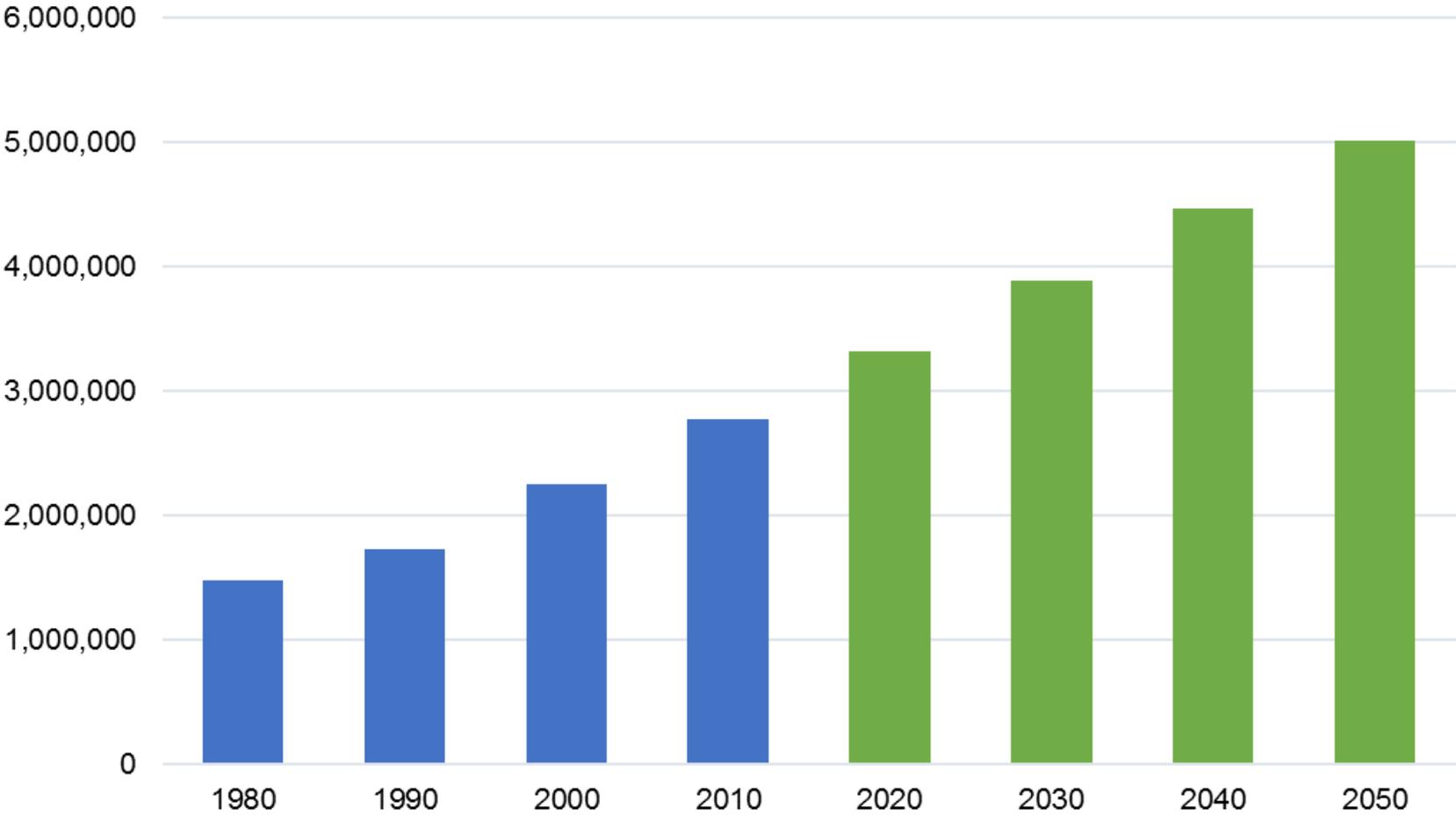
Nichol Bourdeaux



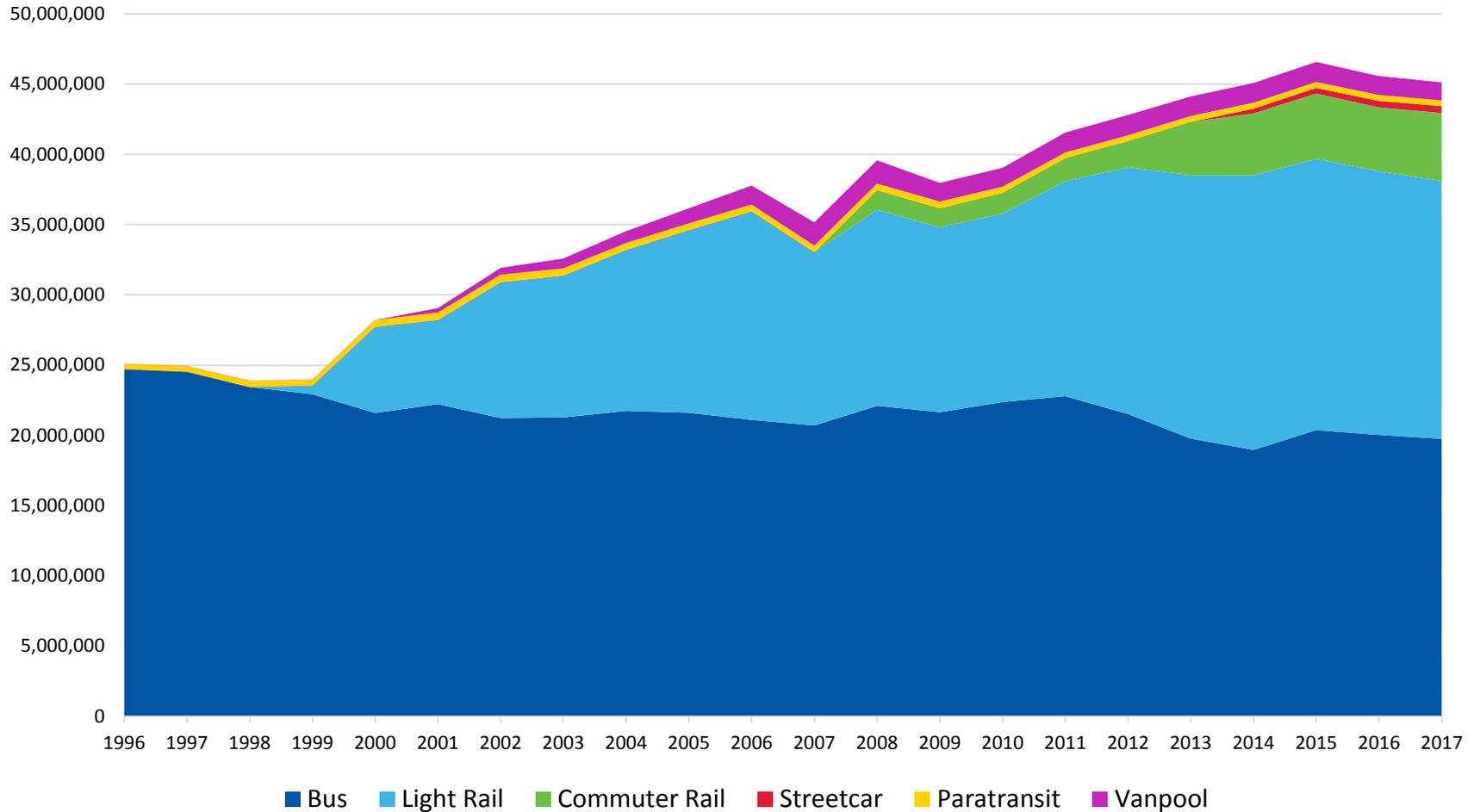
Another Bountiful Every Year?



Utah's Population Growth

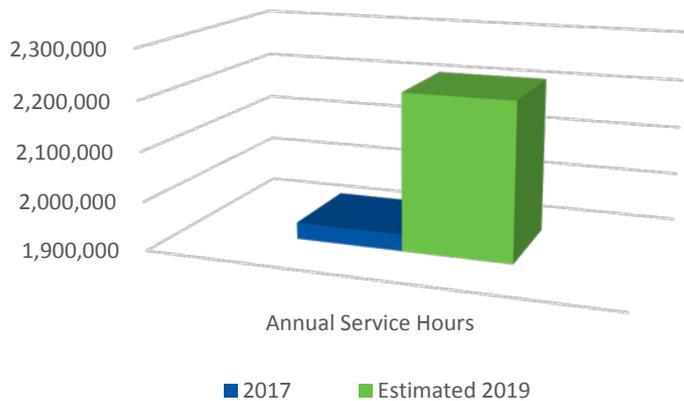


Ridership: Annual Boardings by Mode

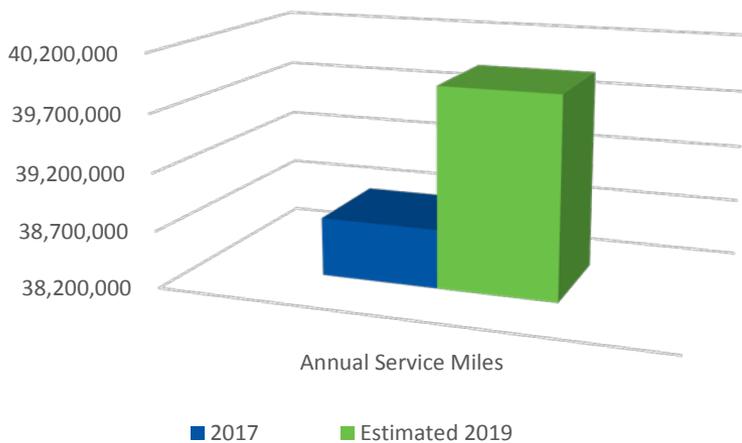


UTA's Service Area

Change in Annual Service Hours



Change in Annual Service Miles

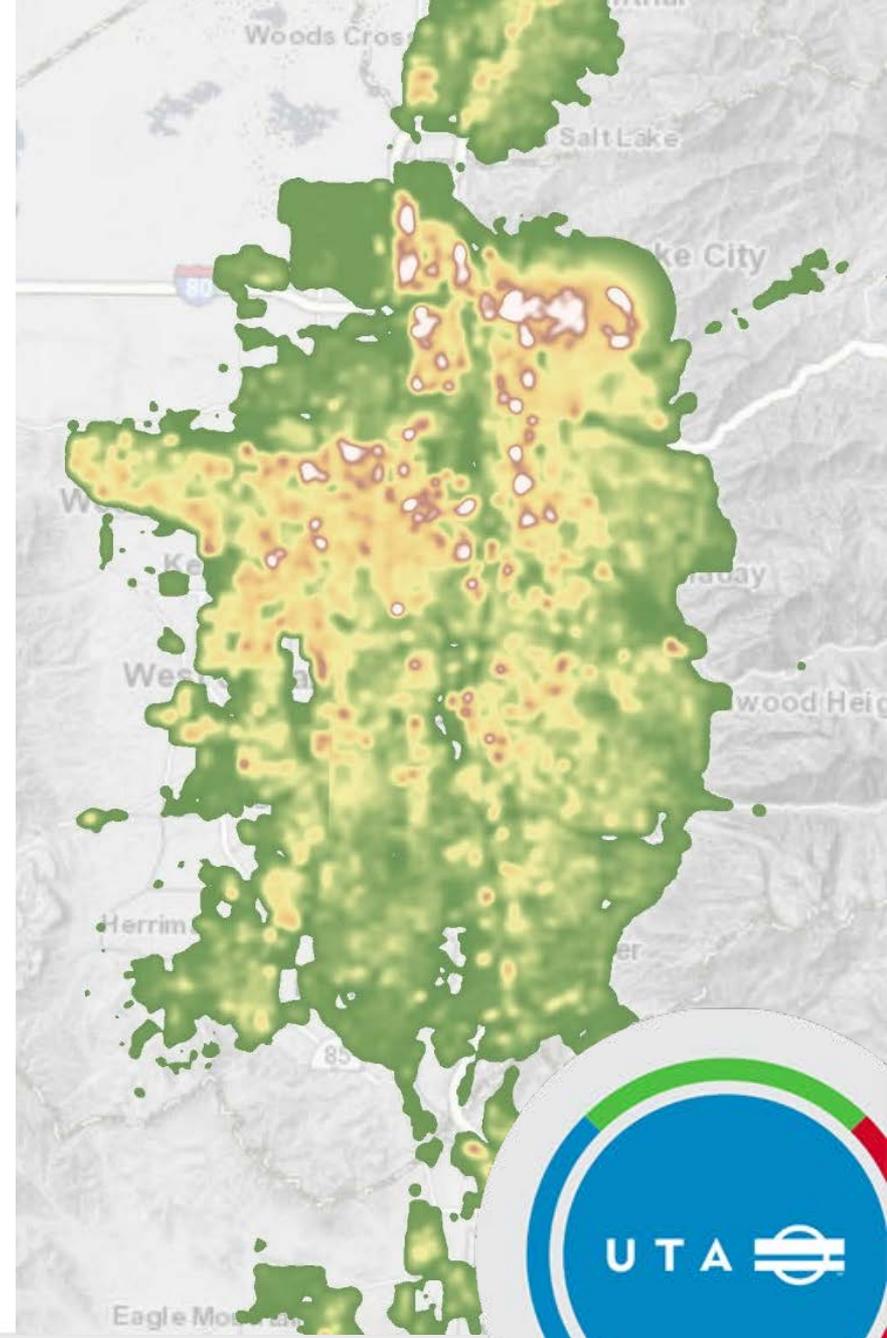


A Future of Integrated Mobility



Five-Year Mobility Plan

- This rolling work plan will:
 - Bridge the gap between regional transportation plan (RTP) and annual service changes
 - Apply innovative mobility solutions
 - Respond to local goals and objectives
 - Result in data-driven annual work plans



Core Routes

- This robust stakeholder engagement process will:
 - Help communities articulate their goals for transit
 - Distinguish between coverage and frequency services
 - Guide future investments
 - Result in right service for each community



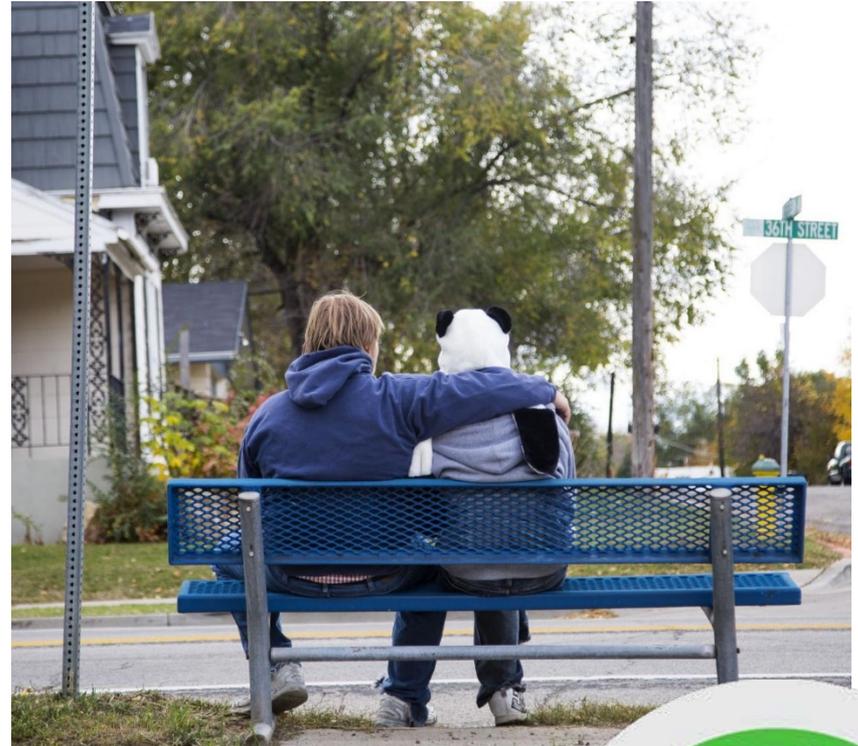
The Right Service for Your Community

UTAH TRANSIT AUTHORITY



The Right Service for Your Community

UTAH TRANSIT AUTHORITY



Urban or suburban?



The Right Service for Your Community

UTAH TRANSIT AUTHORITY



Commuter market or local circulation?



The Right Service for Your Community

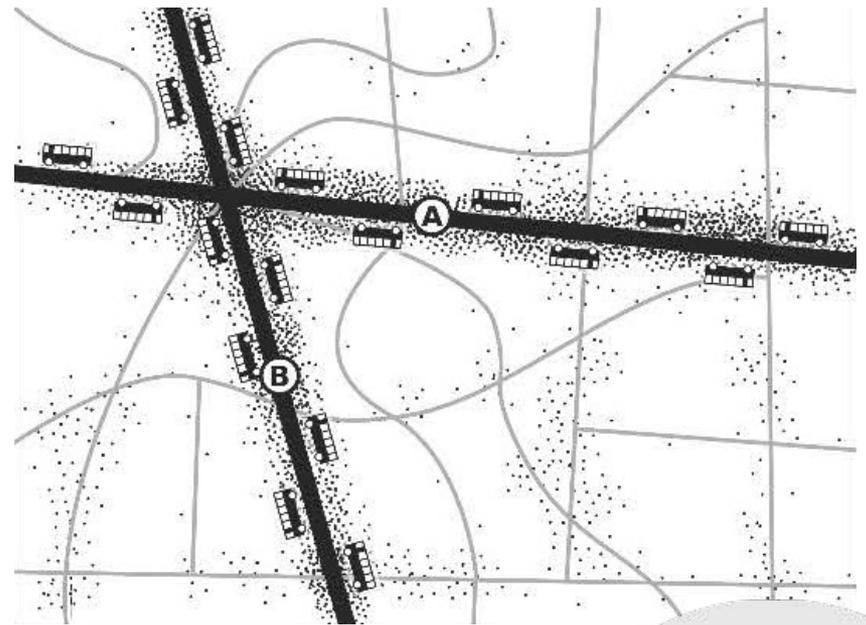
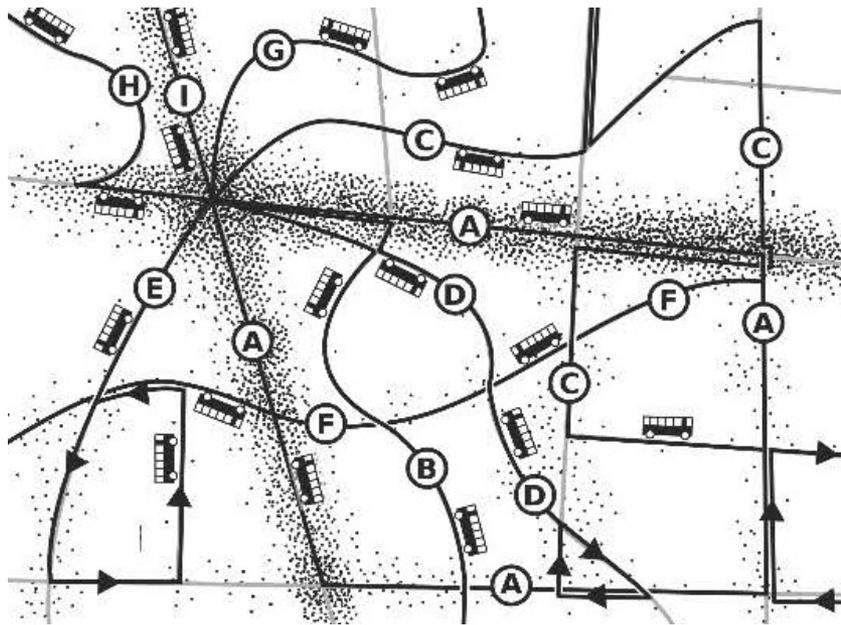
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Economic development or access to opportunity?



The Right Service for Your Community



Coverage or frequency?

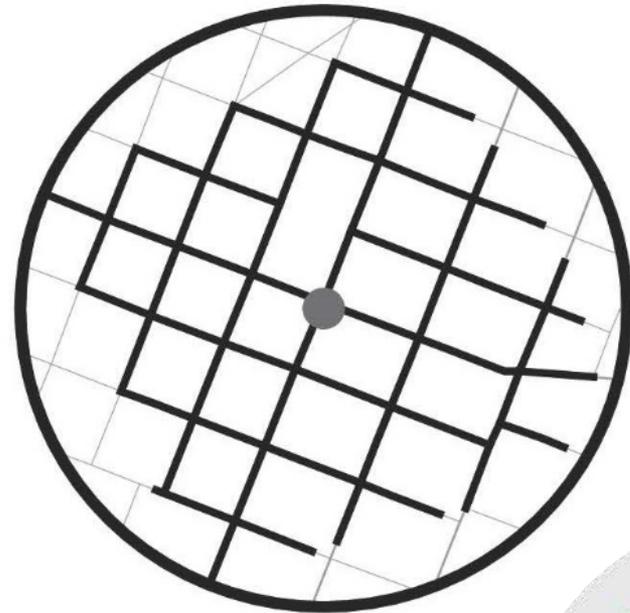


The Right Service for Your Community

How easily can people get to transit stops?



Low ridership



High ridership



New Service Design Performance Metrics



IMPROVE
AIR
QUALITY



INCREASE
TRANSIT
RIDERS

PROVIDE
ACCESS TO
OPPORTUNITIES



ECONOMIC
GROWTH
THAT
SUPPORTS
TRANSIT USE



SAFE,
COMFORTABLE
TRANSIT
ACCESS

Possible metrics:

- Transit mode share
- Per capita vehicle miles
- % of transit trips to school or work
- Investment per rider, ridership
- On time performance
- Service hours
- % of transit dependent populations that live within () mile access to core route network



Questions?



Other Considerations & Conclusions

Steve Meyer



Final Comments

- Transit District Act
- New service revenue



Schedule & Next Steps

- Finance & Operations Committee meeting: October 10
 - Budget overview presentation

- Board of Trustees meeting: October 25
 - Trustees review tentative budget for adoption

- Public and Stakeholder comment period: November 1-30
 - Tentative budget sent to local and state officials
 - Public hearing on tentative budget (November 14)
 - Public comment via website, phone, email, mail, etc.

- Board of Trustees meeting: December 12
 - Trustees adopt final budget

Questions?



Other Business

Next Finance & Audit Committee Meeting: September 27th, 12:00-1:00 p.m.

Next Board Meeting: September 27th, 1:30-4:30 p.m.



Adjourn

