



2023 Tentative Budget October 12, 2022



2023 Budget Challenges/Opportunities

Labor

- Utah Labor Market
- Recruitment/Retention
- Labor Agreements
- Training
- Succession Planning

Economic Factors

- Inflation
- Fuel/Power
- Construction Costs
- Sales Taxes
- Interest Rates
- Unemployment Rate

Federal and State Funding

- New Federal Grant Opportunities
- Formula Fund Changes
- State Partnerships



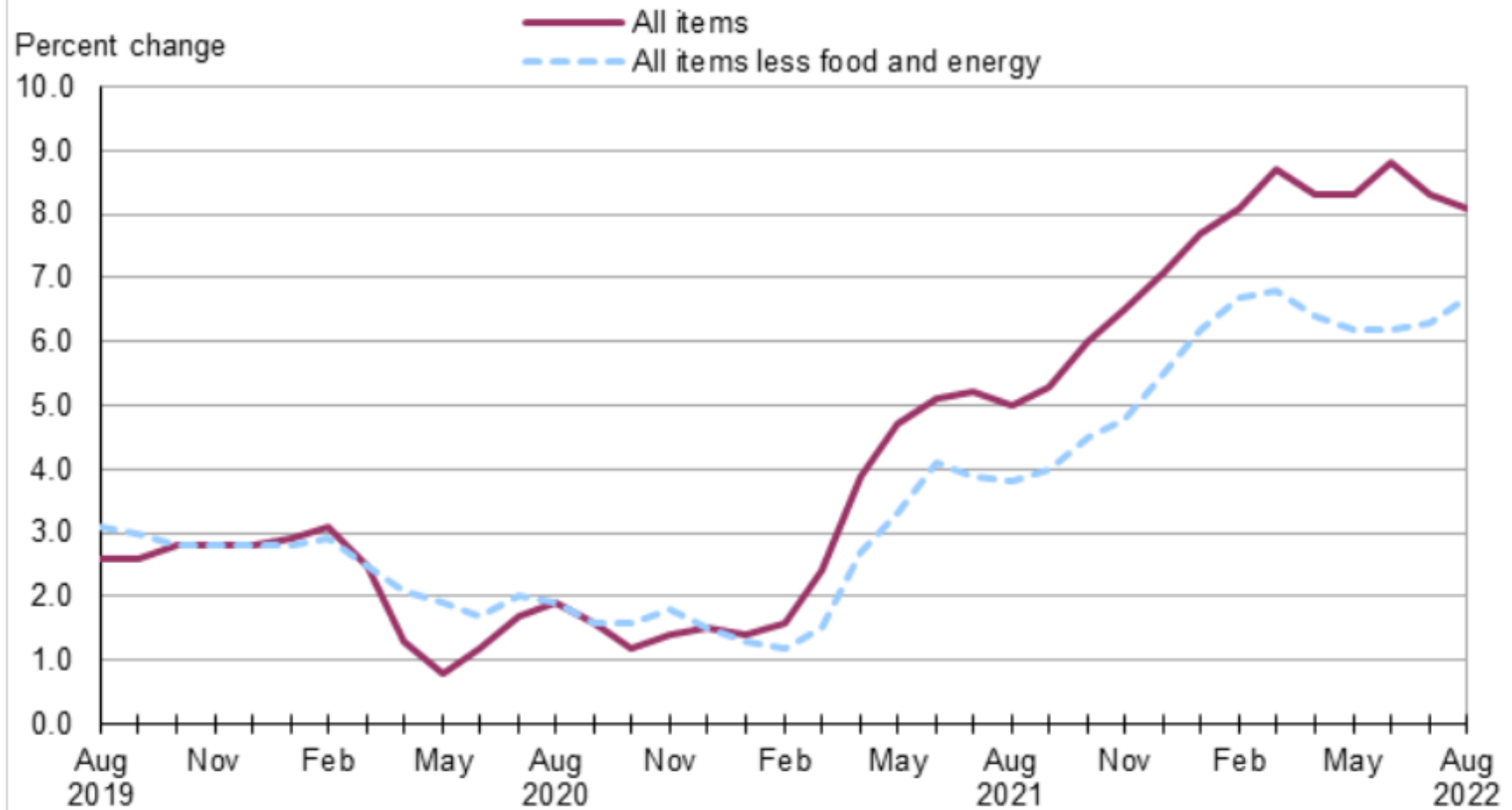
2023 Key Budget Assumptions

- Operating Expenses:
 - Labor Subject to Collective Bargaining
 - Fringe Subject to Collective Bargaining
 - Parts - 6.0%
 - Fuel:
 - Diesel - \$3.20
 - Gasoline - \$3.00
 - CNG DGE - \$1.72
 - Other Expense – 5.25%
- Revenue Growth:
 - Sales Tax – 8.8%
 - Passenger – 4.7%
 - Bipartisan Infrastructure Law \$27 million in 2023



Inflation

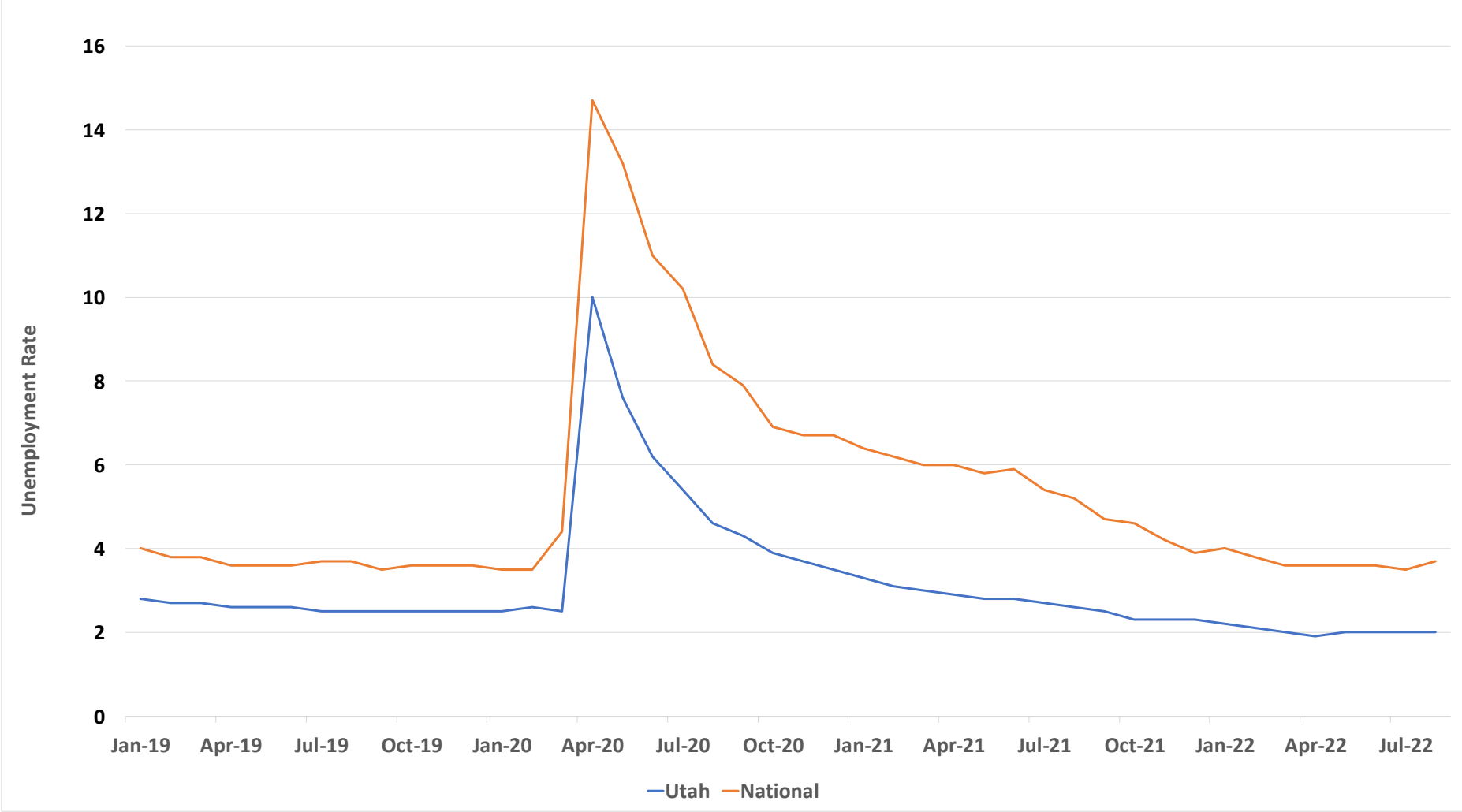
Chart 1. Over-the-year percent change in CPI-U, West region, August 2019–August 2022



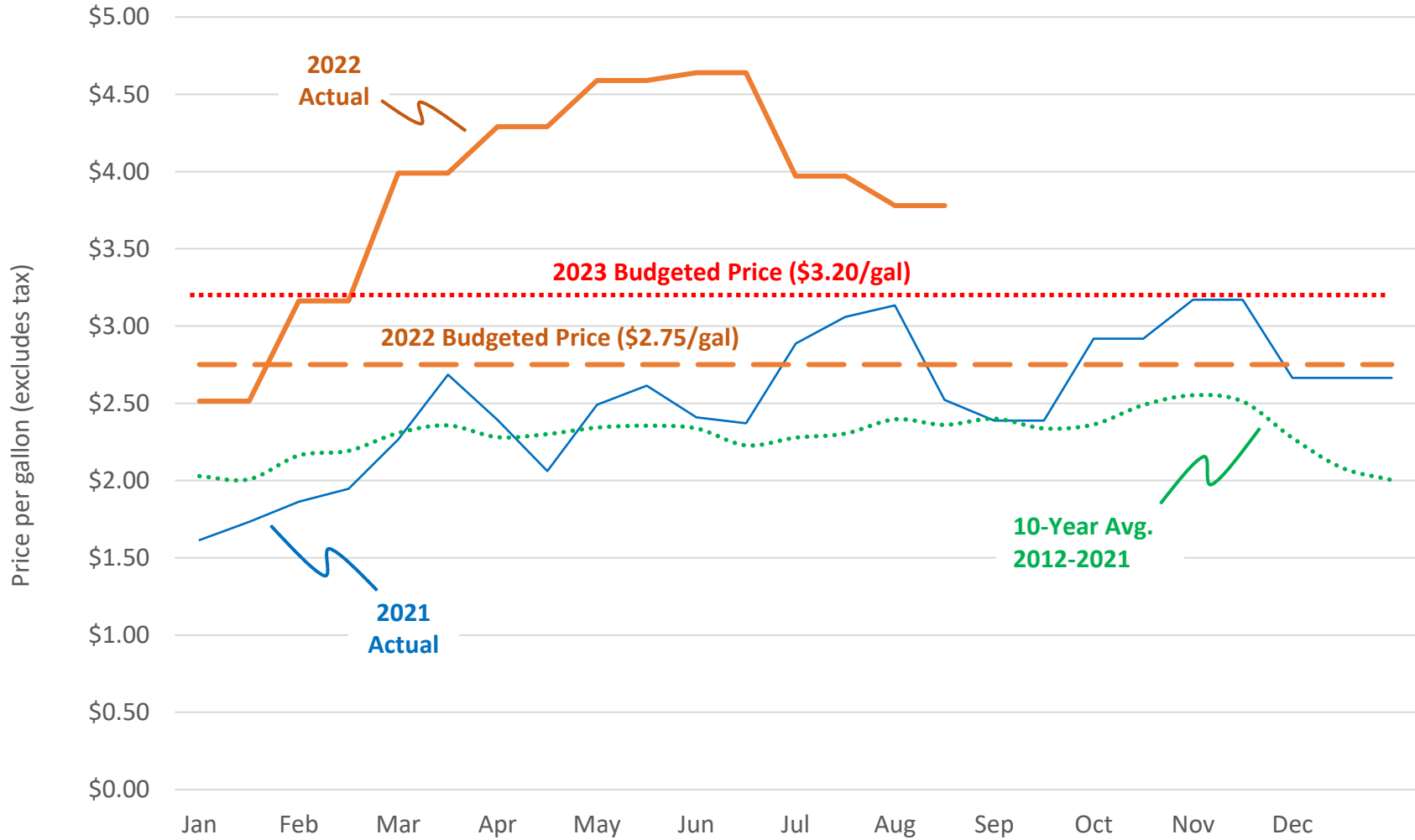
Source: U.S. Bureau of Labor Statistics.



Unemployment



Diesel Prices



Budget Process

OPERATIONS

- Sales Tax Forecast (U of U)
- Budget Planning
- Update Assumptions
- Established 2023 Base Budget (Budget Targets)
- Develop Strategic Framework

- Service Change Process
- Initiative Development
- Initiative Prioritization and Selection
- Tentative 2023 Budget Developed

CAPITAL

- Getting to a Cash Basis
- 2022 Carryover
- Setting up Capital Budget Process
- Call for Capital Projects
- Developing Priorities
- Received Capital Updates and Requests

- Project Prioritization
- Project Selection
- 2023-2027 Project Aging
- Initial Draft 5-Year Plan

BOARD

- Assumptions and Budget Themes Discussion
- Technical Budget Adjustments (Operating and Capital) to deliver 2022 Program
- Strategic Framework Coordination

- 2022 Project/Program Delivery
- 5-Year Draft Capital Plan to Board and Local Advisory Council
- Budget Workshops



UTA Neighborhood



2023 FOCUS AREAS – INITIATIVES/STRATEGIES



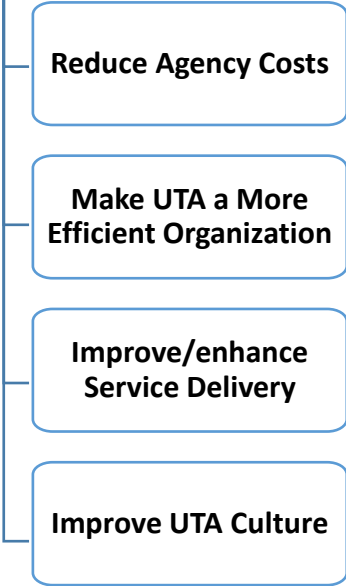
Budget Filters/Lenses



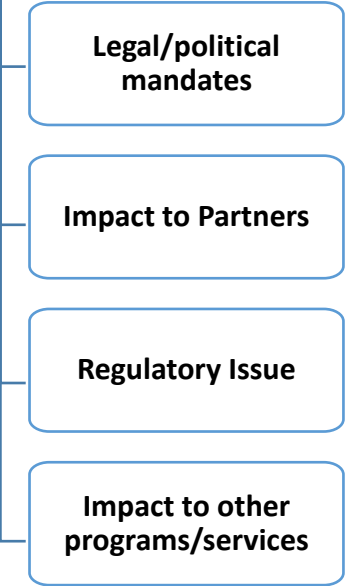
STRATEGIC INITIATIVES (UTA NEIGHBORHOOD)



BUDGET VALUE



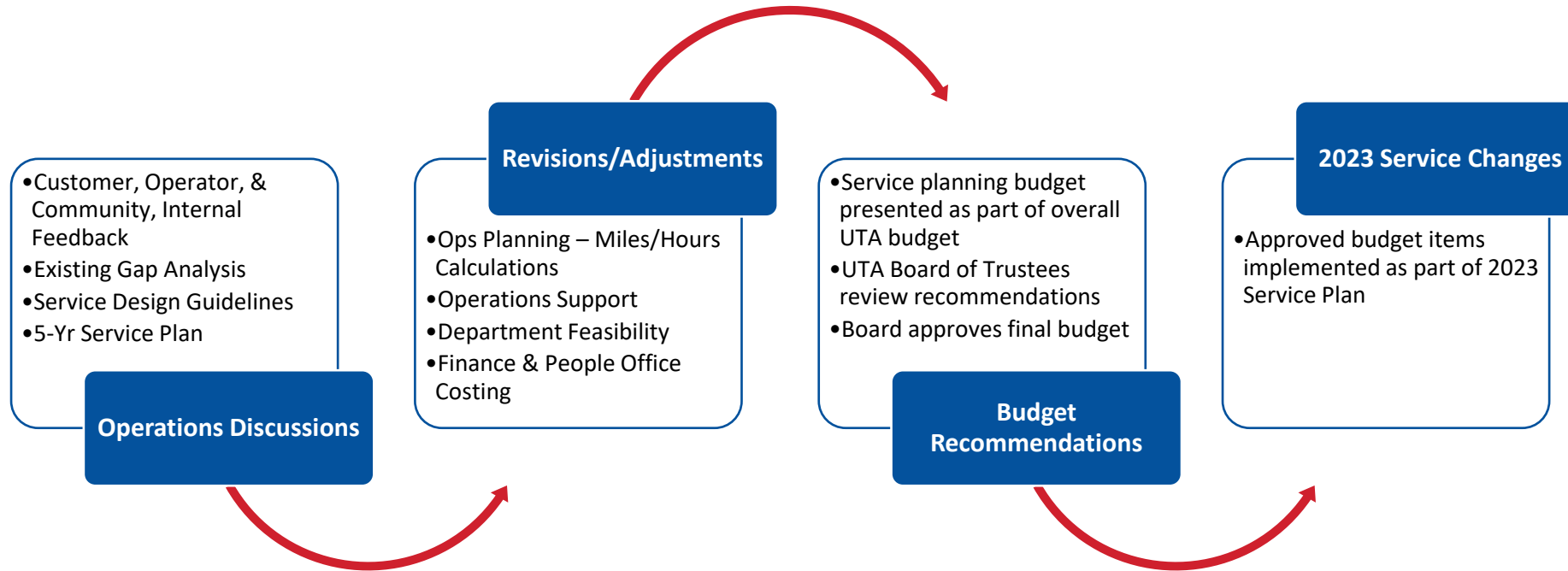
PRIORITY CONSIDERATIONS



2023 Budget Highlights



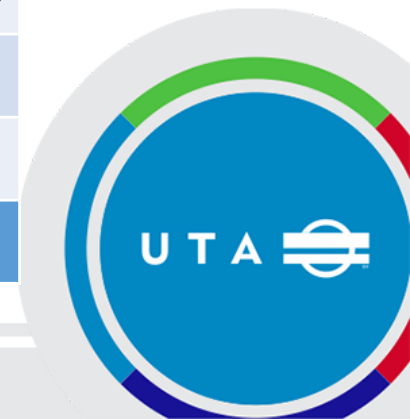
Annual Service Change Planning Process





2023 Service Strategy

	2023 Est. Cost	Ongoing Annual Est. Cost	Annual Service Hours
Ogden OGX	\$900,000	\$ 1,500,000	10,700
TRAX Saturday Svc	800,000	2,100,000	12,900
Extra Board Strategy	1,500,000	1,500,000	
UTA On Demand South SL County Growth	500,000	500,000	8,600
Operating Contingency			
Ogden Local Svc	1,900,000	4,800,000	31,700
2024 Ramp Hiring	1,500,000	1,500,000	
Supervisor Ratios	1,600,000	1,600,000	
Total	\$8,700,000	\$13,500,000	



2023 Tentative Budget Requests

2023 Regulatory/Board/ROI

	<i>FTE</i>	<i>Total Cost</i>	<i>Cumulative Cost</i>
Surveillance Tech (Security)	1.0	73,000	73,000
OnBoard Survey	-	325,000	398,000
Capital TOC	1.0	190,000	588,000
Workforce Innovation Program	4.0	591,000	1,179,000
Workforce Innovation Program (Savings)		(150,000)	1,029,000
Cost Inventory Litigation	1.0	118,000	1,147,000
Cost Inventory Litigation		(118,000)	1,029,000
Internal Audit EEO Support	1.0	149,000	1,178,000
State Lobbyist		50,000	1,228,000
External Audit		125,000	1,353,000
Subtotal Regulatory/Board/ROI	8.0	1,353,000	1,353,000

BUDGET VALUE

- Reduce Agency Costs
- Make UTA a More Efficient Organization
- Improve/enhance Service Delivery
- Improve UTA Culture

**STRATEGIC INITIATIVES
(UTA NEIGHBORHOOD)**

Real Estate Strategy

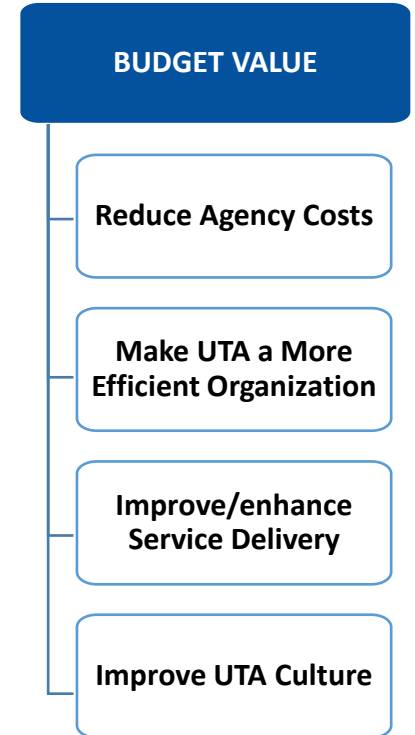
Workforce Strategy



2023 Tentative Budget Requests

2023 Audit/Federal Compliance

	<i>FTE</i>	<i>Total Cost</i>	<i>Cumulative Cost</i>
Grant Management	3.0	541,000	1,894,000
NRV Fleet Management - FMAP Implementation	4.0	649,000	2,543,000
Subtotal Audit/Federal Compliance	7.0	1,190,000	2,543,000



**STRATEGIC INITIATIVES
(UTA NEIGHBORHOOD)**

Grant Strategy

Fleet Strategy



2023 Tentative Budget Requests

2023 Agency Requests

Budget Request	FTE	Total Cost	Cumulative Cost
HR Director	1.0	197,000	2,740,000
SGR/Go Team Coordinator	1.0	106,000	2,846,000
Workforce Strategy	1.0	192,000	3,038,000
Data Governance	2.0	500,000	3,538,000
Reducing UTA's IT Risk		150,000	3,688,000
Operations Chief of Staff	1.0	162,000	3,850,000
Hiring Contra		(250,000)	3,600,000
Transit Connection Program/Resource Liason	3.0	746,000	4,346,000
Subtotal 2023 Agency Requests	9.0	1,803,000	4,346,000

BUDGET VALUE

Reduce Agency Costs

Make UTA a More Efficient Organization

Improve/enhance Service Delivery

Improve UTA Culture

**STRATEGIC INITIATIVES
(UTA NEIGHBORHOOD)**

Workforce Strategy

Data Strategy



2023 Tentative Budget Requests

2023 Capital Positions

	<i>FTE</i>	<i>Total Cost</i>	<i>Cumulative Cost</i>
Rail Infrastructure PM	1.0	12,000	4,358,000
Rail Vehicle Procurement PM	1.0	12,000	4,370,000
Video Security Tech (Security)	1.0	12,000	4,382,000
Ops Capital support (Rail Sustainability)	6.0	72,000	4,454,000
Subtotal Capital	9.0	108,000	4,454,000
Total 2023 Operating Support Budget Request	33.0	\$ 4,454,000	

BUDGET VALUE

Reduce Agency Costs

Make UTA a More Efficient Organization

Improve/enhance Service Delivery

Improve UTA Culture

**STRATEGIC INITIATIVES
(UTA NEIGHBORHOOD)**

Fleet Strategy

Capital Development
Process Improvement



2023 Capital Staffing Requests

Total Position Costs

Job Title	FTE	2023 Costs
SERVICE DEVELOPMENT		
Rail Vehicle Procurement PM	1.0	\$165,000
Rail Infrastructure PM	1.0	\$165,000
FLEET ENGINEERING		
Journeyist	1.0	\$105,000
Rail Project Adm	1.0	\$ 91,000
Bus Project Adm	1.0	\$ 91,000
Technical Writer	1.0	\$ 75,000
Quality Assurance Adm	2.0	\$181,000
Total	6.0	\$543,000
SECURITY		
Surveillance Tech	1.0	\$73,000



2023 UTA Operating Budget Expenses by Category

Category	FY2022 Budget	FY 2023 Budget	Change	% Change
Wages	\$172,287,000	\$185,631,000	13,344,000	7.7%
Fringe	84,779,000	94,633,000	9,854,000	11.6%
Services	34,914,000	39,897,000	4,983,000	14.3%
Fuel	27,464,000	31,408,000	3,944,000	14.4%
Parts	22,863,000	23,447,000	584,000	2.6%
Utilities	6,397,000	6,189,000	(208,000)	-3.3%
Other O&M	25,141,000	26,679,000	1,538,000	6.1%
Capitalized Costs	(10,689,000)	(11,688,000)	(999,000)	9.3%
Total Budget	\$363,157,000	\$396,197,000	\$33,040,000	9.1%



2023 UTA Operating Budget Expenses by Office

Office	FY2022 Budget	FY 2023 Budget	Change	% Change
Board	\$2,702,000	\$3,147,000	\$445,000	16.5%
Executive Director	6,108,000	6,926,000	818,000	13.4%
Communications	3,382,000	3,943,000	561,000	16.6%
Operations	274,918,000	298,456,000	23,538,000	8.6%
Finance	15,376,000	17,195,000	1,819,000	11.8%
Service Development	7,783,000	8,754,000	971,000	12.5%
Enterprise Strategy	22,525,000	24,822,000	2,297,000	10.2%
Planning & Engagement	14,884,000	18,648,000	3,764,000	25.3%
People Office	15,479,000	14,307,000	(1,172,000)	-7.6%
Total Division	\$363,157,000	\$396,197,000	\$33,040,000	9.1%



2022 Budget and 2023 Proposed Budget UTA FTE Summary

Department	2022 Amended Budget	2023 Proposed Budget	Change FTE FY22 - FY23	Change FTE % FY22 - FY23
Board	13.4	14.4	1.0	7.5%
Executive Director	28.5	30.5	2.0	7.0%
Operations	2,279.2	2,334.2	55.0	2.4%
Finance	120.5	123.5	3.0	2.5%
Service Development	56.0	62.0	6.0	10.7%
Enterprise Strategy	115.0	122.0	7.0	6.1%
Planning & Engagement	73.2	80.2	7.0	9.6%
Communications	13.0	15.0	2.0	15.4%
People Office	84.0	84.0	-	0.0%
Totals	2,782.8	2,865.8	83.0	3.0%



2023 Capital Budget and 5-Year Capital Plan 2023 - 2027

UTA Board of Trustees

October 12, 2022



5-Year Capital Plan Process

- Draft 5-Year Capital Plan presented to the UTA Board for information and input
- Develop resource/delivery schedules for project delivery and timing
- Update 5-Year Plan based on delivery schedules and carryover forecasts
- Consult with Advisory Council – November 2, 2022
- Final approval of 5-Year Capital Plan by UTA Board – December 7, 2022
- 5-Year Capital Plan is incorporated into proposed Final 2023 Budget to be considered for approval by the Board on December 2



5-Year Capital Plan Goals:

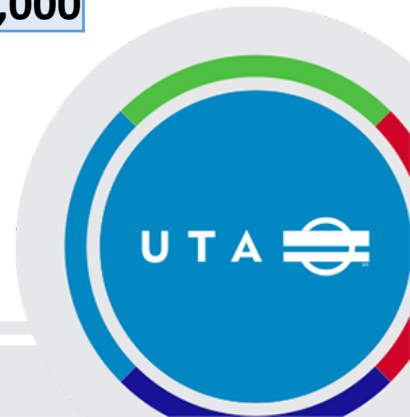
- Maintain a safe system that operates in a state of good repair
- Provide a plan consistent with the constraints of the UTA 5-year Financial Plan
- Provide a plan consistent with available capacity of project delivery resources
- Include service expansion projects consistent with the regional long-range transit plans
- Leverage UTA funds with federal grants and partner funds



5-Year Capital Budget by Year

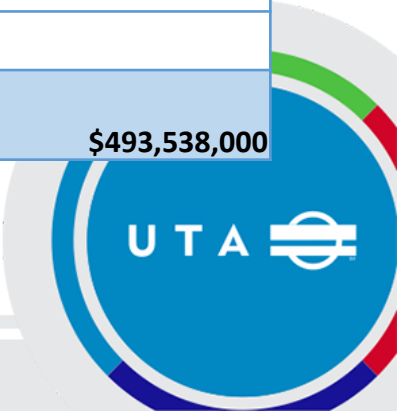
Year	Proposed Budget	Grants	Lease	State/Local Partners	UTA Funds*
2023	\$324,960,000	\$111,929,000	\$41,755,000	\$30,847,000	\$123,695,000
2024	271,104,000	60,245,000	52,201,000	28,273,000	109,278,000
2025	270,303,000	50,634,000	47,826,000	16,055,000	95,442,000
2026	206,597,000	18,030,000	44,195,000	1,400,000	80,157,000
2027	233,170,000	18,002,000	27,534,000	1,112,000	84,966,000
Total	\$1,306,154,000	\$258,840,000	\$215,882,000	\$77,687,000	\$493,538,000

Discrepancy between the proposed budget totals and funding source totals (~\$260.2 Million) is actively being pursued through current grant applications and discussions with other partners



2023-2027 Capital Budget Summary

Programs/Projects	2023-2027 Proposed Budget	2023-2027 Grants	2023-2027 Lease	2023-2027 State & Local Partners	2023-2027 UTA Funds
5310 Projects	\$5,041,000	\$3,714,000	\$0	\$1,059,000	\$268,000
Capital Construction	34,449,000	22,320,000		3,117,000	9,012,000
Capital Development	268,955,000	83,184,000		66,918,000	118,853,000
Contingency	25,000,000				25,000,000
Facilities - SGR	27,875,000				27,875,000
Information Technology	68,996,000				68,996,000
Infrastructure SGR Projects	180,762,000	111,320,000		200,000	69,242,000
Planning	11,462,000	1,514,000		169,000	9,779,000
Property / TOC	13,299,000			1,955,000	11,344,000
Revenue / Service Vehicles	393,476,000	36,767,000	215,882,000	4,269,000	136,558,000
Safety & Security	16,632,000	21,000			16,611,000
Unfunded – Grants	205,207,000				
Unfunded – Other Sources (LRT Vehicles)	55,000,000				
Grand Total	\$1,306,154,000	\$258,840,000	\$215,882,000	\$77,687,000	\$493,538,000



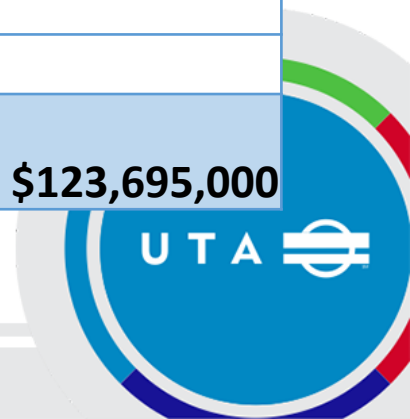
2023-2027 State of Good Repair Detail

Highlighted Programs	2023-2027 Proposed Budget	2023-2027 Grants	2023-2027 Lease	2023-2027 State & Local Partners	2023-2027 UTA Funds	2023-2027 Unfunded (Fed/Other)
Facilities SGR	\$27,875,000	\$0	\$0	\$0	\$27,875,000	\$0
Infrastructure SGR Projects	180,762,000	111,320,000		200,000	69,242,000	
Revenue / Service Vehicles	558,476,000	36,767,000	215,882,000	4,269,000	136,558,000	165,000,000
Total	\$767,113,000	\$148,087,000	\$215,882,000	\$4,469,000	\$233,675,000	\$165,000,000



2023 Capital Budget Summary

Programs/Projects	2023 Proposed Budget	2023 Grants	2023 Lease	2023 State & Local Partners	2023 UTA Funds
5310 Projects	\$4,820,000	\$3,714,000	\$0	\$1,059,000	\$48,000
Capital Construction	30,898,000	22,320,000		3,117,000	5,462,000
Capital Development	82,658,000	20,594,000		21,410,000	40,659,000
Contingency	5,000,000				5,000,000
Facilities - SGR	7,021,000				7,021,000
Information Technology	17,690,000				17,690,000
Infrastructure SGR Projects	51,308,000	37,081,000		200,000	14,028,000
Planning	4,127,000	1,514,000		169,000	2,444,000
Property / TOC	8,626,000			935,000	7,692,000
Revenue / Service Vehicles	90,747,000	26,706,000	41,755,000	3,957,000	18,331,000
Safety & Security	5,320,000				5,320,000
Unfunded- Grants	16,245,000				
Unfunded- Other Sources	500,000			500,000	
Grand Total	\$324,960,000	\$111,929,000	\$41,755,000	\$30,847,000	\$123,695,000



2023 State of Good Repair Detail

Highlighted Projects	2023 Proposed Budget			State/Local Partners	
	Budget	Grants	Lease	Partners	UTA Funds
Facilities SGR	\$7,021,000	\$0	\$0	\$0	\$7,021,000
Infrastructure SGR Projects	51,308,000	37,081,000		200,000	14,028,000
Revenue / Service Vehicles	90,747,000	26,706,000	41,755,000	3,957,000	18,331,000
Total	\$149,076,000	\$63,787,000	\$41,755,000	\$4,157,000	\$39,380,000

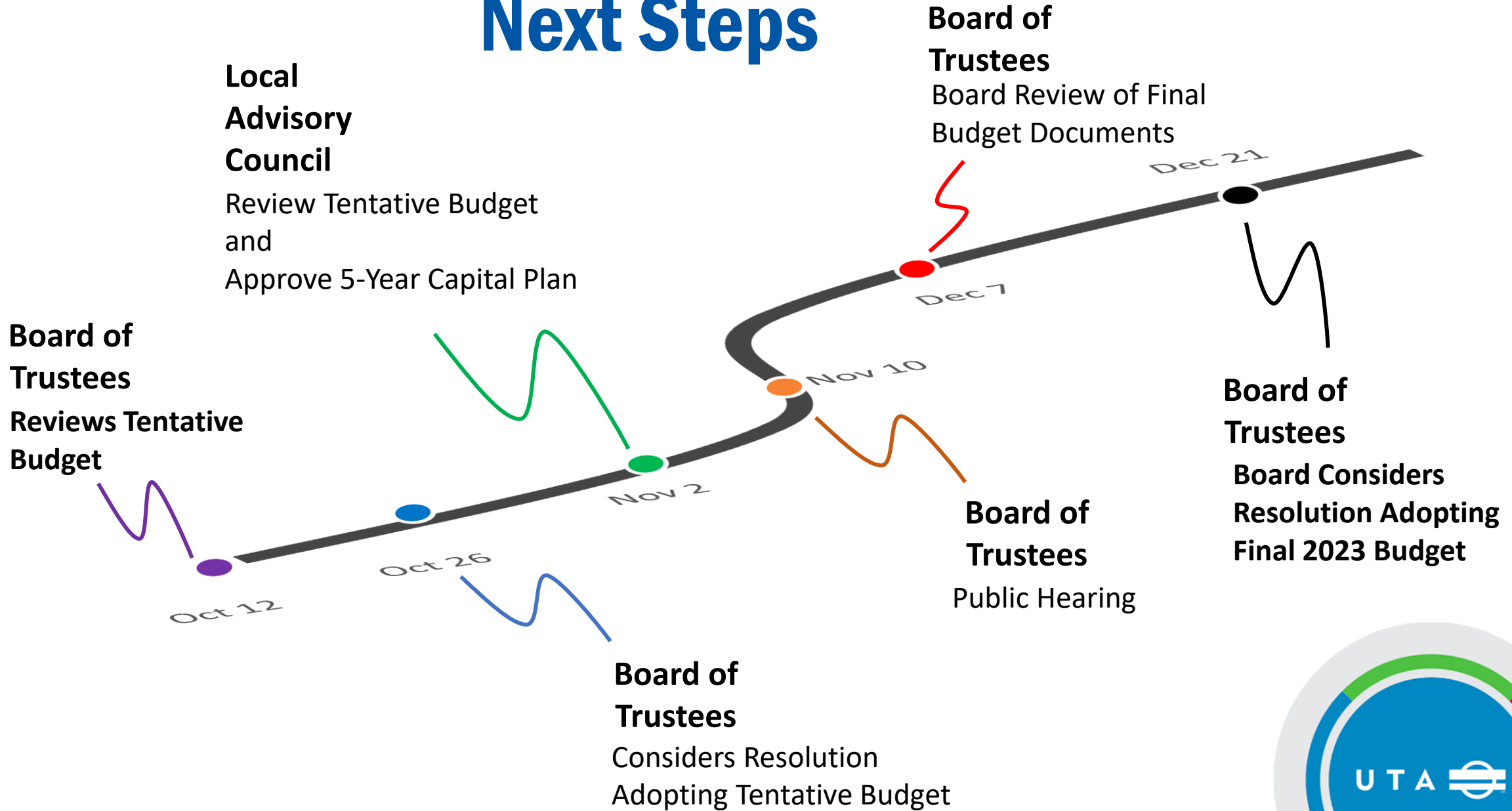


Sources and Uses

Sources	Adopted	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2022	2022	2023	2024	2025	2026	2027
Beginning Balance	\$ 524.5	\$ 321.8	\$ 481.8	\$ 462.2	\$ 413.5	\$ 358.1	\$ 322.1
Sales Tax	\$ 435.7	\$ 486.3	\$ 529.3	\$ 513.4	\$ 513.4	\$ 529.3	\$ 563.8
PM Funds (FTA)	59.5	110.4	84.9	85.8	86.6	87.5	88.0
Stimulus Funds	100.1	167.8	-	-	-	-	-
Passenger Funds	34.2	34.2	35.8	44.0	48.7	50.2	51.7
Capital Sources	104.2	104.2	195.7	154.7	165.8	126.0	147.8
Other Sources	21.6	15.0	17.8	18.1	17.1	16.6	16.9
Total Sources	\$ 755.4	\$ 918.0	\$ 863.5	\$ 815.9	\$ 831.7	\$ 809.6	\$ 868.2
USES							
Operating Expense	\$ 363.1	\$ 353.2	\$ 396.2	\$ 424.1	\$ 442.9	\$ 457.3	\$ 472.2
Capital Expense	228.1	212.1	325.0	271.1	270.3	206.6	233.2
Debt Service	148.2	152.6	162.0	169.4	173.9	181.7	171.8
Total Uses	\$ 739.4	\$ 718.0	\$ 883.2	\$ 864.6	\$ 887.1	\$ 845.6	\$ 877.2
Net Change	\$ 16.0	\$ 200.0	\$ (19.7)	\$ (48.7)	\$ (55.4)	\$ (36.0)	\$ (9.0)
Cash Amended	-	(40.0)	-	-	-	-	-
Ending Balance	\$ 540.5	\$ 481.8	\$ 462.2	\$ 413.5	\$ 358.1	\$ 322.1	\$ 313.1
Reserves	165.6	166.9	185.2	199.5	211.8	223.6	236.4
Unrestricted Fund Balance	\$ 374.9	\$ 314.9	\$ 277.0	\$ 214.0	\$ 146.3	\$ 98.5	\$ 76.8



Next Steps



Questions?

