



Utah Transit Authority

Board of Trustees

REGULAR MEETING AGENDA

669 West 200 South
Salt Lake City, UT 84101

Wednesday, July 28, 2021

9:00 AM

FrontLines Headquarters

UTA Board of Trustees will meet in-person at UTA FrontLines Headquarters (FLHQ) 669 West 200 South, Salt Lake City, Utah.

- Members of the Board of Trustees and meeting presenters will participate in person, however trustees may join electronically as needed.
- Meeting proceedings may be viewed remotely by following the instructions and link on the UTA Board Meetings page - <https://www.rideuta.com/Board-of-Trustees/Meetings>
- Public Comment may be given live during the meeting by attending in person at the meeting location.
- Public Comment may also be given through alternate means. See instructions below.
 - o Comment online at <https://www.rideuta.com/Board-of-Trustees>
 - o Comment via email at boardoftrustees@rideuta.com
 - o Comment by telephone at 801-743-3882 option 5 (801-RideUTA option 5) – specify that your comment is for the board meeting.
 - o Comments submitted before 2:00 p.m. on Tuesday, July 27th will be distributed to board members prior to the meeting.
- Special Accommodation: Information related to this meeting is available in alternate format upon request by contacting calldredge@rideuta.com or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.

- | | |
|--|---------------------------|
| 1. Call to Order and Opening Remarks | Chair Carlton Christensen |
| 2. Pledge of Allegiance | Chair Carlton Christensen |
| 3. Safety First Minute | Sheldon Shaw |
| 4. Public Comment | Chair Carlton Christensen |
| 5. Consent | Chair Carlton Christensen |
| a. Approval of July 14, 2021 Board Meeting Minutes | |
| b. 2020 UTA Financial Audit Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report | |

6. Reports

- a. Agency Report Mary DeLoretto
 - Delegated Authority for On-Call Infrastructure David Hancock
 - Maintenance Task Orders - Status Update Andrea Packer
 - August Change Day Communications

- b. Investment Report - Second Quarter 2021 Bill Greene
Emily Diaz

7. Resolutions

- a. R2021-07-03 Resolution Appointing Mike Hurst as Carlton Christensen
Internal Auditor and Officer of the Board

- b. R2021-07-04 - Resolution Approving Certain Andrea Packer
Sponsored Fare Agreements for Special Events as Monica Morton
Part of the Authority's COVID Recovery Efforts Kensey Kunkel

- c. R2021-07-05 - Resolution Approving the August Andrew Gray
2021 Change Day Title VI Service Equity Analysis

8. Oath of OfficeStephanie Withers

- a. Oath of Office: Interim Executive Director and
Officer of the Board - Mary DeLoretto

- b. Oath of Office: Internal Auditor and Officer of the
Board - Mike Hurst

9. Contracts, Disbursements and Grants

- a. Change Order: Advertising Services Extension Andrea Packer
(Lamar Transit Advertising)

10. Service and Fare Approvals

- a. Fare Contract: Pass Purchase and Administration Kensey Kunkel
Agreement (Davis Technical College)

- b. Promotional Fare Request: UTA On Demand by Via Jaron Robertson
Monica Morton
Andrea Packer

- c. Promotional Fare Request: Ridership Task Force Andrea Packer
Initiatives Kensey Kunkel

11. Discussion Items

- a. Little Cottonwood Canyon Environmental Impact Statement (EIS) Update Autumn Hu
Josh Van Jura

12. Other Business

Chair Carlton Christensen

- a. Next Meeting: Wednesday, August 11, 2021 at 9:00 a.m.

13. Closed Session

Chair Carlton Christensen

- a. Strategy Session to Discuss Pending or Reasonably Imminent Litigation

14. Open Session

Chair Carlton Christensen

15. Adjourn

Chair Carlton Christensen



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Jana Ostler, Board Manager
FROM: Jana Ostler, Board Manager

TITLE:

Approval of July 14, 2021 Board Meeting Minutes

AGENDA ITEM TYPE:

Minutes

RECOMMENDATION:

Approve the minutes of the July 14, 2021 Board of Trustees meeting

BACKGROUND:

A regular meeting of the UTA Board of Trustees was held in-person and broadcast live via the link and instructions on the UTA Board Meetings page on Wednesday, July 14, 2021 at 9:00 a.m. Minutes from the meeting document the actions of the Board and summarize the discussion that took place in the meeting. A full audio recording of the meeting is available on the [Utah Public Notice Website <https://www.utah.gov/pmn/sitemap/notice/689497.html>](https://www.utah.gov/pmn/sitemap/notice/689497.html) and video feed is available through the [UTA Board Meetings page <https://rideuta.com/Board-of-Trustees/Meetings>](https://rideuta.com/Board-of-Trustees/Meetings).

ATTACHMENTS:

1. 2021-07-14_BOT_Minutes_unapproved



Utah Transit Authority

Board of Trustees

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Wednesday, July 14, 2021

9:00 AM

Frontlines Headquarters

Present: Chair Carlton Christensen
Trustee Beth Holbrook
Trustee Jeff Acerson

Also participating were UTA staff members.

1. Call to Order and Opening Remarks

Chair Christensen welcomed attendees and called the meeting to order at 9:00 a.m.

2. Pledge of Allegiance

Attendees recited the Pledge of Allegiance.

3. Safety First Minute

Sheldon Shaw, UTA Safety & Security Director, provided a brief safety message.

4. Public Comment

Chair Christensen noted members of the public were invited to attend and comment during the live portion of the meeting; however, no live public comment was given. (Also, no online public comment was received for the meeting.)

5. Consent

- a. **Approval of June 23, 2021 Board Meeting Minutes**
- b. **Change Order Correction: Short Term Disability Insurance Contract Extension - Bargaining Employees (Lincoln National Life Insurance Co)**
- c. **Authorization to Award Lifetime Transit Passes to Carolyn Gonot**

A motion to approve the consent agenda was made by Trustee Holbrook and seconded by Trustee Acerson. The motion carried by a unanimous vote.

6. Reports

a. Agency Report

Mary DeLoretto, UTA Interim Executive Director, was joined by Eddy Cumins, UTA Chief Operating Officer. Mr. Cumins reported on ridership statistics through June 2021. While year-to-date ridership is still down following the pandemic, June 2021 ridership, both system-wide and by mode, increased over June 2020 ridership.

Discussion ensued. Questions on the year-over-year comparison, rider compliance with safety guidelines, and potential expiration of the federal mask requirement were posed by the board and answered by Mr. Cumins.

b. Financial Report - May 2021

Bill Greene, UTA Chief Financial Officer, was joined by Brad Armstrong, UTA Senior Manager - Budget & Financial Analysis; Daniel Hofer, UTA Manager - Capital Assets & Project Controls; and David Hancock, Acting Chief Service Development Officer. Mr. Armstrong reviewed the financial dashboard, sales tax revenue, sales tax collections by county, passenger revenue, stimulus funding, operating financial results, and operating expense by mode as of May 2021. Mr. Hofer discussed capital program aging, capital spending (including spending by project type), and project controls metrics. He then spoke about capital project budget underspending contributors, as well as improvements in the capital budget and management process.

Discussion ensued. Questions on labor savings, long-range economic forecasts, capital project budget projections, capital project aging, and potential for construction delays (specifically with respect to the Vineyard Station) were posed by the board and answered by staff. In an effort to communicate effectively with stakeholders, Chair Christensen requested frequent updates on projects.

7. Resolutions

a. R2021-07-01 - Resolution Authorizing Execution of Amendment No. 1 to an Interlocal Cooperative Agreement with the Redevelopment Agency of Salt Lake City for the Cooperative Construction of a TRAX Station at 650 South Main Street AND 2021 Technical Budget Adjustment - Capital 07/14/2021

Mr. Hancock was joined by Mr. Greene and Andrea Pullos, UTA Project Manager III. Mr. Hancock summarized the resolution, which approves the execution of amendment no. 1 to the interlocal agreement (ILA) with the Salt Lake City Redevelopment Agency (SLCRDA), as well as a technical budget adjustment to move funds from capital contingency to the 650 South TRAX Station project.

The amendment to the ILA is needed to address cost and schedule-related concerns. The amendment adds \$514,727 in additional funds to the ILA, bringing the total contract agreement to \$2,502,404. UTA has agreed to contribute \$173,400 to the project for a snowmelt system, making the total construction cost \$2,675,804. In addition, the amendment extends the project completion deadline to March 2022.

A technical budget adjustment in the amount of \$688,127 from capital contingency to the 650 South TRAX Station project was also requested.

Discussion ensued. Questions on the project schedule and snowmelt system were

posed by the board and answered by staff.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this resolution be approved. The motion passed by the following vote:

Aye: Chair Christensen, Trustee Holbrook, and Trustee Acerson

8. **Contracts, Disbursements and Grants**

a. **Contract: TRAX and FrontRunner Automatic Passenger Counting (APC) and Real Time Passenger Information (RTPI) Support (Innovations in Transportation, Inc. INIT)**

Dan Harmuth, UTA IT Director, requested the board approve a contract with Innovations in Transportation, Inc. (INC) for APC and RTPI services. The contract value is \$113,454.16 per year for five years, with an annual escalation increase of 3%. The total contract value is \$602,343.54.

Discussion ensued. Questions on the modes using the APC system, as well as frequency of data downloads and reporting, and federal guideline compliance were posed by the board and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this contract be approved. The motion carried by a unanimous vote.

b. **Contract: Microsoft Office 365 Subscription Agreement (SHI International)**

Mr. Harmuth was joined by Dave Snyder, UTA Enterprise Applications Manager. Mr. Snyder asked the board to approve a three-year Microsoft Office 365 subscription agreement with SHI International at a not-to-exceed value of \$1,763,556.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this contract be approved. The motion carried by a unanimous vote.

c. **Contract: Microsoft SQL SCE Agreement (SHI International)**

Mr. Harmuth was joined by Mr. Snyder. Mr. Harmuth requested the board approve a three-year contract with SHI International for support and maintenance of Microsoft SQL. The total value of the contract is \$256,963.20.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this contract be approved. The motion carried by a unanimous vote.

d. **Contract: Replacement Police Vehicles (Young Ford)**

Mr. Cumins was joined by Jason Petersen, UTA Police Captain. Mr. Cumins asked the board to approve a contract in the amount of \$209,352 with Young Ford for the purchase of six Ford F-150 Super Crew trucks. The trucks will replace aging patrol vehicles.

Discussion ensued. A question on police vehicle acquisition needs was posed by the board and answered by staff.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this Contract be approved. The motion carried by a unanimous vote.

e. **Contract: Vehicle Program Management Consulting Services (Mott MacDonald, LLC)**

Ms. DeLoretto was joined by Mr. Hancock and Kyle Stockley, UTA Rail Infrastructure Project Manager. Mr. Stockley requested the board approve a contract with Mott MacDonald, LLC for vehicle program management consulting services. The contract has a three-year base with two one-year options. The not-to-exceed value is \$600,000 per year, making the total potential contract value \$3,000,000.

Discussion ensued. Questions on the role of the consultant in the vehicle program and competitiveness of the annual rate were posed by the board and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this contract be approved. The motion carried by a unanimous vote.

f. **Contract: 650 South TRAX Platform Construction (Paulsen Construction)**

Mr. Hancock was joined by Ms. Pullos. Mr. Hancock asked the board to approve a contract with Paulsen Construction in the amount of \$2,136,458.26 for construction of the platform at the 650 South TRAX Station.

Discussion ensued. Questions on the uniqueness of the project and economic benefits stemming the second bid solicitation were posed by the board and answered by staff.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this contract be approved. The motion carried by a unanimous vote.

g. **Change Order: On-Call Systems Maintenance Task Order #10 - TRAX Switch Heater Replacement (Rocky Mountain Systems Services)**

Mr. Hancock was joined by Jared Scarbrough, UTA Manager - Systems Engineering. Mr. Hancock requested the board approve a task order with Rocky Mountain Systems Services in the amount of \$472,086 for the replacement of twelve switch heaters and six corresponding control units on the TRAX alignment.

Discussion ensued. Questions on the installation schedule and lifespan of the switch heaters were posed by the board and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this change order be approved. The motion carried by a unanimous vote.

h. **Change Order: On-Call Systems Maintenance Task Order #11 - Trax Remote VHLC Access (Rocky Mountain Systems Services)**

Mr. Hancock was joined by Mr. Scarbrough. Mr. Hancock asked the board to approve a task order with Rocky Mountain Systems Services in the amount of \$472,796 for the design and installation of the hardware and logic required to allow for remote monitoring and data acquisition at 37 TRAX grade crossing and interlocking locations.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this change order be approved. The motion carried by a unanimous vote.

i. **Change Order: Airport TRAX Station Relocation Change Order #15 - Delay Costs and Time Extension (Kiewit Infrastructure West)**

Mr. Hancock was joined by Ms. Pullos. Mr. Hancock requested the board approve a change order in the amount of \$748,693.20 to the contract with Kiewit Infrastructure West to cover costs incurred due to construction delays. The total contract value, including the change order, is \$15,994,388.16.

Discussion ensued. Questions on the budget allocation for the change order costs, effect of the delays on the original contract bid pricing, causes of the delays, and potential for recourse due to the delays were posed by the board and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this change order be approved. The motion carried by a unanimous vote.

j. **Change Order: Ogden/WSU Bus Rapid Transit (BRT) Construction Change Order #4 - Change to Titan Concrete Mix (Stacy & Witbeck, Inc.)**

Mr. Hancock was joined by Ms. Pullos. Mr. Hancock asked the board to approve a change order in the amount of \$248,604 to the contract with Stacy & Witbeck, Inc. for an upgraded concrete mix to be used on the Ogden/Weber State University (WSU) BRT project. The total contract value, including the change order, is \$61,900,505.

Discussion ensued. Questions on the contracting process, concrete color additives, concrete curing limitations, and budget allocation were posed by the board and answered by staff.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this change order be approved. The motion carried by a unanimous vote.

k. **Change Order: Ogden/WSU Bus Rapid Transit (BRT) Construction Support Change Order #12 - Additional Design Services and Time Extension (Jacobs Engineering Group, Inc.)**

Mr. Hancock was joined by Ms. Pullos. Mr. Hancock requested the board approve a change order to the contract with Jacobs Engineering Group, Inc. for construction support services. The change order is for \$433,421 and includes a contract extension to May 1, 2023. The total contract value, including the change order, is \$7,878,771.

Discussion ensued. A question on the project contracting decision-making process was posed by the board and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this change order be approved. The motion carried by a unanimous vote.

9. Service and Fare Approvals**a. Fare Contract: Special Events Pass Agreement Modification No. 1 (University of Utah)**

Monica Morton, UTA Fares Director, asked the board to approve a modification to the fare contract with the University of Utah to extend the term of the agreement through July 31, 2022. The extension has a value of \$300,000; however, it was noted that the 2020-21 contract installment (also \$300,000) was waived due to the pandemic. The total contract value, including the waived year and new extension, is \$1,200,000.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this fare contract modification be approved. The motion carried by a unanimous vote.

10. Discussion Items**a. 2021 Technical Budget Adjustment - Operating 07/14/2021**

Mr. Greene was joined by Mr. Cumins. Mr. Greene requested approval of a technical adjustment to the operating budget for increased staffing to support service, security, and equipment maintenance needs. The technical budget adjustment contemplates the following headcount additions:

- 10 part-time train hosts (equivalent to 5 full-time employees)
- 2 full-time FrontRunner operators
- 1 full-time security guard
- 3 full-time revenue equipment maintenance technicians

The agency will incur \$138,000 in costs in 2021 for these staffing additions, and \$360,000 in costs in 2022.

Discussion ensued. Questions on the need for additional train operators and cash control measures for ticket vending machines (particularly with regard to separating maintenance from cash access) were posed by the board and answered by staff. Mr. Greene committed to provide the board with more detailed information on ticket vending machine maintenance safeguards.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that the 2021 technical budget adjustment be approved. The motion carried by a unanimous vote.

11. Closed Session

- a. Strategy Session to Discuss Certain Matters Regarding Acquisition or Sale of Real Property, Including Water Rights or Shares**
- b. Strategy Session to Discuss Pending or Reasonably Imminent Litigation**

Chair Christensen indicated there were matters to discuss in closed session relative to the acquisition or sale of real property and pending or reasonably imminent litigation.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, for a closed session. The motion carried by a unanimous vote and the board entered closed session at 11:00 a.m.

12. Open Session

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, to return to open session. The motion carried by a unanimous vote and open session resumed at 12:01 p.m.

13. Resolutions

a. **R2021-07-02 - Resolution Authorizing the Purchase Real Property Consisting of 2.7 Miles of the Utah-Idaho Central Railroad Corridor (UICRR) from the Utah Department of Transportation (UDOT) for Future Transit Purposes in Box Elder County**

Paul Drake, UTA Director of Real Estate & Transit-Oriented Development, summarized the resolution, which authorizes execution of a \$2,755,000 contract with UDOT for the purchase of 2.7 miles of the UICRR to preserve transit-critical right of way in Box Elder County.

Discussion ensued. A question on the presence of abandoned train tracks in the corridor was posed by the board and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this resolution be approved. The motion carried by the following vote:

Aye: Chair Christensen, Trustee Holbrook, and Trustee Acerson

14. Other Business

a. Next Meeting: Wednesday, July 28, 2021 at 9:00 a.m.

15. Adjourn

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, to adjourn the meeting. The motion carried by a unanimous vote and the meeting adjourned at 12:06 p.m.

Transcribed by Cathie Griffiths
Executive Assistant to the Board Chair
Utah Transit Authority

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://www.utah.gov/pmn/sitemap/notice/689497.html> for entire content.

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

Approved Date:

Carlton J. Christensen
Chair, Board of Trustees



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
FROM: William Greene, CFO
PRESENTER(S): Troy Bingham, Comptroller

TITLE:

2020 UTA Financial Audit Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report

AGENDA ITEM TYPE:	Report
RECOMMENDATION:	Accept the 2020 UTA Financial Audit Report and NTD Agreed Upon Procedure Report.
BACKGROUND:	Provisions within the Public Transit District Act, 17B-2a-808.1(2)(o), UTA's By-Laws, Article VII, Section 6, and the Board of Trustee Policy 2.1(II)(G)(4), all require the use of a qualified independent auditing firm to conduct an annual financial audit and to present the results of their annual audit to the UTA's Audit Committee and the Board of Trustees. Crowe LLP was selected to conduct the 2020 financial audit. They have completed their financial audit and presented their results to UTA's Audit Committee on June 21, 2020.
DISCUSSION:	Upon acceptance, UTA staff will submit the 2020 Comprehensive Annual Financial Report ("ACFR") to the Government Finance Officers Association's Certificate of Excellence in Financial Reporting program.
ALTERNATIVES:	The Board of Trustees may seek additional information and delay acceptance of the 2020 UTA Financial Audit and NTD Agreed upon Procedure Reports.
FISCAL IMPACT:	None
ATTACHMENTS:	1. 2020 ACFR which includes the Annual Financial Statements, the Single Audit Report, and the Utah State Compliance Report. 2. 2020 NTD Agreed Upon Procedure Report.

Board of Trustees and
Audit Committee Members
Utah Transit Authority
Salt Lake City, Utah

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the Utah Transit Authority (the Authority) for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We direct your attention to our report issued under *Government Auditing Standards* for matters required to be reported under the standards.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.

- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications with regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist Those Charged with Governance in its oversight role, we also provide the following.

Accounting Standard	Impact of Adoption
<p>GASB Statement No. 84, “Fiduciary Activities” This Statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments.</p>	<p>Upon adoption of this Statement, the Authority reports the Joint Insurance Trust as an employee benefit trust fund in the statement of fiduciary net position and statement of changes in fiduciary net position.</p>
<p>GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements” This Statement was issued to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt as a liability that arises from a contractual obligation to pay cash or other assets in one or more payments to settle an amount that is fixed as the date the contractual obligation is established. Required debt disclosures include unused lines of credit, assets pledged as collateral for debt, and terms specified in debt agreements (e.g., events of default, termination events, and subjective acceleration clauses). Disclosure requirements also include existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.</p>	<p>Upon adoption of this Statement, the Authority enhanced its debt disclosures as required. There was no impact on financial position or results of operations as a result of adoption of this Statement.</p>

Accounting Standard	Impact of Adoption
<p>GASB Statement No. 90, “Majority Equity Interests – An Amendment of GAS Statements No. 14 and No 61” This Statement was issued to improve consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment.</p>	Adoption of this Statement did not have a material impact on the Authority’s financial position or results of operations.
<p>GASB Statement No. 83, “Certain Asset Retirement Obligations” This Statement was issued to improve accounting and financial reporting for certain asset retirement obligations (AROs). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.</p>	Adoption of this Statement did not have a material impact on the Authority’s financial position or results of operations.
<p>Significant Unusual Transactions.</p>	No such matters noted
<p>Significant Accounting Policies in Controversial or Emerging Areas.</p>	No such matters noted

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management’s current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management’s current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the Authority’s year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the Authority.	We tested the propriety of information underlying management’s estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Loss Contingencies	The Authority consults with legal counsel to evaluate outstanding litigation, claims and assessments. Factors that affect management's evaluation of litigation contingencies requiring disclosure include the nature of the contingencies and whether the outcome could have an effect on the consolidated financial statements.	Based on information obtained from the Authority's legal counsel regarding this matter and discussions with management, we concur with management's determination that the loss contingency does not meet conditions for accrual of being both probable and estimable, and, thus, no accrual is recorded and no specific disclosures are required.
Pension Obligations	Amounts reported for pension obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the Authority's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the entity, considering the need to balance the cost of providing information with the likely benefit to users of the entity's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the entity's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

- Corrected misstatement in the fiduciary fund to accrue for approximately \$1.4 million of 2020 contributions, received in 2021.
- Corrected misstatement related to capital assets that involves accumulated depreciation and depreciation expense

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information In Documents Containing Audited Financial Statements Information may be prepared by management that accompanies the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether such information, or the manner of its presentation, is materially inconsistent with information in the financial statements. If we consider the information materially inconsistent based on this reading, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared such information to accompany the audited financial statements.</p>
<p>Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements With Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Authority's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Consultations With Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations The Auditor Is Requesting From Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>

Communication Item	Results
<p>Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Significant Related Party Findings and Issues We are to communicate to you significant findings and issues arising during the audit in connection with the Authority's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p>Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve the Authority as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Trustees, members of the Audit Committee and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

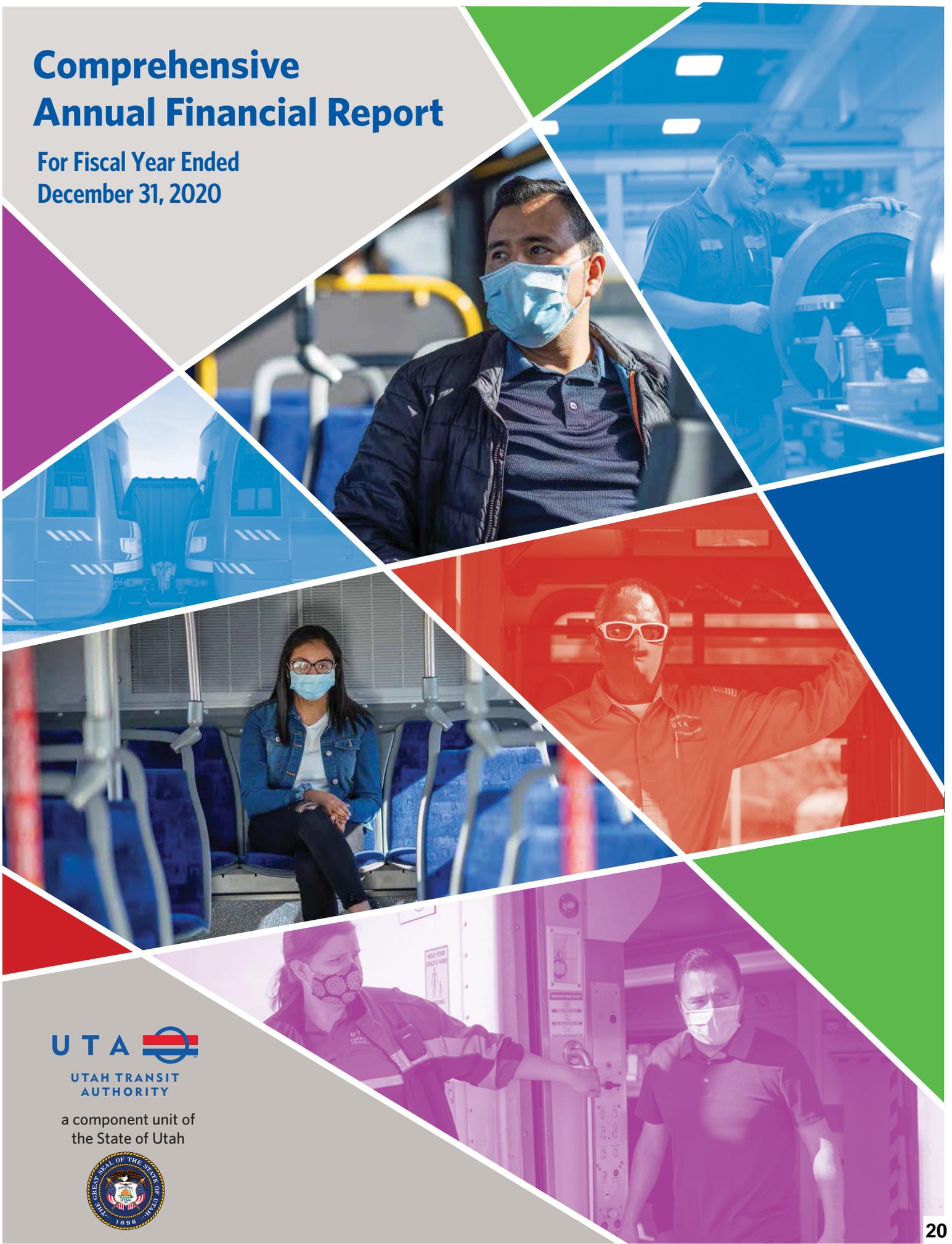
Crowe LLP

Indianapolis, Indiana
<>, 2021

DRAFT

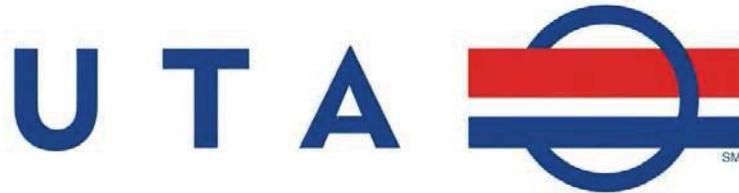
Comprehensive Annual Financial Report

For Fiscal Year Ended
December 31, 2020



a component unit of
the State of Utah





Our Mission

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

Comprehensive Annual Financial Report

For Fiscal Year Ended
December 31, 2020

Finance Department

William Greene
Chief Financial Officer

Troy Bingham
Comptroller



UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah

Introductory Section

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669 West 200 South
Salt Lake City, Utah 84101
1-888-RIDE-UTA
www.rideuta.com

May 21, 2021

To the Board of Trustees
Utah Transit Authority and
Citizens within the UTA Service Area

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Utah Transit Authority (the Authority) for the fiscal year ended December 31, 2020. This document has been prepared by the Authority's Finance Department using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms to accounting principles generally accepted in the United States of America and promulgated by the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Management bases their assurance upon a comprehensive framework of internal controls that have been established for this purpose. To provide a reasonable basis for making these representations, Authority management has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

This report contains financial statements and statistical data which provide full disclosure of all the material financial operations of the Authority. The financial statements have been prepared on the accrual basis of accounting in conformance with generally accepted accounting principles. This ACFR is indicative of the Authority's commitment to provide accurate, concise and high-quality financial information to the residents of its service area and to all other interested parties.

The Authority is also required to conduct an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control structure and compliance with applicable laws and regulations are included with this report.

The accounting firm of Crowe LLP was selected to perform an annual independent audit of the Authority's financial statements. The goal of the independent audit is to provide reasonable assurance that The Authority's financial statements for the fiscal year ended December 31, 2020, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements are fairly presented in conformity with generally GAAP. The audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related Uniform Guidance. The auditor's report on the basic financial statements and schedules, including reports specifically related to the single audit, are included in this document.

Management's Representations

This report consists of management representations concerning the Authority's finances. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, the Authority's management has established a comprehensive internal control framework designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A that begins on page 20 and should be read in conjunction with it.

The Authority was incorporated on March 3, 1970 under authority of the Utah Public Transit District Act of 1969 for the purpose of providing a public mass transportation system for Utah communities.

The Authority is governed by a three-member full-time board of trustees. The Governor appoints nominees from the three appointing districts within the UTA service territory to serve as trustees. The names of the nominees are then forwarded to the Senate for confirmation. Once confirmed, an appointee is sworn in as a trustee.

The Authority also has a nine-member local advisory council. The local advisory council representation includes: three members appointed by the Salt Lake County council of governments; one member appointed by the Mayor of Salt Lake City; two members appointed by the Utah County council of governments; one member appointed by the Davis County council of governments; one member appointed by the Weber County council of governments; and one member appointed by the councils of governments of Tooele and Box Elder counties. Terms for local advisory council members are indefinite.

The responsibility for the operation of the Authority is held by the board of trustees that approves budgets, sets fare, hires, sets the salaries, and develops performance targets and evaluations for the Executive Director, Internal Auditor, Chief People Officer, Chief Safety, Security, and Technology Officer, and any chief level officer. The Executive Director is charged with certain responsibilities, some of which require coordination with, or providing advice to, the board of trustees. Legal counsel will be provided by the Utah Attorney General's Office. An organizational chart which illustrates the reporting relationships follows this letter of transmittal.

The executive staff meets weekly to coordinate management of the affairs of the organization. The executive staff and various other department officials meet as needed in a policy forum to review management policies and strategic direction and objectives for the organization.

The Authority serves the largest segment of population in the State of Utah known as the Wasatch Front. Its service area includes Salt Lake, Davis, Utah, and Weber Counties, the cities of Tooele and Grantsville in Tooele County and that part of Tooele County comprising the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln, and the cities of Brigham City, Perry and Willard in Box Elder County.

According to the U.S. Census Bureau population estimates of July 1, 2018, the population of the Authority's service area is approximately 2,618,206 and represents 79 percent of the state's total population.

Utah's decade long economic expansion, the longest on record, ended in 2020 with the emergence of COVID-19. The public health crisis presented the greatest challenge to the Utah economy since the Great Recession. In the early spring, the forecast for 2020 was bleak as the unemployment rate in April climbed to roughly 10 percent. But as the year unfolded, the resiliency of the Utah economy was on full display. By November, Utah's year-over employment was down 0.2 percent, one of the smallest employment declines of any state, and the unemployment rate had dropped to 4.3 percent. Nationwide unemployment rate was 6.7 percent for the same period.

Although the job market in Utah has fared better than in any other state, not all industries escaped the impact of COVID-19. Tourism has been hard hit, data for accommodations services (hotels and motels) show a drop of 22 percent in lodging. Restaurants and fast-food establishments have also been hurt, but the impact appears to be less than expected. Take-out and delivery have given some buffer to sit-down restaurants. Retail sales activity overall has been surprisingly strong. The 2021 forecast for taxable retail sales shows an increase of 13.3 percent, with building, nurseries and grocery stores particularly strong.

While the public health crisis has been tragic, the impact of the pandemic on the Utah economy has been much milder than initially expected. A strong recovery is forecast for 2021, with employment increasing by 58,000 jobs, which would be the largest single-year increase in employment in Utah's history.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2019. This was the twenty-seventh consecutive year that the Authority has received this prestigious award. This certificate of award is the highest form of recognition for excellence in state and local government financial reporting. In order to receive this award, the Authority must publish an easily readable and well organized comprehensive financial report whose content conforms to the program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement for Excellence in Financial Reporting is valid for a one-year period only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to determine eligibility for continued recognition.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance team at the Authority. We wish to express our sincere appreciation for the hard work and long hours that contributed to the preparation of this report. Appreciation is also extended to the Executive Board and the various team members for their cooperation and dedicated service that made it possible to produce a report of the highest standards.



William Greene
Chief Financial Officer
Utah Transit Authority



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Utah Transit Authority

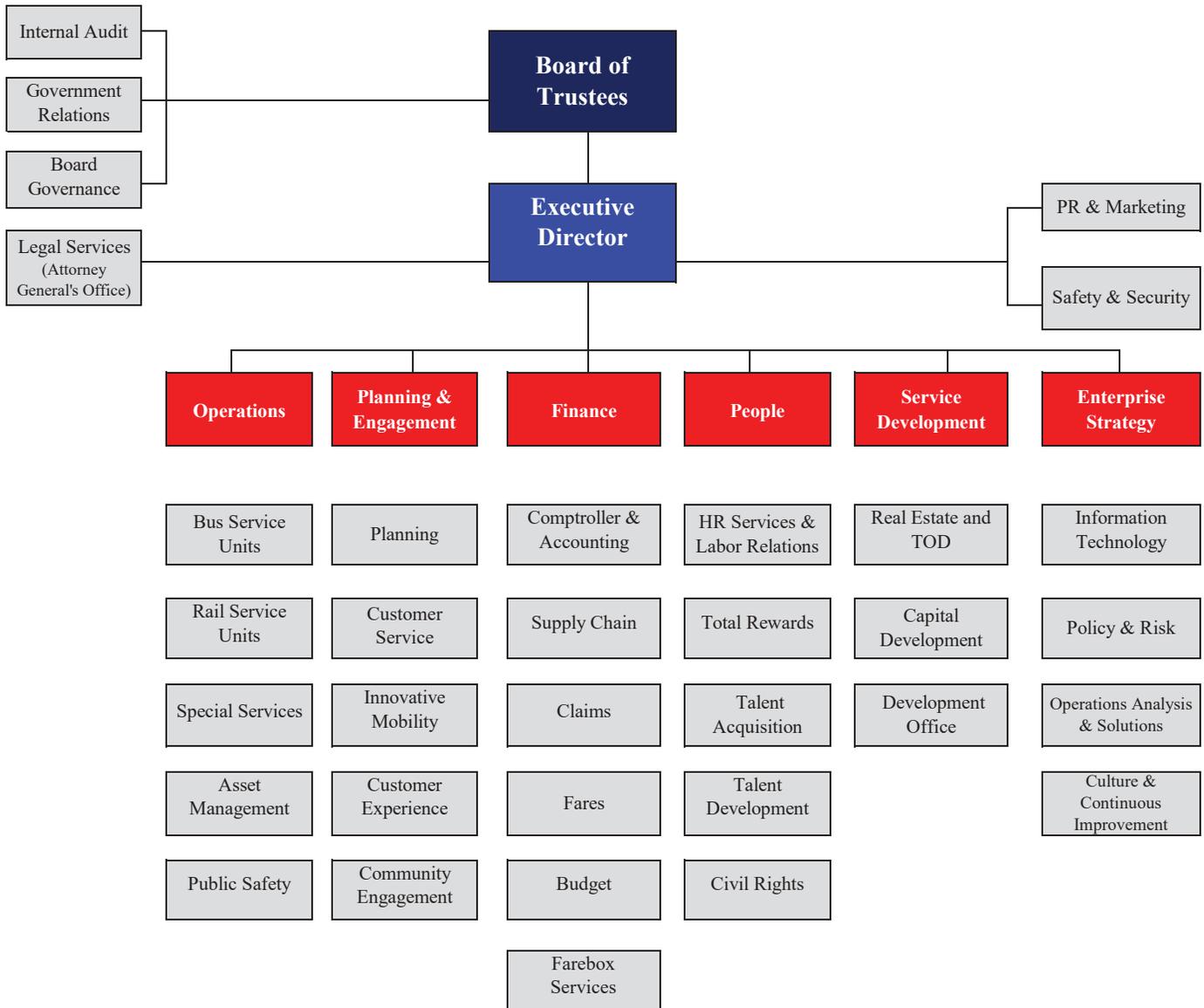
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



UTA Board of Trustees



Beth Holbrook
Davis, Weber and Box Elder Counties



Carlton Christensen
Board Chair
Salt Lake County



Jeff Acerson
Tooele and Utah Counties

Administration

Board of Trustees

BOARD CHAIRCarlton Christensen
BOARD TRUSTEEBeth Holbrook
BOARD TRUSTEEJeff Acerson

Officers of the Authority

BOARD CHAIRCarlton Christensen
EXECUTIVE DIRECTORCarolyn Gonot
TREASURERWilliam Greene
COMPTROLLER.....Troy Bingham
SECRETARYAnnette Royle

Administration of the Authority

EXECUTIVE DIRECTORCarolyn Gonot
CHIEF OF INTERNAL AUDITRonald Ellis
CHIEF COMMUNICATIONS AND MARKETING OFFICERNichol Bourdeaux
CHIEF FINANCIAL OFFICER William Greene
CHIEF OPERATING OFFICEREddy Cumins
CHIEF PEOPLE OFFICER Kim Ulibarri
CHIEF SERVICE DEVELOPMENT OFFICERMary DeLoretto
CHIEF ENTERPRISE STRATEGY OFFICERAlisha Garrett

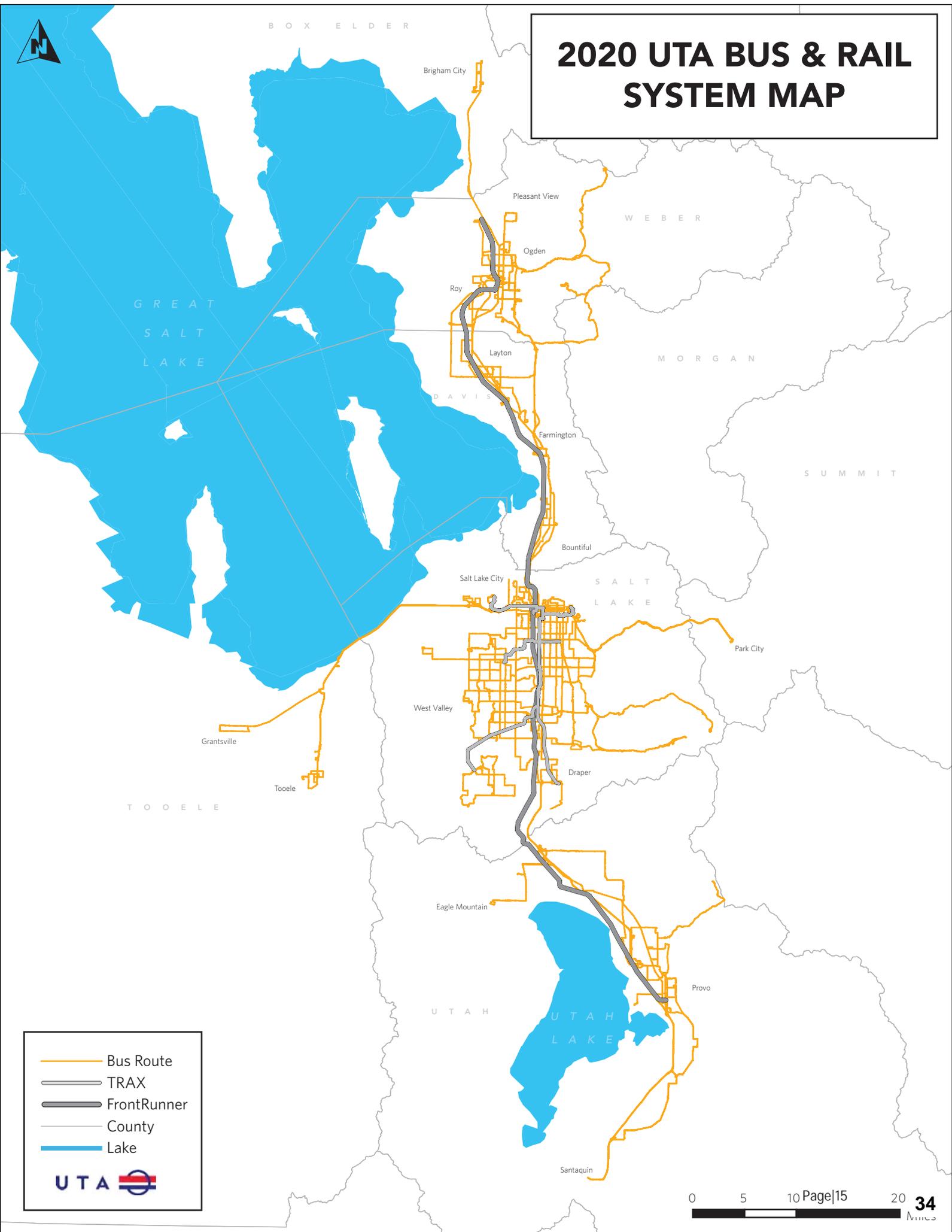


Local Advisory Council Members

Name.....	Appointing Authority
Mark Johnson.....	Utah County COG
Erin Mendenhall.....	Salt Lake City
Leonard Call	Weber Area COG
Erik Craythorne	Davis Area COG
Karen Cronin	Box Elder COG/Tooele COG
Julie Fullmer	Utah County COG
Robert Hale.....	Salt Lake County COG
Clint Smith.....	Salt Lake County COG
Troy Walker	Salt Lake County COG



2020 UTA BUS & RAIL SYSTEM MAP



- Bus Route
- TRAX
- FrontRunner
- County
- Lake

Financial

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the Authority, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2020, the Authority adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, which resulted in reporting an additional employee benefit trust fund for the Joint Insurance Trust. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of required employer contributions, and schedule of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, statistical section, schedule of revenues, expenses and changes in net position budget and actual, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues, expenses and changes in net position budget and actual, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses and changes in net position budget and actual, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
June 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The Utah Transit Authority's annual financial report presents our discussion and analysis of financial performance during the fiscal year ending on December 31, 2020.

Following this Management's Discussion and Analysis are the basic financial statements of the Authority, together with the notes thereto, which are essential to a full understanding of the information contained in the financial statements.

FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), promulgated by the Governmental Accounting Standards Board (GASB). The Authority reports as a single enterprise fund with two fiduciary funds. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

CONDENSED STATEMENTS OF NET POSITION

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Assets				
Current and other assets	\$ 529,958,949	\$ 454,691,660	\$ 75,267,289	17%
Capital assets, net	2,883,366,259	2,949,391,911	(66,025,652)	-2%
Total assets	<u>3,413,325,208</u>	<u>3,404,083,571</u>	<u>9,241,637</u>	0%
Deferred outflows of resources	<u>140,645,019</u>	<u>101,605,576</u>	<u>39,039,443</u>	38%
Liabilities				
Current liabilities	100,846,311	83,812,739	17,033,572	20%
Long-term liabilities	2,513,952,882	2,537,454,662	(23,501,780)	-1%
Total liabilities	<u>2,614,799,193</u>	<u>2,621,267,401</u>	<u>(6,468,208)</u>	0%
Deferred inflows of resources	<u>21,967,293</u>	<u>11,653,452</u>	<u>10,313,841</u>	89%
Net position				
Net investment in capital assets	648,605,411	692,675,681	(44,070,270)	-6%
Restricted	40,516,406	66,948,773	(26,432,367)	-39%
Unrestricted	228,081,924	113,143,840	114,938,084	102%
Total net position	<u>\$ 917,203,741</u>	<u>\$ 872,768,294</u>	<u>\$ 44,435,447</u>	5%

Current and other assets increased from 2019 due to the Authority receipt of federal stimulus associated with CARES Act. These funds reimbursed the Authority for operating expenses previously paid with local sales taxes. This allowed the Authority to accumulate cash to offset losses in passenger fare and investment income effected by the downturn in the market due to the COVID-19 pandemic. The Authority was able to drawdown \$95,617,240 in CARES Act funding. This offset what would have been local funding in the 2020 Budget.

Capital assets, net of related debt decreased from 2019 due to an additional year of depreciation and amortization expense of \$139,089,219 less the addition of new assets of \$73,559,238 in 2020 that replaced or added to the Authority's existing assets.

THE UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

CONDENSED STATEMENTS OF NET POSITION (continued)

Deferred outflows of resources increased from 2019 due to two significant taxable debt refundings that refinanced the 2012 tax exempt bonds entirely and a large portion of the 2015 tax exempt bonds. These advance refundings resulted in additional bond amounts being issued to satisfy the unearned interest on previous debt of \$44,002,809 and \$4,762,116 in March and November 2020. These amounts are amortized as interest expenses on the new bonds over the remaining life of the new bonds.

Current liabilities increased from 2019 due to \$17,033,572 in additional principal payment being required in 2020 on long-term debt.

Deferred inflows of resources increased from 2019 due to investment returns significantly exceeding the pension earnings assumption by \$10,313,841.

Restricted net position decreased from 2019 due to actions taken by the Authority in April 2020, to remove cash debt service reserves for bonds issued in 2010 and 2015, but instead used pledged securities to insure the bond holders. The required debt service reserve was reduced from \$33,026,104 at the beginning of 2020 to \$13,090,406 by the end of 2020. These remaining amount will be used to make the June 2021 interest payments on the 2010 and 2015 bonds.

A change in unrestricted net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2020, the Authority's unrestricted net position increased \$114,938,084 from December 31, 2019. This change can be attributed to change in current and other assets explained earlier in this section along with reductions in spending during the COVID-19 pandemic.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2020	2019	<i>Difference</i>	<i>Percent difference</i>
Operating revenues	\$ 34,880,272	\$ 55,111,554	\$ (20,231,282)	-37%
Operating expenses	459,473,189	457,897,920	1,575,269	0%
Excess of operating expenses over operating revenues	(424,592,917)	(402,786,366)	(21,806,551)	-5%
Non-operating revenues	544,637,971	409,257,534	135,380,437	33%
Non-operating expenses	99,898,505	147,806,337	(47,907,832)	-32%
Income (loss) before contributions	20,146,549	(141,335,169)	161,481,718	114%
Capital contributions	24,288,898	34,808,843	(10,519,945)	-30%
Change in net position	<u>\$ 44,435,447</u>	<u>\$ (106,526,326)</u>	<u>\$ 150,961,773</u>	142%
Total net position, January 1	\$ 872,768,294	\$ 979,294,620		
Total net position, December 31	\$ 917,203,741	\$ 872,768,294		



THE UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Operating				
Passenger revenue	\$ 32,845,272	\$ 52,649,054	\$ (19,803,782)	-38%
Advertising	2,035,000	2,462,500	(427,500)	-17%
Total operating revenue	<u>34,880,272</u>	<u>55,111,554</u>	<u>(20,231,282)</u>	-37%
Non-operating				
Contributions from other gov'ts (sales tax)	361,590,707	317,797,604	43,793,103	14%
Federal noncapital assistance	160,258,318	69,746,231	90,512,087	130%
Interest income	3,525,448	6,821,490	(3,296,042)	-48%
Sale of assets	927,566	1,653,736	(726,170)	-44%
Build America Bond subsidy	8,893,288	8,891,430	1,858	0%
Other	9,442,644	4,347,043	5,095,601	117%
Total non-operating revenue	<u>544,637,971</u>	<u>409,257,534</u>	<u>135,380,437</u>	33%
Capital contributions	24,288,898	34,808,843	(10,519,945)	-30%
Total revenues	<u>\$ 603,807,141</u>	<u>\$ 499,177,931</u>	<u>\$ 104,629,210</u>	21%

The COVID-19 pandemic started in March 2020, and had a major effect on ridership. Passenger revenue typically accounts for 10 to 12 percent of the Authority's overall revenues. The pandemic has reduced the ratio of passenger revenue to overall revenue to five percent in 2020. CARES Act funding from the federal government was meant to offset those immediate revenue losses, but a substantial portion of passenger revenue is generated from non-exchange like contracts with local partners. In late 2020, these local partners started to renegotiate contracts amounts and timing of payments due to lack of ridership during the pandemic. The impact of these corporate passenger revenue reductions will be felt more in 2021.

Since the Authority does not have the ability to levy taxes, it relies on contributions dedicated by member governments in the form of sales tax increments. In 2020, the Authority recognized \$43,793,103 increase in sales tax receipts as compared to 2019. This trend was not expected due to the economic downturn from the pandemic, but consumers increased buying during the pandemic, with strongest growth in online buying from typically commuter based counties in the Authority's service area.

In 2020, the federal government increased the amount contributed to the Authority for operating assistance by \$95,617,240 in the form of CARES Act funding. These allocations are based on a formula that factored in 2018 operating expenses of the Authority to determine the award amount.

Other revenues reflect the sales of assets, local supported routes, and miscellaneous revenues that collectively performed better than expected in 2020. The largest source of "other" revenue is from Salt Lake City for expanded and increased bus service levels in their city limits. The city paid \$4,106,847 for operations, administration, and capital leasing associated with these routes.

Capital contributions decreased by \$10,519,945 due to less State or local partners contributing less on capital projects in 2020. This can be expected, as local participation in new construction projects can vary from year to year and whether or not the project is grant funded.

THE UTAH TRANSIT AUTHORITY
FINANCIAL SECTION
Year Ended December 31, 2020

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Operating expenses				
Bus service	\$ 107,390,047	\$ 104,570,413	\$ 2,819,634	3%
Rail service	96,041,283	77,972,467	18,068,816	23%
Paratransit service	22,646,903	23,121,527	(474,624)	-2%
Other services	3,296,275	3,247,699	48,576	1%
Operations support	46,463,776	47,056,444	(592,668)	-1%
Administration	44,545,686	36,738,745	7,806,941	21%
Capital Maintenance Projects	-	19,078,502	(19,078,502)	-100%
Depreciation	139,089,219	146,112,123	(7,022,904)	-5%
Total operating expenses	<u>459,473,189</u>	<u>457,897,920</u>	<u>1,575,269</u>	0%
Non-operating expenses				
Interest expense	99,898,505	96,433,336	3,465,169	4%
Net book value loss on disposal	-	51,373,001	(51,373,001)	-100%
Total non-operating expenses	<u>99,898,505</u>	<u>147,806,337</u>	<u>(47,907,832)</u>	-32%
Total expenses	<u>\$ 559,371,694</u>	<u>\$ 554,331,256</u>	<u>\$ 5,040,438</u>	1%

Operating expenses for 2020 increased \$8,598,173 from 2019 if depreciation is not included. In April 2020, service was cut to 50 percent of 2019 service levels as ridership dropped in reaction to the COVID-19 pandemic. By late August 2020, the Authority increased service levels to 91 percent of 2019 service levels in response to higher education restarting in the fall. The temporary reductions in service allowed the Authority to save money, but new COVID-19 cleaning protocols, and retention of staff cost being incurred as a response to the COVID-19 pandemic were greater than the temporary savings.

Capital maintenance expenses are significant but infrequent non-capital expenses that are not directly attributed to each mode of transit. Capital maintenance projects in 2020 are no longer reported as a separate mode, but are now incorporated in the modal expense they benefit. The following chart shows the amount allocated to each mode:

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Capital Maintenance Projects				
Bus service	\$ 2,935,739	\$ 6,064,120	\$ (3,128,381)	-52%
Rail service	22,009,771	9,534,221	12,475,550	131%
Paratransit service	4,802	48,291	(43,489)	-90%
Administration	5,025,154	3,431,870	1,593,284	46%
Total capital maintenance expenses	<u>\$ 29,975,466</u>	<u>\$ 19,078,502</u>	<u>\$ 10,896,964</u>	57%



THE UTAH TRANSIT AUTHORITY
FINANCIAL SECTION
Year Ended December 31, 2020

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31 (continued)

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Operating expense less depreciation	\$ 320,383,970	\$ 311,785,797	\$ 8,598,173	2.8%
Wages	153,887,948	150,740,728	3,147,220	2.1%
Benefits	<u>72,156,293</u>	<u>70,530,094</u>	1,626,199	2.3%
Operations less wages/benefits	94,339,729	90,514,975	3,824,754	4.2%
Personnel cost	<u>\$ 226,044,241</u>	<u>\$ 221,270,822</u>	\$ 4,773,419	2.2%
% of operating expense	70.6%	71.0%	-0.4%	-0.6%

Like most transit service agencies, personnel is the Authority's largest expense. Personnel cost for the Authority in 2020 was 70.6 percent of total operating expense less depreciation expense. Overall, personnel cost increased \$4,773,419 in 2020 due to the Authority increasing salaries and holding staffing levels constant even when service level were reduced due to the COVID-19 pandemic. Federal operating assistance grants encouraged transit agencies to not reduce the workforce during the COVID-19 pandemic to provide service for transit dependent workers and help stimulate the economy.

Operating expense less personnel cost increased \$3,824,754 mainly due to cost for goods and services to respond to the COVID-19 pandemic.

CAPITAL ASSET ACTIVITY

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Land	\$ 410,537,405	\$ 408,225,179	\$ 2,312,226	1%
Construction in process	137,936,777	139,699,345	(1,762,568)	-1%
Infrastructure	2,500,620,104	2,608,295,878	(107,675,774)	-4%
Building and building improvements	213,225,412	136,570,313	76,655,099	56%
Revenue vehicles	752,974,669	752,446,315	528,354	0%
Leased revenue vehicles	71,632,600	66,592,155	5,040,445	8%
Equipment	66,536,885	64,604,128	1,932,757	3%
Land improvements	148,507,252	105,928,156	42,579,096	40%
Leased land improvements	84,485,965	84,485,965	-	0%
Intangibles	54,745,003	14,392,209	40,352,794	280%
Accumulated depreciation and amortization	<u>(1,557,835,813)</u>	<u>(1,431,847,732)</u>	<u>(125,988,081)</u>	9%
Total capital assets, net	<u>\$ 2,883,366,259</u>	<u>\$ 2,949,391,911</u>	<u>\$ (66,025,652)</u>	-2%

Readers wanting additional information should refer to Note 4 in the notes to the financial statements

The Authority continued to better define categories of capital asset. This resulted in transfers of assets from infrastructure category to building and land improvement categories (see Footnote 4 for more details).

The increase of \$125,988,081 in accumulated depreciation and amortization represents an additional year of depreciation and amortization expenses less the non-cash losses from the disposal of assets that were not fully depreciated at time of disposal.

The increase in intangible assets reflects the capitalization of the Positive Train Control (PTC) software specific to FrontRunner for \$32,761,019 that took the Authority five years to develop. These train control systems were required for all heavy rail systems by the Federal Railroad Administration to insure safer operation with multiple trains operating on the same track network.

THE UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

DEBT ADMINISTRATION

Bond rating agencies have rated the Authority based on the types of bonds issued and an analysis of several financial conditions and influencing factors. The following chart summarizes those ratings by bond and agency:

Ratings Summary

Source: Zions Bank Financial Advisors
 Effective date: November 2020

	Standard & Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AA	AA	Aa2
Outlook	Negative	Negative	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A+	AA	A1
Outlook	Stable	Negative	Stable

These 2020 rating reflected negative outlooks for both lien types for Fitch. Fitch's outlooks are transit industry wide responses due to the COVID-19 pandemic. Standard and Poor's also changed their outlook on senior lien bonds due to the Authority's proximity to debt limits described below.

Readers wanting additional information should refer to Note 9 in the notes to financial statements

New Issues

During 2020, the Authority issued the following bonds:

March 19, 2020 - \$216,650,000 of proceeds from the Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2020 were used to refund the refundable maturities of the Series 2015 subordinate lien revenue bonds.

November 12, 2020 - \$74,750,000 of proceeds from the Federally Taxable Subordinate Sales Tax Revenue Refunding Bonds, Series 2020B were used to refund the remaining maturities of the Series 2012 subordinate lien revenue bonds.

Limitations on Debt

If the Authority issues General Obligation Bonds, according to Utah State law, the amount of debt issued by the Authority cannot exceed three percent of the assessed valuation of real property located within the regional transit authority's district.

The Authority has historically issued Sales Tax Revenue Bonds in lieu of any General Obligation Bonds. Such bonds do not have issue limits based on assessed valuation of properties in the Authority's district but are constrained by UTA's ability to repay the principal and interest amounts annually with pledged sales tax revenues. An important metric of the Authority's financial health is the amount of pledged sales taxes annually in relation to the debt service due in the given year, or debt service coverage ratio.

Debt Service Coverage Ratio (DSCR)	Policy Minimum DSCR Requirements	Minimum DSCR Forecasted	Year of Minimum
Senior Lien	2.0x	2.0x	2029
Subordinate Lien	1.2x	1.2x	2029

THE UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

SUMMARY OF DEBT ADMINISTRATION ACTIVITY (continued)

The Authority's net coverage ratio would reach a minimum of 2.29 in 2029 which corresponds to the first year of the Authority's maximum annual debt service projected. Adherence to other minimum debt service coverage ratios are detailed in the table below.

Year	2020 Projected Pledged Sales Taxes	Senior Lien Debt Payments	Senior Lien Projected Debt Service Coverage Ratio	Subordinate Lien Debt Payments	Subordinate Lien Projected Debt Service Coverage Ratio	Total Projected Debt Service Coverage Ratio
2020	\$ 288,981,529	\$ 86,551,344	3.34	\$ 41,594,642	6.95	2.26
2021	313,598,560	94,076,195	3.33	41,136,364	7.62	2.32
2022	329,278,488	98,153,494	3.35	43,801,739	7.52	2.32
2023	345,742,412	104,042,862	3.32	46,453,864	7.44	2.30
2024	363,029,533	104,045,729	3.49	46,447,864	7.82	2.41
2025	381,181,010	105,981,925	3.60	46,451,239	8.21	2.50
2026	381,181,010	105,984,163	3.60	46,454,239	8.21	2.50
2027	381,181,010	104,006,936	3.66	56,389,489	6.76	2.38
2028	381,181,010	104,002,611	3.67	56,380,739	6.76	2.38
2029	381,181,010	104,020,220	3.66	62,633,539	6.09	2.29
2030	381,181,010	104,111,562	3.66	62,611,564	6.09	2.29
2031	381,181,010	104,115,381	3.66	62,632,164	6.09	2.29
2032	381,181,010	103,867,109	3.67	62,633,670	6.09	2.29
2033	381,181,010	126,122,973	3.02	40,274,295	9.46	2.29
2034	381,181,010	126,126,238	3.02	40,273,745	9.46	2.29
2035	381,181,010	126,125,325	3.02	40,274,451	9.46	2.29
2036	381,181,010	127,432,659	2.99	34,966,051	10.90	2.35
2037	381,181,010	125,833,888	3.03	36,566,700	10.42	2.35
2038	381,181,010	123,415,219	3.09	38,980,308	9.78	2.35
2039	381,181,010	99,960,375	3.81	62,436,883	6.11	2.35
2040	381,181,010	11,657,724	32.70	150,946,856	2.53	2.34
2041	381,181,010	79,316,687	4.81	66,369,476	5.74	2.62
2042	381,181,010	122,206,633	3.12	23,475,138	16.24	2.62
2043	381,181,010	4,445,000	85.76			85.76
2044	381,181,010	4,439,300	85.87			85.87

SUMMARY OF DEBT ADMINISTRATION ACTIVITY (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Key Economic Factors

During 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the Authority's anticipated future revenues and operations for an indeterminable period of time. Other financial impacts could occur, but are unknown as of the date of publication of this report. In response to the COVID-19 global pandemic, the federal government has made funding available via the Coronavirus Aid, Relief, and Economic Security (CARES) Act to aid transit districts in their response to the health crisis. Expenditures of this federal funding are subject to audit by the Federal Transit Administration (FTA) under the Uniform Guidance, and the Authority is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the Authority's management, no material refunds will be required as a result of expenditures disallowed by the FTA. See the results of the Single Audit in the Authority's Single Audit Report for further information.

The fiscal year 2021 Authority Budget is \$326,546,000, which is a 3.2 percent increase from fiscal year 2020.

Operating Statistics

On time performance for 2020 was 90.6%.

The following information provides an annual comparison of ridership by service for years 2020 and 2019.

Source: National Transit Database

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Bus service	12,441,304	20,799,642	(8,358,338)	-40.2%
Light rail service	8,247,364	17,128,008	(8,880,644)	-51.8%
Commuter rail service	2,024,524	5,193,879	(3,169,355)	-61.0%
Paratransit service	187,112	388,265	(201,153)	-51.8%
Vanpools	658,990	1,068,364	(409,374)	-38.3%
Total ridership	<u>23,559,294</u>	<u>44,578,158</u>	<u>(21,018,864)</u>	-47.2%

The Authority had a 47.2 percent decrease in ridership in 2020 due to the COVID-19 pandemic.

Both commuter and light rail services have shown the largest drop in ridership due to less frequent service the Authority implemented in response to the reduced ridership. Pre-pandemic levels of commuter ridership into Salt Lake City and Salt Lake County has not returned as of the date of this report as many businesses have encouraged telecommuting or working from home for their employees.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money received. Questions about this report or inquiries for additional information may be addressed to the Comptroller, 669 West 200 South, Salt Lake City, Utah 84101 or tbingham@rideuta.com.

STATEMENTS OF NET POSITION

	<u>2020</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 185,542,606
Investments	20,061,732
Restricted cash and cash equivalents (bond funds)	16,457,844
Receivables	
Contributions from other governments (sales tax)	70,537,845
Federal grants	28,866,419
Other	7,084,940
State of Utah	3,619,783
Parts and supplies inventories	34,422,837
Prepaid expenses	2,448,303
Total Current Assets	<u>369,042,309</u>
Noncurrent Assets:	
Restricted assets (Cash equivalents and investments)	
Bonds funds	13,093,632
Interlocal agreements	4,236,800
Escrow funds	106,067,907
Self-insurance deposits	7,745,463
Total restricted assets	<u>131,143,802</u>
Non-depreciable capital assets	
Land	410,537,405
Construction in progress	137,936,777
Total non-depreciable capital assets	<u>548,474,182</u>
Depreciable Capital Assets:	
Land improvements	148,507,252
Leased Land Improvements	84,485,965
Building and building improvements	213,225,412
Infrastructure	2,500,620,104
Revenue vehicles	752,974,669
Leased revenue vehicles	71,632,600
Equipment	66,536,885
Intangibles	54,745,003
Total depreciable capital assets	<u>3,892,727,890</u>
Total capital assets	<u>4,441,202,072</u>
Less accumulated depreciation and amortization	<u>(1,557,835,813)</u>
Total capital assets, net depreciation	2,883,366,259
Amount recoverable - interlocal agreement	20,272,838
Other assets	9,500,000
Total Noncurrent Assets	<u>3,044,282,899</u>
TOTAL ASSETS	<u>\$ 3,413,325,208</u>

Readers wanting additional information should refer to the notes to the financial statements

STATEMENTS OF NET POSITION (continued)

	<u>2020</u>
DEFERRED OUTFLOWS OF RESOURCES	
Advanced debt refunding	\$ 118,677,922
Deferred outflows of resources related to pension	21,967,097
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>140,645,019</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable:	
Other	21,721,896
State of Utah	309,217
Accrued liabilities, primarily payroll-related	8,455,516
Current portion of accrued interest	9,266,627
Current portion of interlocal loan	1,885,735
Current portion of long-term debt	46,922,208
Accrued self-insurance liability	1,017,333
Unearned revenue	11,267,779
Total Current Liabilities	<u>100,846,311</u>
 Long-Term Liabilities:	
Long-term compensated absences	14,338,107
Long-term deposits	1,357,094
Long-term accrued interest	2,990,412
Interlocal loan	63,779,861
Long-term debt	2,334,703,811
Long-term net pension liability	96,783,597
Total Long-term Liabilities	<u>2,513,952,882</u>
TOTAL LIABILITIES	<u>2,614,799,193</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pension	21,967,293
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,967,293</u>
 NET POSITION	
Net investment in capital assets	648,605,411
Restricted for:	
Debt service	29,551,476
Interlocal agreements	4,236,800
Self-insurance deposits	6,728,130
Unrestricted	228,081,924
TOTAL NET POSITION	\$ <u>917,203,741</u>

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF EXPENSES AND CHANGE IN NET POSITION

	<u>2020</u>
OPERATING REVENUES	
Passenger fares	\$ 32,845,272
Advertising	2,035,000
Total operating revenues	<u>34,880,272</u>
OPERATING EXPENSES	
Bus service	107,390,047
Rail service	96,041,283
Paratransit service	22,646,903
Other service	3,296,275
Operations support	46,463,776
Administration	44,545,686
Depreciation	139,089,219
Total operating expenses	<u>459,473,189</u>
EXCESS OPERATING EXPENSES OVER OPERATING REVENUES	<u>(424,592,917)</u>
NON-OPERATING REVENUES (EXPENSES)	
Contributions from other governments (sales tax)	361,590,707
Federal operating grants	160,258,318
Investment income	3,525,448
Sale of Assets	927,566
Other	9,442,644
Interest expense	(99,898,505)
Build America Bond subsidies	8,893,288
Net non-operating revenues	<u>444,739,466</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>20,146,549</u>
CAPITAL CONTRIBUTIONS	
Federal grants	20,898,309
Local	3,238,849
Capital contribution	151,740
TOTAL CAPITAL CONTRIBUTIONS	<u>24,288,898</u>
CHANGE IN NET POSITION	<u>\$ 44,435,447</u>
Total Net Position, January 1	\$ 872,768,294
Total Net Position, December 31	\$ 917,203,741

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF CASHFLOWS

Cash flows from operating activities:	
Passenger receipts	\$ 30,683,121
Advertising receipts	453,553
Other receipts	9,442,644
Payments to vendors	(94,793,255)
Payments to employees	(154,354,190)
Employee benefits paid	(75,525,939)
Net cash used in operating activities	<u>(284,094,066)</u>
Cash flows from noncapital financing activities:	
Sales tax receipts	356,229,453
Federal operating/maintenance grants	152,968,543
Net cash provided by noncapital financing activities	<u>509,197,996</u>
Cash flows from capital and related financing activities:	
Contributions for capital projects	
Federal	16,285,407
Local	6,622,008
Proceeds from revenue bond escrow deposits	(2,724,320)
Payments of bonds	(31,200,000)
Payments on interlocal loan	(6,107,886)
Build America Bond subsidies received	8,893,288
Bond Interest payments	(96,774,945)
Proceeds from leases	12,590,000
Payment on leases	(7,513,809)
Purchases of capital assets	(67,520,440)
Proceeds from the sale of property	927,566
Net cash used in capital and related financing activities	<u>(166,523,131)</u>
Cash flows from investing activities:	
Interest on investments	3,342,053
Purchases of investments	10,920,000
Proceeds from the sales of investments	(19,061,577)
Net cash used in investing activities	<u>(4,799,524)</u>
Net increase in cash and cash equivalents	<u>\$ 53,781,275</u>
Cash and cash equivalents at beginning of year	279,362,977
Cash and cash equivalents at end of year	333,144,252

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF CASHFLOWS (continued)

Reconciliation of Cash to the Statement of Net Position

Cash and cash equivalents at year end from cash flows	\$ 333,144,252
Cash as reported on the Statement of Net Position	
Cash and cash equivalents	185,542,606
Restricted assets (cash equivalents)	
Bonds funds	29,551,476
Interlocal agreements	4,236,800
Escrow funds	106,067,907
Self-insurance deposits	7,745,463
Total cash and cash equivalents	<u><u>\$ 333,144,252</u></u>

Reconciliation of operating loss to net cash used in operating activities:

Operating loss	\$ (424,592,917)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	139,089,219
Other operating revenues	9,442,644
Changes in deferred outflow/inflow of resources and net pension liability:	
Deferred outflows of resources related to pension	(8,507,144)
Deferred inflows of resources related to pension	10,313,841
Net pension liability	<u>(7,081,242)</u>
Total changes in deferred outflow/inflow of resources and net pension liability	(5,274,545)
Changes in assets and liabilities:	
Accounts receivable - Other and State of Utah	1,667,028
Parts and supplies inventories	1,620,997
Prepaid expenses	(149,170)
Accounts payable - Other and State of Utah	(3,075,438)
Accrued liabilities	(146,279)
Unearned revenue	<u>(2,675,605)</u>
Total changes in assets and liabilities:	(2,758,467)
Net cash used in operating activities	<u><u>\$ (284,094,066)</u></u>

Information about noncash investing, capital, and financing activities:

Change in fair value of investments	\$ 160,221
Capital asset acquisitions in accounts payable	10,691,789
Payments from refunding escrows:	
2012A Non-Taxable Bonds in Escrow	216,650,000
2015A Non-Taxable Bonds in Escrow	74,750,000

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF FIDUCIARY NET POSITION

	Pension and Other Employment Benefit Trust Funds
ASSETS	
Cash in Bank	\$ 2,197,488
Cash in Utah State Treasury	444,578
Total Cash	<u>2,642,066</u>
Investments	
Global Equities	180,702,335
Fixed Income	59,948,353
Liquid Diversifiers	13,969,240
Real assets	10,947,340
Money Market	13,119,226
Total Investments	<u>278,686,494</u>
Prepaid Benefits	1,167,307
Deposits	104,795
Receivables	
Dividends Receivable	211
Accounts Receivable - Benefits	3,879
Accounts Receivable - Contributions	3,207,801
Total Receivables	<u>3,211,891</u>
TOTAL ASSETS	<u>285,812,553</u>
LIABILITIES	
Benefits Payable	10,722
Accounts Payable	130,000
TOTAL LIABILITIES	<u>140,722</u>
NET POSITION	
Restricted for:	
Pension	279,905,104
Benefit Other Than Pension	5,766,727
Total Net Position	<u>\$ 285,671,831</u>

Readers wanting additional information should refer to the notes to the financial statements and supplementary schedules

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Pension and Other Employment Benefit Trust Funds
ADDITIONS	
Employer Contributions	\$ 44,079,123
Participant Voluntary Contributions	654,211
Total Contributions	<u>44,733,334</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	33,693,794
Interest	52,370
Dividends	919,037
Total Investment Income	<u>34,665,201</u>
Less: Investment Expense	<u>771,700</u>
Net Investment Income	33,893,501
TOTAL ADDITIONS	<u>78,626,835</u>
DEDUCTIONS	
Monthly Benefits Paid	31,939,232
Lump Sum Distributions	6,879,961
Administrative Expense	489,653
TOTAL DEDUCTIONS	<u>39,308,846</u>
CHANGE IN NET POSITION	<u>\$ 39,317,989</u>
Total Net Position, January 1, as restated	\$ 246,353,842
Total Net Position, December 31	\$ 285,671,831

Readers wanting additional information should refer to the notes to the financial statements and supplementary schedules

NOTE 1 – DESCRIPTION OF THE AUTHORITY OPERATIONS AND DEFINITION OF THE ENTITY

A. Organization

The Utah Transit Authority, the “Authority”, was incorporated on March 3, 1970 under authority of the Utah Public Transit District Act of 1969 for the purpose of providing a public mass transportation system for Utah communities.

The Authority’s service area lies in the region commonly referred to as the Wasatch Front. The service area extends from the Wasatch Mountains on the east to the Great Salt Lake on the west, is approximately 100 miles long and 30 miles wide, and consists of an area of approximately 1,400 square miles that covers all or portions of six (6) principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah and Weber). The service area also includes a small portion of Juab County.

The Authority’s operations include commuter rail service from Ogden to Provo, light rail service in Salt Lake County, and bus service, paratransit service for the transit disabled, rideshare and vanpool programs system wide.

The Authority is governed by a three-member full-time board of trustees. The Governor appoints nominees from the three appointing districts within the UTA service territory to serve as trustees. The names of the nominees are then forwarded to the Utah State Senate for confirmation. Once confirmed, an appointee is sworn in as a trustee.

The Authority also has a nine-member local advisory board. The local advisory board representation includes: three members appointed by the Salt Lake County council of governments; one member appointed by the Mayor of Salt Lake City; two members appointed by the Utah County council of governments; one member appointed by the Davis County council of governments; one member appointed by the Weber County council of governments; and one member appointed by the councils of governments of Tooele and Box Elder counties. Terms for local advisory board members are indefinite.

B. Reporting Entity

The accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statements No. 14 and No. 39, the Authority has two component units that are fiduciary funds in the financials.

1. The Joint Insurance Trust is for current employee benefit premium to be held in trust until premiums are paid for the union employees of the Authority. Financial statements are included in the supplementary schedules and notes to this account can be found in note 8 of these financial statements. Separate financial statements are not created.
2. The Utah Transit Authority Employee Retirement Plan is a post-employment pension plan for all employees of the Authority. Financial statements are included in the supplementary schedules and notes to this account can be found in note 7 of these financial statements. Separate financial statements are not created.

The Authority is considered a component unit of State of Utah.

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is accountable for a separate employee pension from the Utah State Retirement System and jointly administers a joint insurance trust with the collective bargaining group that

NOTE 1 – DESCRIPTION OF THE AUTHORITY OPERATIONS AND DEFINITION (continued)

represents active union employees. Additionally, the Authority has considered the provisions of GASB No. 39 which follows the concept of economic independence. The Authority does not raise or hold economic resources for the direct benefit of another governmental units. Also, other governments do not have the ability to access economic resources held by the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provision of the Utah State Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Authority reports as a single enterprise fund and two additional fiduciary funds for its employee pension and joint insurance trust. These funds 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.

B. 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.

C. Federal Operating Grants

Federal planning assistance, operating and preventive maintenance grants are received from the Federal Transit Administration (FTA) and are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met.

D. 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 100% of the cost of property, facilities 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.

E. 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 expenses:* Operating expenses include payments to suppliers, employees, and third parties on behalf of employees and all payments that do not result from transactions defined as capital and related financing, non-capital financing, or investing activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *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.
- *Non-operating expenses:* Non-operating expenses include payments from transactions defined as capital and related financing, non-capital financing or investing activities.

F. Contributions from Other Governments

The counties and municipalities who receive transit services from the Authority have agreed to contribute a portion of sales tax to the Authority in exchange for service. These contributions are received by the Authority approximately 60 days after the collection of the sales tax, and as such are recorded as an accrual to revenue and receivable during that period.

The following percentage of sales have been authorized as Local Option Sales Tax and dedicated to support transit:

Salt Lake County	0.8500%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.6300%
Tooele County	0.4000%

G. Cash and Investments

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

H. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are defined as funds restricted by legal requirement(s) outside of the Authority.

	<u>2020</u>
The Authority is required to place monthly deposits in trust for next year’s principal and interest on the bonds and these funds are restricted per the bond covenants.	\$ 16,457,844
The Authority is required to maintain certain accounts in connection with the issuance of bonds which are restricted per the bond covenants.	13,093,632
The Authority has entered interlocal agreement with Box Elder County to restrict a certain increment of sales taxes collected in their county for FrontRunner expansion to Box Elder.	4,236,800
The Authority has issued bonds and leases in 2018, 2019, and 2020 for projects that are not complete to date, and has entered into interlocal agreement to establish escrow accounts for specific projects.	106,067,907
The Authority is required to maintain certain accounts in connection with being self-insured in the State of Utah.	7,745,463

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Designated Cash and Cash Equivalents

Designated cash and cash equivalents are considered designated through action by the Authority’s Board of Trustees and have no outside legal restrictions. Designations include funds to stabilize operations and debt service in the case of changing economic environments. The following amounts were considered designated by the Board of Trustees as of December 31 of the respective years:

	<u>2020</u>
General reserve	\$ 58,778,000
Service sustainability reserve	9,796,000
Capital replacement reserve	44,338,000
Debt reduction reserve	<u>30,000,000</u>
Total designated cash and cash equivalents	<u>\$ 142,912,000</u>

- *Designated for general reserves* – This component of cash including the risk reserve, funded at a level equal to at least twelve percent (12%) of the Authority’s budgeted operating expense, excluding non-operating expense, to be used as a working capital account throughout the year. The Board has chosen to fund this reserve at eighteen percent (18%). The Treasurer will manage the use of the funds in the general operating reserve. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)
- *Designated for service sustainability reserves* – This component of cash consists of three percent (3%) of the Authority’s annual operating budget expenses for the purpose of preserving 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. The Board of Trustees must give its prior approval before funds in the bond reserve are used. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)
- *Designated for capital replacement reserves* – This component of cash consists of one percent (1%) of the property, facilities, and equipment cost as reported in the comprehensive annual financial report to be used for capital repair or replacement costs due to extraordinary circumstances. The Board of Trustees must give its prior approval before funds in the capital replacement reserve are used. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)
- *Designated for debt reduction reserves* – This component of cash consists of debt service savings from refunded bond issues. In April 2020, in accordance with the Board’s Policy No. 2.1 – Financial Management, the Board reaffirmed continuing the debt reduction reserve and the primary purpose to be primarily early retirement of outstanding debt.

J. Investments

Cash in excess of operating requirements is invested by the Treasurer. The Authority’s investments comply with the Utah Money Management Act.

K. Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, and local government partners, pass sales and investment income. Accounting reviews all receivables that age past 120 days and follows up on contract terms for payment. This minimizes credit risk exists related to these receivables and allows for no current provision for bad debts

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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.

M. Capital Assets

Capital assets include land and land improvements, right of way, buildings and building improvements, infrastructure, vehicles, equipment, intangibles, as well as any leased capital assets in these categories. Capital assets, other than infrastructure and intangible software, are defined by UTA policy as asset with an initial, individual cost of \$5,000 or more. Infrastructure capital assets are defined as assets with an initial, individual cost of \$50,000 or more. Intangible software capital assets are defined as assets with an initial, individual software license cost of \$10,000 or more, or \$100,000 or more per software. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life, are not capitalized, but are charged to operating expense as incurred. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and the resulting gains or losses are reflected in the statement of revenues, expenses and changes in net position.

Depreciation of capital assets is recorded using the straight-line method over the estimated useful lives of the assets.

Depreciable capital assets are assigned the following estimated useful lives:

	<u>Years</u>
Land improvements	10 to 20
Leased land improvements	50
Building and building improvements	20 to 50
Infrastructure	5 to 75
Revenue vehicles	8 to 35
Leased revenue service vehicles	4 to 14
Equipment	4 to 20
Intangible assets	4 to 20

N. Amount Recoverable – Interlocal Agreement

In 2008, the Authority entered into an agreement with the Utah Department of Transportation (UDOT) which 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 0.25% 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Other Assets

The Authority has entered into development agreements:

Thackeray Garn at South Jordan FrontRunner Station

\$1.5 million of appraised land was transferred to the development for a percentage interest in future profits at the site.

STACK Real Estate at Jordan Valley TRAX station

\$8 million of proceeds from the first phase of the development was reinvested for a percentage interest in future profits at the site.

P. Compensated Absences

Vacation pay is accrued biweekly and charged to department's compensated absence expense as earned by employees.

Sick pay benefits are accrued biweekly by employees, but are not considered compensable until an employee meets the requirements to vest in the pension. This typically occurs when an employee has 5 years of service and is at least 55 years of age. Compensated absences have a maximum for administration employees of 900 hours of sick, but there is no maximum number of hours for collectively bargained employees. Employees that do not retire at the end of their tenure at the Authority forfeit all sick leave, so compensated absences are reduced yearly to reflect those choices by employees.

Q. Risk Management

The Authority is exposed to various risks of loss related to torts; theft, 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 in any one accident is \$3 million for incidents occurring after May 1, 2019. The Authority carries an excess umbrella policy of \$10 million over a \$7 million self-insurance reserve. The Authority has Railroad Liability Coverage of \$100 million per annum 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 has insurance for errors and omissions and damage to property in excess of \$100,000 per annum.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Transit Authority Employee Retirement Plan and Trust ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Net Position

The Authority's net position is classified as follows:

- *Net investment in capital assets:* This component 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 a component of net investment in capital assets.
- *Restricted for debt service:* This component of net position consists of the amount restricted by bond covenants for debt service.
- *Restricted for interlocal agreement:* This component of net position consists of the amounts restricted by interlocal agreements with the municipalities of Willard, Perry and Brigham City in Box Elder County.
- *Self-insurance deposits:* This component of net position consists of the fund amount set aside for risk.
- *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. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

T. Deferred Outflows of Resources

Deferred outflows of resources are reported in a separate section, immediately following assets, the Statement of Net Position. Deferred outflows of resources represent a consumption of resources that benefit future periods and will be recognized in future periods as an expense when they are used. The Authority has the following deferred outflows of resources:

- Deferred loss on refunding
- Deferred outflows related to pensions

U. Deferred Inflows of Resources

Deferred inflows of resources are reported in a separate section, immediately following liabilities, the Statement of Net Position. Deferred inflows of resources represent an acquisition of resources that will be used in future periods and will be recognized in future periods as a revenue. The Authority has the following deferred inflows of resources:

- Deferred inflows related to pensions

V. Implemented Accounting Pronouncements

GASB Statement 83

Certain Asset Retirement Obligations

Took effect for reporting periods beginning after June 15, 2019

No effect on the Authority's financial statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement 84

Fiduciary Activities

Took effect for reporting periods beginning after December 15, 2019

This separated the Joint Insurance Trust as a blended component unit to a stand-alone fiduciary fund

GASB Statement Implementation Guide No. 2019-2

Took effect for reporting periods beginning after December 15, 2019

This separated the Joint Insurance Trust as a blended component unit to a stand-alone fiduciary fund

GASB Statement 88

Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements

Took effect for reporting periods beginning after June 15, 2019

The required more debt disclosures in the footnotes to the financial statements and regrouping of the Authority's long-term debt into direct borrowing and direct placement in those same footnotes

GASB Statement 90

Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

Took effect for reporting periods beginning after December 15, 2019

No effect on the Authority's financial statements

GASB Implementation Guide No. 2018-1

Took effect for reporting periods beginning after June 15, 2019

No effect on the Authority's financial statements

W. Future Accounting Pronouncements

GASB Statement 87

Leases

Takes effect for reporting periods beginning after June 15, 2021

Management is currently evaluating the impact of this statement on the Authority's financial statements

GASB Statement 89

Accounting for Interest Cost Incurred before the End of a Construction Period

Takes effect for reporting periods beginning after December 15, 2020

No expected effect on the Authority's financial statements

GASB Statement 91

Conduit Debt Obligations

Takes effect for reporting periods beginning after December 15, 2021

No expected effect on the Authority's financial statements

GASB Implementation Guide No. 2019-1

Takes effect for reporting periods beginning after June 15, 2020

No expected effect on the Authority's financial statements

GASB Implementation Guide No. 2019-3

Takes effect for reporting periods beginning after June 15, 2021

No expected effect on the Authority's financial statements

GASB Statement 92

Omnibus 2020

Takes effect for reporting periods beginning after June 15, 2021

No expected effect on the Authority's financial statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement 93

Replacement of Interbank Offered Rates

Takes effect for reporting periods beginning after June 15, 2020

No expected effect on the Authority's financial statements

GASB Statement 94

Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Takes effect for reporting periods beginning after June 15, 2022

No expected effect on the Authority's financial statements

GASB Statement 96

Subscription-Based Information Technology Arrangements

Takes effect for reporting periods beginning after June 15, 2022

No expected effect on the Authority's financial statements

GASB Statement 97

Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 deferred Compensations Plans

Takes effect for reporting periods beginning after June 15, 2021

No expected effect on the Authority's financial statements

GASB Implementation Guide No. 2020-1

Takes effect for reporting periods beginning after June 15, 2021

No expected effect on the Authority's financial statements

NOTE 3 – CASH AND CASH EQUIVALENTS

Unrestricted Cash and Investments

Consisting of the following as of December 31, 2020

Zions Bank	\$ 8,086,992
Cash on Hand	295,196
Zions Capital Advisors	
Public Treasurers Investment Fund	9,235,028
Public Treasurers Investment Fund	167,925,390
Total Cash and Cash Equivalents	<u>185,542,606</u>
Zions Capital Advisors	
Agency	1,551,622
Corporate	18,510,110
Total Investments	<u>20,061,732</u>
Total Cash and Investments	<u><u>\$205,604,338</u></u>

Cash Deposits

All cash not on hand at the Authority is maintained in qualified public depositories.

Investments

Investments for the Authority are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, “the Act”) and by rules of the Utah Money Management Council (the Council). Following are discussions of the Authority’s exposure to various risks related to its cash management activities.

- *Custodial Credit Risk* - Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority’s deposits may not be recovered. The Authority’s policy for managing custodial credit risk is to adhere to the Act. The Act requires all deposits of the Authority to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council.

At December 31, 2020 and 2019, the balances in the Authority’s bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled \$14,659,414 and \$42,611,072, respectively, of which \$250,000 and \$261,276 were covered by Federal depository insurance.

- *Credit Risk* - Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Authority’s policy for limiting the credit risk of investments is to comply with the Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s investor Service or Standard & Poor’s; bankers acceptances; obligations of the U.S. treasury and U.S.

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

government sponsored enterprise; bonds and notes of political subdivision of the state of Utah; fixed rate corporate obligations and variable rated securities rated “A” or higher by two nationally recognized statistical rating services as defined in the Act.

The Authority is authorized to invest in the Utah Public Treasurers’ Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The pooled investment fund is fixed-rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations. The PTIF is not registered with the SEC as an investment company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to the participants on an amortized cost basis. The income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants’ average daily balances.

- *Concentration of Credit Risk* – To minimize credit risk, the Authority looks to diversify the investments with any one issuer. The following investments are greater than 5% of the total portfolio and represent a concentration of credit risk to the portfolio as of December 31, 2020.

Investment	Credit Quality (Rating)	Amount	Credit Exposure as a % of Total Investment
Catepillar Financial Services	A	\$ 1,402,213	6.99%
Honeywell International	A-	1,406,160	7.01%
Canadian Imperial Bank	BBB+	1,362,771	6.79%
Goldman Sachs Group Inc.	BBB+	1,413,039	7.04%
Truist Bank	A	1,007,778	5.02%
Federal Home Loan Bank	AAA	1,551,622	7.73%
America Honda Financial Corp	A-	1,003,664	5.00%
Comcast Corp	A-	1,003,078	5.00%
Diamler Finance North America	BBB+	1,359,825	6.78%
Investments > 5%		<u>\$ 11,510,151</u>	<u>57%</u>

- *Interest Rate Risk* - Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Authority manages its exposure by strictly complying with its Investment Policy which complies with the Act. The Authority’s policy relating to specific investment-related risk is to adhere to the Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the fund to be invested.

- The following are the Authority’s investment as of December 31, 2020:

Investments		Less than 1	1-3 years	Total
U.S. Agencies	AAA	\$ 1,551,622	\$ -	\$ 1,551,622
Corporate Bonds	AAA, AA+ to AA-, A+ to A-, BBB+ to BBB-	5,997,867	12,512,243	18,510,110
Total Investments		<u>\$ 7,549,489</u>	<u>\$ 12,512,243</u>	<u>\$ 20,061,732</u>

- *Fair Value of Investments* – The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

The three levels of the fair value hierarchy under GASB Statement 72 are described as follows:

Level 1: Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Examples of markets in which inputs might be observable include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2: Inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Inputs other than quoted prices that are observable for the asset or liability such as:
 - Interest rates and yield curves observable at commonly quoted intervals
 - Implied volatilities
 - Credit spreads
- Market-corroborated inputs.

If the asset or liability has a specified (contractual) term, the Level 2 input is required to be observable for substantially the full term of the asset or liability.

The Authority’s corporate bonds are measured using quoted prices for similar assets in active markets.

Level 3: A government should develop Level 3 inputs using the best information available under the circumstances, which might include the government’s own data. In developing unobservable inputs, a government may begin with its own data, but it should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The Authority invests with Zions Capital Advisors and the Utah Public Treasurers Investment Fund. Both of these organizations meet the requirements of the Utah Money Management Act. The following are the Authority’s investment as of December 31, 2020 by organization and by fair value measurement:

	12/31/2020	Fair Value Measurements		
		Level 1	Level 2	Level 3
Zions Capital Advisors				
Agency	\$ 1,551,622	\$ 1,551,622	\$ -	\$ -
Corporate	18,510,110	-	18,510,110	-
Total Investments by Fair Value Level	<u>\$ 20,061,732</u>	<u>\$ 1,551,622</u>	<u>\$ 18,510,110</u>	<u>\$ -</u>



NOTE 4 – CAPITAL ASSETS

	Balance 1/1/2020	Increases	Transfers	Decreases	Balance 12/31/2020
Capital assets not being depreciated					
Land	\$ 408,225,179	\$ 1,209,378	\$ (1,329,273)	\$ 2,432,121	\$ 410,537,405
Construction in Progress	139,699,345	72,660,597	-	(74,423,165)	137,936,777
Total capital assets not being depreciated	547,924,524	73,869,975	(1,329,273)	(71,991,044)	548,474,182
Capital assets being depreciated					
Land improvements	105,928,156	4,425,016	38,154,080		148,507,252
Leased Land Improvements	84,485,965	-	-	-	84,485,965
Buildings and Building Improvements	245,182,707	5,941,260	(37,830,846)	(67,709)	213,225,412
Infrastructure	2,499,683,484	10,981,092	(51,344)	(9,993,128)	2,500,620,104
Revenue Vehicles	752,446,315	-	5,471,965	(4,943,611)	752,974,669
Leased Revenue Vehicles	66,592,155	13,161,921	(8,081,554)	(39,922)	71,632,600
Equipment	60,703,740	5,114,889	1,149,626	(431,370)	66,536,885
Intangibles	18,292,597	33,935,060	2,517,346	-	54,745,003
Total capital assets being depreciated	3,833,315,119	73,559,238	1,329,273	(15,475,740)	3,892,727,890
Less: Accumulated depreciation					
Land Improvements	(57,701,976)	(7,221,307)	(18,106,382)	191,369	(82,838,296)
Leased Land Improvements	(3,172,841)	(1,685,452)	-	-	(4,858,293)
Buildings and Building Improvements	(103,589,326)	(16,394,014)	18,047,915		(101,935,425)
Infrastructure	(786,259,061)	(76,150,608)	89,814	7,615,611	(854,704,244)
Revenue Vehicles	(400,650,304)	(21,055,626)	(2,801,368)	4,922,644	(419,584,654)
Leased Revenue Vehicles	(16,991,444)	(8,305,307)	5,323,508	29,130	(19,944,113)
Equipment	(55,242,273)	(1,406,694)	(924,207)	342,386	(57,230,788)
Intangibles	(8,240,507)	(6,870,211)	(1,629,280)	-	(16,739,998)
Total accumulated depreciation	(1,431,847,732)	(139,089,219)	-	13,101,140	(1,557,835,813)
Capital assets being depreciated, net	2,401,467,387	(65,529,981)	1,329,273	(2,374,600)	2,334,892,079
Total capital assets, net	\$ 2,949,391,911	\$ 8,339,994	\$ -	\$ (74,365,644)	\$ 2,883,366,259

During 2020, UTA evaluated its capital assets and the associated accumulated depreciation of those assets and saw the need to better define asset useful lives for all Revenue Vehicles. This evaluation has led to change in useful lives of revenue vehicles to be consistent for all assets in those respective categories. These new useful lives reflect the changing understanding of how long a transit revenue vehicle is lasting after a decade of running service in the northern Utah environment. These changes in accounting estimates are reflected in the current year depreciation expense decrease from \$146.1 million in 2019 to \$139 million in 2020. Due to the revaluation of UTA's capital assets, a decrease in depreciation expense for 2020 of approximately \$7 million has been reflected for Revenue Vehicles in the financials. The change in useful life from 2019 to 2020 by vehicle type is illustrated below.

Change in Useful Lives	2019 to 2020
35 Ft. Bus	10 Years to 14 Years
40 Ft. Bus	12 Years to 14 Years
FLEX/Paratransit	6 Years to 8 Years
Vanpool Van	5 Years to 8 Years
Light Rail	25-27 Years to 30 Years
Commuter Rail	30 Years to 35 Years

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation expense by mode that mirrors the Comparative Statement of Revenues, Expenses, and Changes in Net Position.

Depreciation Expense	<u>2020</u>
Bus Service	\$ 29,795,825
Rail Service	102,351,430
Paratransit Service	3,215,090
Other Services	<u>3,726,874</u>
Total Depreciation Expense	<u>\$ 139,089,219</u>

Management evaluates capital assets for impairment when events or changes in circumstances suggest that the service utility of a capital asset may have significantly and unexpectedly declined. This year's impairment loss was \$6,538,469 for the following assets:

<u>Impairment List</u>	<u>Asset #</u>	<u>Useful Life Currently</u>	<u>New Useful Life</u>
Vehicles			
Full-size Transit Vans w/ Lifts	17251	96 months	96 months
Full-size Transit Vans w/ Lifts	17252	96 months	96 months
Full-size Transit Vans w/ Lifts	17253	96 months	96 months
Full-size Transit Vans w/ Lifts	17254	96 months	96 months
Full-size Transit Vans w/ Lifts	17256	96 months	96 months
Wrecked Freightliner Bucket Truck	12628	60 months	Fully depreciated
Antique Bus	8101		600 months
9000 MCI Express	9056		600 months
9700 Gillig M-11	9740		600 months
9900 Gillig 40 Foot	9963		600 months
9900 Gillig 40 Foot	9977		600 months
GMC Antique Bus	2015		600 months
1998 SENATOR BUS	12654		Disposal happening in 2021
2012 Chevy Glaval	12208		600 months
Comet Car Out-of-Service	323	420 months	132 months
Comet Car Out-of-Service	302	420 months	132 months
Comet Car Out-of-Service	303	420 months	132 months
Comet Car Out-of-Service	305	420 months	132 months
Comet Car Out-of-Service	309	420 months	132 months
Comet Car Out-of-Service	310	420 months	132 months
Comet Car Out-of-Service	313	420 months	132 months
Comet Car Out-of-Service	315	420 months	132 months
Comet Car Out-of-Service	316	420 months	132 months
Comet Car Out-of-Service	317	420 months	132 months
Comet Car Out-of-Service	319	420 months	132 months
Comet Car Out-of-Service	320	420 months	132 months
Building			
Kiosk at SL Central	NEW9310	60 months	480 months

NOTE 5 – FEDERAL FINANCIAL ASSISTANCE

The Authority receives a portion of its funding from the through the U.S. Department of Transportation’s Federal Transit Administration (FTA) in the form of federal preventative maintenance, federal operating assistance, and federal capital assistance grants. The majority of these grants require the Authority to participate in the funding of the service and/or capital project. The FTA retains ownership in assets purchased with federal funds.

	<u>2020</u>
Operating assistance	
Federal preventive maintenance grants	\$ 64,465,168
Federal operating assistance – CARES grant	95,617,240
Federal operating assistance grants	<u>175,910</u>
	160,258,318
Capital projects	
Federal capital projects – CARES grant	1,290,132
Federal capital projects	<u>19,608,177</u>
	20,898,309
Total federal assistance	<u><u>\$ 181,156,627</u></u>

NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2020, 2019 and 2018 were as follows:

	Beginning liability	Claims incurred and changes in estimates	Claim payments	Ending liability
2020	\$ 862,650	\$ 2,481,986	\$ (2,327,303)	\$ 1,017,333
2019	\$ 1,155,787	\$ 3,319,863	\$ (3,613,000)	\$ 862,650
2018	\$ 1,495,597	\$ 3,117,762	\$ (3,457,572)	\$ 1,155,787

There were no significant reductions in coverage from prior years. As show in the table above there were no instances in the past 3 years where settlements exceeded insurance coverage. Please refer to Note 2, Section Q for liability limits.

The Authority’s Self-Insurance and Worker’s Compensation plans are fully funded. Losses are charged to operations as incurred. The liability for unpaid losses for self-insurance is determined using case-basis evaluations. Claims liabilities include allocated loss adjustment expenses and are reported net of estimated claims. Due to limited historical experience of the Utah Transit Authority’s Self-Insurance and Worker’s Compensation, there exists a significant range of variability around the best estimate of the ultimate cost of setting all unpaid claims. Accordingly, the amount of the liability for unpaid losses and related liabilities and the related provisions included in financial statements may be more or less than the actual cost of settling all unpaid claims. Adjustments to claim liabilities are made annually, based on subsequent developments and experience, and are included in operations as made.

NOTE 7 – EMPLOYEE BENEFIT PLANS

A. General Information

Deferred Compensation Plan

The 457 Deferred Compensation Plan is offered by the Authority to its employees. The plan was created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The Authority will match \$2 for every \$3 the employee contributes up to 2 percent of the employee's annual salary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The Authority has an obligation of due care in selecting the third-party administrators. In the opinion of management, the Authority has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan. The Authority also has the right to change the amount of the employer match. The deferred compensation assets are held by third party plan administrators and are generally invested in money market funds, stock or bond mutual funds or guarantee funds as selected by the employee.

Retiree Medical Account

A Retiree Medical Account (RMA) is offered by the Authority to its employees. The plan was created in accordance with Internal Revenue Code Section 401(h). The plan is available to all collective bargaining employees at the start of employment and permits the Authority to contribute 1.33 hours of personal time per pay period to a defer tax account until retirement years. The Authority also allows the remaining employees at the end of their employment to create an account to defer taxes on their final pay out of unused sick leave upon retirement into a retiree medical account. The deferred medical funds are not available to employees until termination, retirement, or death and can only be used for medical expenses with tax penalty.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The Authority has an obligation of due care in selecting the third-party administrators. In the opinion of management, the Authority has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan. The Authority also has the right to change the amount contributed to the collective bargaining agreement (CBA). The funds are held by third party plan administrators and are generally invested in money market funds, stock or bond mutual funds or guarantee funds as selected by the employee.

Defined Benefit Plan ("the plan")

The Utah Transit Authority Employee Retirement Plan is a single employer non-contributory defined benefit pension plan which includes all employees of the Authority who are eligible and who have completed six months of service. The Plan is a qualified government plan and is not subject to all of the provisions of ERISA.

As a defined benefit pension plan, the Authority contributes such amounts as are necessary, on an actuarially-sound basis, to provide assets sufficient to meet the benefits to be paid. Required employee contributions were discontinued effective June 1, 1992. Participants may make voluntary contributions as described below. Interest on existing account balances is credited at 5 percent per year.

Although the Authority has not expressed any intention to do so, the Authority has the right under the Plan to discontinue its contributions at any time and to terminate the plan. In the event the plan terminates, the trustee will liquidate all assets of the plan and will determine the value of the trust fund as of the next

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

business day following the date of such termination. The trustee will allocate assets of the Plan among the participants and beneficiaries as required by law.

As of February 2016, U.S. Bank began serving as the administrator and custodian of the Plan, with Cambridge Associates, LLC (CA) serving as a third-party investment manager.

B. Reporting

The Plan is administered by the Pension Committee that consists of five (5) members, one(1) Full Time Board Member, two (2) members appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement and two members of staff appointed by the Board of Trustees. The members of the Pension Committee may (but need not) be participants in the Plan. In the absence of a Pension Committee, the Plan Administrator assumes the powers, duties and responsibilities of the Pension Committee with respect to the administration of the Plan. The Plan does not issue a standalone report.

C. Membership

The Plan’s membership consisted of the following:

<u>Active Participants</u>	<u>January 1, 2020</u>
<i>Fully Vested</i>	1,349
<i>Partially Vested</i>	-
<i>Not Vested</i>	1148
<i>Inactive Participants Not Receiving Benefits</i>	433
<i>Retirees and Beneficiaries Receiving Benefits</i>	717
<i>Total</i>	<u>3,647</u>

D. Benefit Terms

Retirement Benefits

Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 65, or any age with 37.5 years of service in the Plan.

For participants who began participating in the Plan prior to January 1, 1994, the annual benefit is based on a retirement benefit formula equal to:

- 2.3 percent of average compensation multiplied by the participant’s years of service (not exceeding 20 years), plus
- 1.5 percent of the average compensation multiplied by the participant’s years of service in excess of 20 years (but such excess not to exceed 9 years of service), plus
- 0.5 percent for one year plus 2.0 percent for years in excess of 30 years not to exceed 75 percent of average compensation.

For all other active participants, the annual benefit is based on a retirement benefit formula equal to:

- 2.0 percent of average compensation multiplied by the participant’s years of service (not to exceed 37.5 years or 75 percent of average compensation)

Upon termination of employment, members may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

If employees terminate employment before rendering five years of service, they forfeit the right to receive their non-vested accrued plan benefits.

Early Retirement Benefits

The Plan allows for early retirement benefits if the participant has not reached the age of 65 but is at least age 55 with a vested benefit. Benefits under early retirement are equal to the value of the accrued pension, if the participant had retired at the age of 65, reduced 5 percent per year if the payments begin before age 65.

Disability Benefits

The Plan allows for disability benefits. A member who becomes permanently disabled after 5 years of service will immediately receive the greater of the actuarially reduced monthly accrued benefit or \$90 per month, reduced by any Authority sponsored disability plans. Payment of the disability benefit ends at age 65.

Death Benefits

If a participant's death occurs before age 55, but after 5 years of service, the present value of the participant's accrued vested benefit is payable to the participant's beneficiary in the form of a single lump sum regardless of the amount.

If a participant's death occurs after age 55 and 5 years of service, the participant's beneficiary can elect to receive a benefit equal to the greater of:

- 1) A survivor's pension as if the participant had retired on the date before the death with a 100 percent joint and survivor annuity in effect, or
- 2) The present value of the survivor's pension, or
- 3) If a spouse of 2 or more years or a minor child, the participant's contribution with interest, plus 50 percent of the average compensation, payable in the form of a lump sum, or
- 4) A 10-year term certain.

A participant may elect a joint and survivor annuity with 100 percent, 75 percent or 50 percent to be continued to the beneficiary upon the death of the participant.

Lump Sum Distributions

Payment in a lump sum, regardless of amount, may be made with the participant's written consent. Effective September 1, 2012, a participant who has not previously received benefits may elect a partial lump sum payment with the remaining part to be paid in the same manner as the traditional annuity.

During 2020, 43 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$6,879,961. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

E. Contributions

Employer Contribution Requirements

Contributions are received from the Authority in the amount determined by the Pension Committee and approved by the Board of Trustees based on funding levels recommended by the Plan’s actuary. The contribution rate for 2020 was 16.3 percent of covered payroll.

Participant Voluntary Contributions

A participant who is vested in the Plan may make voluntary contributions into the Plan, and transfer funds from the Employee 457 Deferred Compensation Plan, for the purpose of purchasing “permissive service credit” (as defined in Internal Revenue Code Section 415(N)(3)(A)), in the Plan. No more than 5 years of “permissive service credit” may be purchased. Any purchase of “permissive service credit” must be made in the final year of employment with the Authority.

F. Method of Accounting

The Plan prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, under which benefits, and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable in accordance with the terms of the Plan. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments. The plan reports in accordance with the requirements of GASB 67.

G. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net pension liability

On December 31, 2020, the Authority reported a net pension liability of \$96,783,597. The net pension liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using updated procedures.

Date	Total Pension Liability	Plan Fiduciary Net Position	Employers Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Plan Liability	Projected Covered Payroll	Net Pension Liability as a Percentage Of Covered Payroll
12/31/2020	\$376,688,506	\$279,905,104	\$96,783,597	74.31%	\$152,297,365	63.55%

Deferred outflows of resources and deferred inflows of resources

On December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (318,706)	\$ 10,706,609
Change of Assumptions	(958,957)	11,260,488
Net difference between projected and actual earnings	(20,689,630)	-
Contributions made subsequent		-
Total	\$ (21,967,293)	\$ 21,967,097

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

Pension expense

For the year ended December 31, 2020, the Authority recognized pension expense of \$17,979,414. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ending December 31,	Amount
2021	\$ (1,642,838)
2022	2,035,321
2023	(4,049,674)
2024	(83,613)
2025	2,610,318
Thereafter	1,130,290
Total	\$ <u>(196)</u>

Actuarial assumptions

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	5.40% per annum for the first five (5) years of employment; 3.40% per annum thereafter
Investment rate of return	6.75%, net of investment expenses
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Pre-retirement; Employee Table; Post-retirement Annuitant Table)

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2008.

Discount rate

The discount rate used to measure the total pension liability was 6.75 percent. Previous to 2020 a discount rate of 7% was used. The projection of cash flows used to determine the discount rate assumed contribution rates as recommended by the Authority’s Pension Committee and approved by the Board of Trustees. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive participants. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the table below presents the net pension liability using the discount rate of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate 1.00 percent lower (5.75 percent) or 1.00 percent higher (7.75 percent) than the current rate.

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 6.75 percent.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 430,302,012	\$ 376,688,506	\$ 332,559,650
Fiduciary net position	279,905,104	279,905,299	279,905,104
Net pension liability	\$ 150,396,908	\$ 96,783,597	\$ 52,654,546

Schedule of changes in total pension liability, plan fiduciary net position, and net pension liability

The following table shows the change to the total pension liability, the plan fiduciary net position, and the net pension liability during the year.

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability [a]-[b]
Balances as of January 1, 2020	\$ 345,622,189	\$ 241,757,350	\$ 103,864,839
Charges for the year			
Service cost	10,653,870		10,653,870
Interest on total pension	24,263,256		24,263,256
Differences between expected and actual experience	4,292,503		4,292,503
Changes of assumptions	10,401,274		10,401,274
Plan provision (lump sum interest rate) change	1,019,977		1,019,977
Employer contributions		24,273,996	(24,273,996)
Member voluntary	83,988	83,988	-
Net investment income		33,846,064	(33,846,064)
Benefit payments	(19,648,551)	(19,648,551)	
Administrative expenses		(407,938)	407,938
Balance as of December 31, 2020	\$ 376,688,506	\$ 279,905,299	\$ 96,783,597

H. Investments

All Plan investments are stated at fair value. Most types of marketable or actively traded investments are priced by nationally known vendors. In the event that an investment is not priced by the primary vendor, the Custodian (US Bank) engages a secondary vendor or other source. See Note 3- Investments, Fair Value Measurements.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

Investment Policy

The Pension Committee has adopted an Investment Policy Statement (IPS). The IPS is reviewed by the Pension Committee once a year and was amended effective February 2016 to revise the asset classes. A normal weighting is now indicated for each asset class. The IPS was also amended to provide a list of prohibited investments.

In setting the long-term asset policy for the Plan, the Committee has opted to provide a minimum and maximum allowable allocation to the major asset classes. The aggregate exposure to each of the asset classes is to remain within the following ranges:

	Policy Allocation	
	Target Allocation	Allowable Range
Global Equity	63%	51% - 75%
Liquid Diversifiers	10%	0% - 15%
Real Assets	4%	0% - 8%
Fixed Income	22%	12% - 32%
Cash & Equivalents	1%	0% - 5%

Rate of Return

The long-term rate of return is selected by the Plan’s Pension Committee after a review of the expected inflation and long-term real returns, reflecting expected volatility and correlation. The assumption currently selected is 6.75 percent per annum, net of investment expenses.

I. Payment of Benefits

Benefit payments to participants are recorded upon distribution.

J. Administrative Expenses

Expenses for the administration of the Plan are budgeted and approved by the Pension Committee. For the year ended December 31, 2020 the Plan paid \$407,938 of administrative expenses

K. Tax Status

The Plan operates under an exemption from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code as a defined benefit plan.

L. Mutual Fund Asset Coverage

The Securities and Exchange Commission requires mutual fund companies to obtain fidelity bond coverage for the assets under their control. The bond coverage varies in amounts depending on the mutual fund.

M. Cash Deposits

Custodial credit risk for cash deposits is the risk in the event of a bank failure, the Plan’s cash deposits may not be returned. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 per depositor per institution. Cash deposits and account balances in excess of \$250,000 are uninsured and uncollateralized.

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

The Plan considers short-term investments with an original maturity of 3 months or less to be cash equivalents.

	<u>2020</u>
Cash held in banking institution(s)	\$ 440,817

N. Risks and Uncertainties

The Plan utilizes various investments which, in general are exposed to various risks such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

O. Credit Risk

Credit risk for investments is in the risk that the counterparty to an investment will not fulfill its obligations. The Plan's rated investments are show below.

Fixed Income:			
2020	\$	59,948,353	AA/Aa Rated

P. Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The table below shows the maturities of the Plan's investments.

Fixed Inc funds:			
2020	\$	59,948,353	Average effective duration: 5.3 years Average effective maturity: 7.5 years

Q. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The following amounts represent 5 percent or more of the Plan's fiduciary net position and investments as of December 31, invested with any one organization.

	<u>2020</u>
Equity funds:	
Two Sigma Active US All Cap &	\$ 26,268,193
Ssga - 3-10 Tr US Tres Indx Ed	15,295,979
Investments	
Fixed income:	
IR+M Core Bond Fund II	\$ 23,778,130

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

	Investment Assets at Fair Value as of December 31, 2020
	Level 1
Money Market Funds	\$ 11,069,957
Global Equity	73,640,827
Liquid Diversifier	-
Real Assets	9,159,952
Fixed Income	3,687,008
Total Assets at Fair Value	\$ 97,557,744

R. Net Asset Value per Share

The following tables provide additional disclosures concerning the investments measured at fair value based on NAV as of December 31, 2020.

	2020			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Equity	\$ 107,301,447	\$ -	Daily	Daily
Liquid Diversifier	13,969,239	\$ -	Daily	Daily
Real Assets	1,787,388	\$ -	Daily	Daily
Fixed Income	56,261,345	\$ -	Daily	Daily
Total	\$ 179,319,419	\$ -		

Global Equity – intended to provide capital appreciation, current income, and growth of income mostly through the ownership of public equities representing an ownership interest in a company. The objective for investment managers in this category is to exceed the results represented by the annualized return of the MSCI All Country World Index, net over annualized rolling three to five-year time periods.

Liquid Diversifiers – intend to provide the Fund with less directional equity exposure and less correlated returns to traditional asset class (i.e. equities and fixed income). These strategies may utilize multiple asset classes spanning across the capital structure of equity and debt securities and they may also employ leverage, commodities, and derivatives. These investments will be made in managers with more liquid investment profiles through mutual funds or commingled vehicles.

Real Assets – intended to provide real return through investments which has inflation sensitive characteristics. Investments could include REITs, natural resource equities, MLPs, inflation linked bonds and commodities.

Fixed Income – intended to provide diversification and protection against downward moves in the equity market and serves as a deflation hedge and a predictable source of income. Weighted average duration of the allocation will be within 1 year of the Barclays Capital Aggregate Bond Index, as measured on a quarterly basis.

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

S. Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle

of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Fiscal Year Ending December 31 2020	Net Money-Weighted Rate of Return 13.88%
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Schedule is intended to show information for 10 years. Additional years will be displayed when available.

T. Actuarial Valuation

The total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2020 valuation are as follows:

- Actuarial Cost Method – Entry Age Normal
- Inflation – 2.30 percent
- Employer Annual Payroll Growth Including Inflation – 3.40 percent
- Salary Increases – 5.4 percent for the first five years of employment; 3.4 percent per annum thereafter
- Mortality – RP 2014 Blue Collar Mortality Table, with MP-2014 projection scale
- Investment Rate of Return – 6.75 percent, net of investment expenses
- Retirement Age – Table of rates by age and eligibility
- Cost of Living Adjustments – None
- Percent of Future Retirements Electing Lump Sum – 20 percent

U. Target Allocations

The long-term rate of return is selected by the Plan’s Pension Committee after a review of expected inflation and long-term real returns, reflecting expected volatility and correlation. Best estimates of the compound nominal rates of return for each major asset class included in the Plan’s target asset allocations as of December 31, 2020, is summarized in the table below.

:

Asset Class	Target Asset Allocation	Geometric Long Term Expected Return
Global Equities	63%	6.8%
Fixed Income	22%	2.7%
Liquid Diversifiers	10%	3.4%
Real Assets	4%	5.1%
Cash & Equivalents	1%	1.6%
Total	100%	5.4%

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

The 6.75 percent assumed investment rate of return is comprised of an inflation rate of 2.30 percent and a real return

V. Discount Rate and Rate Sensitivity Analysis

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on the actuarially determined rates. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all the projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

W. Employer Contribution Requirements

The Authority’s contribution rate consists of (1) an amount for normal cost, the estimated amount necessary to finance benefits earned by participants during the current year, and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over the service life of the vested participants in accordance with the Authority’s adoption of GASB 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The rates are determined using the entry age actuarial

SCHEDULE OF FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust
ASSETS	
Cash in Bank	\$ 440,817
Investments	
Global Equities	180,702,335
Fixed Income	59,948,353
Liquid Diversifiers	13,969,240
Real Assets	10,947,340
Money Market	11,312,878
Total Investments	<u>276,880,146</u>
Prepaid Benefits	1,167,307
Receivables	
Dividends Receivable	211
Accounts Receivable - Benefits	3,879
Accounts Receivable - Contributions	1,423,466
Total Receivables	<u>1,427,556</u>
TOTAL ASSETS	<u><u>279,915,826</u></u>
LIABILITIES	
Benefits Payable	10,722
TOTAL LIABILITIES	<u>10,722</u>
NET POSITION	
Restricted for Pension	<u><u>279,905,104</u></u>

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust
ADDITIONS	
Employer Contributions	\$ 24,273,996
Participant Voluntary Contributions	83,988
Total Contributions	<u>24,357,984</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	33,682,504
Interest	16,418
Dividends	919,037
Total Investment Income	<u>34,617,959</u>
Less: Investment Expense	771,700
Net Investment Income	<u>33,846,259</u>
TOTAL ADDITIONS	<u><u>58,204,243</u></u>
DEDUCTIONS	
Monthly Benefits Paid	12,768,590
Lump Sum Distributions	6,879,961
Administrative Expense	407,938
TOTAL DEDUCTIONS	<u>20,056,489</u>
CHANGE IN NET POSITION	<u><u>\$ 38,147,754</u></u>
Total Net Position (Restricted), January 1	\$ 241,757,350
Total Net Position (Restricted), December 31	\$ 279,905,104



NOTE 8 – JOINT INSURANCE TRUST

A. General Information

The Union and the Authority have agreed on February 1, 1989 that specific amounts of money paid for insurance benefit purposes for the union members be controlled by a trust. The trust should also control any additional amounts paid by the union member shall be deposited in same agreed upon trust account.

B. Reporting Entity

The trust is administered by the Joint Insurance Committee that consists of seven (7) members, one (1) neutral member agreed upon by the Union and the Authority, three (3) appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement and three members of staff appointed by the Authority. The members of the Joint Insurance Committee may (but need not) be participants in the trust.

C. Membership

The Other Employee Benefit Plan’s membership consisted of:

	<u>December 31, 2020</u>
Active participants	1,417
Inactive participants not receiving benefits	288
Total	<u>1,705</u>

D. Benefit Terms

Insurance Benefits

The Amalgamated Transit Union (ATU) and the Authority have established, through various collectively bargaining agreements, provisions for payment of medical, dental, vision, life, accident, and short-term disability insurances.

E. Contributions

Employer Contribution Requirements

Contributions from the Authority are determined by based on the current collective bargaining agreement.

Participant Matching Contributions

A participant is an employee of the Authority who is eligible for insurance benefits under the collective bargaining agreement or is eligible for Consolidated Omnibus Budget Reconciliation Act (COBRA). Certain insurance plans in the trust require participants to pay a portion of the premiums or all of the premium to participate.

F. Method of Accounting

The Plan prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, under which benefits, and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments.

NOTE 8 – JOINT INSURANCE TRUST (continued)

The plan does not issue a standalone report.

SCHEDULE OF FIDUCIARY NET POSITION

	<u>Joint Insurance Trust</u>
ASSETS	
Cash in Bank	\$ 1,756,671
Cash in Utah State Treasury	444,578
Total Cash	<u>2,201,249</u>
Investments	1,806,348
Deposits	104,795
Receivables	1,784,335
TOTAL ASSETS	<u>5,896,727</u>
LIABILITIES	
Accounts Payable	130,000
TOTAL LIABILITIES	<u>130,000</u>
NET POSITION	
Restricted for Benefits Other than Pension	<u>5,766,727</u>

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	<u>Joint Insurance Trust</u>
ADDITIONS	
Employer Contributions	\$ 19,805,127
Participant Voluntary Contributions	570,223
Total Contributions	<u>20,375,350</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	11,290
Interest	35,952
Total Investment Income	<u>47,242</u>
TOTAL ADDITIONS	<u>20,422,592</u>
DEDUCTIONS	
Monthly Benefits Paid	19,170,642
Administrative Expense	81,715
TOTAL DEDUCTIONS	<u>19,252,357</u>
CHANGE IN NET POSITION	<u>\$ 1,170,235</u>
Total Net Position (Restricted), January 1	\$ 4,596,492
Total Net Position (Restricted), December 31	\$ 5,766,727

NOTE 9 – LIABILITIES

The Authority issues revenue, capital interest, and capital appreciation bonds along with financing leases in order to provide funding for long-term capital improvements and acquisitions of capital assets. In some instances the full faith and credit of the Authority are pledged to secure the debt, while some are limited to pledge revenues stated in the bond. Leasehold interests in the vehicle being financed act as security for financing lease agreements.

Related to bonds, the Authority's interest payments are typically semiannual on June 15th and December 15th. Interest expense is accrued for the 16 remaining days of December as part of accrued interest. The larger part of accrued interest is related to Utah County's 2016 Debt issuance. Previous year's principal and interest payments made by Utah County along with operation expense contributed for the Utah Valley Express bus route that started in August 2018 are in accrued interest. In 2019, Utah County and the Authority agreed a new 4th quarter cent sales tax in Utah County for transit would be exclusively used to repay any obligation be accrued by the Authority related to the Utah Valley Express bus route.

In addition, the Authority has long term obligations related to compensate absences which represent obligations to employees for unused vacation leave balances or guaranteed health saving account contributions at retirement for unused sick leave balances. General revenues are used to liquidate compensated absence balances and other long term obligations.

In the event of default, the Trustee for the bonds may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, in any, and interest on the Bonds the Outstanding or to enforce any obligations of the Authority. However, the Authority's obligations with respect to the Bonds are limited to Pledged Revenues. (Amended and Restated General Indenture of Trust, dated September 1, 2002)

For those debts for which collateral or a leasehold interest has been pledged, the most likely remedy in the event of default would be though other possible remedies include acceleration of all unpaid payments on the debt, possession of pledged property by the debtor, and any necessary legal actions against the Authority to cure the default. (The Authority's Current Standard Lease Purchase Agreement Language)

On March 19th, 2020, the Authority issued \$216,650,000 In Senior Sales Tax Revenue Bonds to provide resources to purchase qualifying open market securities which were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2015A Senior Revenue Bonds. As a result the refunded bonds are considered defeased and a portion of liability for those bonds have been removed. The transaction resulted in a reduction of total debt service requirements by \$21,052,014 which resulted in an economic gain of \$17,464,464.

On November 12th, 2020, the Authority issued \$74,750,000 in Subordinated Lien Sales Tax Revenue Bonds to provide resources to purchase qualifying open market securities which were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of 2012 Revenue Bonds. As a result the refunded bonds are considered totally defeased and the liability for those bonds have been removed. The transaction resulted in a reduction of total debt services requirements by \$11,074,073 which resulted in an economic gain of \$8,914,307.

In prior years, the Authority has refunded certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the Authority's financial statements. At December 31, 2020, \$217,309,832 of the 2012A Revenue Bond and \$348,598,949 of the 2015A Revenue Bond were defeased in irrevocable trust. In 2020, \$10,457,750 from the 2012A and \$15,057,250 from the 2015A were paid from these irrevocable trust accounts. Certain amounts that were paid during refunding are capitalized and amortized over the life of the debt and are reported as deferred amounts on refundings.

UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

NOTE 9 – LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
DIRECT BORROWINGS:				
<u>INTER-LOCAL LOAN:</u>				
On December 22, 2016, Utah County issued a \$65 million Subordinated Transportation Sales Tax Revenue Bond to be used for the construction of the Utah Valley Express bus route. The Authority and Utah County have entered into an inter-local agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028. The Authority paid the November 1, 2020 bond principal and interest payment. The principal amount paid was \$1,410,000 and the interest paid was \$961,433.20. The amount owed to the County was reduced by those amounts. In 2020, the Authority will remit \$2,735,019 to Utah County for repayment of prior debt payments per the terms of Utah County 4 th Quarter Cent Sales Tax Inter-local Agreement.	\$65,665,597	\$1,885,735	\$5,219,241	-
Subtotal: Direct Borrowings – Inter-local Loan	\$65,665,597	\$1,885,735	\$5,219,241	-
<u>FINANCING LEASES:</u>				
\$5,283,500 12-Year Financing Lease, Series 2015, issued July 17, 2015, maturing monthly from August 17, 2015 through July 17, 2027, with interest payable monthly at rate of 2.0908%. A leasehold interest in 10 CNG buses and equipment is pledged as security for the debt.	\$3,061,703	\$438,385	-	\$2,898,587
\$2,480,000 12-Year Financing Lease, Series 2016, issued September 27, 2016, maturing monthly from October 27, 2016 through September 27, 2028, with interest payable monthly at rate of 1.6322%. A leasehold interest in 5 ski buses and equipment is pledged as security for the debt.	\$1,656,614	\$202,175	-	\$1,601,667
\$4,546,000 5-Year Financing Lease, Series 2016, issued September 27, 2016, maturing monthly from October 27, 2016 through September 27, 2021, with interest payable monthly at rate of 1.3008%. A leasehold interest in 33 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.	\$700,881	\$700,881	-	\$681,900
\$24,390,000 12-Year Financing Lease, Series 2017, issued November 30, 2017, maturing monthly from December 31, 2017 through November 30, 2029, with interest payable monthly at rate of 2.2440%. A leasehold interest in 47 buses and equipment is pledged as security for the debt.	\$18,735,162	\$1,919,557	-	\$18,123,125

UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

NOTE 9 – LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$1,444,000 5-Year Financing Lease, Series 2017, issued November 30, 2017, maturing monthly from December 31, 2017 through November 30, 2022, with interest payable monthly at rate of 1.8200%. A leasehold interest in 33 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.	\$569,105	\$294,449	-	\$558,208
\$1,307,000 4-Year Financing Lease (A vehicle was totaled and paid off in 2018, therefore the principle was reduced by \$28,893), Series 2017, issued November 30, 2017, maturing monthly from December 31, 2017 through November 30, 2021, with interest payable monthly at rate of 1.7700%. A leasehold interest in 36 RideShare vans is pledged as security for the debt.	\$298,511	\$298,511	-	\$290,539
\$12,496,000 12-Year Financing Lease, Series 2018, issued November 28, 2018, maturing monthly from December 28, 2018 through November 30, 2030, with interest payable monthly at rate of 3.2950%. A leasehold interest in 24 buses, 2 trolleys, and their associated equipment is pledged as security for the debt.	\$10,664,701	\$924,626	-	\$10,326,555
\$381,000 5-Year Financing Lease, Series 2018, issued November 28, 2018, maturing monthly from December 28, 2018 through November 30, 2023, with interest payable monthly at rate of 3.0570%. A leasehold interest in 36 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.	\$229,285	\$76,323	-	\$214,790
\$1,500,000 4-Year Financing Lease, Series 2018, issued November 28, 2018, maturing monthly from December 28, 2018 through November 30, 2022, with interest payable monthly at rate of 3.0220%. A leasehold interest in 60 RideShare vans is pledged as security for the debt.	\$727,660	\$374,395	-	\$705,468
\$5,190,000 12-Year Financing Lease, Series 2019, issued August 8, 2019, maturing monthly from September 8, 2019 through August 8, 2031, with interest payable monthly at rate of 2.2200%. A leasehold interest in 10 buses and equipment is pledged as security for the debt.	\$4,679,158	\$393,169	-	\$4,454,104

UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

NOTE 9 - LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$2,730,000 5-Year Financing Lease, Series 2019, issued August 8, 2019, maturing monthly from September 8, 2019 through August 8, 2024, with interest payable monthly at rate of 1.9100%. A leasehold interest in 30 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.	\$2,027,279	\$538,901	-	-
\$1,960,000 4-Year Financing Lease, Series 2019, issued August 8, 2019, maturing monthly from September 8, 2019 through August 8, 2023, with interest payable monthly at rate of 1.9100%. A leasehold interest in 52 RideShare vans is pledged as security for the debt.	\$1,323,219	\$488,333	-	\$824,027
\$9,530,000 14-Year Financing Lease, Series 2020, issued December 5, 2020, maturing monthly from January 3rd, 2021 through December 3, 2034, with interest payable monthly at rate of 1.696%. A leasehold interest in 20 buses and equipment is pledged as security for the debt.	\$9,530,000	\$608,287	-	-
\$3,060,000 6-Year Financing Lease, Series 2020, issued December 5, 2020, maturing monthly from January 3, 2021 through December 3, 2026, with interest payable monthly at rate of .964%. A leasehold interest in 25 Flex/Paratransit vehicles and 35 RideShare vans and equipment is pledged as security for the debt.	\$3,060,000	\$499,216	-	-
Subtotal Direct Borrowings: Financing Leases	\$57,263,278	\$7,757,208	-	\$40,678,970
TOTAL DIRECT BORROWINGS	\$122,928,875	\$9,642,943	\$5,219,241	\$40,678,970
OTHER DEBT:				
REVENUE BONDS:				
\$20,630,000 Senior Revenue bonds, Series 2005A, issued August 10, 2005, maturing annually from June 15, 2005 through June 15, 2022, with interest payable semiannually at rates from 3.25-5.25%.	\$3,730,000	\$1,815,000	\$8,159	-
\$134,650,000 Senior Revenue bonds, Series 2006C, issued October 24, 2006, maturing annually from June 15, 2007 through June 15, 2032, with interest payable semiannually at rates from 5.00% - 5.25%	\$96,775,000	\$5,950,000	\$211,695	-

UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

NOTE 9 – LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$700,000,000 Senior Revenue bonds, Series 2008A, issued April 10, 2008, maturing annually from December 15, 2008 through June 15, 2038, with interest payable semiannually at rates from 4.75-5.25%	\$48,410,000	-	\$105,897	-
\$668,655,000 Senior Revenue bonds, Series 2015A, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2038, with interest payable semiannually at rates from 2.00-5.00%.	\$480,220,000	\$18,235,000	\$902,721	-
\$192,005,000 Subordinate Revenue bonds, Series 2015B, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2037, with interest payable semiannually at rates from 3.00-5.00%.	\$64,020,000	\$5,840,000	\$133,375	-
\$145,691,498 Subordinate Revenue bonds, Series 2016, issued August 24, 2016, maturing annually from December 15, 2016 through December 15, 2031, with interest payable semiannually at rates from 3.00 - 4.00%.	\$126,780,000	-	\$191,763	-
\$83,765,000 Senior Revenue bonds, Series 2018, issued March 15, 2018, maturing annually from June 15, 2018 through December 15, 2036, with interest payable semiannually at rates from 3.722 - 5.00%.	\$82,265,000	-	\$147,392	-
\$115,540,000 Subordinate Revenue bonds, Series 2018, issued March 15, 2018, maturing annually from June 15, 2018 through December 15, 2041 with interest payable semiannually at rates from 3.125-5.00%.	\$113,035,000	\$3,235,000	\$212,120	-
\$61,830,000 Senior Revenue bonds, Series 2019A, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2044, with interest payable semiannually at rates from 3.00-5.00%.	\$61,830,000	-	\$104,579	-
\$188,810,000 Senior Revenue bonds, Series 2019B, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2042, with interest payable semiannually at a rate of 3.443%.	\$188,810,000	-	\$249,577	-
\$59,070,000 Subordinate Revenue bonds, Series 2019B, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2042, with interest payable semiannually at rates from 3.393-3.643%.	\$59,070,000	-	\$87,851	-

UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

NOTE 9 - LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$216,650,000 Taxable Senior Lien Sales Tax Revenue bonds, Series 2020, issued March 19, 2020, maturing annually from June 15, 2020 through December 15, 2038, with interest payable semiannually at rates from .937-2.774%.	\$211,370,000	\$4,090,000	\$196,267	-
\$74,750,000 Subordinate Revenue bonds, Series 2020B, issued November 12, 2020, maturing annually from June 15, 2021 through December 15, 2039, with interest payable semiannually at rates from 2.375-2.97%.	\$74,750,000	-	\$274,395	-
Subtotal Revenue Bonds	\$1,611,065,000	\$39,165,000	\$2,825,791	-
CURRENT INTEREST BONDS:				
\$128,795,000 Subordinate Current Interest Debt, Series 2007A, issued June 19, 2007, maturing annually from December 15, 2007 through June 15, 2035, with interest payable semiannually at a rate of 5.00%.	\$115,895,000	-	\$241,448	-
Subtotal Current Interest Bonds	\$115,895,000	-	\$241,448	-
BUILD AMERICA BONDS:				
\$261,450,000 Senior Debt, Series 2009B, issued May 21, 2009, maturing annually from December 15, 2009 through June 15, 2029, with interest payable semiannually at a rate of 5.937%. The authority elected to treat the 2009B bonds as "Build America Bonds" for the purpose of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipates cash subsidy payments from the United States Treasury equal to 35% (\$5,432,800) of the interest payable on the 2009B bonds.	\$261,450,000	-	\$646,762	-
\$200,000,000 Subordinate Debt, Series 2010A, issued October 20, 2010, maturing annually from June 15, 2011 through June 15, 2040, with interest payable semiannually at a rate of 5.705%. The authority elected to treat the 2010A bonds as "Build America Bonds" for the purpose of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipates cash subsidy payments from the United States Treasury equal to 35% (\$3,993,500) of the interest payable on the 2010A bonds.	\$200,000,000	-	\$475,417	-

UTAH TRANSIT AUTHORITY
 FINANCIAL SECTION
 Year Ended December 31, 2020

NOTE 9 – LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
Subtotal Build America Bonds	\$461,450,000	-	\$1,122,179	-
CAPITAL APPRECIATION BONDS				
\$18,911,498 Capital Appreciation Subordinate Debt, Series 2016, issued August 24, 2016, maturing December 15, 2032 at a rate of 3.32%	\$18,911,498	-	\$2,848,380	-
Subtotal Capital Appreciation Bonds	\$18,911,498	-	\$2,848,380	-
TOTAL OTHER DEBT	\$2,207,321,498	\$39,165,000	\$7,037,798	-

OTHER DEBT

The Sales Tax Revenue Bonds are payable from and secured by UTA’s sales and use tax revenue. UTA is required to maintain certain minimum deposits, as defined in the Indenture of Trust, to meet debt service requirements. Sales Tax Revenue Bonds debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2021	39,165,000	96,047,559	135,212,559
2022	48,150,000	93,805,233	141,955,233
2023	59,260,000	91,236,726	150,496,726
2024	62,125,000	88,368,593	150,493,593
2025	67,060,000	85,373,164	152,433,164
2026-2030	431,605,000	374,990,061	806,595,061
2031-2035	544,171,498	288,273,854	832,445,352
2036-2040	671,075,000	141,121,663	812,196,663
2041-2044	284,710,000	15,542,236	300,252,236

DIRECT BORROWINGS

Beginning in 2015, UTA has secured capital leases annually for the purchase of buses, paratransit vehicles and vanpool commuter vans. The Capital Lease Agreements from 2015 through 2019 were secured from Banc of America Public Capital Corporation and the Capital Lease Agreement in 2020 was secured through JP Morgan Chase Bank.

On December 22, 2016, Utah County issued a \$65 million Subordinated Transportation Sales Tax Revenue Bond to be used for the construction of the Utah Valley Express bus route. The Authority and Utah County have entered into an inter-local agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028

NOTE 9 LONG-TERM LIABILITIES (continued)

Annual repayment requirements on the Direct Borrowings are:

Year ending December 31,	Principal	Interest	Total
2021	9,642,943	3,075,301	12,718,245
2022	8,394,708	2,871,646	11,266,354
2023	7,775,699	2,679,223	10,454,922
2024	7,349,737	2,498,642	9,848,379
2025	7,144,436	2,324,815	9,469,251
2026-2030	79,338,088	7,635,819	86,973,907
2031-2034	3,283,264	106,253	3,389,517

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Other Debt:					
Sales Tax Revenue Bonds	2,198,209,467	291,400,000	(282,287,969)	2,207,321,498	39,165,000
Issuance premiums/(discounts)	132,932,460	(570,550)	(15,320,667)	117,041,243	-
Total Other Debt	2,331,141,927	290,829,450	(297,608,636)	2,324,362,741	39,165,000
Direct Borrowings					
Financing Lease Agreements	52,187,087	12,590,000	(7,513,809)	57,263,278	7,757,208
Inter-local Loan	68,077,030	3,696,453	(6,107,886)	65,665,597	1,885,735
Total Direct Borrowings	120,264,117	16,286,453	(13,621,695)	122,928,875	9,642,943
Total long-term liabilities	2,451,406,044	307,115,903	(311,230,331)	2,447,291,616	48,807,943

Compensated Absences

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020
Total Vacation Liability	7,184,755	10,969,251	(9,073,774)	9,080,232
Total Sick Liability	5,248,453	1,204,730	(1,195,308)	5,257,875
Total Compensated Absences	12,433,208	12,173,981	(10,269,082)	14,338,107

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Authority is a defendant in various matters of litigation and has other claims pending as a result of activities in the ordinary courses of business. Management and legal counsel believe that by reason of meritorious defense, by insurance coverage or statutory limitations, these contingencies will not result in a significant liability to the Authority in excess of the amounts provided as accrued self-insurance liability in the accompanying financial statements.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (continued)

As of December 31, 2020, the Authority also has purchasing commitments of \$127.8 million for capital projects. The largest of these commitments are as follows:

- \$53.2 million Depot District
- \$19.1 million Bus Replacements
- \$13.5 million Light Rail Overhaul
- \$ 7.9 million TRAX Airport Relocation Design
- \$ 7.0 million Train Control Rehabilitation and Replacement
- \$ 5.5 million Sandy Civic Center Parking Structure
- \$ 4.8 million TIGER Grant Projects
- \$ 1.1 million Ogden-Weber State University Bus Rapid Transit
- \$ 0.7 million South Davis County Bus Rapid Transit

NOTE 11 –SUBSEQUENT EVENTS

On December 27, 2020, President Donald J. Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) providing \$14 billion to transit agencies in the form of formula grant to help to respond to the COVID-19 pandemic. The total available amount for UTA that will be executed in a grant in the summer of 2021 is as follows:

<i>UZA</i>	<i>Amount</i>
<i>Salt Lake</i>	\$ 30,597,668
<i>Ogden</i>	760,201
<i>Provo</i>	2,226,234
<i>Total</i>	\$ 33,584,103

	<i>Amount</i>
<i>Enhance Mobility for Seniors and Individuals with Disabilities</i>	248,032

On March 11, 2021, President Joseph R. Biden signed the American Rescue Plan Act (ARPA) of 2021 providing \$30.5 billion to transit agencies in the form of formula grant to help to respond to the COVID-19 pandemic. The total available amount for UTA that will be executed in a grant in the fall of 2021 is as follows:

<i>UZA</i>	<i>Amount</i>
<i>Salt Lake</i>	\$ 108,443,995
<i>Ogden</i>	38,143,636
<i>Provo</i>	21,189,816
<i>Total</i>	\$ 167,777,447

	<i>Amount</i>
<i>Enhance Mobility for Seniors and Individuals with Disabilities</i>	248,035

Although the long-term economic impact of COVID-19 pandemic is unknown at this time, UTA anticipates that the three rounds of stimulus funding will allow UTA to carefully evaluate long-term financial impacts and make necessary adjustments, if any, to align its expenditures to a new level of revenue streams.

Required Supplementary Information

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2020

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – 10 YEARS

	2020	2019	2018
Total Pension Liability			
Service cost	\$ 10,653,870	\$ 10,244,115	\$ 9,550,863
Interest on total pension liability	24,263,256	22,947,802	21,512,781
Voluntary member contributions	83,988	298,803	223,572
Differences between expected and actual experience	4,292,503	3,347,505	4,893,150
Assumption changes or inputs	11,421,251	-	-
Benefits paid	(19,648,551)	(17,302,699)	(15,474,819)
Net change in total pension liability	<u>31,066,317</u>	<u>19,535,526</u>	<u>20,705,547</u>
Total pension liability - beginning	345,622,189	326,086,663	305,381,116
Total pension liability - ending (a)	376,688,506	345,622,189	326,086,663
Plan Fiduciary Net Position			
Contributions - employer	\$ 24,273,996	\$ 24,008,192	\$ 22,355,434
Contributions - members	83,988	298,803	223,572
Net investment income	33,846,454	40,648,932	-16,629,921
Benefits paid	(19,648,551)	(17,302,69)	(15,474,819)
Administrative expense	(407,938)	(434,427)	(440,279)
Net change in plan fiduciary net position	<u>38,147,949</u>	<u>47,218,801</u>	<u>(9,966,013)</u>
Plan fiduciary net position - beginning	241,757,350	194,538,549	204,504,562
Plan fiduciary net position - ending (b)	279,905,299	241,757,350	194,538,549
Net pension liability / (asset) - ending (a-b)	<u>\$ 96,738,597</u>	<u>\$ 103,864,839</u>	<u>\$ 131,548,114</u>
Plan fiduciary net position as a percentage of the total pension liability	74.31%	69.95%	59.66%
Projected covered employee payroll	\$ 152,297,365	\$ 141,812,999	\$ 132,521,079
Net pension liability as a percentage of covered employee payroll	63.55%	73.24%	99.27%

Notes:

2020: amounts reported as assumption changes or inputs resulted from lowering the discount rate from 7.00% to 6.75%.

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2020

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service cost	\$ 8,368,262	\$ 7,711,706	\$ 7,545,807	\$ 7,284,379
Interest on total pension liability	20,368,031	19,604,345	18,717,411	17,623,248
Voluntary member contributions	697,576	437,923	916,567	275,663
Differences between expected and actual experience	4,915,564	-927,077	-1,973,177	0
Assumption changes or inputs	5,079,447	-3,955,702	7,725,363	0
Benefits paid	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Net change in total pension liability	<u>26,420,738</u>	<u>9,890,580</u>	<u>21,377,147</u>	<u>15,001,558</u>
Total pension liability - beginning	278,960,378	269,069,798	247,692,651	232,691,093
Total pension liability - ending (a)	305,381,116	278,960,378	269,069,798	247,692,651
Plan Fiduciary Net Position				
Contributions - employer	\$ 20,506,163	\$ 19,603,952	\$ 16,745,254	\$ 15,366,694
Contributions - members	697,576	437,923	916,567	275,663
Net investment income	30,598,620	7,591,211	-1,085,458	5,946,916
Benefits paid	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Administrative expense	(324,912)	(249,141)	(244,011)	(219,504)
Net change in plan fiduciary net position	<u>38,469,305</u>	<u>14,403,330</u>	<u>4,777,528</u>	<u>11,188,037</u>
Plan fiduciary net position - beginning	166,035,257	151,631,927	146,854,399	135,666,362
Plan fiduciary net position - ending (b)	204,504,562	166,035,257	151,631,927	146,854,399
Net pension liability / (asset) - ending (a-b)	<u>\$ 100,876,554</u>	<u>\$ 112,925,121</u>	<u>\$ 117,437,871</u>	<u>\$ 100,838,252</u>
Plan fiduciary net position as a percentage of the total pension liability	66.97%	59.50%	56.40%	59.29%
Projected covered employee payroll	\$ 126,690,540	\$ 115,430,618	\$ 110,727,134	\$ 106,004,057
Net pension liability as a percentage of covered employee payroll	79.62%	97.83%	106.06%	95.13%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2020

SCHEDULE OF REQUIRED EMPLOYER CONTRIBUTIONS – 10 YEARS

Year	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2020	\$25,167,517	\$24,273,996	\$893,521	\$152,297,365	15.94%
2019	22,240,718	24,008,192	(1,767,474)	141,812,999	16.93%
2018	21,600,936	22,355,434	(754,498)	132,521,079	16.87%
2017	20,270,486	20,506,163	(235,677)	126,690,540	16.19%
2016	17,147,568	19,603,952	(2,456,384)	115,430,618	16.98%
2015	16,609,070	16,745,254	(136,184)	110,727,134	15.12%
2014	14,757,446	15,366,694	(609,248)	106,004,057	14.50%
2013	14,352,279	13,338,052	1,014,227	102,099,985	13.06%
2012	12,206,257	11,645,982	560,275	96,750,285	12.04%
2011	10,114,755	10,114,755	-	91,265,129	11.08%

NOTE 1 – METHODS AND ASSUMPTIONS USED TO DETERMINE TOTAL PENSION LIABILITY AS OF DECEMBER 31, 2020

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	13 years
Asset valuation method	Equal to the market value
Cost of Living Adjustments	None
Inflation	2.3%
Salary increases	5.40% per annum for the first five years of employment; 3.40% per annum thereafter
Investment rate of return	6.75%, net of investment expenses
Retirement age	Table of Rates by Age and Eligibility
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 projection scale
Percent of Future Retirements Electing Lump Sum	20%

Schedule of Investment Returns

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2020	13.88%
2019	20.56%
2018	-8.00%
2017	18.01%
2016	4.90%
2015	-0.72%
2014	4.31%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

Supplementary Schedules

UTAH TRANSIT AUTHORITY
 Supplementary Schedule
 Year Ended December 31, 2020

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET TO ACTUAL**

	Budget	Budget Amendments	Amended Budget	Actual	Favorable (Unfavorable)
Revenues					
Contributions from other govts, sales tax	\$347,567,000	\$ 499,000	\$348,066,000	\$361,590,707	\$ 13,524,707
Federal operating grants	67,911,000	-	\$67,911,000	160,258,318	92,347,318
Passenger revenues	55,182,000	-	\$55,182,000	32,845,272	(22,336,728)
Advertising	2,517,000	-	\$2,517,000	2,035,000	(482,000)
Investment income	7,577,000	-	\$7,577,000	3,525,448	(4,051,552)
Other income	11,101,000	250,000	\$11,351,000	9,594,384	(1,756,616)
Total revenues	491,855,000	749,000	492,604,000	569,849,129	77,245,129
Operating Expenses					
Bus services	112,342,000	-	112,342,000	107,390,047	4,951,953
Rail services	82,920,000	-	82,920,000	96,041,283	(13,121,283)
Paratransit services	24,637,000	250,000	24,887,000	22,646,903	2,240,097
Other services (less non-operating)	3,298,000	-	3,298,000	3,296,275	1,725
Operations support	50,331,000	22,000	50,353,000	46,463,776	3,889,224
Administration (less non-operating)	40,355,000	(22,000)	40,333,000	41,376,994	(1,043,994)
Total operating expenses	313,883,000	250,000	314,133,000	317,215,278	(3,082,278)
Non-Operating Expenses (Revenues)					
Interest expense	106,152,628	-	106,152,628	99,898,505	6,254,123
Build America Bond subsidies	(8,870,148)	-	(8,870,148)	(8,893,288)	23,140
Principal	38,632,520	-	38,632,520	44,821,695	(6,189,175)
Non-operating	5,945,000	499,000	6,444,000	3,168,692	3,275,308
Total non-operating expenses	141,860,000	499,000	142,359,000	138,995,604	3,363,396
Total Operating and Non-Operating Expenses	\$455,743,000	\$ 749,000	\$456,492,000	\$456,210,882	\$ 281,118
Capital Expenses (Revenues)					
Federal and local grants	\$ (39,363,000)	\$(20,989,130)	\$ (60,352,130)	\$ (20,898,309)	\$ (39,453,821)
State and local contributions	(17,116,000)	(13,070,870)	(30,186,870)	(3,238,849)	(26,948,021)
Capital lease	(30,340,000)	(2,785,400)	(33,125,400)	-	(33,125,400)
Bonds	(61,611,000)	28,751,500	(32,859,500)	-	(32,859,500)
Project Expenses	191,549,000	26,210,400	217,759,400	102,596,114	115,163,286
Total capital expenses (revenues)	\$ 43,119,000	\$ 18,116,500	\$ 61,235,500	\$ 78,458,956	\$ (17,223,456)
Project Expenses-less transfers to Capital Assets in 2020				\$ (72,854,307)	
Operations-less transfers to Capital Assets in 2020				(233,660)	
Capital Maintenance Projects				\$ 29,508,147	
Total Revenues (Operating and Capital)				\$ 593,986,287	
- Less Total Expenses (Operating, Non-Operating, and Capital (after Capitalization))				(485,719,029)	
- Less Depreciation Expense				(139,089,219)	
+ Plus Sale of Assets				927,566	
+ Plus Capital Maintenance Projects (Added into modes)					
Bus				2,903,387	
Rail				21,759,091	
Paratransit				(9,341)	
Administration				4,855,010	
+ Plus Principal Payments on Long-term Debt				44,821,695	
Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position)				\$ 44,435,447	

SCHEDULE OF FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust	Joint Insurance Trust	Total
ASSETS			
Cash in Bank	\$ 440,817	\$ 1,756,671	\$ 2,197,488
Cash in Utah State Treasury	-	444,578	444,578
Total Cash	440,817	2,201,249	2,642,066
Investments			
Global Equities	180,702,335	-	180,702,335
Fixed Income	59,948,353	-	59,948,353
Liquid Diversifiers	13,969,240	-	13,969,240
Real Assets	10,947,340	-	10,947,340
Money Market	11,312,878	1,806,348	13,119,226
Total Investments	276,880,146	1,806,348	278,686,494
Prepaid Benefits	1,167,307	-	1,167,307
Deposits	-	104,795	104,795
Receivables			
Dividends Receivable	211	-	211
Accounts Receivable - Benefits	3,879	-	3,879
Accounts Receivable - Contributions	1,423,466	1,784,335	3,207,801
Total Receivables	1,427,556	1,784,335	3,211,891
TOTAL ASSETS	279,915,826	5,896,727	285,812,553
LIABILITIES			
Benefits Payable	10,722	-	10,722
Accounts Payable	-	130,000	130,000
TOTAL LIABILITIES	10,722	130,000	140,722
NET POSITION			
Restricted for:			
Pension	279,905,104	-	279,905,104
Benefits Other than Pension	-	5,766,727	5,766,727
Total Net Position	\$ 279,905,104	\$ 5,766,727	\$ 285,671,831

Readers wanting additional information should refer to the notes to the financial statements

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust	Joint Insurance Trust	Total
ADDITIONS			
Employer Contributions	\$ 24,273,996	\$ 19,805,127	\$ 44,079,123
Participant Voluntary Contributions	83,988	570,223	654,211
Total Contributions	24,357,984	20,375,350	44,733,334
Net Investment Income			
Net Appreciation in Fair Value of Investments	33,682,504	11,290	33,693,794
Interest	16,418	35,952	52,370
Dividends	919,037	-	919,037
Total Investment Income	34,617,959	47,242	34,665,201
Less: Investment Expense	771,700	-	771,700
Net Investment Income	33,846,259	47,242	33,893,501
TOTAL ADDITIONS	58,204,243	20,422,592	78,626,835
DEDUCTIONS			
Monthly Benefits Paid	12,768,590	19,170,642	31,939,232
Lump Sum Distributions	6,879,961	-	6,879,961
Administrative Expense	407,938	81,715	489,653
TOTAL DEDUCTIONS	20,056,489	19,252,357	39,308,846
CHANGE IN NET POSITION	\$ 38,147,754	\$ 1,170,235	\$ 39,317,989
Total Net Position (Restricted), January 1	\$ 241,757,350	\$ 4,596,492	\$ 246,353,842
Total Net Position (Restricted), December 31	\$ 279,905,104	\$ 5,766,727	\$ 285,671,831

Readers wanting additional information should refer to the notes to the financial statements

Statistical

***NET POSITION AS OF December 31 - 10 years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Investment in Net Assets	\$ 704,734,181	\$ 692,675,681	\$ 827,646,243	\$ 894,275,843	\$ 924,260,135	\$ 1,040,640,236	\$ 1,230,633,230	\$ 1,327,585,097	\$ 1,364,803,454	\$ 1,366,337,801
Restricted	40,516,406	66,948,773	66,559,450	63,399,717	67,381,132	77,983,022	62,779,798	7,172,060	3,872,141	3,929,644
Unrestricted Total Net Position	228,081,924	113,143,840	85,088,927	39,001,957	71,502,447	76,548,154	137,991,170	242,347,746	304,834,237	276,960,064
Restatement Position, Restated	973,332,511	872,768,294	979,294,620	993,677,419	1,063,143,714	1,195,171,412	1,431,404,198	1,577,104,903	1,673,509,832	1,647,227,509
						(9,497,521)	(115,047,267)	4,931,557	-	-
	\$ 973,332,511	\$ 872,768,294	\$ 979,294,620	\$ 993,677,419	\$ 1,063,143,714	\$ 1,185,673,891	\$ 1,316,356,931	\$ 1,582,036,460	\$ 1,673,509,832	\$ 1,647,227,509

***CHANGE IN NET POSITION - 10 YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues	\$ 34,880,272	\$ 55,111,554	\$ 54,464,392	\$ 54,525,870	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916	\$ 41,527,090
Operating Expenses	403,344,419	457,897,920	401,161,541	427,777,940	422,543,342	394,062,733	398,626,029	378,224,993	319,322,223	288,531,160
Operating loss	(368,464,147)	(402,786,366)	(346,697,149)	(373,252,070)	(369,652,321)	(339,716,491)	(344,864,806)	(326,180,793)	(272,899,307)	(247,004,070)
Non-Operating Revenues	444,739,466	261,451,197	268,435,411	246,722,487	226,957,532	209,462,264	182,843,232	173,520,664	200,370,290	205,877,440
Income (loss) before capital contributions	76,275,319	(141,355,169)	(78,261,738)	(126,529,583)	(142,694,789)	(130,254,227)	(162,021,574)	(152,660,129)	(72,529,017)	(41,126,630)
Change in net position	24,288,898	34,808,843	63,879,839	57,063,288	20,164,612	9,068,708	11,389,311	56,255,200	98,811,340	44,985,270
	\$ 100,564,217	\$ 106,526,326	\$ (14,381,899)	\$ (69,466,295)	\$ (122,530,177)	\$ (121,185,519)	\$ (150,632,263)	\$ (96,404,929)	\$ 26,282,323	\$ 3,858,640

*Source: Utah Transit Authority 2020 Comprehensive Annual Report



***Revenue History by Source - 10 Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating	\$ 34,880,272	\$ 55,111,554	\$ 182,843,232	\$ 54,525,870	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916	\$ 41,527,090
Sales taxes	361,590,707	317,797,604	282,933,591	265,770,775	245,008,417	227,703,023	214,683,276	203,806,329	196,693,543	183,091,524
Investment	3,525,448	6,821,490	6,525,872	2,873,787	1,732,939	2,831,406	5,803,226	1,455,039	1,892,549	3,672,397
Sale of Assets	927,566									
Other	9,442,644	(45,372,222)	8,155,668	3,954,893	3,108,191	8,314,065	3,724,610	4,347,724	2,351,713	3,483,140
	<u>410,366,637</u>	<u>334,358,426</u>	<u>480,458,363</u>	<u>327,125,325</u>	<u>302,740,568</u>	<u>293,194,736</u>	<u>277,972,335</u>	<u>261,653,292</u>	<u>247,360,721</u>	<u>231,774,151</u>
Federal Grants										
Federal Preventative Maintenance Grants	160,258,318	69,746,231	61,820,668	62,313,994	59,772,235	49,452,677	47,760,737	47,986,240	46,719,891	47,735,443
Federal Planning Grants	-	-	-	-	3,562,534	2,547,335	2,994,139	3,868,252	1,985,766	11,583,980
Federal Capital Grants	20,898,309	16,395,068	31,585,906	53,960,024	17,054,298	7,819,096	8,025,628	48,669,408	85,168,542	44,864,016
	<u>181,156,627</u>	<u>86,141,299</u>	<u>93,406,574</u>	<u>116,274,018</u>	<u>80,389,067</u>	<u>59,819,108</u>	<u>58,780,504</u>	<u>100,523,900</u>	<u>133,874,199</u>	<u>104,183,439</u>
Other Capital Contributions	3,390,589	18,413,775	32,293,935	3,103,264	3,110,314	1,249,612	3,363,683	7,585,792	13,642,798	121,254
	<u>\$ 594,913,853</u>	<u>\$ 438,913,500</u>	<u>\$ 606,158,872</u>	<u>\$ 446,502,607</u>	<u>\$ 386,239,949</u>	<u>\$ 354,263,456</u>	<u>\$ 340,116,522</u>	<u>\$ 369,762,984</u>	<u>\$ 394,877,718</u>	<u>\$ 336,078,844</u>

***Expense History by Function - 10 Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bus Service	\$ 107,567,163	104,570,413	\$ 96,719,747	\$ 88,928,063	\$ 85,841,973	\$ 77,092,676	\$ 79,060,631	\$ 78,894,435	\$ 78,894,799	\$ 81,208,651
Rail Service	96,140,305	77,972,467	75,157,087	72,895,607	84,165,069	67,254,632	70,365,953	61,086,101	46,049,338	38,135,480
Paratransit Service	22,677,516	23,121,527	21,858,532	19,572,367	19,341,116	18,511,580	18,748,699	18,202,211	17,516,117	16,054,555
Other Service	3,297,837	3,247,699	3,056,191	2,982,176	2,949,643	2,918,871	3,183,892	701,656	596,583	535,897
Operations Support	46,527,500	47,056,444	45,557,749	41,932,571	37,831,682	32,051,926	28,380,563	28,439,826	25,247,271	21,643,830
Administration ¹	43,734,772	36,738,745	39,593,947	31,423,844	38,840,643	35,189,725	35,409,918	28,533,912	26,664,222	26,340,573
Capital Maintenance Projects	-	19,078,502	38,654,111	20,602,425	-	-	-	-	-	-
Depreciation	139,089,219	146,112,123	80,565,077	149,440,887	153,573,216	161,043,323	163,476,373	162,366,852	124,353,893	104,612,174
Interest ²	99,898,505	87,541,906	91,000,388	88,190,962	85,415,870	80,575,328	91,311,842	87,132,004	48,462,258	42,878,130
Recoverable Sales Tax, Interlocal ³	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914
	<u>\$ 560,182,608</u>	<u>\$ 546,250,740</u>	<u>\$ 492,973,743</u>	<u>\$ 516,779,816</u>	<u>\$ 508,770,126</u>	<u>\$ 475,448,975</u>	<u>\$ 490,748,785</u>	<u>\$ 466,167,911</u>	<u>\$ 368,595,395</u>	<u>\$ 332,220,204</u>

*Source: Utah Transit Authority 2020 Annual Comprehensive Financial Report

¹ Includes major investment studies

² Reported as non-capitalized interest

³ See Notes to the Financial Statement, Note 2.K



LOCAL CONTRIBUTIONS IN THE FORM OF SALES TAX BY COUNTY - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Box Elder ¹	\$ 2,404,175	\$ 2,019,035	\$ 1,898,308	\$ 1,957,740	\$ 1,790,352	\$ 1,552,291	\$ 1,418,268	\$ 1,300,577	\$ 1,279,794	\$ 1,226,730	\$ 1,269,478
Davis	37,364,965	33,674,864	31,883,835	30,633,547	27,606,440	23,178,724	21,459,683	20,023,042	18,692,038	17,880,017	16,964,089
Salt Lake	217,849,215	196,744,294	174,704,191	163,407,564	153,201,907	146,866,479	139,199,088	132,741,112	129,169,357	120,094,110	112,379,366
Tooele ²	3,347,286	2,250,563	2,815,189	2,302,492	1,798,971	1,521,097	1,384,631	1,349,366	1,364,179	1,207,539	1,227,109
Utah	69,278,480	55,708,400	45,665,232	43,023,303	38,601,427	36,221,930	33,752,513	31,905,764	30,576,235	27,743,162	25,397,367
Weber	31,346,586	27,400,447	25,966,836	24,446,129	22,009,320	18,362,502	17,469,093	16,486,468	15,611,940	14,939,966	14,656,323
	<u>\$ 361,590,707</u>	<u>\$ 317,797,604</u>	<u>\$ 282,933,591</u>	<u>\$ 265,770,775</u>	<u>\$ 245,008,417</u>	<u>\$ 227,703,023</u>	<u>\$ 214,683,276</u>	<u>\$ 203,806,329</u>	<u>\$ 196,693,543</u>	<u>\$ 183,091,524</u>	<u>\$ 171,893,732</u>

¹ Includes Brigham City, Perry and Willard cities only

² Includes the cities of Tooele and Grantsville; and the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln

LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Salt Lake	0.8500%	0.7875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%
Tooele	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%
Utah	0.6300%	0.6260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%

Source:
<https://tax.utah.gov/sales/rates#charts>
 Utah State Tax Commission



***PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2010 and 2020**

	2020			2010		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	60.25%	\$ 217,849,215	1	65.38%	\$ 112,379,366
Utah County	2	19.16%	69,278,480	2	14.78%	25,397,367
Davis County	3	10.33%	37,364,965	3	9.87%	16,964,089
Weber County	4	8.67%	31,346,586	4	8.53%	14,656,323
Box Elder County	5	0.66%	2,404,175	5	0.74%	1,269,478
Tooele County	6	0.93%	3,347,286	6	0.71%	1,227,109
			\$ <u>361,590,707</u>			\$ <u>171,893,732</u>

*Source:
<https://tax.utah.gov/sales/rates#charts>
 Utah State Tax Commission

***FARES - 10 Years**

	2020	2019	2018	2017	2016	2015	2014	2013 (4/1/12)	2012 (5/1/11)	2011 (11/1/10)
Cash Fares										
Base Fare	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.35	\$ 2.25
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.15	1.10
Ski Bus	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.00
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	2.75
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.35	2.25
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.55	0.50
Commuter Rail Maximum Rate	10.30	10.30	10.30	10.30	10.30	10.30	10.30	10.30	5.10	5.25
Express	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.25	5.00
Streetcar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	n/a	n/a
Monthly Passes										
Adult	\$ 85.00	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 78.50	\$ 75.00
College Student	42.50	62.75	62.75	62.75	62.75	62.75	62.75	62.75	58.75	56.25
Senior Citizen/Disabled	42.50	41.75	41.75	41.75	41.75	41.75	41.75	41.75	39.25	37.50
Express	170.00	198.00	198.00	198.00	198.00	198.00	198.00	198.00	189.00	180.00
Other Fares										
Day Pass	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 5.75	\$ 5.50
Group Pass	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	14.00	13.50
Summer Youth	99.00	99.00	99.00	99.00	99.00	99.00	99.00	n/a	n/a	n/a
Token - 10-Pack	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	21.00	20.25
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	35.00	30.00

*Source: UTA Fares Department



TOTAL OUTSTANDING DEBT BURDEN PER CAPITA

Fiscal Year	Total Debt		Sales Tax Collected (Less Proposition 1 and 4th quarter cent)	Personal Income of UTA Service Area	Percentage of Personal Income	Per Capita
	Bonds	Leases				
2011	\$ 1,927,474,109	\$ -	\$ 183,091,524	\$ 77,524,222,000	2.49%	863.07
2012	2,083,194,109	-	196,693,543	83,156,237,000	2.51%	919.40
2013	2,077,184,109	-	203,806,329	85,699,968,000	2.42%	902.22
2014	2,072,399,109	-	214,683,276	91,063,808,000	2.28%	885.58
2015	2,099,242,069	11,272,688	227,703,023	98,213,376,000	2.14%	891.69
2016	2,070,183,567	19,605,173	238,584,981	104,042,124,000	1.99%	864.94
2017	2,136,303,567	46,394,866	256,742,750	110,124,169,000	1.94%	886.14
2018	2,211,117,114	56,038,716	273,007,256	118,270,822,000	1.87%	906.17
2019	2,196,731,498	52,187,203	288,548,490	125,338,146,000	1.75%	885.17
2020	2,207,321,498	57,263,279	311,520,915	-	-	-

Source: Note 9
 Note: Does not include Utah County Provo Orem BRT debt
 2020 income numbers not available as of June 2021

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Estimated Population	Personal Income in UTA Service Area	Per Capita Personal Income	Unemployment Rate
2011	2,233,268	\$ 77,524,222,000	\$ 34,713	6.7%
2012	2,265,811	83,156,237,000	36,700	5.4%
2013	2,302,315	85,699,968,000	37,223	4.6%
2014	2,332,262	91,063,808,000	39,045	3.8%
2015	2,366,874	98,213,376,000	41,495	3.6%
2016	2,416,115	104,042,124,000	43,062	3.4%
2017	2,463,158	110,124,169,000	44,709	3.3%
2018	2,501,905	118,270,822,000	47,272	3.0%
2019	2,540,671	125,338,146,000	49,333	2.6%
12020	2,618,206	-	-	4.7%

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
 Unemployment rate- Utah Department of Workforce Services
 12020 personal income numbers not available as of June 2021

YEARLY DEBT SERVICE COVERAGE

Fiscal Year	Bond Payments		Sales Tax Collected (Less Proposition 1 and 4th quarter cent)	Coverage Ratio Sales Tax
	Principal	Interest		
2011	\$ 7,300,000	\$ 71,932,011	\$ 183,091,524	2.31
2012	7,615,000	71,837,998	196,693,543	2.48
2013	7,450,000	84,319,531	203,806,329	2.22
2014	7,810,000	91,382,184	214,683,276	2.16
2015	11,445,000	84,785,200	227,703,023	2.37
2016	13,570,000	94,893,898	238,584,981	2.20
2017	8,750,000	77,765,121	256,742,750	2.97
2018	10,845,000	89,110,270	273,007,256	2.73
2019	17,500,000	98,602,388	288,548,490	2.49
2020	25,920,000	90,980,361	311,520,915	2.66

Source: Note 9
 Note: Does not include Utah County Provo Orem BRT debt

PRINCIPAL EMPLOYERS - 2019 and 2009

		2019			2009			
Employer	Industry	Employees	Rank	% Total Employment	Employer	Employees	Rank	% Total Employment
Intermountain Healthcare	Health Care	20,000 +	1	1.3%	Intermountain Health Care	20,000+	1	1.6%
University of Utah (Including Hospital)	Higher Education	20,000 +	2	1.3%	State of Utah	20,000+	2	1.6%
State of Utah	State Government	20,000 +	3	1.3%	Wal Mart Stores	15,000-19,999	3	1.2%
Brigham Young University	Higher Education	15,000-19,999	4	1.0%	Brigham Young University	15,000-19,999	4	1.6%
Wal-Mart Associates	Warehouse Clubs/Supercenters	15,000-19,999	5	1.0%	University of Utah	15,000-19,999	5	1.2%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.6%	Hill Air Force Base	10,000-14,000	6	1.2%
Amazon.com Services	Courier/Express Delivery Service	10,000-14,999	7	0.6%	Granite School District	7,000-9,999	7	0.6%
Davis County School District	Public Education	7,000-9,999	8	0.4%	Davis County School District	7,000-9,999	8	0.6%
Utah State University	Higher Education	7,000-9,999	9	0.4%	Jordan School District	5,000-6,999	9	0.6%
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	10	0.4%	Kroger Group/ Smiths Marketplace	5,000-6,999	10	0.6%
Granite School District	Public Education	7,000-9,999	11	0.4%	Utah State University	5,000-6,999	11	0.6%
Alpine School District	Public Education	7,000-9,999	12	0.3%	Alpine School District	5,000-6,999	12	0.6%
Jordan School District	Public Education	7,000-9,999	13	0.3%	Salt Lake County	5,000-6,999	13	0.6%
Salt Lake County	Local Government	5,000-6,999	14	0.3%	Internal Revenue Service	5,000-6,999	14	0.6%
Utah Valley University	Higher Education	5,000-6,999	15	0.3%	US Postal Service	5,000-6,999	15	0.6%
Total Employment				1,564,782				1,245,016

Source: Department of Workforce Services
 Largest Employers by County
 Utah's Largest Employers 2009

<https://jobs.utah.gov/wi/data/library/firm/majoremployers.html>
<http://www.operationriogrande.utah.gov/wi/pubs/em/pastreports/09annual/lrgstemp2009.pdf>

2020 data not available at time of report

Notes: <https://jobs.utah.gov/wi/data/library/firm/majoremployers.html>
<https://jobs.utah.gov/wi/pubs/em/pastreports/11annual/lrgstemp.pdf>

FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bus operations	1104	1138	1089	1030	1028	951	945	911	963	950
Rail operations	625	631	611	580	563	527	542	526	506	425
Paratransit operations	200	204	196	191	191.5	188	183	176	168	168
Other services	10	10	8	9	9	12	10	10	12	11
Support services	417	433	413	365	366	349	323	335	293	284
Administration	187	184	180	243	212	210	207	195	217	224
Total	2543	2600	2496	2417	2368	2237	2210	2153	2159	2062

Source: UTA Budget Staff



TREND STATISTICS - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Passengers										
Bus service	12,441,304	20,799,642	19,624,935	19,749,855	20,033,242	20,560,068	20,165,174	19,695,711	21,222,669	21,560,358
Rail service	10,271,888	22,321,887	22,981,884	23,677,677	23,765,873	24,349,674	24,337,451	22,814,274	19,421,608	16,944,264
Paratransit service	187,112	388,265	394,816	386,977	389,019	388,169	372,499	383,453	715,034	683,336
Vanpool service	658,990	1,068,364	1,174,696	1,264,410	1,333,780	1,423,675	1,404,285	1,387,816	1,446,766	1,417,183
Total passengers	23,559,294	44,578,158	44,176,331	45,078,919	45,521,914	46,721,586	46,279,409	44,281,254	42,806,077	40,605,141
Revenue Miles										
Bus service	15,607,429	18,158,463	17,911,404	17,454,404	15,462,834	15,367,510	15,660,520	15,706,028	15,091,645	15,869,340
Rail service	3,288,505	11,977,751	12,084,767	12,082,292	12,070,277	11,988,005	11,784,146	11,681,251	7,905,460	6,019,693
Paratransit service	1,709,396	2,881,355	2,798,928	2,727,127	2,505,343	2,293,887	2,513,535	2,932,842	3,252,193	4,094,325
Vanpool service	5,705,170	6,451,812	6,354,828	6,449,439	6,518,150	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756
Total Revenue Miles	26,310,500	39,469,381	39,149,927	38,713,262	36,556,604	36,383,889	36,818,003	37,373,312	33,803,276	34,026,114
Total Miles										
Bus service	17,692,313	20,854,420	20,247,617	19,899,364	17,511,624	17,662,486	17,864,847	17,191,018	16,553,983	17,416,367
Rail service	3,323,282	12,098,162	12,285,634	12,202,976	12,189,876	12,368,934	11,814,332	11,773,929	7,987,022	6,073,807
Paratransit service	2,223,889	3,566,711	3,376,772	3,263,607	3,254,559	3,192,367	2,844,468	3,493,247	4,088,027	5,256,369
Vanpool service	5,705,170	6,451,812	6,354,828	6,449,439	6,518,150	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756
Total miles	28,944,654	42,971,105	42,264,851	41,815,386	39,474,209	39,958,274	39,383,449	39,511,385	36,183,010	36,789,299
Passengers per Mile										
Bus service	0.80	1.15	1.10	1.13	1.30	1.34	1.29	1.25	1.41	1.36
Rail service	3.12	1.86	1.90	1.96	1.97	2.03	2.07	1.95	2.46	2.81
Paratransit service	0.11	0.13	0.14	0.14	0.16	0.17	0.15	0.13	0.22	0.17
Vanpool service	0.12	0.17	0.18	0.20	0.20	0.21	0.20	0.20	0.19	0.18
Total Passengers per Revenue Mile	0.90	1.13	1.13	1.16	1.25	1.28	1.26	1.18	1.27	1.19
Revenue Hours										
Bus service	1,169,292	1,326,660	1,284,186	1,258,448	1,087,055	1,070,139	1,108,894	933,662	834,985	866,268
Rail service	480,017	532,353	527,187	513,389	511,082	506,233	487,435	641,914	536,066	388,826
Paratransit service	116,174	181,749	180,342	162,198	162,734	160,383	164,527	191,016	227,013	300,760
Total revenue hours	1,765,483	2,040,762	1,991,715	1,934,035	1,760,871	1,736,755	1,760,856	1,766,592	1,598,064	1,555,854
Passengers per Revenue Hour										
Bus service	10.64	15.68	15.28	15.69	18.43	19.21	18.18	21.10	25.42	24.89
Rail service	21.40	41.93	43.59	46.12	46.50	48.10	49.93	35.54	36.23	43.58
Paratransit service	1.61	2.14	2.19	2.39	2.39	2.42	2.26	2.01	3.15	2.27
Total passengers per mile	12.97	11.13	21.59	22.65	25.09	26.08	25.48	24.28	25.88	25.19
Total System										
Fare revenue	\$ 32,845,272	\$ 52,649,054	\$ 48,122,586	\$ 52,159,202	\$ 50,624,354	\$ 52,112,909	\$ 51,461,223	\$ 49,977,533	\$ 44,489,583	\$ 39,693,757
Operating expense	320,787,400	311,785,797	300,954,051	257,734,612	268,970,126	242,516,933	235,149,656	215,858,141	194,968,330	183,918,986
Cost per revenue mile	12.19	7.90	7.69	6.66	7.36	6.67	6.39	5.78	5.77	5.41
Cost per passenger	13.62	6.99	6.81	5.72	5.91	5.19	5.08	4.87	4.55	4.53
Fare revenue per passenger	1.39	1.18	1.09	1.16	1.11	1.12	1.11	1.13	1.04	0.98

Note: Does not include commuter bus or contract transportation.
 Source: NTD



OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Number of bus routes*	104	117	114	119	125	126	121	119	125	119
Number of rail routes										
Light rail	4	4	4	4	4	4	4	4	3	3
Commuter rail	1	1	1	1	1	1	1	1	1	1
Bus Service Miles (weekday)	63,025	62,742	57,378	56,162	53,612	49,625	51,629	55,733	64,186	64,493
Rail Service Miles (weekday)										
Light Rail	6,797	8,832	8,853	8,814	8,815	8,828	8,547	8,216	6,978	5,107
Commuter Rail	3,628	4,660	4,664	4,623	4,627	4,651	4,638	4,488	2,390	2,327
Average Passengers (weekday)	78,972	152,940	151,901	156,288	155,873	161,862	161,339	152,644	152,934	142,186
Buses	539	570	561	582	567	555	535	493	570	495
Paratransit vehicles (buses/vans)	207	198	182	148	129		84	113	110	112
Rail vehicles										
Light rail	117	117	146	146	146	146	146	146	122	122
Commuter rail	81	70	81	81	81	81	81	81	57	55
Vanpool vehicles	471	512	453	453	503	495	479	470	494	485
Park and ride lots ¹										
Rail Park and Ride	42	42	42	42	46	41				
Non-Rail and Ride Stations	12	12	12	12						
Bus Stops	6,120	6,247	6,100	6,100	6,196	6,250	6,250	6,273	6,333	6,600
Rail Stations										
Light Rail	57	57	57	57	57	57	51	51	41	41
Commuter Rail	17	17	16	16	16	16	16	16	16	7

Source: NTD
 UTA Capital Asset Record
 UTA Change-Day Roster

* Including flex

¹ As of 2017 started distinguishing between rail and non rail park and ride lots

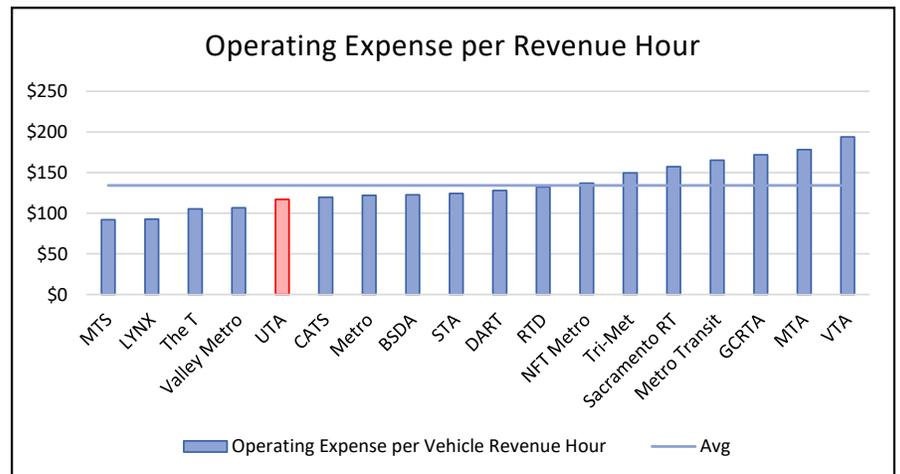
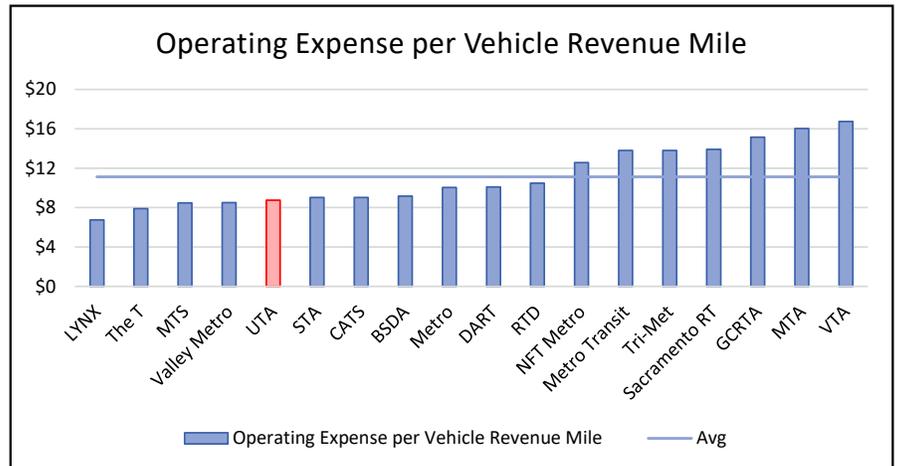


PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 8.75	\$ 116.93
Baltimore, MD	MTA	16.03	178.36
Buffalo, NY	NFT Metro	12.57	137.09
Charlotte, NC	CATS	9.03	119.57
Cleveland, OH	GCRTA	15.16	171.99
Dallas, TX	DART	10.10	127.99
Denver, CO	RTD	10.48	132.41
Ft Worth, TX	The T	7.90	105.23
Houston, TX	Metro	10.05	121.95
Minneapolis, MN	Metro Transit	13.79	165.23
Orlando, FL	LYNX	6.76	92.77
Phoenix, AZ	Valley Metro	8.51	106.67
Portland, OR	Tri-Met	13.80	149.57
Sacramento, CA	Sacramento RT	13.92	157.29
San Diego	MTS	8.47	92.24
San Jose, CA	VTA	16.74	194.04
Spokane, WA	STA	9.02	124.20
St Louis, MO	BSDA	9.15	122.72
Average		\$ 11.13	\$ 134.24
Maximum		16.74	194.04
Minimum		6.76	92.24
Standard Deviation		3.07	29.42

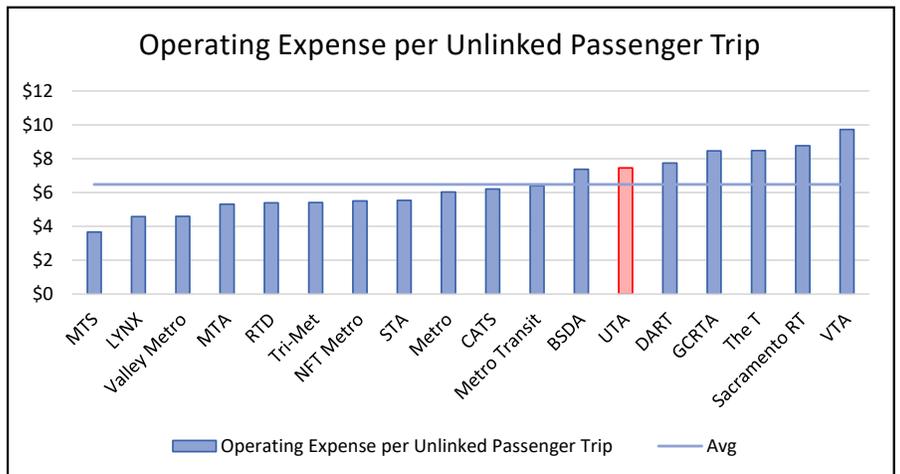
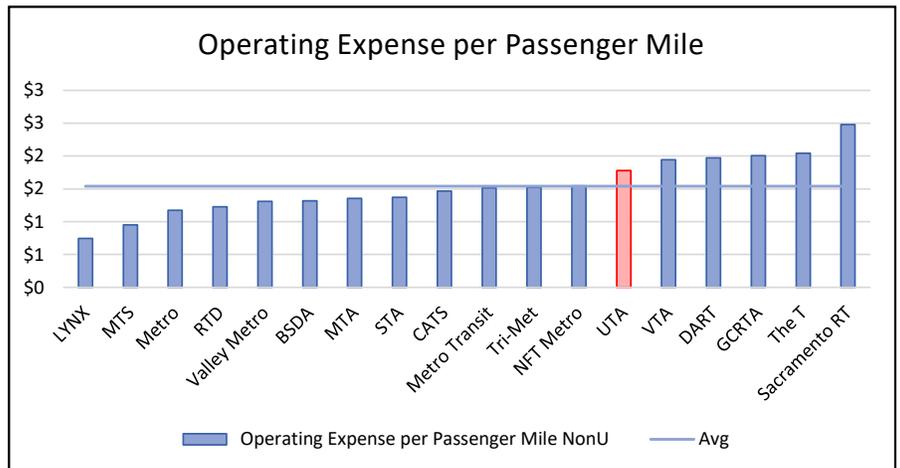


PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 1.78	\$ 7.46
Baltimore, MD	MTA	1.36	5.31
Buffalo, NY	NFT Metro	1.55	5.50
Charlotte, NC	CATS	1.47	6.21
Cleveland, OH	GCRTA	2.01	8.46
Dallas, TX	DART	1.97	7.75
Denver, CO	RTD	1.23	5.40
Ft Worth, TX	The T	2.04	8.48
Houston, TX	Metro	1.17	6.03
Minneapolis, MN	Metro Transit	1.52	6.40
Orlando, FL	LYNX	0.75	4.58
Phoenix, AZ	Valley Metro	1.31	4.59
Portland, OR	Tri-Met	1.52	5.41
Sacramento, CA	Sacramento RT	2.48	8.76
San Diego	MTS	0.95	3.67
San Jose, CA	VTA	1.95	9.72
Spokane, WA	STA	1.37	5.53
St Louis, MO	BSDA	1.32	7.37
Average		\$ 1.54	\$ 6.48
Maximum		2.48	9.72
Minimum		0.75	3.67
Standard Deviation		0.43	1.68

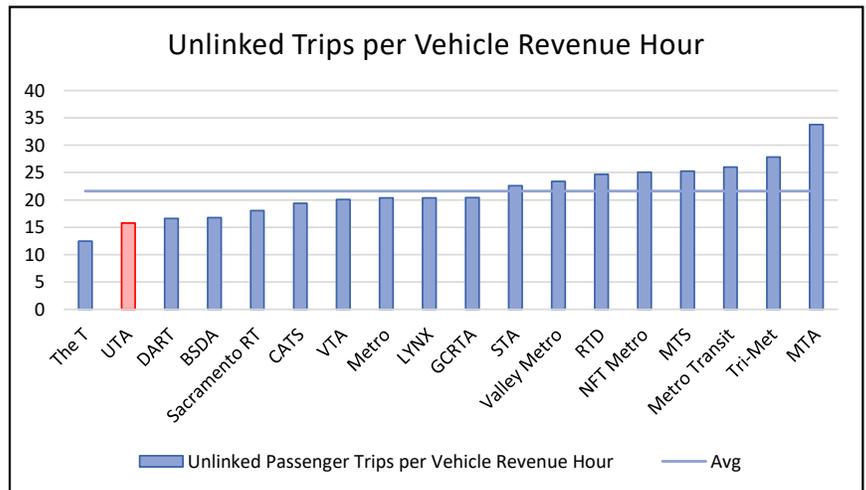
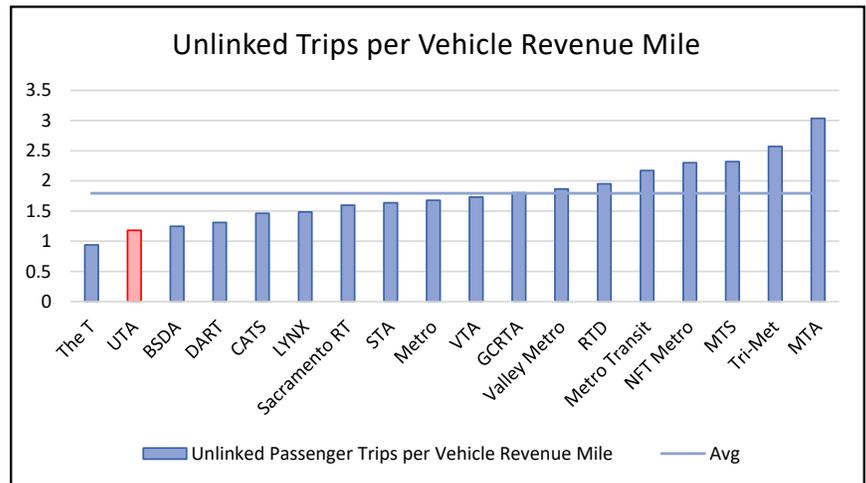


PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	1.2	15.7
Baltimore, MD	MTA	3.0	33.6
Buffalo, NY	NFT Metro	2.3	24.9
Charlotte, NC	CATS	1.5	19.2
Cleveland, OH	GCRTA	1.8	20.3
Dallas, TX	DART	1.3	16.5
Denver, CO	RTD	1.9	24.5
Ft Worth, TX	The T	0.9	12.4
Houston, TX	Metro	1.7	20.2
Minneapolis, MN	Metro Transit	2.2	25.8
Orlando, FL	LYNX	1.5	20.3
Phoenix, AZ	Valley Metro	1.9	23.3
Portland, OR	Tri-Met	2.6	27.7
Sacramento, CA	Sacramento RT	1.6	18.0
San Diego	MTS	2.3	25.1
San Jose, CA	VTA	1.7	20.0
Spokane, WA	STA	1.6	22.4
St Louis, MO	BSDA	1.2	16.7
Average		1.8	21.5
Maximum		3.0	33.6
Minimum		0.9	12.4
Standard Deviation		0.5	5.0

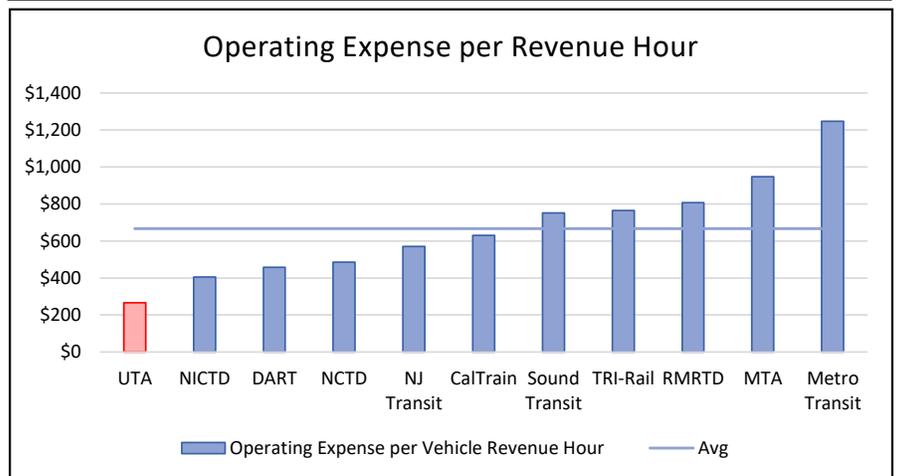
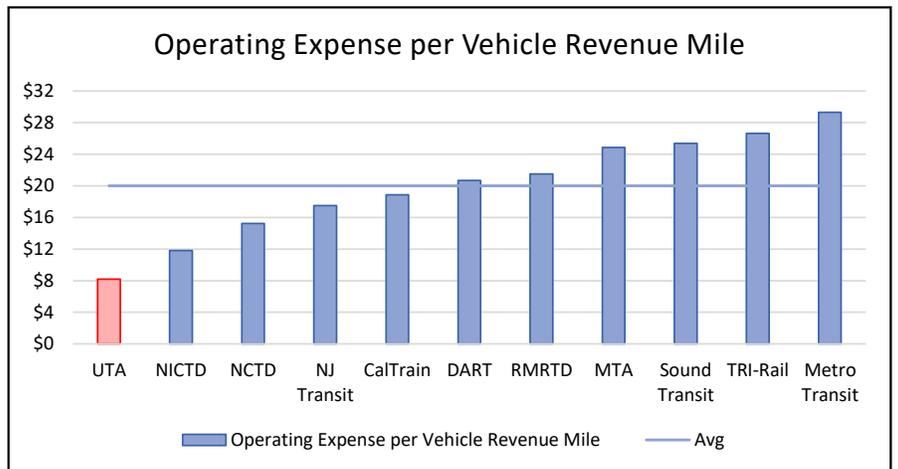


PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 8.20	\$ 265.75
Albuquerque, NM	RMRTD	21.51	807.56
Baltimore, MD	MTA	24.87	947.23
Chesterton, IN	NICTD	11.82	405.51
Dallas, TX	DART	20.69	457.79
Minneapolis, MN	Metro Transit	29.29	1,247.14
Newark, NJ	NJ Transit	17.50	570.25
Oceanside, CA	NCTD	15.24	485.57
Pompano Beach, FL	TRI-Rail	26.65	764.06
San Carlos, CA	CalTrain	18.87	630.19
Seattle, WA	Sound Transit	25.36	751.97
Average		\$ 20.00	\$ 666.64
Maximum		29.29	1,247.14
Minimum		8.20	265.75
Standard Deviation		6.50	277.18

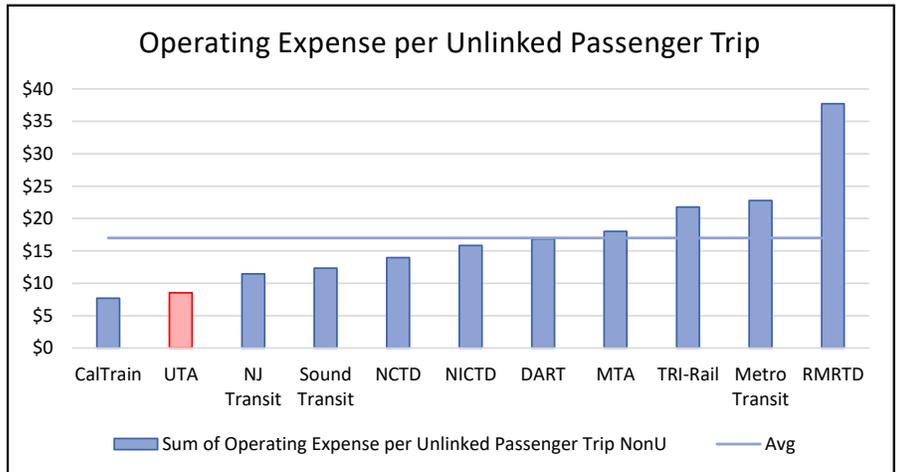
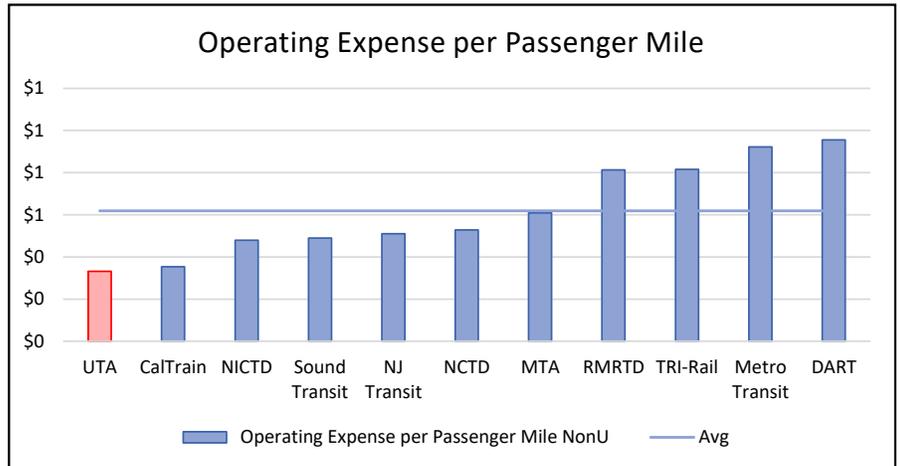


PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.33	\$ 8.53
Albuquerque, NM	RMRTD	0.81	37.71
Baltimore, MD	MTA	0.61	18.00
Chesterton, IN	NICTD	0.48	15.82
Dallas, TX	DART	0.96	16.84
Minneapolis, MN	Metro Transit	0.92	22.77
Newark, NJ	NJ Transit	0.51	11.44
Oceanside, CA	NCTD	0.53	13.94
Pompano Beach, FL	TRI-Rail	0.82	21.77
San Carlos, CA	CalTrain	0.35	7.71
Seattle, WA	Sound Transit	0.49	12.33
Average		\$ 0.62	\$ 16.99
Maximum		0.96	37.71
Minimum		0.33	7.71
Standard Deviation		0.22	8.41



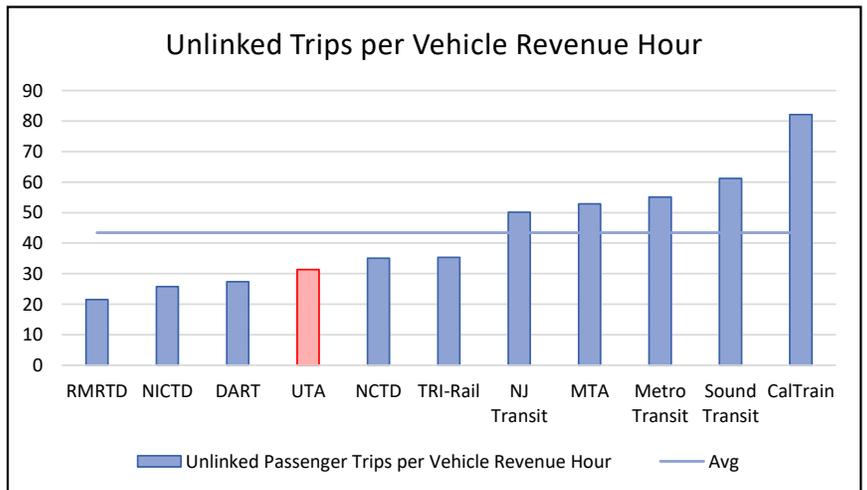
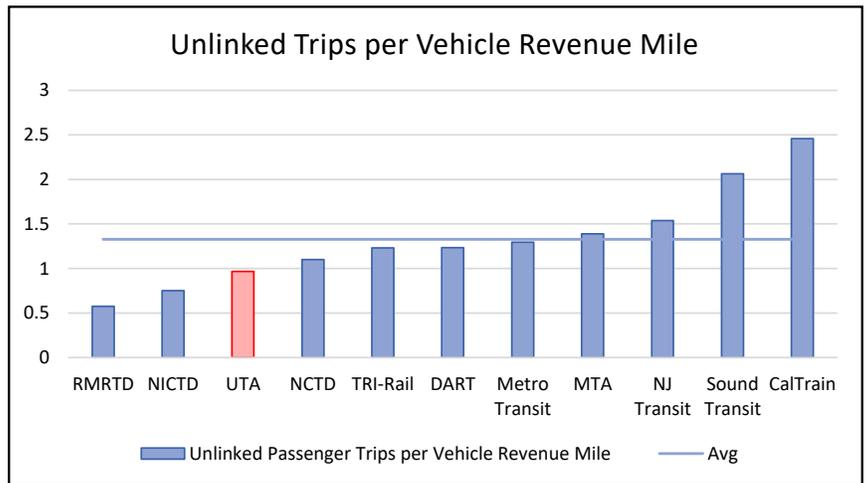
PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	1.0	31.2
Albuquerque, NM	RMRTD	0.6	21.4
Baltimore, MD	MTA	1.4	52.6
Chesterton, IN	NICTD	0.7	25.6
Dallas, TX	DART	1.2	27.2
Minneapolis, MN	Metro Transit	1.3	54.8
Newark, NJ	NJ Transit	1.5	49.8
Oceanside, CA	NCTD	1.1	34.8
Pompano Beach, FL	TRI-Rail	1.2	35.1
San Carlos, CA	CalTrain	2.4	81.7
Seattle, WA	Sound Transit	2.1	61.0

Average	1.3	43.2
Maximum	2.4	81.7
Minimum	0.6	21.4
Standard Deviation	0.5	18.4

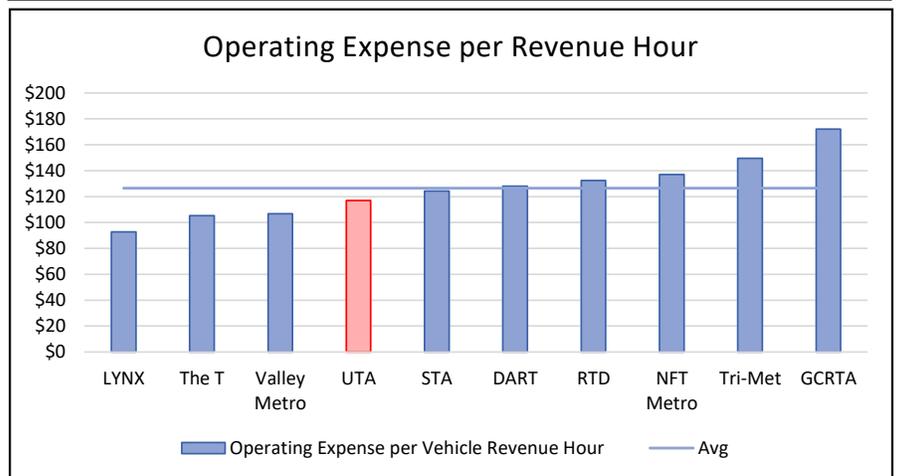
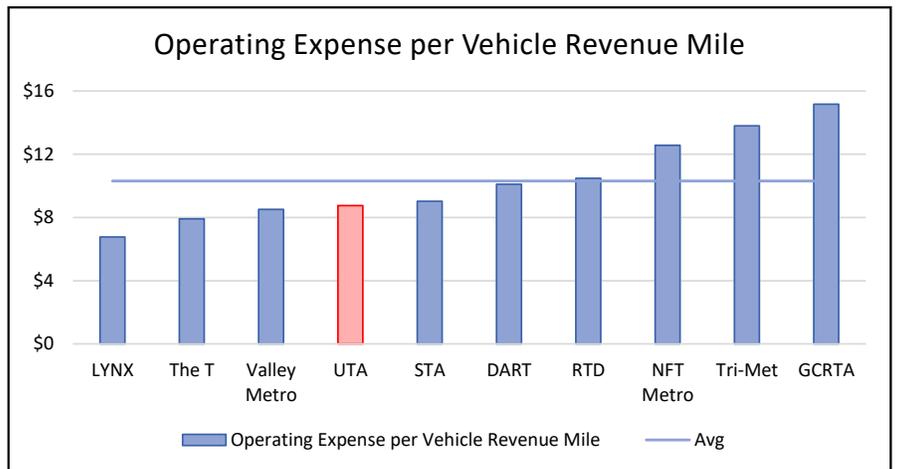


PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 7.03	\$ 111.46
Buffalo, NY	NFT Metro	5.74	90.06
Cleveland, OH	GCRTA	9.21	132.75
Dallas, TX	DART	6.68	87.08
Denver, CO	RTD	4.62	74.23
Ft Worth, TX	The T	4.91	80.62
Orlando, FL	LYNX	3.25	51.74
Phoenix, AZ	Valley Metro	5.63	73.14
Portland, OR	Tri-Met	6.39	79.41
Spokane, WA	STA	6.08	91.08
Average		\$ 5.95	\$ 87.16
Maximum		9.21	132.75
Minimum		3.25	51.74
Standard Deviation		1.59	22.15



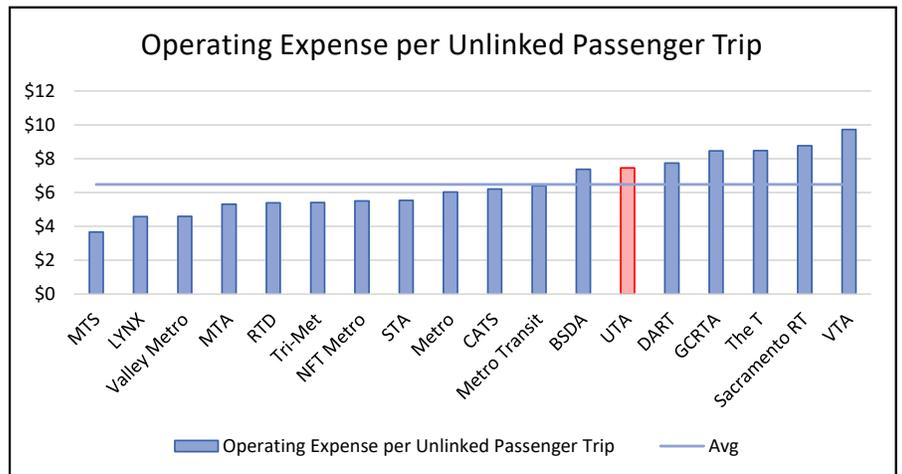
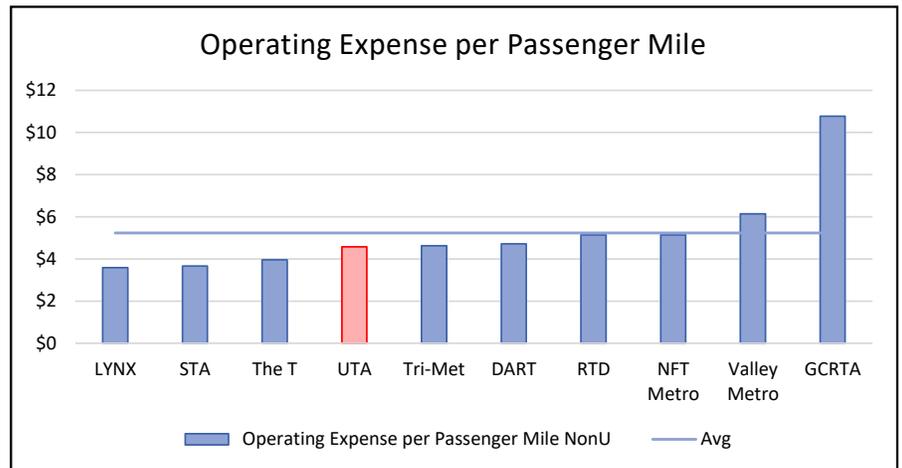
PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 4.58	\$ 52.17
Buffalo, NY	NFT Metro	5.14	49.22
Cleveland, OH	GCRTA	10.77	85.86
Dallas, TX	DART	4.72	47.23
Denver, CO	RTD	5.14	45.26
Ft Worth, TX	The T	3.97	43.97
Orlando, FL	LYNX	3.58	46.58
Phoenix, AZ	Valley Metro	6.15	55.75
Portland, OR	Tri-Met	4.62	42.58
Spokane, WA	STA	3.67	33.01

Average	\$	5.23	\$	50.16
Maximum		10.77		85.86
Minimum		3.58		33.01
Standard Deviation		2.09		13.93



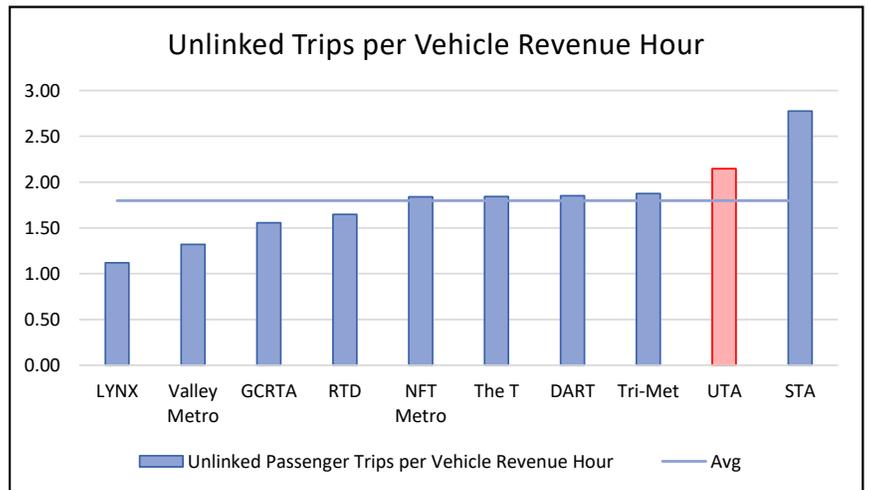
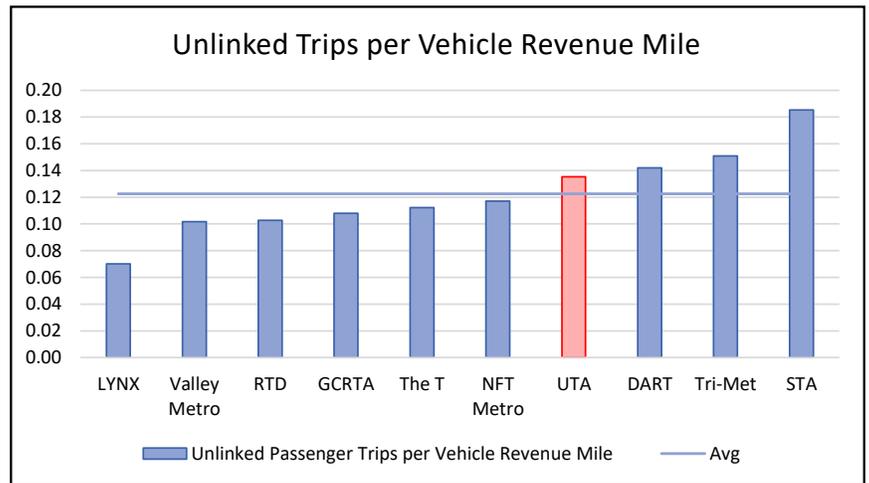
PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	0.13	2.14
Buffalo, NY	NFT Metro	0.12	1.83
Cleveland, OH	GCRTA	0.11	1.55
Dallas, TX	DART	0.14	1.84
Denver, CO	RTD	0.10	1.64
Ft Worth, TX	The T	0.11	1.83
Orlando, FL	LYNX	0.07	1.11
Phoenix, AZ	Valley Metro	0.10	1.31
Portland, OR	Tri-Met	0.15	1.87
Spokane, WA	STA	0.18	2.76

Average	0.12	1.79
Maximum	0.18	2.76
Minimum	0.07	1.11
Standard Deviation	0.03	0.45

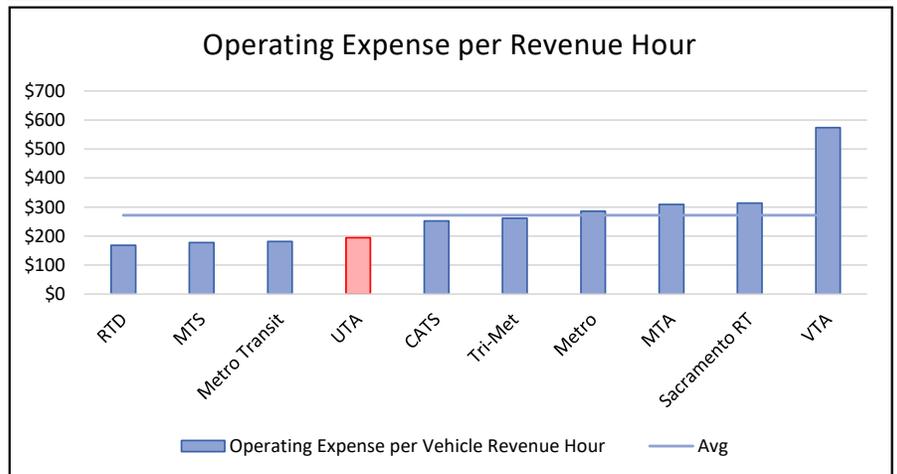
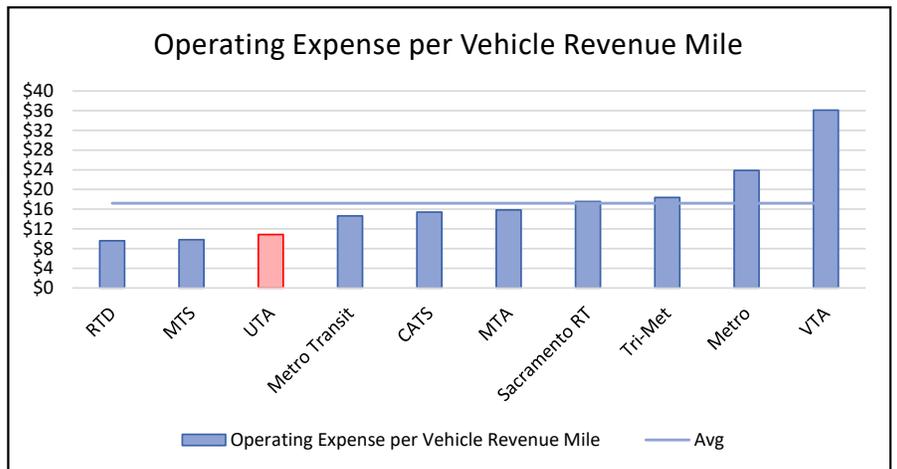


PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 10.83	\$ 194.60
Baltimore, MD	MTA	15.87	309.31
Charlotte, NC	CATS	15.43	252.22
Denver, CO	RTD	9.57	168.59
Houston, TX	Metro	23.86	285.37
Minneapolis, MN	Metro Transit	14.61	181.61
Portland, OR	Tri-Met	18.37	261.13
Sacramento, CA	Sacramento RT	17.58	313.93
San Jose, CA	VTA	36.13	573.35
San Diego	MTS	9.80	177.41
Average		\$ 17.20	\$ 271.75
Maximum		36.13	573.35
Minimum		9.57	168.59
Standard Deviation		7.95	119.47

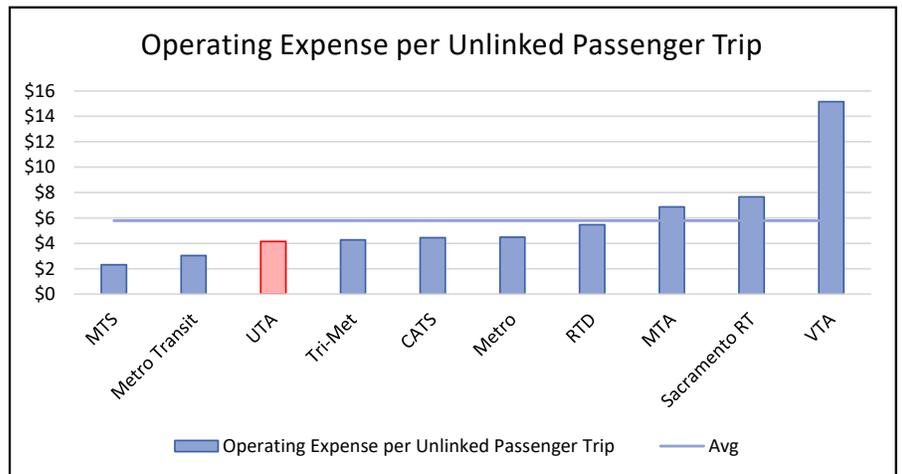
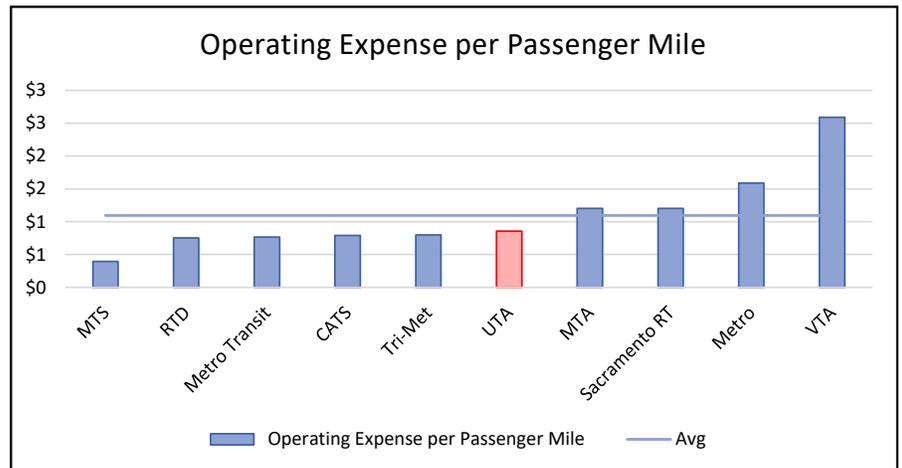


PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.86	\$ 4.15
Baltimore, MD	MTA	1.20	6.88
Charlotte, NC	CATS	0.79	4.45
Denver, CO	RTD	0.75	5.47
Houston, TX	Metro	1.59	4.48
Minneapolis, MN	Metro Transit	0.76	3.04
Portland, OR	Tri-Met	0.80	4.28
Sacramento, CA	Sacramento RT	1.20	7.65
San Jose, CA	VTA	2.59	15.16
San Diego	MTS	0.39	2.32
Average		\$ 1.09	\$ 5.79
Maximum		2.59	15.16
Minimum		0.39	2.32
Standard Deviation		0.62	3.66



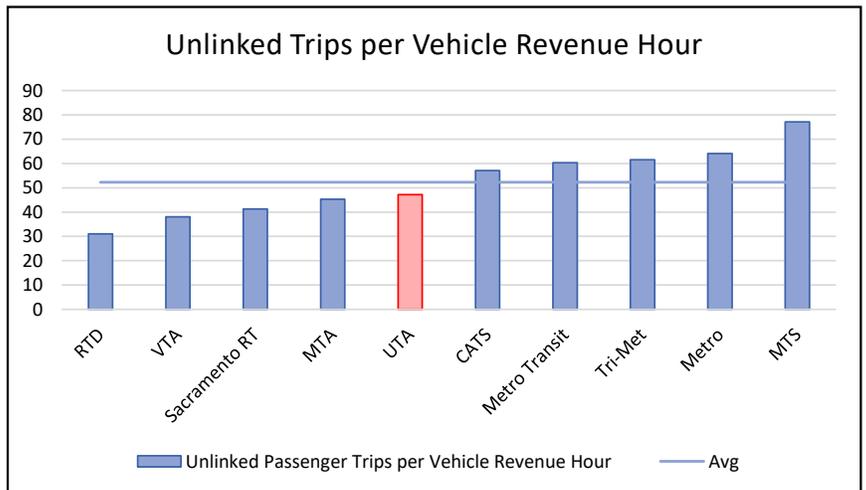
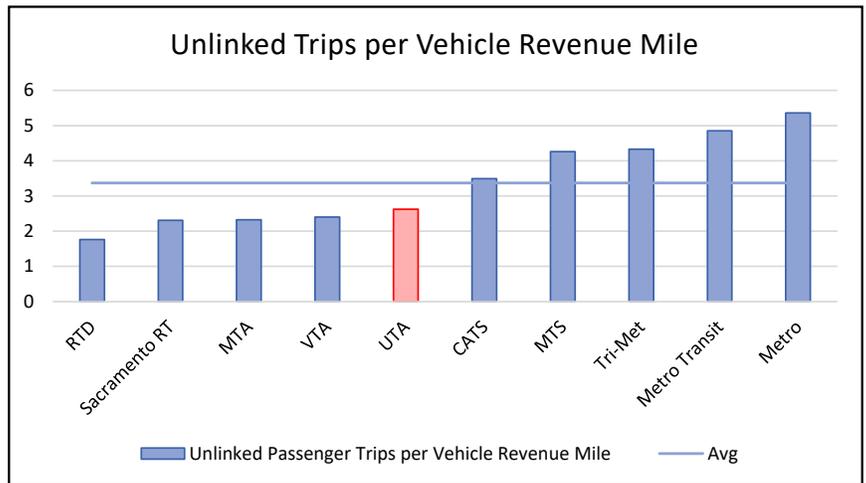
PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	2.6	46.8
Baltimore, MD	MTA	2.3	45.0
Charlotte, NC	CATS	3.5	56.7
Denver, CO	RTD	1.7	30.8
Houston, TX	Metro	5.3	63.7
Minneapolis, MN	Metro Transit	4.8	59.8
Portland, OR	Tri-Met	4.3	61.1
Sacramento, CA	Sacramento RT	2.3	41.0
San Jose, CA	VTA	2.4	37.8
San Diego	MTS	4.2	76.6

Average	3.3	51.9
Maximum	5.3	76.6
Minimum	1.7	30.8
Standard Deviation	1.2	14.0



Compliance

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2020-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2020-002, 2020-003, and 2020-004 to be a significant deficiencies.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Findings

The Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
June 30, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

We have audited Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

(Continued)

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a significant deficiency.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
June 30, 2021

UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the year ended December 31, 2020

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDING DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Transit Cluster - Federal Transit Administration Programs					
Federal Transit - Formula Grant	20.507	UT-2020-002-00		\$ -	\$ 5,131,844
Federal Transit - Formula Grant	20.507	UT-2020-004-01		-	42,815,775
FHWA Transfer to 5307 Ubanized Area Formula Grant	20.507	UT-2018-005		-	1,068,346
FHWA Transfer to 5307 Ubanized Area Formula Grant	20.507	UT-2020-012		-	497,866
FHWA Transfer to 5307 Ubanized Area Formula Grant	20.507	UT-2020-010		-	214,550
FHWA Transfer to 5307 Ubanized Area Formula Grant	20.507	UT-2021-001		-	2,767,790
FHWA Transfer to 5307 Ubanized Area Formula Grant	20.507	20-CMAQ 3500 Max Expansion		-	5,014
FHWA Transfer to 5307 Ubanized Area Formula Grant	20.507	20-CMAQ UT Cnty Bus Stop		-	170,896
					<u>52,672,081</u>
COVID-19 Grant - Federal Transit Formula Grant	20.507	UT-2020-007-00		-	96,907,372
20.507 Programs Total				-	<u>149,579,453</u>
State of Good Repair Grants Program	20.525	UT-2020-005-00		-	<u>16,517,550</u>
					16,517,550
5339 Bus and Bus Facilities Formula Program	20.526	UT-2017-002-00		-	339,900
5339 Bus and Bus Facilities Formula Program	20.526	UT-2018-010-00		-	1,031,544
5339 Bus and Bus Facilities Discretionary Program	20.526	UT-2018-011-00		-	7,479,699
				-	<u>8,851,143</u>
Federal Transit Cluster - Federal Transit Administration Programs total				-	<u>174,948,146</u>
Transit Services Programs Cluster - Federal Transit Administration Programs					
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-16-X006		-	50,548
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2016-013		12,336	105,124
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-015		175,206	221,547
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-016		54,074	123,369
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-017		399,867	482,655
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-001		196,439	204,987
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-002		76,683	118,615
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-003		-	28,272
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2020-003		-	150,098
Transit Services Programs Cluster - Federal Transit Administration Programs				<u>914,605</u>	<u>1,485,215</u>

UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the year ended December 31, 2020

See accompanying notes to the schedule of expenditures of federal awards
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDING DECEMBER 31, 2020
 (Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
National Infrastructure Investment - Office of Secretary Programs					
Office of Secretary - National Infrastructure Investment (TIGER)	20.933	UT-2018-002		-	4,354,551
National Infrastructure Investment - Office of Secretary Programs total				-	4,354,551
Research & Development Cluster					
Public Transportation Research	20.514	UT-2017-012-00		-	243,368
Research & Development Cluster				-	243,368
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				914,605	181,031,280
DEPARTMENT OF HOMELAND SECURITY					
FEMA Rail and Transit Security Grant Program	97.075	17-RA-00042		-	3,113
FEMA Rail and Transit Security Grant Program	97.075	19-RA-00040		-	75,739
TOTAL DEPARTMENT OF HOMELAND SECURITY				-	78,852
TOTAL FEDERAL AWARDS EXPENDED				\$ 914,605	\$ 181,110,132

RECONCILIATION OF FEDERAL EXPENDITURES TO FEDERAL REVENUES ON THE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

Federal preventative maintenance grants	\$160,258,318
Capital Contributions: Federal grants	<u>20,898,309</u>
Total per Comparative Statement of Revenues, Expenses and Change in Net Position (2020)	181,156,627
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2020	<u>181,110,132</u>
Difference	46,495

Previous Over/(Under)stated Revenues reflected in 2019 Statement of Revenues, Expenses and Change in Net Position

Research & Development Cluster-Federal Transit Administration	CFDA#	Grant #	Amount
Public Transportation Research	20.514	UT-2017-012	<u>\$ 4,130</u>
Research & Development Cluster - Federal Transit Administration Program Total			<u>\$ 4,130</u>
Transit Services Program Cluster	CFDA#	Grant #	Amount
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-16-0006	\$ 4,939
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2016-013	<u>\$ (55,556)</u>
Transit Services Program Cluster Total			<u>\$ (50,617)</u>
National Infrastructure Investment - Office of the Secretary Programs	CFDA#	Grant #	Amount
Office of Secretary- National Infrastructure Investment (TIGER)	20.933	UT-2018-002	<u>\$ (8)</u>
National Infrastructure Investment - Office of the Secretary Programs Total			<u>\$ (8)</u>
Total Adjustment			<u>\$ 46,495</u>

See accompanying notes to the schedule of expenditures of federal awards

UTAH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

A. Basis of Accounting

The information in this schedule is presented on the accrual basis of accounting in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

B. Pass-Through Awards

The Authority receives certain expenditures of federal awards from pass through awards of various state and other governmental agencies. The total amount of such pass-through awards is included in the supplementary schedule of expenditures of federal awards.

C. Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended December 31, 2020.

D. Indirect Cost Rate

The Authority did not use the 10 percent de minimis indirect cost rate.

UTAH TRANSIT AUTHORITY
 Schedule of Findings and Questioned Costs
 For the year ended December 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

Material weakness identified? _X_yes __no

Significant Deficiency _X_yes __none reported

Noncompliance material to financial statements noted? __yes _X_no

Federal Awards

Internal control over major federal programs:

Material weakness identified? __yes _X_no

Significant Deficiency(s) identified _X_yes __none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Identification of major federal programs:

_X_yes __no

CFDA No(s).
 20.507, 20.525, 20.526

Program/Cluster Title
 Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B Programs

\$3,000,000

Auditee qualified as low-risk auditee?

__yes _X_no

SECTION II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS, WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding 2020-001 – Information Technology Controls over Change Management (Material Weakness)

Criteria: Internal controls over information systems are a key component of an organization’s control environment. Entities should have internal controls including policies and procedures requiring appropriate segregation of duties for key process cycles. Where adequate segregation of duties cannot be employed via system access restrictions, detective and monitoring review controls should be established that adequately mitigate such risks.

Condition/Context: Segregation of duties does not exist between individuals with access to the general ledger source code and individuals responsible for implementing changes to the source code into the production environment.

Effect: Unauthorized or uncontrolled changes to general ledger software could be made to the application source code, which could impact system availability, data integrity, and information confidentiality.

UTAH TRANSIT AUTHORITY
Schedule of Findings and Questioned Costs
For the year ended December 31, 2020

Cause: Individuals with application development access have the ability to modify source code and deploy the changes into production. The Authority has a policy that source code changes are required to be reviewed by a second individual, however there are no system limitations or other restrictions to prevent unapproved changes from being placed into production. Furthermore, effective compensating controls are not in place to monitor and review source code changes that may have circumvented the policy requirement.

Recommendation: We recommend that the Authority modify its policies and procedures to ensure that source code changes are initiated with appropriate authorization and management oversight and approval is obtained prior to implementing the changes into the production environment. If access to development and production cannot be restricted, a compensating monitoring control should be implemented wherein an independent individual reviews source code changes for propriety.

Management's Response: Management recognizes that due to the Technology ERP staff size, the ideal separation of duties, as called out by UTA's Internal Audit and this audit, is not feasible without the addition of several new employees that would be dedicated to JDE production promotions. To improve the compensating controls and mitigate the potential risk of a developer putting something into JDE production without the proper controls the following step will be taken:

Technology Management, based on the findings of UTA's Internal Audit department, will install and configure a privileged access method (PAM) solution for its ERP system. Staff who need access to Production for support and application upgrades will be required to make a request to access the production environment using the PAM system. The PAM system will issue temporary credentials, log and track all of the users' activities while they are in the production environment. UTA's Internal Audit has indicated to Technology that using a PAM access system would serve as a compensating control for Technologies separation of duties risk due to our small ERP support staff.

Log and activity documents from the PAM system for ERP access would be reviewed by management independent of the development staff and supervision on an anytime developers must access the production database. The level of detail will be based on the specific work performed which will be documented as a support ticket.

The intent is that Management implement these procedural changes by 12/31/2021.

Finding 2020-002 – Internal Controls over Utility Disbursements (Significant Deficiency)

Information on Federal Program:

CFDA Number and Program Name: 20.507 - Federal Transit Formula Grants
Federal Agency: Department of Transportation

Criteria: Accounting principles generally accepted in the United States of America require management to design, implement, and maintain internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

2 CFR section 200.303 requires that non-Federal entities receiving Federal awards establish and maintain internal control over Federal awards that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal awards.

Condition/Context: Utility-related expenses are not reviewed and authorized for payment for prior to disbursement. Eight of the 60 randomly selected expenditures for the Federal Transit Cluster program related to utilities, and all lacked evidence of review and approval.

Questioned Costs: None identified.

Effect: The Authority's financial statements, specifically utility expenses, could be misstated due to fraud or error.

UTAH TRANSIT AUTHORITY
Schedule of Findings and Questioned Costs
For the year ended December 31, 2020

Cause: The Authority does not have a policy requiring the review and approval of utility invoices prior to payment due to the high volume of invoices and short payment terms. The invoices may be reviewed after payment has been made, but the process is informal and not documented.

Repeat Finding: No.

Recommendation: We recommend that the Authority implement a formal process requiring utility invoices to be reviewed prior to payment. The review may include the propriety of the location of the utility (if applicable), reasonableness of usage, and recalculation of extended amounts and tax rates.

Management's Response: Management agrees the current utility review process needs modifications. UTA Internal Audit identified utility control deficiencies in fall 2020 and will be presenting their finalized audit in June 2021. Management's response to internal audit is as follows:

"Management is currently working with a third party utility consultant to provide a recommendation on a utility management/oversight process. The consultant is using current client information and reaching out to other large government users to determine best practices. Once the report is received, management will provide alternatives to the Board of Trustees no later than July 31, 2021. Based on preliminary conversations with the consultant, the report will likely recommend procuring a third-party utilities service consultant and dedicated UTA support staff, or a combination of the two to properly manage the utility program. Based on guidance from the Board of Trustees, management will implement the preferred solution no later than September 30, 2021."

Finding 2020-003 – Financial Reporting Controls over Pension Trust (Significant Deficiency)

Criteria: Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal controls. Fiduciary fund financial statements should be presented using the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 34.

Condition/Context: The following conditions were identified in our testing of the pension trust:

1. Contributions related to 2020 that were received by the trust in 2021 were not properly accrued.
2. Contributions for one special payroll in 2020 were not included in the accounting records of the trust as they were not remitted by the Authority.
3. General journal entries to the trust financial statements are not formally reviewed and approved.

Effect: Employer contributions and contributions receivable in the fiduciary fund financial statements were understated by \$1,423,466 as of and for the year ending December 31, 2020.

The lack of a formal policy for review of journal entries could result in misstatement of the trust financial statements due to error or fraud as unauthorized or inaccurate transactions could go undetected.

Cause: The Authority does not have a policy requiring the review and approval of pension trust journal entries or reconciliation of pension trust activity reported in the financial statements to the underlying records and source data.

Recommendation: We recommend the Authority's management increase oversight of all third-parties involved in the administration of the pension trust by designing and implementing controls over the reconciliation of pension trust activity reported in the financial statements. Specifically, management should ensure that transactions and balances, including investment activity, contributions, benefit payments, and other general journal entries reported in the trust financial statements reconcile to the underlying detail maintained by the Authority, the custodian, and any other Third Party Administrators.

Management's Response: Management agrees with the finding. The Chief Finance Officer and Chief People Officer will start developing a strategy to provide coordinated oversight of the four contractors currently administering the pension. This will include addressing the following areas of concern:

UTAH TRANSIT AUTHORITY
Schedule of Findings and Questioned Costs
For the year ended December 31, 2020

- Reconciling financial contributions from the Authority monthly with the monthly pension financial statements
- Monitoring journal entries performed by the pension accounting firm in the pension accounting system and trial balance
- Reviewing financial statements integrated into the yearly financials of the Authority for completeness and accurate actuarial information
- Serving at a repository for investment statements and audited financials
- Reviewing pension benefit calculations
- Insuring retention of documentation on employee retirement choices
- Follow-up on monthly payments of taxes and annual tax reporting to the various states and the federal government
- Implementing regulatory and compliance changes with the various pension contracts to insure ongoing compliance

Given the breath and scope of this review, the recommendations by the Chief Officers will be presented at the October 14, 2021 pension committee meeting and finalized at the December 9, 2021 pension committee. Coordination effort in the interim will continue to be an ad hoc effort by the Authority's human resource and accounting staff until a final recommendation is implemented.

Finding 2020-004 – Accounting for Capital Assets (Significant Deficiency)

Criteria: Accounting processes and systems should be in place to accurately track capital asset balances and activities, including the cost basis, accumulated depreciation, current period depreciation, and net book value for each asset. Additionally, management is required to estimate the useful lives of capital assets at the time they are obtained and update the useful lives of the capital assets in a timely manner, as needed.

Condition/Context: During our testing over capital assets we noted that the capital assets module does not provide a report that presents the depreciation expense for a requested period of time. Additionally, we noted that initially when the estimated useful lives for certain revenue vehicles was updated in the current year, the adjustment was made retrospectively, rather than prospectively, resulting in current year depreciation expense being understated.

Effect: Reconciling the capital assets per the financial statements to the capital assets module within the financial system requires the use of a manual schedule that is prepared by management, which reduces the effectiveness of the controls the system has in place. Additionally, an audit adjustment was posted to correct the net book value of capital assets, which was overstated by approximately \$56.1 million and current year depreciation expense, which was understated by the same amount, due to the improper recording of the change in the useful lives.

Cause: The capital assets module of the accounting system does not provide the proper reporting required to easily agree capital assets or depreciation expense per the module to the financial statements. In addition, management determined that the estimated useful lives for revenue vehicles needed to be extended, however, they adjusted the value of the revenue vehicles retrospectively rather than prospectively as required by the accounting standards and also added back a portion of net book value to assets that were already fully depreciated.

Recommendation: We recommend that the Authority work with their software company (Oracle/JD Edwards) to ensure that they can get accurate reporting of their capital assets listing and activity from the system. Further, we recommend that when there is a change in accounting estimate related to the useful lives of capital assets, that the impact is recorded prospectively as required by the accounting standards.

UTAH TRANSIT AUTHORITY
Schedule of Findings and Questioned Costs
For the year ended December 31, 2020

Management's Response: Management agrees with the finding and has corrected the 2020 financial statements by the \$56.1 million in additional accumulated depreciation for revenue vehicles and depreciation expense. Accounting will work on system generated reports in Oracle/JD Edwards to provide accurate information on assets for set time periods for the fiscal 2021 audit. Accounting will continue to maintain a separate excel spreadsheet for revenue vehicles based on the prospective accounting guidance from this finding. The Authority will leave Oracle/JD Edwards at the retrospective calculation for revenue vehicles for federal reporting purposes for future Federal Transit Administration interactions. An accounting entry will be done for financial statement purposes each year to reconcile Oracle/JD Edwards to the correct prospective change in accounting estimate tracked by spreadsheet until the two amounts match in subsequent years.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DEFINED IN Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

See Finding 2020-002 in Section II.

Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report On Compliance

We have audited the Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2020.

State compliance requirements were tested for the year ended December 31, 2020 in the following areas:

- Budgetary Compliance Fund Balance
- Restricted Taxes and Related Revenues
- Open and Public Meetings Act
- Fraud Risk Assessment

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the Authority compliance with those requirements.

Opinion on Compliance

In our opinion, the Authority complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2020.

(Continued)

Report On Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Indianapolis, Indiana
June 30, 2021

UTAH TRANSIT AUTHORITY

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2020

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Management
Utah Transit Authority
Salt Lake City, Utah

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics form (FFA-10) for the Utah Transit Authority's (Authority or UTA) annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
- Data is consistent with prior reporting periods and other facts known about the Authority's operations.

We have applied the procedures, as described in Attachment A, to the data contained in the accompanying FFA-10 for the year ending December 31, 2020. Such procedures, which were agreed to and specified by FTA in the Declarations section of the *2020 Policy Manual* and were agreed to by management of the Authority, were applied to assist the Authority in evaluating whether the Authority complied with the standards described in the first paragraph of this part and that the information included in the NTD report FFA-10 for the year ending December 31, 2020 is presented in conformity with the requirements of the *Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule*, as specified in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the *2020 Policy Manual*. The Authority's management is responsible for the FFA-10 and compliance with NTD requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

(Continued)

The procedures in Attachment A were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles (VRM), fixed guideway (FG), directional route miles (DRM), passenger miles traveled (PMT) and operating expenses (OE) of the Authority for the year ending December 31, 2020 for each of the following modes:

- Motor Bus – Directly Operated (MBDO)
- Commuter Bus – Directly Operated (CBDO)
- Commuter Rail – Directly Operated (CRDO)
- Light Rail – Directly Operated (LRDO)
- Demand Response – Directly Operated (DRDO)
- Demand Response – Purchased Transportation (DRPT)
- Motor Bus – Purchased Transportation (MBPT)
- Vanpool – Directly Operated (VPDO)

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on conformity with the requirements of the *Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule*, as specified in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the *2020 Policy Manual*. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the information described above and does not extend to the Authority's financial statements taken as a whole, or the forms in the Authority's NTD report other than the FFA-10 form, for any date or period.

This report is intended solely for the information and use of management of the Authority and the FTA and is not intended to be and should not be used by anyone other than these specified parties


Crowe LLP

Indianapolis, Indiana
June 30, 2021

Attachment A

- a. Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2020 Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Procedure performed without exception.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
 - The extent to which the transit agency followed the procedures on a continuous basis; and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2020 NTD Policy Manual*.

Procedure performed without exception.

- c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

Per inquiry with the Authority NTD Staff (“Staff”), NTD source documentation is retained for a minimum of 3 years per the FTA requirements and is stored on local drives for longer. Procedure performed without exception.

- d. Based on a description of the transit agency’s procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.

We selected a haphazard sample of 15 source documents across all modes from three different months from 2017, 2018, and 2019. We observed that the source documents were maintained for each year as required. Procedure performed without exception.

- e. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) obtain the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.

Per inquiry with Staff, in 2020 internal controls were maintained through email communication. Historically, the general managers for each department and mode were contacted to obtain approval of the periodic data and investigate and resolve discrepancies. In 2021, the Operations, Analysis & Solutions department (“OAS”) created and adopted a more robust system of controls which includes formal documented preparation, review, and approval of source documents. The OAS department performed a retrospective review of 2020 data to ensure its completeness, accuracy, and reasonableness.

- f. Select a sample of the source documents and determine whether supervisors’ signatures are present as required by the system of internal controls. If supervisors’ signatures are not required, inquire how personnel document supervisors’ reviews.

We selected a haphazard sample of 15 source documents across all modes and observed review of the data via email communication. Procedure performed without exception.

- g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Recalculate the arithmetical accuracy of the summaries.

Procedure performed without exception.

- h. Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the *2020 NTD Policy Manual*.

Per inquiry with Staff, the sampling method is in accordance with NTD requirements.

- i. Discuss with transit agency staff (the accountant may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:
- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
 - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
 - Service purchased from a seller is included in the transit agency's NTD report.
 - For transit agencies that meet one of the above criteria, obtain the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Determine how the transit agency estimated annual PMT for the current report year

Per inquiry with Staff, the Authority is not eligible to conduct statistical sampling for PMT data every third year.

- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

We obtained the sampling procedure and methodology for PMT data noting Automatic Passenger Counters (APC) are utilized for a 100% count of PMT for the Commuter Rail, Light Rail, Commuter Bus and MBPT modes. The MBDO mode uses a modified PMT measurement method that utilizes APC data to estimate PMT. 100% of PMT are counted for the Demand Response and Vanpool modes. Procedure performed without exception.

- k. Select a sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Recalculate the arithmetical accuracy of the summary.

We selected a haphazard sample of 48 source documents from March 2020, May 2020, and September 2020, and recalculated PMT. Procedure performed without exception, except for modes and accumulation periods noted below.

For CRDO, we recalculated PMT for March, May, and September 2020 with variances of 99, 59, and 78 miles, respectively. For LRDO, we recalculated PMT for March, May, and September 2020

with variances of 1,416, 920, and 26,946 miles, respectively. For MBDO, we recalculated PMT for May 2020 with a variance of 817 miles. For MBPT, we recalculated PMT for March, May, and September 2020 with variances of 9, 1,560, and 513 miles, respectively. For VPDO, we recalculated PMT for March 2020 with a variance of 458,095 miles. For DRPT, we performed a recalculation of March, May, and September 2020, however, trip-level data was not available to UTA for one of the purchased transportation contractors, and as such, we did not perform a recalculation of that data, but rather ensured mathematical accuracy of the summary to include in the recalculation of PMT for the mode.

- i. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and recalculate the arithmetical accuracy of the computations.

Per inquiry with Staff, the Authority does not operate charter, school bus, or other ineligible vehicles. As such, the procedure was not performed.

- m. For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
 - If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Recalculate the arithmetical accuracy of the summary.
 - If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Recalculate the arithmetical accuracy of the summary of intermediate accumulations.
 - If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

Per inquiry with Staff, with the exception of DRDO, DRPT, and VPDO, actual vehicle revenue miles are computed by subtracting deadhead mileage and missed trips from the scheduled trips. For DRDO and DRPT, actual vehicle revenue miles are calculated by subtracting the deadhead mileage from the miles on hubodometer readings. For VPDO, actual VRMs are calculated from vehicle logs and there are no deadhead miles since it is a non-dedicated service. Procedure performed without exception.

- n. For rail modes, observe the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Procedure performed without exception.

- o. If fixed guideway or High Intensity Busway Directional Route Miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:
- Rail, Trolleybus (TB), Ferryboat (FB), or Aerial Tramway (TR); or
 - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
 - i. Access is restricted;
 - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway; and
 - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., Vanpools (VP), carpools) must demonstrate safe operation.

Per inquiry with Staff, the modes reporting FG or HIB DRM meet the FTA definitions as listed above. Procedure performed without exception.

- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Per inquiry with Staff, the computation of FG and HIB DRM is in accordance with FTA definitions. Additionally, no service changes resulted in an increase or decrease in DRMs.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:
- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Per inquiry with Staff, there were temporary interruptions in service throughout the year resulting from maintenance or rehabilitation improvements of fixed guideway segments, however no change in reporting FG DRM was required as the interruption was less than 12 months.

- r. Measure FG/HIB DRM from maps or by retracing route.

Procedure performed without exception.

- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.

Per inquiry with Staff, the Authority operates modes of service over the same FG/HIB as other transit agencies. UTA is the approved operator for all their FG and UTA is reporting their actual VRM, PMT, and OE for their services. Step performed without exception.

- t. Observe the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2020 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2020 report year, the Agency Revenue Service Date must occur within the transit agency's 2020 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

We obtained the FG/HIB segments form. There were no new segments added during the reporting year 2020.

- u. Compare and agree Operating Expenses with audited financial data after reconciling items are removed.

Procedure performed without exception.

- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of purchased transportation-generated fare revenues. Compare and agree the purchased transportation fare revenues to the amount reported on the Contractual Relationship form.

We inquired with Staff and agreed the purchased transportation fare revenues reported on the Contractual Relationship forms to the Authority's working papers. Procedure performed without exception.

- w. If the transit agency's report contains data for purchased transportation services and the procedures in this accountant's review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this accountant's review, and the transit agency also does not have an Independent Auditor Statement for the purchased transportation data.

The Authority's report contains data for PT services, therefore the IAS-FFA is not applicable.

- x. If the transit agency purchases transportation services, obtain a copy of the purchased transportation contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.

The Authority contracts with three vendors to operate Motor Bus and Demand Response modes. We obtained the executed contracts for each vendor and noted the inclusion of the required information listed above. Procedure performed without exception.

- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and observe the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

The Authority provides services in three UZAs and one non-UZA. Per inquiry with Staff, the Authority uses ArcGIS mapping to allocate statistics based on route mileage. Procedure performed without exception.

- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

We compared the current year FFA-10 data to the prior year reported amounts and calculated the percentage change from the prior year to the current year. The following changes greater than +/- 10% were noted:

- **CBDO** – 27% decrease in VRM, 66% decrease in PMT, and 14% decrease in OE. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation. Additionally, the Authority stopped servicing various off-peak-hours routes since the public wasn't riding the commuter buses.
 - **CRDO** – 25% decrease in VRM and 61% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership of the commuter rails, as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **DRDO** – 45% decrease in VRM, 60% decrease in PMT, and 25% decrease in OE. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **DRPT** – 33% decrease in VRM and 53% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **LRDO** – 53% decrease in PMT and 16% increase in OE. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation. During this time when the public was not riding the light rail, the Authority took the opportunity to improve various lines and perform general maintenance, which contributed to the increase in OE.
 - **MBDO** – 14% decrease in VRM and 37% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **MBPT** – 17% increase in VRM and 43% increase in OE. Per inquiry with Staff, the changes are attributable to more riders on buses operated by the PT contractors since the route frequency for CBDO and MBDO buses was reduced.
 - **VPDO** – 12% decrease in VRM and 26% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
- aa. The accountant should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The accountant may perform additional procedures, which are agreed to by the accountant and the transit agency, if desired. The accountant should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the accountant but not by FTA.

Procedure performed without exception.



U T A

Utah Transit Authority

669 West 200 South
Salt Lake City, UT 84101

MEETING MEMO

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: Mary DeLoretto, Interim Executive Director
David Hancock, Acting Chief Service Development Officer
Andrea Packer, Communications Director

TITLE:

Agency Report

- **Delegated Authority for On-Call Infrastructure Maintenance Task Orders - Status Update**
- **August Change Day Communications**

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion

DISCUSSION:

Mary DeLoretto, UTA Interim Executive Director will report on recent activities of the agency and other items of interest.

- Delegated Authority for On-Call Infrastructure Maintenance Task Orders - Status Update
- August Change Day Communications



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: Bill Greene, Chief Financial Officer and Treasurer
PRESENTER(S): Emily Diaz, Financial Service Administrator

TITLE:

Investment Report - Second Quarter 2021

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion

BACKGROUND:

The Board of Trustees Policy No. 2.1, Financial Management, authorizes the Treasurer to manage the investment of all non-retirement Authority funds in compliance with applicable laws and requires the Chief Financial Officer to prepare and present to the Board a summary of investments, investment activity, and investment performance compared to benchmarks as soon as practical after the end of each calendar quarter. The Second Quarter 2021 Investment Report has been prepared in accordance with the Financial Management Policy and is being presented to the Board.

DISCUSSION:

As of June 30, the benchmark return (3-month T-bill) was 0.080%. Investment returns at the PTIF (0.367%) and Zions Capital Advisors (0.721%) exceeded the benchmark return. Investment returns on the overnight account at Zions Bank (0.030%) were below the benchmark return. The blended portfolio return of 0.363% exceeded the benchmark rate by 28 basis points (0.283%).

All investments are in accordance with the Money Management Act.

ATTACHMENTS:

Second Quarter 2021 Investment Report

Utah Transit Authority
Investment Portfolio
June 30, 2021

Investment	CUSIP	Amount Invested	Purchase Date	Maturity	Yield to Maturity	Annual Earnings
No current Investments		\$ -				
Zions Capital Advisors		\$ 29,386,180			0.721%	\$ 211,874
Zions Bank		\$ 36,114,008			0.030%	\$ 10,834
Public Treasurer's Investment Fund		\$ 306,826,997			0.367%	\$ 1,127,576
Total Investments		<u>\$ 372,327,185</u>				<u>\$ 1,350,285</u>

Rates as of Last Trading Day of

	<u>April</u>	<u>May</u>	<u>June</u>
Zions Capital Advisors	0.780%	0.748%	0.721%
Public Treasurer's Investment Fund	0.422%	0.403%	0.367%
Benchmark Return*	0.070%	0.060%	0.080%

*Benchmark Return is the highest of either the 3 Month T Bill rate or the Fed Funds rate.

Investments Purchased
April 1 through June 30, 2021

Investment	CUSIP	Amount Invested	Purchase Date	Maturity	Yield to Maturity	Annual Earnings
No purchases this quarter						

Investments Sold
April 1 through June 30, 2021

Investment	CUSIP	Amount Invested	Date Sold	Sale Amount	Interest Earned	Gain
No sales this quarter						



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
FROM: Carlton Christensen, Chair of the Board of Trustees
PRESENTER(S): Carlton Christensen, Chair of the Board of Trustees

TITLE:

R2021-07-03 Resolution Appointing Mike Hurst as Internal Auditor and Officer of the Board

AGENDA ITEM TYPE:

Resolution

RECOMMENDATION:

Approve Resolution R2021-07-03 appointing Mike Hurst as Internal Auditor and Officer of the Board

BACKGROUND:

The Public Transit District Act, and UTA's Bylaws require the Board of Trustees to approve individuals as Officers of the Agency and Board of Trustees. The designated officer positions include Secretary, Executive Director, Treasurer, Comptroller, and Internal Auditor. The appointed Auditor is required by statute to be a licensed Certified Internal Auditor (CIA) or Certified Public Accountant (CPA) with at least five years' experience in the auditing or public accounting profession, or equivalent, prior to appointment.

DISCUSSION:

The Board wishes to appoint Mike Hurst as Internal Auditor and Officer of the Board. Mr. Hurst will serve on an interim basis in this appointed role while the board recruits and appoints a new Director of Internal Audit. Mr. Hurst has been with the Agency for one year as a Senior Internal Auditor and is a Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE) with nine years of experience in the auditing profession.

ALTERNATIVES:

State statute and UTA Bylaws require the Board to appoint an Internal Auditor as an Officer of the Board.

FISCAL IMPACT:

Compensation for district officers and administrative employees was authorized in Resolution R2021-01-02.

ATTACHMENTS:

Resolution

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT
AUTHORITY APPOINTING MIKE HURST AS
INTERNAL AUDITOR AND OFFICER OF THE BOARD**

R2021-07-03

July 28, 2021

WHEREAS, the Utah Transit Authority (the "Authority") is a large public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities - Local Districts Act and the Utah Public Transit District Act (the "Act"); and

WHEREAS, the Act requires that the Authority's Board of Trustees (the "Board") appoint an internal auditor who is a licensed certified internal auditor or certified public accountant with at least five years' experience in the auditing or public accounting profession, or the equivalent; and

WHEREAS, Mike Hurst is a Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE), with nine (9) years of experience in the auditing profession, meeting the requirements of the Act; and

WHEREAS, the Board values the experience and skills of Mr. Hurst, and has identified Mr. Hurst to be qualified to serve as Interim Director of Internal Audit of the Authority; and

WHEREAS, the Board has set by Resolution R2021-01-02 the compensation for district officers and administrative employees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Utah Transit Authority:

1. That the Board hereby appoints Mr. Hurst as the Authority's Internal Auditor, Ethics Officer and Officer of the Board of Trustees.
2. That the Board hereby authorizes that Mr. Hurst take the oath of office specified in the Utah Constitution, Article IV, Section 10, and the Act.
3. That the Board hereby rescinds the prior appointment of Ronald S. Ellis as the Authority's Director of Internal Audit in Resolution R2020-07-01.
4. That the Chair and the Executive Director are authorized and empowered to take or direct such other actions as may be reasonably necessary to give effect to the appointment of Mr. Hurst.
5. That the Board hereby ratifies any and all actions previously taken by the Authority's management, staff, and counsel that were necessary or appropriate to these actions.

6. That this Resolution stay in full force and effect unless amended or rescinded by further action of the Board of Trustees.
7. That the corporate seal be attached hereto.

Approved and adopted this 28th day of July 2021.

Carlton Christensen, Chair
Board of Trustees

ATTEST:

Secretary of the Authority

(Corporate Seal)

Approved As To Form:

DocuSigned by:
David Wilkins

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Legal Counsel



Utah Transit Authority

669 West 200 South
Salt Lake City, UT 84101

MEETING MEMO

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: William Greene, Chief Financial Officer
PRESENTER(S): Andrea Packer, Director of Communications
Monica Morton, Fares Director
Kensey Kunkel, Manager Business Dev. and Sales

TITLE:

R2021-07-04 - Resolution Approving Certain Sponsored Fare Agreements for Special Events as Part of the Authority's COVID Recovery Efforts

AGENDA ITEM TYPE:

Resolution

RECOMMENDATION:

Approve Resolution R2021-07-04 allowing UTA to temporarily offer ticket-as-fare contracts at no charge to certain events. This will allow entities to provide free fare to ticketed events in the UTA service district in exchange for value-in-kind in the form of promotion of UTA services. The Agreements will specify the type of payment-in-kind to be made in the form of advertising and promotional materials which promote UTA transit services to the community.

BACKGROUND:

Historically, UTA has partnered with entities on entertainment, sporting, and other special events to allow event ticket holders to ride UTA services without charge to the events. Event tickets are printed with the UTA logo and specific wording that identifies the ticket as valid transit fare for the date identified on the event ticket. This partnership is formalized through a custom priced contract that is negotiated by the Fares team and approved by the Board of Trustees. Examples include University of Utah sporting events and the Ogden Twilight Concert Series.

As Utah's economy continues to recover from the pandemic and UTA seeks to restore ridership, special events have been identified as a target market by the UTA Ridership Recovery Team. The Team recommends partnering with entities and executing ticket-as-fare contracts at no charge for those events using base UTA service (as published on <https://www.rideuta.com/>). This promotion would start upon Board adoption and extend through July 2022. Entities using base service could participate in exchange for in-kind advertising and promotion of UTA. Benefits include:

Supporting the economy, including events and hospitality:

- Will help ticket holders commute to and from various events
- Makes events more affordable as people do not have to pay for parking
- Will reduce traffic congestion around the venue area
- Promotes and encourages the use of public transportation

Strengthening future relationships with past partners and generating new partners:

- Ogden City, and City Weekly have partnered with UTA in years past to offer ticket-as-fare
- Executing ticket-as-fare contracts at no charge to events hosted by current partners will demonstrate goodwill and contribute to the regional recovery from the pandemic
- Cultivating new partnerships through this promotion increases the likelihood of partnering in the future for the same event
- History shows that customers that rode to an event in the past often inquire about, and expect the event to continue to offer a transit option

Opportunity to cross promote events and transit:

- Partners will promote the use of transit, UTA can promote the event
- This will also help to strengthen relationships between UTA and event hosts
- Encourage the use of transit and support local events and promotions

DISCUSSION:

UTA will enter into Sponsored Fare Agreements with event hosts that meet and/or agree to the following criteria:

- A. The event must require that all attendees have a ticket as defined in section 5 of the attached model agreement.
- B. Event attendance is greater than 1,500 per day.
- C. This authorization will be for events utilizing UTA base service. Events requiring supplemental service above base levels or surge service will require approval as defined in Board Policies 2.2. and 4.1.
- D. Payment in-kind through marketing and promotions may be received by UTA in lieu of monetary value.
- E. The Sponsored Fare agreement will be approved by the Chief Financial Officer and Executive Director prior to execution.

The following list of events have been identified as opportunities for partnerships through a Special Event Pass Agreement. Note: the below list is not all-inclusive of every possible event and additional events may be added in the future.

Ogden-Twilight Concert Series	Salt Lake-Twilight Concert Series	Hive Music Festival
LDS General Conference	ComicCon	State Fair
Pride Festival	Beer Fest	Collegiate Sports
Jazz Basketball	Bees Baseball	Grizzlies Hockey
Real Salt Lake Soccer		

All Special Event Pass Agreements will be reviewed and approved by the Chief Financial Officer and Executive Director prior to execution. The Executive Director will inform the Board of Trustees at least monthly of all new Sponsored Fare Agreements.

ALTERNATIVES:

Do not approve the promotional fare request and maintain status quo of negotiating a contract price for each Special Event Pass Agreement

FISCAL IMPACT:

At this time there is no anticipated foregone revenue, as UTA has not negotiated the specifics of each individual contract and the need for additional service.

The 2021 budget anticipated revenue of \$30,500 from the Ogden Twilight Concert Series and City Weekly Beer Fest. Final negotiations with the above parties will determine the actual amount of foregone revenue.

ATTACHMENTS:

- Resolution

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH
TRANSIT AUTHORITY APPROVING CERTAIN SPONSORED FARE
AGREEMENTS FOR SPECIAL EVENTS AS PART OF THE
AUTHORITY'S COVID RECOVERY EFFORTS**

R2021-07-04

July 28, 2021

WHEREAS, Utah Transit Authority (the "Authority") is a large public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities – Local Districts Act and the Utah Public Transit District Act (the "Act"); and

WHEREAS, the Act empowers the Board of Trustees ("Board") of the Authority to fix fares and to review and approve contracts pertaining to reduced fares; and

WHEREAS, the Board of Trustees of the Authority previously adopted Board of Trustees Policies 4.1 regarding Fares and 2.1 regarding Contract Authority (the "Board Policies"); and

WHEREAS, the Board Policies define "Sponsored Fare" as "transportation service paid in part or full by a third party for service that is not Charter Service;" and

WHEREAS, the Board Policies require that the Executive Director present to the Board for approval all requests for Sponsored Fare Agreements; and

WHEREAS, the board wishes to support the UTA Covid Recovery Task Force with the intent to increase ridership; and

WHEREAS, the Board wishes to promote increased transit ridership by approving certain Sponsored Fare Agreements to provide free fare to ticketed events at no extra charge to event organizers or event patrons; and

WHEREAS, the Board wishes to approve certain requests for Sponsored Fare arrangements.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority:

1. That the Board hereby approves Sponsored Fare arrangements that contain the following criteria:
 - a. The requested Sponsored Fare agreement conforms to the model agreement attached as "Exhibit A" to this Resolution.
 - b. The Sponsored Fare arrangements will be based on the following parameters:
 - i. The event must require that all attendees have a ticket as defined in section 5 of the attached model agreement.

- ii. Event attendance is greater than 1,500 per day.
 - iii. This authorization will be for events utilizing UTA base service. Events requiring supplemental service above base levels or surge service will require approval as defined in Board Policies 2.2. and 4.1.
 - iv. Payment in-kind through marketing and promotions will be received by UTA in lieu of monetary value.
 - v. The Sponsored Fare agreement will be approved by the Chief Financial Officer and Executive Director prior to execution.
- c. That the Executive Director shall inform the Board at least monthly of all new Sponsored Fare agreements.
2. That this Resolution stay in force and effect until July 31, 2022.
3. That the Board of Trustees formally ratifies actions taken by the Authority, including those taken by the Executive Director, staff, and counsel that are necessary or appropriate to give effect to this Resolution.
4. That the corporate seal be attached hereto.

Approved and adopted this 28th day of July 2021.

Carlton Christensen, Chair
Board of Trustees

ATTEST:

Secretary of the Authority

(Corporate Seal)

Approved As To Form:

DocuSigned by:
David Wilkins

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Legal Counsel

Exhibit A
(Model Sponsored Fare Agreement)

**SPECIAL EVENTS AGREEMENT
Tickets for Transit**

This Special Events Agreement-Tickets for Transit (“Agreement”) is entered into on _____, 2021, by and between _____ (“Sponsor”), and Utah Transit Authority, a public transit district organized under the laws of the State of Utah (“UTA”). Sponsor and UTA hereafter collectively referred to as the “parties” and either of the foregoing may be individually referred to as “party,” all as governed by the context in which such words are used.

RECITALS

WHEREAS Sponsor will host a _____ (“Event”) on the following date(s): _____ and at the following location: _____ (“Venue”), and

WHEREAS Sponsor desires to procure transit passes for transportation to its Event using UTA’s transit system; and

WHEREAS UTA is willing to accept payment-in-kind consisting of marketing and promotional activities for the UTA transit system; and

WHEREAS the parties desire to establish a program whereby Sponsor is authorized to procure transit passes by providing a payment-in-kind marketing package for those attending its Event.

AGREEMENT

NOW THEREFORE, on the stated Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants herein and in the Agreement, the mutual benefits to the parties to be derived here from, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

SECTION I: DEFINITIONS

- 1.1 The term “**Base Service**” means public transit service as produced in UTA’s ordinary operations and published at www.rideuta.com.
- 1.2 The term “**Effective Date**” shall mean July 1, 2021, unless the parties agree otherwise above.
- 1.3 The term “**Sponsor**” means the business entity defined as Sponsor on the initial page of this agreement.

SECTION II: TERMS AND CONDITIONS

1. Tickets for Transit Program. The parties agree to establish a Tickets for Transit Program, whereby the Sponsor procures transit passes using payment-in-kind for ticket holders to its Event(s) (the “Tickets for Transit Pass”).
2. Authorized Users. Upon the terms and conditions contained herein, UTA agrees to allow Sponsor to provide a Tickets for Transit Pass to ticket holders (“Authorized Users”) attending the Event(s) at the Venue.
3. Payment-in-Kind for Fare. Sponsor agrees to provide payment-in-kind consisting of a marketing package valued at \$_____ (see Exhibit A “Marketing Package”). The marketing package shall promote use of UTA’s transit system and shall be subject to pre-approval by UTA.
4. Term of Agreement. The term of this Agreement shall be from the Effective Date and runs through _____.
5. Pass Recognized as Fare Payment. An Authorized User’s event ticket shall also serve as a transit pass when: (1) printed with the wording “Valid as UTA fare on the date indicated” or similar wording approved by UTA and (2) used for fare payment on the date of the event stated on the ticket. The Tickets for Transit Pass shall be recognized by UTA as fare payment on all Local Bus Routes, TRAX Light Rail Routes, Streetcar Light Rail, FrontRunner Commuter Rail Routes, and BRT Routes on the day of the event. The Tickets for Transit Pass shall not be recognized as fare payment on Paratransit Service, Park City-Salt Lake City Connect Service, or any other special service. (3) Issued to event attendees via email, home delivery, or through an app. Attendees using transit to get to/from the event present acceptable fare media upon boarding the bus or upon rail inspection. Acceptable fare media for events includes: a printed copy of the vendor issued email displaying the attendee’s ticket, a vendor issued ticket, or the mobile app with the ticket displayed. Fare media that is not accepted includes: generic download from the vendor’s website, a form of ticket not provided to UTA as an acceptable ticket type, a camera image of the ticket, or any other form not listed as acceptable. Vendor must provide UTA with images of all the different ticket types. UTA will use the images to verify the logo is printed and distribute to operators so they are aware of them prior to the event.
6. Use of the UTA Logo.
 - a. The UTA Logo, which is attached hereto as Exhibit B, is the sole and exclusive property of UTA. UTA hereby grants Sponsor, so long as it is not in breach of this Agreement a limited and revocable license to use or print the UTA logo as specified herein. The interpretation and enforcement (or lack thereof) of these terms and conditions, and compliance therewith, shall be in UTA’s sole discretion. The UTA Logo may not be altered in any way and must be displayed in the same form as produced by UTA. The UTA Logo must be printed in either black or in the official color of blue and red.

- b. The UTA Logo shall be used in a professional manner on all Event tickets; on the Event main entrance, VIP area, stage banners, website, and posters; and in print advertising for the Event.
 - c. Notwithstanding the foregoing, the UTA Logo may not be used in any manner that, in the sole discretion of UTA: discredits UTA or tarnishes its reputation and goodwill; is false or misleading; violates the rights of others, violates any law, regulation or other public policy; or mischaracterizes the relationship between UTA and the user, including but not limited to any use of the UTA Logo that might be reasonably construed as an endorsement, approval, sponsorship or certification by UTA of Sponsor, Sponsor's business or organization, or Sponsor's products or services or that might be reasonably construed as support or encouragement to purchase or utilize Sponsor's products or services.
 - d. Use of the UTA Logo shall create no rights for Sponsor in or to the UTA Logo or their use beyond the terms and conditions of this limited and revocable license. The UTA Logo shall remain at all times the sole and exclusive intellectual property of UTA. UTA shall have the right, from time to time, to request samples of use of the UTA Logo from which it may determine compliance with these terms and conditions. Without further notice, UTA reserves the right to prohibit use of the UTA Logo if it determines, in its sole discretion, that Sponsor's UTA Logo usage, whether willful or negligent, is not in strict accordance with the terms and conditions of this license, otherwise could discredit UTA or tarnish its reputation and goodwill, or Sponsor is otherwise in breach of this Agreement.
7. Pass Distribution. Sponsor shall be solely responsible for issuing Tickets for Transit Passes to Authorized Users.
8. Public Transit Services. The Parties understand that the transit services being used under this Agreement are public transit services. As such, Authorized Users must comply with all UTA rider rules and rules governing the use of public transit services. Authorized Users must present their Tickets for Transit Passes as proof of fare payment to UTA bus operators and fare inspectors. Authorized Users who do not have possession of a Tickets for Transit Pass must pay the regular fare for the transit service they use. UTA reserves the right to modify its service and schedules as it deems appropriate in its sole discretion.
9. Indemnification. Each party hereby agrees to be responsible and assume liability for its own negligent or wrongful acts or omissions or those of its officers, agents or employees to the full extent required by law and agrees to indemnify and hold the other party harmless from any such liability, damage, expense, cause of action, suit, claim, judgment, or other action arising from participation in this Agreement. Both parties are subject to the provisions of the Utah Governmental Immunity Act. Neither party waives any legal defenses or benefits available to them under applicable law, and both agree to cooperate in good faith in resolving any disputes that may arise under this Agreement.

10. Termination. This Agreement shall continue in full force and effect during the term of this Agreement unless it is terminated earlier by either party. Each party may terminate this Agreement in its sole discretion by giving the other party written notice of termination at least forty-five (45) days prior to the termination date. If UTA terminates this Agreement before the Event ends, Sponsor shall pay a prorated amount for the concerts for which UTA provides transportation services. Sponsor may also terminate all or part of this agreement in the event the Covid-19 pandemic precludes performance of all or part of the concert series and pay UTA a pro-rated amount only for the shows performed.
11. Nondiscrimination. Sponsor agrees that it shall not exclude any individual from participation in or deny any individual the benefits of this Agreement, based on race, color, national origin, creed, sex, or age in accordance with the requirements of 49 U.S.C. §5332.
12. Third Party Interests. No person not a party to this Agreement shall have any rights or entitlements of any nature under it.
13. Entire Agreement. This Agreement contains the entire agreement between the parties hereto for the term stated and cannot be modified except by written agreement signed by both parties. Neither party shall be bound by any oral agreements or special arrangements contrary to or in addition to the terms and conditions as stated herein.
14. Costs and Attorney's Fees. If either party pursues legal action to enforce any covenant of this Agreement, the parties agree that all costs and expenses of the prevailing party incident to such legal action, including reasonable attorney fees and court costs shall be paid by the non-prevailing party.

Remainder of page left intentionally blank

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth herein.

SPONSOR

UTAH TRANSIT AUTHORITY

By: _____ Date: _____

By: _____ Date: _____

Name: _____

Name:
Title

Title: _____

By: _____ Date: _____

Name:
Title:

Approved as to Form:

By: _____ Date: _____

Michael Bell
Assistant Attorney General
Counsel for UTA

Exhibit "A"
Example Marketing Package

Value of Package: \$XXXX

Details of Package:

- Logo on website
- Info about taking transit to event shared in communications
- Logo on signage at event
- Sponsor announcements at event
- Social media posts
- Logo included in print materials
- Sponsor mention/logo included in any paid media buys

Exhibit "B"
UTA Logo





Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: Andrew Gray, Civil Rights Compliance Officer
PRESENTER(S): Andrew Gray, Civil Rights Compliance Officer

TITLE:

R2021-07-05 - Resolution Approving the August 2021 Change Day Title VI Service Equity Analysis

AGENDA ITEM TYPE:

Resolution

RECOMMENDATION:

Approve R2021-07-05 and the August 2021 Title VI Service Equity Analysis

BACKGROUND:

UTA has proposed 13 major changes for August 2021 change day. Major changes, as defined by the authority, require an equity analysis be performed. The proposed changes include nine routes be discontinued and four new routes be added to the system. Six of the routes being discontinued are in the service area of UTA's on-demand service. On demand service will act as a direct replacement. The other three routes being discontinued are being replaced by four new flex routes using smaller vehicles capable of deviating from fixed routing to provide pick-up points other than designated stops. The analysis was performed in accordance with the Federal Transit Administration's (FTA) Circular 4702.1B, which outlines the Title VI requirements and guidelines for recipients of FTA funds. Title VI equity analyses are conducted to examine whether proposed changes to service would negatively impact minority or low-income populations in a disproportionate way. The circular also requires any equity analysis be approved by the recipient's governing entity.

DISCUSSION:

A review of demographic data of the people impacted by the proposed changes showed that the proposed route and system level changes do not result in any findings of a potential disparate impact on minorities or disproportionate burden borne by low-income households. The overall impact will be that more people will have access to service and that viable replacements will be immediately enacted throughout the changes.

FISCAL IMPACT:

None

ATTACHMENTS:

1) Resolution R2021-07-X5, including the August 2021 Title VI Service Equity Analysis

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT
AUTHORITY APPROVING THE AUGUST 2021 CHANGE DAY TITLE VI
SERVICE EQUITY ANALYSIS**

R2021-07-05

July 28, 2021

WHEREAS, the Utah Transit Authority (the “Authority”) is a large public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities – Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, the Board of Trustees of the Authority (the “Board”), in keeping with the Federal Transit Administration’s requirements for public transit agencies and the Civil Rights Act of 1964 has considered and reviewed the August 2021 Change Day Title VI Service Equity Analysis (“Title VI Equity Analysis”) prepared by Authority staff; and

WHEREAS, the Board has desires to approve the Title VI Equity Analysis.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority:

1. That the August 2021 Change Day Title VI Service Equity Analysis prepared by Authority staff, a copy of which is attached hereto as Exhibit A, is hereby approved by the Authority.
2. That the Board hereby ratifies any and all actions taken by the Authority’s Executive Director and staff in furtherance of and effectuating the intent of this Resolution.
3. That a copy of this Resolution shall be submitted to the Federal Transit Administration.
4. That the corporate seal be attached hereto.

Approved and adopted this 28th day of July 2021.

Carlton Christensen, Chair
Board of Trustees

ATTEST:

Secretary of the Authority

(Corporate Seal)

Approved As To Form:

DocuSigned by:
David Wilkins
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Legal Counsel

Exhibit A

August 2021 Change Day Title VI Service Equity Analysis



Title VI Service Equity Analysis

August 2021

Utah Transit Authority

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Introduction

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance. The Utah Transit Authority has committed to the Federal Transit Administration's (FTA) Title VI objectives set forth in Circular 4702.1B by ensuring that UTA's services are equitably offered and resources distributed without regard to race, color, or national origin.

The following analysis is of proposed changes to be implemented in August of 2021. These changes are being proposed to protect public funds and improve functionality of the system. Though the proposed changes are facially neutral, this analysis, in accordance with FTA requirements, will ensure that these changes will not have disproportionately negative impact on minority and low-income populations within UTA's service area. If these changes are found to be potentially discriminatory, UTA will take all prescribed and prudent steps to ensure services are equitable and compliant with federal guidelines and requirements.

Summary of Proposed Changes

UTA has proposed 13 major changes during the August Change Day. Nine routes are proposed to be discontinued and four new routes added to the system. Six of the routes being discontinued are routes in an area where on-demand service has been introduced. The other three routes being discontinued are being replaced by four new flex routes using smaller vehicles capable of deviating from fixed routing to provide pick-up points other than designated stops.

Summary of Findings

The August 2021 Change Day proposal includes the discontinuation of many routes and the replacement of others in order to provide the most efficient community specific service possible. The routes being discontinued serving Title VI populations have proposed replacements with the same if not better services than the existing ones including flex routes and demand response service. When looking at the system-wide impact of the proposed changes, and accounting for the proposed new routes, the demographics of those under the proposed service are larger and more diverse than those in the previous service levels. A review of the route and system level changes do not result in any findings of a potential disparate impact on minorities or disproportionate burden borne by low-income households.

UTA Policy and Definitions

UTA has developed corporate policy 1.1.28 Title VI Compliance Policy to define and evaluate the impacts of proposed major services changes on minority and low-income populations in conjunction with a public outreach process. In developing this policy, UTA solicited feedback through publications within the service area, published on UTA's website (rideuta.com), and Utah's government website in the public notices section (Utah.gov) which provides translation options. In conjunction with the Salt Lake County Office of Diversity Affairs, which maintains an email list of local entities and individuals with interest in diversity issues, UTA sent an email notification soliciting feedback in the development of this policy. Additional targeted outreach was done, which included mailing a letter and the policy or sending emails to community organizations that work with minority or low-income populations.

The following references to policy are from subsections of corporate policy 1.1.28 and were created to ensure that all equity analyses are performed using the same parameters and are in line with FTA Circular 4702.1B.

Definitions

- A. *"Disparate Impact"* refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin, where the recipient's policy or practice lacks a substantial legitimate justification and where there exists one or more alternatives that would serve the same legitimate objectives but with less disproportionate effect on the basis of race, color, or national origin.
- B. *"Disproportionate Burden"* refers to a neutral policy or practice that disproportionately affects the low-income population more than non-low-income populations.
- C. *"Flex Route"* refers to a route that, upon request, can deviate from its fixed route to provide a curbside pick-up or drop-off of up to $\frac{3}{4}$ of a mile around the fixed route. Deviations from the fixed route cost an additional \$1.25.
- D. *"Low-income Population"* refers to any readily identifiable group of low-income persons who live in geographic proximity, and, if circumstances warrant, geographically dispersed/ transient persons (such as migrant workers or Native Americans) who will be similarly affected by a proposed FTA program, policy or activity.
- E. *"Minority Person"* include the following:

1. American Indian or Alaska Native, which refers to people having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
 2. Asian, which refers to people having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
 3. Black or African American, which refers to people having origins in any of the Black racial groups of Africa.
 4. Hispanic or Latino, which includes persons of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
 5. Native Hawaiian or Other Pacific Islander, which refers to people having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- F. *"Minority Population"* means any readily identifiable group of minority persons who live in geographic proximity.
- G. *"National Origin"* means the particular nation in which a person was born, or where the person's parents or ancestors were born.
- H. *"System Average"* The system average is the averages of minorities and low-income persons within the total populous of the geographic regions UTA serves. The present system averages are expressed below in tabular format using 2012-2016 5-year population estimates provided by the American Community Survey (ACS).

<i>Low-Income System Average:</i>	
Population:	2,351,065
Low-Income Population:	404,688
Percent Low-income:	17.2%

<i>Minority System Average:</i>	
Population:	2,368,702
Minority Population:	546,507
Percent Minority:	22.9%

Major Service Change

UTA will consider the following types of changes to be "major changes", which require public input and a Title VI equity analysis in compliance with FTA's Circular 4702.1B

- a) The Addition of Service;
- b) A proposed service level reduction in miles, hours, or trips of thirty three percent (33%) or more of any route;
- c) The elimination of all service during a time period (peak, midday, evening, Saturday, or Sunday);
- d) A proposed twenty-five (25%) or greater change in route alignment;

- e) A proposed fare change.

Evaluation and Analysis of Service and Fare Changes

1. UTA will analyze proposed major changes to service and any proposed fare changes in accordance with FTA's Circular C 4702.1B as amended.
2. UTA will evaluate the impacts of all major service changes cumulatively when there is more than one route being affected for a service change period
3. UTA will primarily utilize American Community Survey (ACS) Data, block group data and/or ridership data to evaluate and analyze any proposed major service and fare changes. This data will be analyzed with Geographic Information System (GIS) software.
4. UTA will rely on population data and use the smallest geographic area that reasonably has access to the stop or station effected by the proposed major service change. This will be translated into a one-quarter mile radius to a bus stop, one-half mile to a light rail station and three miles to a commuter rail station.

Disparate Impact and Disproportionate Burden

1. UTA will measure the burdens of service and fare changes on minority riders to determine when minority riders are bearing a disparate impact from the change between the existing service or fare and the proposed service or fare.
2. UTA will measure the burdens of service and fare changes on low-income riders to determine when low-income riders are bearing a disproportionate burden of the change between the existing service or fare and the proposed service or fare.
3. A threshold of 5% will be used to determine disparate impact on minority populations and disproportionate burden on low-income populations. This 5% is based on the margin of error from the US Census data that UTA uses to determine the populations in the service area. This means that if the burden of the service or fare change on minority or low-income populations is more than 5% worse than it is for the non-protected populations, then the change will be considered either a disparate impact or a disproportionate burden.

Finding a Disparate Impact

1. At the conclusion of UTA's Analysis, if UTA finds a disparate impact on the basis of race, color, or national origin, UTA shall seek to modify the proposed changes in a way that will mitigate the adverse effects that are disproportionately borne by minorities.

Modifications made to the proposed changes must be reanalyzed in order to determine whether the modifications actually removed the potential disparate impacts.

2. If UTA chooses not to alter the proposed service changes despite the potential disparate impact on minority populations, or if UTA finds, even after the revisions, that minority riders will continue to bear a disproportionate share of the proposed service or fare change, UTA may implement the change only if:
 - a. UTA has substantial legitimate justification for the proposed change; and
 - b. UTA can show that there are no alternatives that would have a less disparate impact on the minority riders but would still accomplish the transit provider's legitimate program goals. In order to show this, UTA must consider and analyze alternatives to determine whether those alternatives would have less of a disparate impact on the basis of race, color, or national origin, and then implement the least discriminatory alternative

Finding a Disproportionate Burden

If at the conclusion of the analysis, UTA finds that low-income populations will bear a disproportionate burden of the proposed major service change, UTA will take steps to avoid, minimize, or mitigate impacts where practicable. UTA will also describe alternatives available to low-income passengers affected by the service changes.

Proposed Changes

Routes Replaced by Microtransit

Beginning in November 2019, UTA began a microtransit pilot service partnering with Via, a leader in on demand shared rides, in southern Salt Lake County. The pilot program has been successful and will be permanently adopted during this August change day period. Of note is the FTA's guidance found in FTA Circular 4702.1B which states that the circular's requirements do not apply to demand response services and Title VI equity analyses.



As such, the inclusion of this information is to provide additional context and justification regarding the cancellation of routes within the microtransit service area.

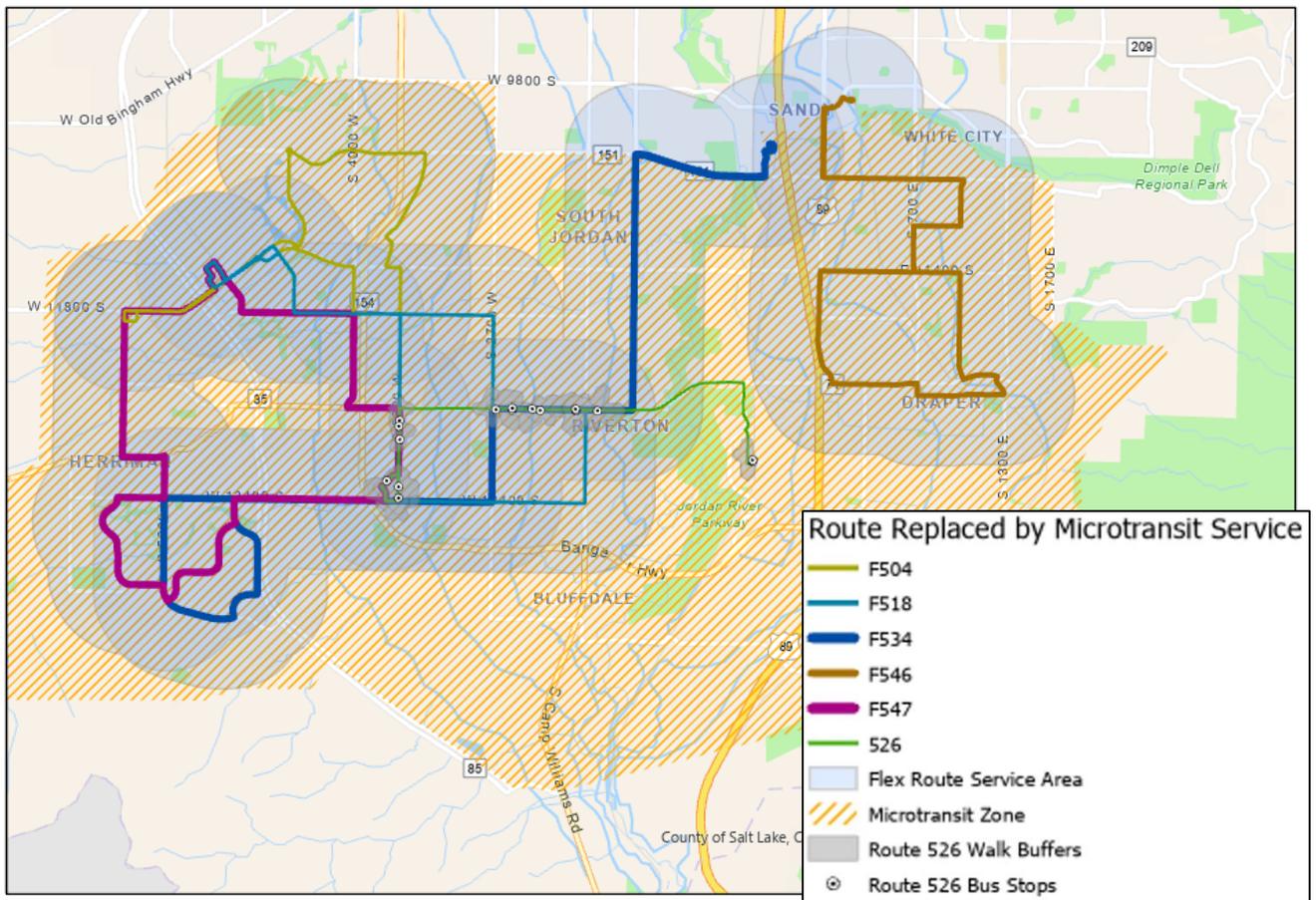
Microtransit is an innovative form of on demand transportation that connects riders with other transit services as well as to other local destinations within the community. Via's technology matches multiple riders headed in a similar direction into a single vehicle; and creates routes that allow for quick and efficient shared trips without lengthy detours or relying on fixed route schedules.

The UTA On Demand by Via services about 65 square miles in the cities of Bluffdale, Draper, Herriman, Riverton and South Jordan. The service area includes seven TRAX and FrontRunner stations and provides much more effective first-and-last mile connections to our bus and rail services. A rider's trip must start and end within the designated service area. After booking a ride, the app will display the pick-up location where the vehicle meets the rider. Via is a corner-to-corner service, so riders are picked up and dropped off at their final destination if it within the service area or at any of the transit stops or stations within the service area.

This area of Salt Lake County does not have high ridership on fixed routes. As a result, UTA is proposing to cancel most of the existing fixed and flex routes that are in this area and relying on the microtransit service as a replacement. In order to keep service accessible, UTA has acquired accessible vehicles that are used in the service area and created alternative methods for scheduling the service rather than just the use of a smart phone. Riders can call in to customer service and schedule a ride without the use of the app.

With the full adoption of microtransit, UTA has determined that the following routes are being discontinued due to low relative ridership and the permanent introduction of a viable alternative in microtransit. The routes being discontinued are routes F504, F518, 526, F534, F546, and F547. Of these routes, the 526 and F534 were both discontinued during COVID as part of UTA’s response to decreased ridership. We are proposing to eliminate the routes and not have them return to service.

Below is a map showing the existing routes that would be removed with the proposed changes. The map has half mile buffers around the flex routes to show the area to which they can deviate, quarter mile buffers around each stop on fixed route, and a shaded area showing the on demand microtransit service area.

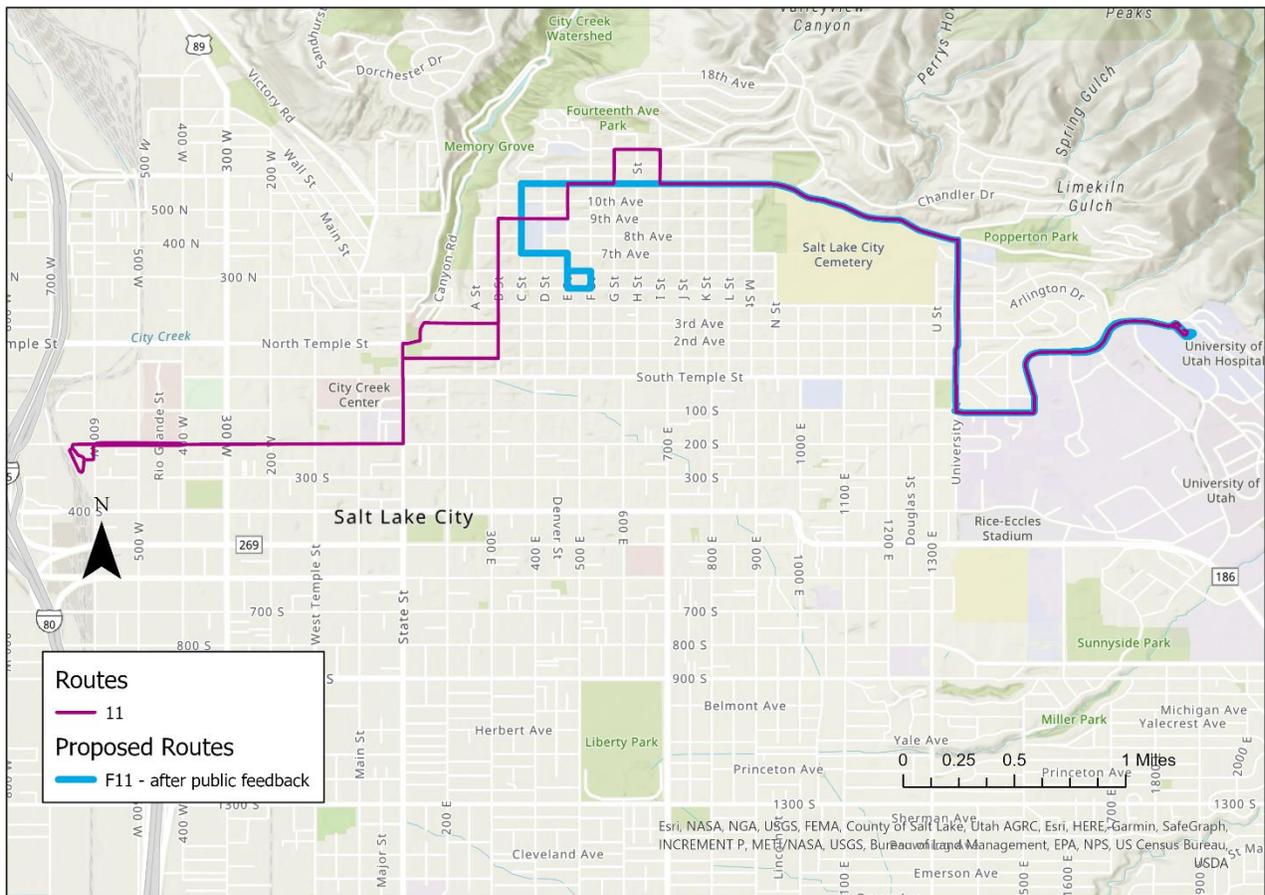


Other Major Changes

Routes 11 & F11

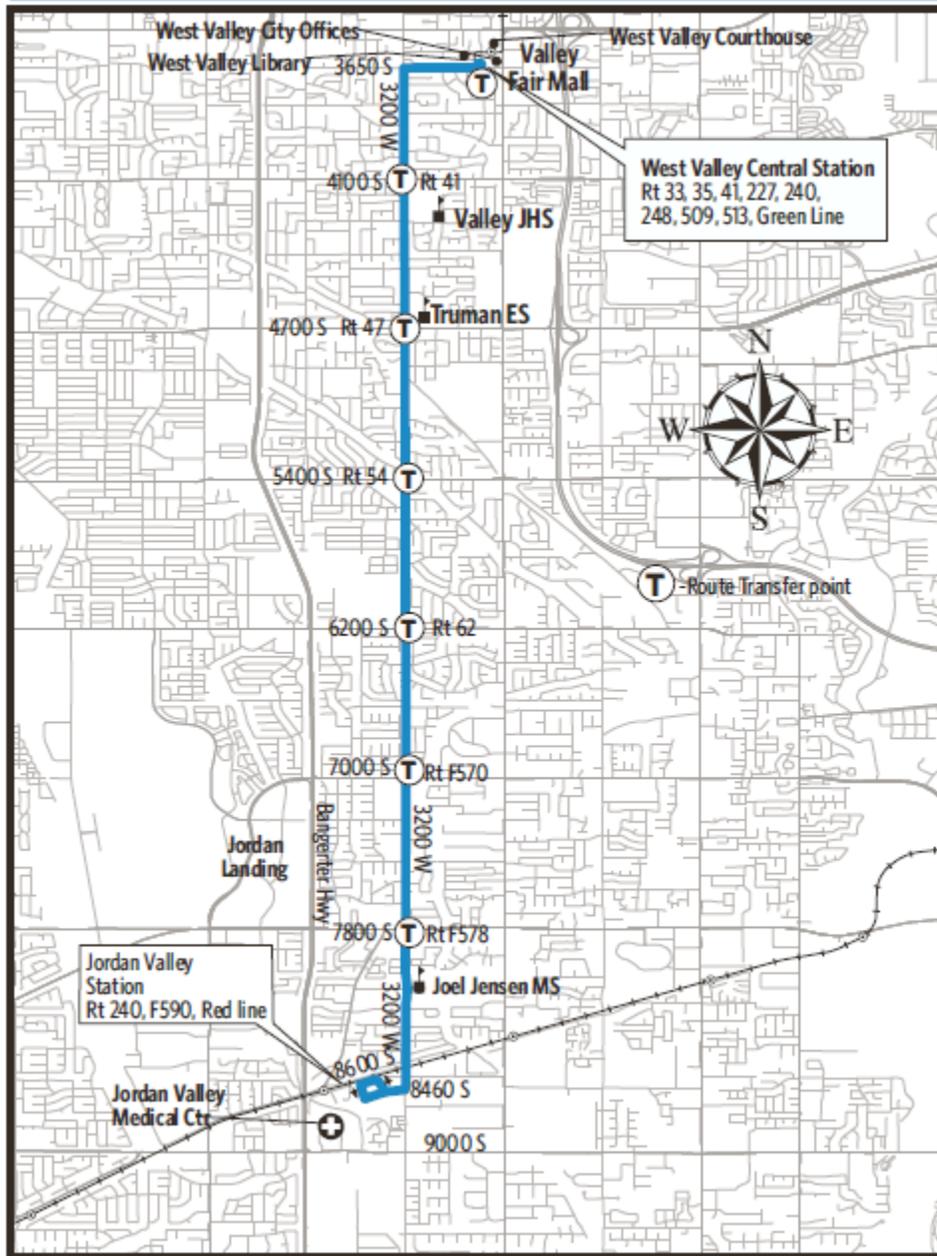
It is proposed to discontinue route 11 as a regular fixed route and replace large portions of it with the new route F11. This will transition it to a service that will be able to deviate from the fixed route and pick riders up within a half mile radius of the route. It will also replace the 40 foot bus with a smaller vehicle. Route 11 has substantial duplication in alignment with route 6 which accounts for the portions of the route not being directly replaced by the F11's addition. See below for images of the current and proposed alignment. There are no proposed changes to frequency with a slight increase in span of service.

During UTA's public comment period feedback was received that the original proposal's alignment was not going to meet the needs of riders. The original alignment did not go up to the University of Utah Hospital, but rather made a loop before going up the University's campus. Based on this feedback, UTA revised the alignment to include trips to the hospital.



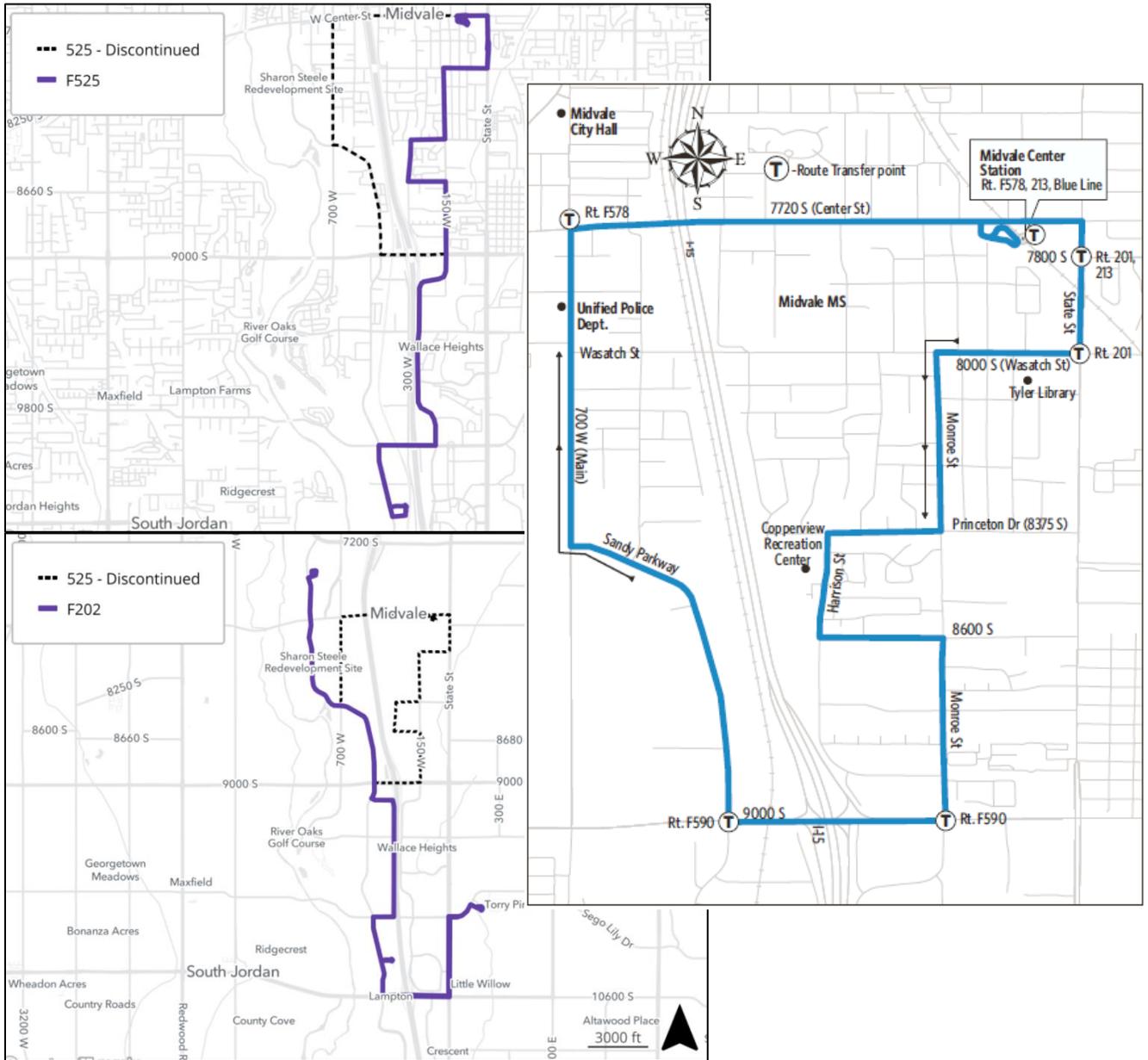
Routes 232 & F232

It is proposed to discontinue route 232 and replace its exact alignment with a new flex route. As stated previously, this decreases vehicle size and adds the feature where the transit vehicle is able to deviate from its fixed route and pick up passengers within a half mile radius for an additional \$1.25 charge. Other than these changes, there are no other proposed changes to frequency or span of service.



Routes 525, F202, and F525

Route 525 is an existing route that is a one way circular route in the Midvale area. The current nature of the route can be inconvenient for people whose stops are more easily accessed counterclockwise and requires them to ride all the way around. It is proposed to discontinue this route and replace it with F202 and F525. They do not follow the alignment exactly, but they provide better connections to other routes and rail than the current alignment. The sections of the 525 not included in the two direct replacements are actively serviced by the F578 and other routes. The new routes will have the same frequency and a slight increase to span of service, but there are no proposed decreases. Due to the non-circular routing there is a net increase.



Analysis of Proposed Changes

UTA has analyzed the potential impacts of any major service change as it relates to low-income and minority populations, and evaluated the potential for adverse impact on these groups. To this end, UTA has created the maps, tables and related data found in this section. The data in this section was compiled utilizing American Community Survey (ACS) 2018 5-year estimates, which was dispersed into census blocks, in lieu of the larger block groups in order to use the smallest geographic area possible for the analysis. The distribution was dictated by population ratios from 2010 Census Data. Proposed service changes were analyzed based on the stops, flex route radii, and stations serviced by the impacted route. Some stop locations are approximate and may be in a different location once land is acquired or permissions are granted for land use. All bus stop locations have had a one quarter mile walkability radius applied to them, which was based on the actual accessibility of the stop or station by road. Flex routes have a half mile radius attached to the alignment due to the deviation capabilities of that service type. Any census block that was overlapped by any of these radii had its population included as those impacted by the proposed changes. These aggregated numbers were compiled as a comparison group to the service area average to determine whether there would be a disparate impact on minority populations and/or a disproportionate burden borne by low-income populations.

Total low-income population was calculated using ACS household income data which excludes certain housing types where a “household” does not reflect those within the living quarters (e.g. prisons, college dormitories, etc.). For this reason, the total minority population and the total low-income population differed at varying degrees contingent upon the number of this household type within the impacted area.

The maps in this section show the route, individual stops, flex route radii and census blocks with concentrations of low-income households or minority individuals above the system average shaded.

Analysis of Potential Impacts on Minority Populations

This section examines the populous being served by current service on the routes being impacted by the proposals. The tables below depict the proportion of minorities on routes that would be impacted by the proposed changes. These are reviewed individually to ensure that individual routes are not causing any disparate impacts.

Minority Demographics of Discontinued Routes

Route	Total Population	Minority Population	Minority Percent	Difference From System Average
11	18,825	3,835	20.4%	-2.5%
232	31,832	11,284	35.4%	12.5%
525	15,220	7,069	46.4%	23.5%
526	6,363	677	10.6%	-12.3%
F504	48,031	7,255	15.1%	-7.8%
F518	65,306	8,540	13.1%	-9.8%
F534	75,015	9,063	12.1%	-10.8%
F546	48,619	7,700	15.8%	-7.1%
F547	67,569	9,969	14.8%	-8.1%

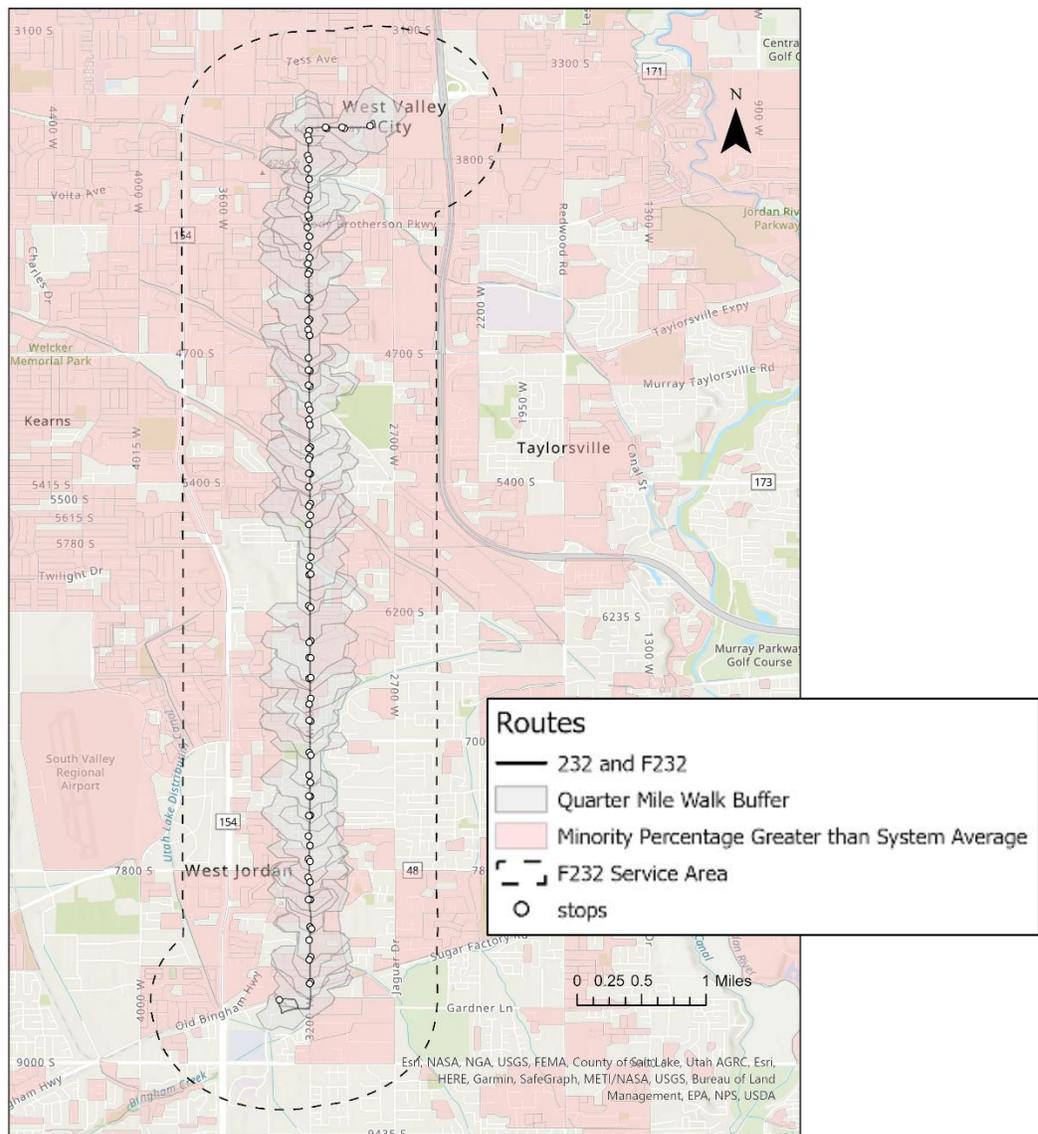
Minority Demographics of New Routes

Route	Total Population	Minority Population	Minority Percent	Difference From System Average
F11	35,936	7,154	19.9%	-3%
F202	32,595	10,445	32.0%	9.1%
F232	85,311	33,372	39.1%	16.2%
F525	35,474	11,199	31.6%	8.7%

In reviewing the data presented, UTA identified the potential for a disparate impact on routes 232 and 525 in accordance with UTA's disparate impact policy. The impacted populace has a percentage of minorities living within its bounds showing the potential of a negative impact in excess of 5% greater than of the system average. Other than these two items, however, there does not appear to be any potential for *negative* impacts in excess of this threshold. There are other items that are greater than 5% but these would either negatively impact groups that have lower minority populations or would positively impact groups that have higher minority populations which would not be seen as a potential for disparate impact.

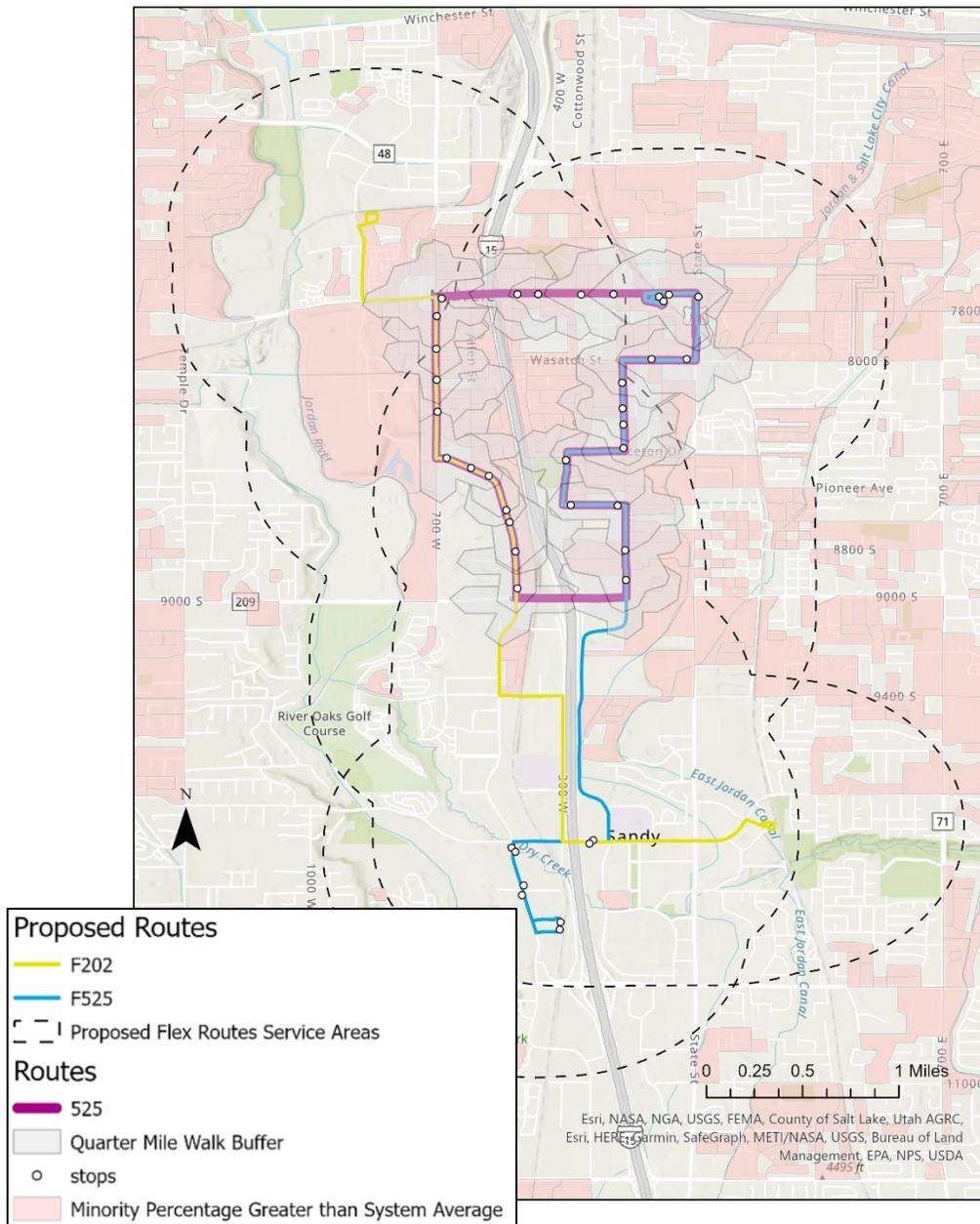
Route 232

Route 232 is immediately being replaced by the F232 with the exact same route which immediately negates any potential negative impacts. Considering that a regular fixed route is being replaced by a flex route, there is a difference in the number of people that fall into the impacted population since UTA defines the parameters differently on these two service types. Fixed route uses a walkability radius of a quarter mile whereas flex routes use a half mile radius of the route itself. This difference is due to the fact that flex routes can deviate from their fixed route to pick people up within that half mile radius. Due to the difference in service type, the new service will actually serve three times as many people identifying as a minority. See map below to show the difference between present and proposed service area.

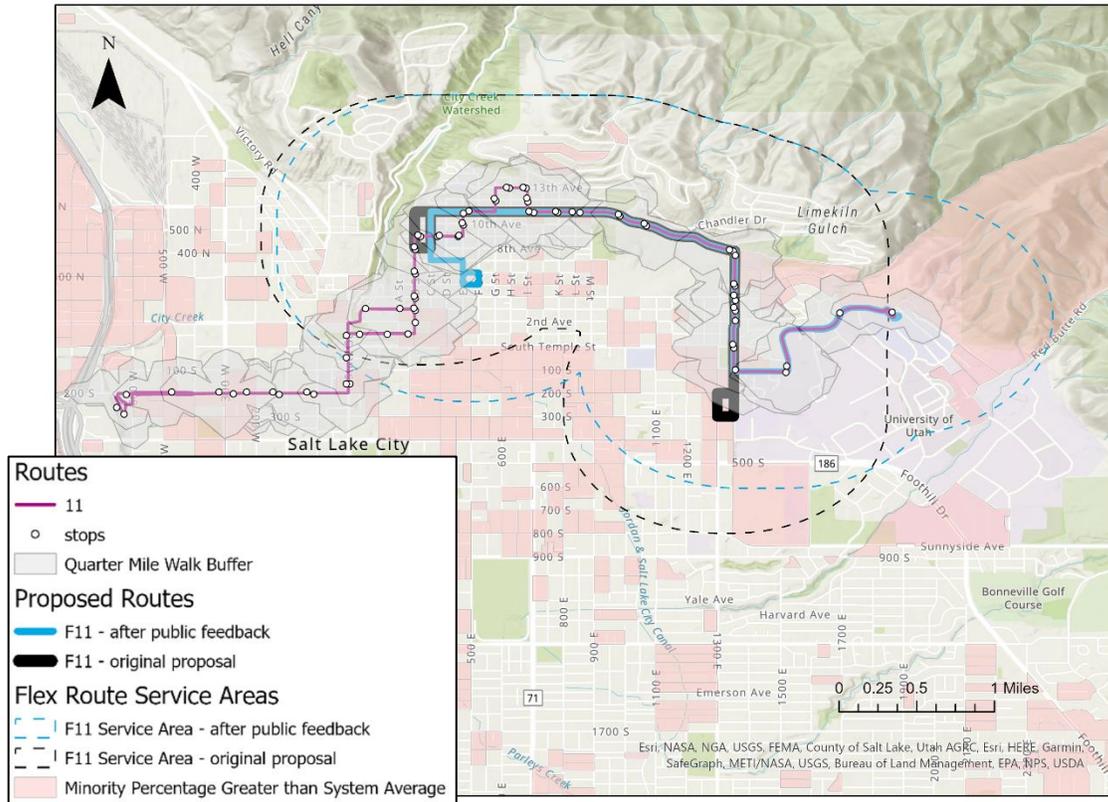


Route 525

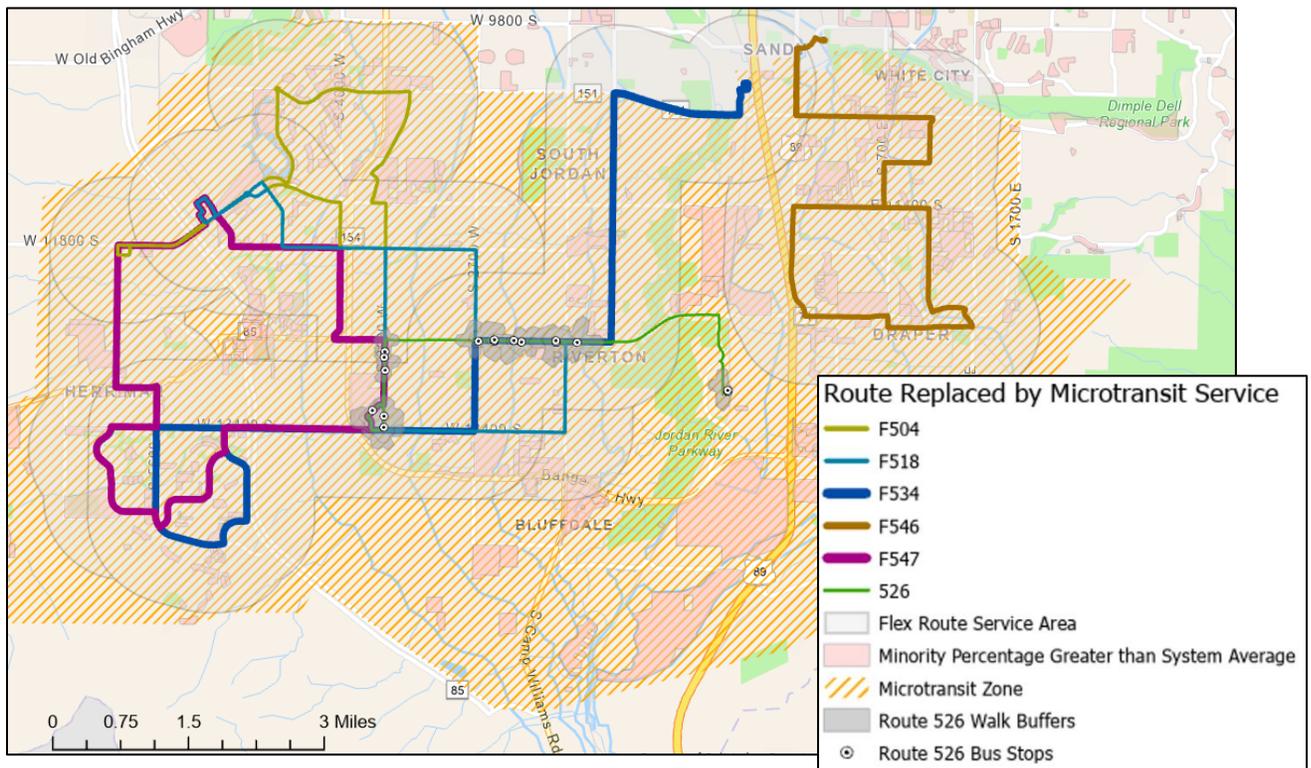
Much like with route 232, the service area and impact of the existing fixed route will be greatly augmented by the addition of flex routes and the addition of more routing will provide additional connections that do not exist with the current 525 alignment. However, based on the data presented, there are concerns that there is a potential disparate impact based on the demographics of those within the impacted areas. As the map below shows, there are five stops that will not be serviced with the new routes. However, due to the expanded service area that a flex route offers and the stops being serviced by F578 these issues are negated.



Routes 11 & F11



MicroTransit & Related Discontinued Routes



Analysis of Potential Impacts on Low-income Populations

This section examines the populace currently served on the routes being impacted by the proposals. The tables below depict the proportion of low-income populations on routes that would be impacted by the proposed changes. These are reviewed individually to ensure that individual routes are not causing any disproportionate burdens.

Low-Income Demographics of Discontinued Routes

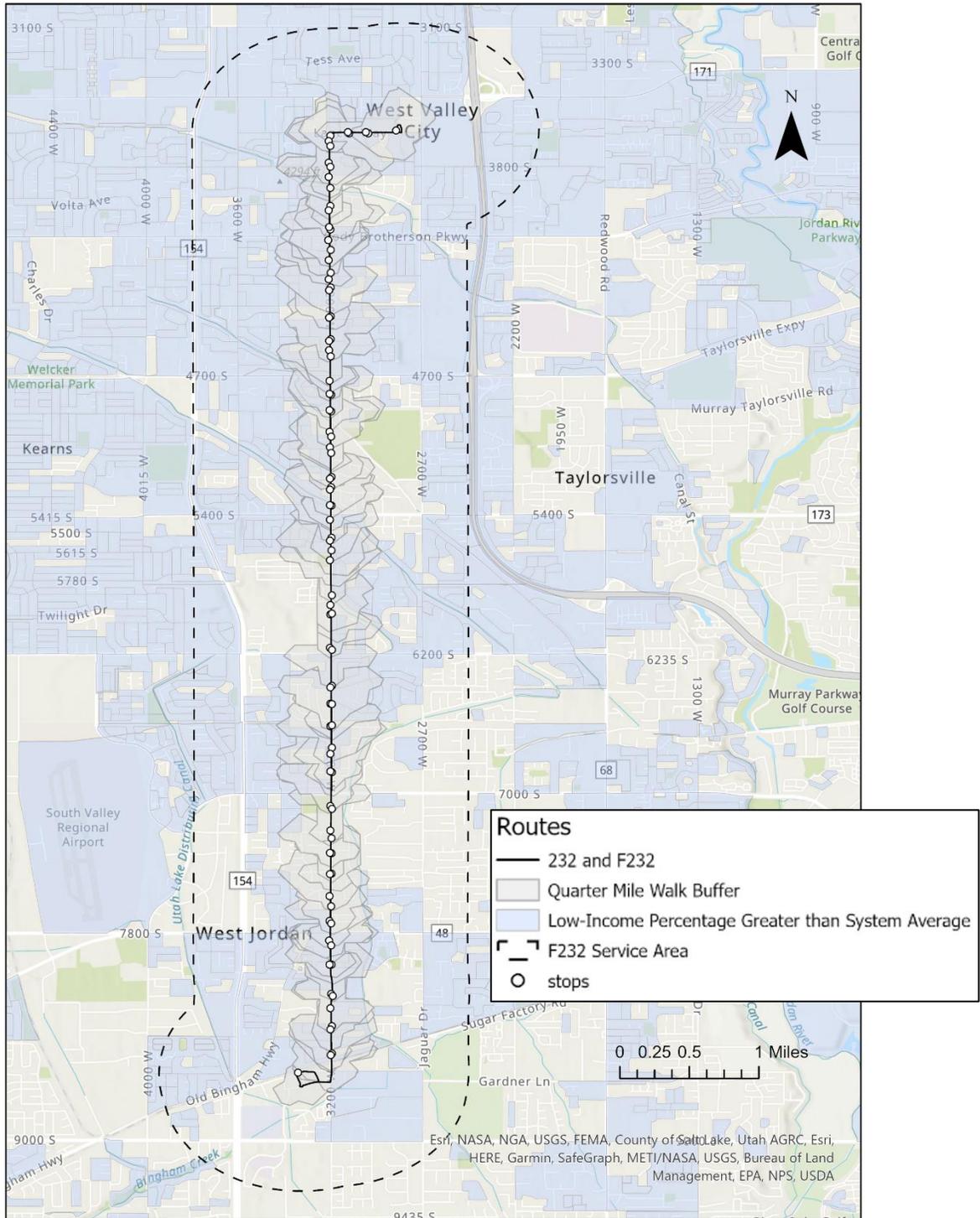
Route	Total Population	Low-Income Population	Low-Income Percent	Difference From System Average
11	18,507	3,787	20.5%	3.3%
232	31,495	4,873	15.5%	-1.7%
525	15,164	4,677	30.8%	13.6%
526	6,354	257	4.1%	-13.1%
F504	47,900	2,553	5.3%	-11.9%
F518	65,139	3,591	5.5%	-11.7%
F534	74,906	3,522	4.7%	-12.5%
F546	48,254	4,158	8.6%	-8.6%
F547	67,498	3,580	5.3%	-11.9%

Low-Income Demographics of New Routes

Route	Total Population	Low-Income Population	Low-Income Percent	Difference From System Average
F11	33,705	8,166	24.2%	7%
F202	32,382	6,869	21.2%	4%
F232	84,611	15,974	18.9%	1.7%
F525	35,284	8,109	23.0%	5.8%

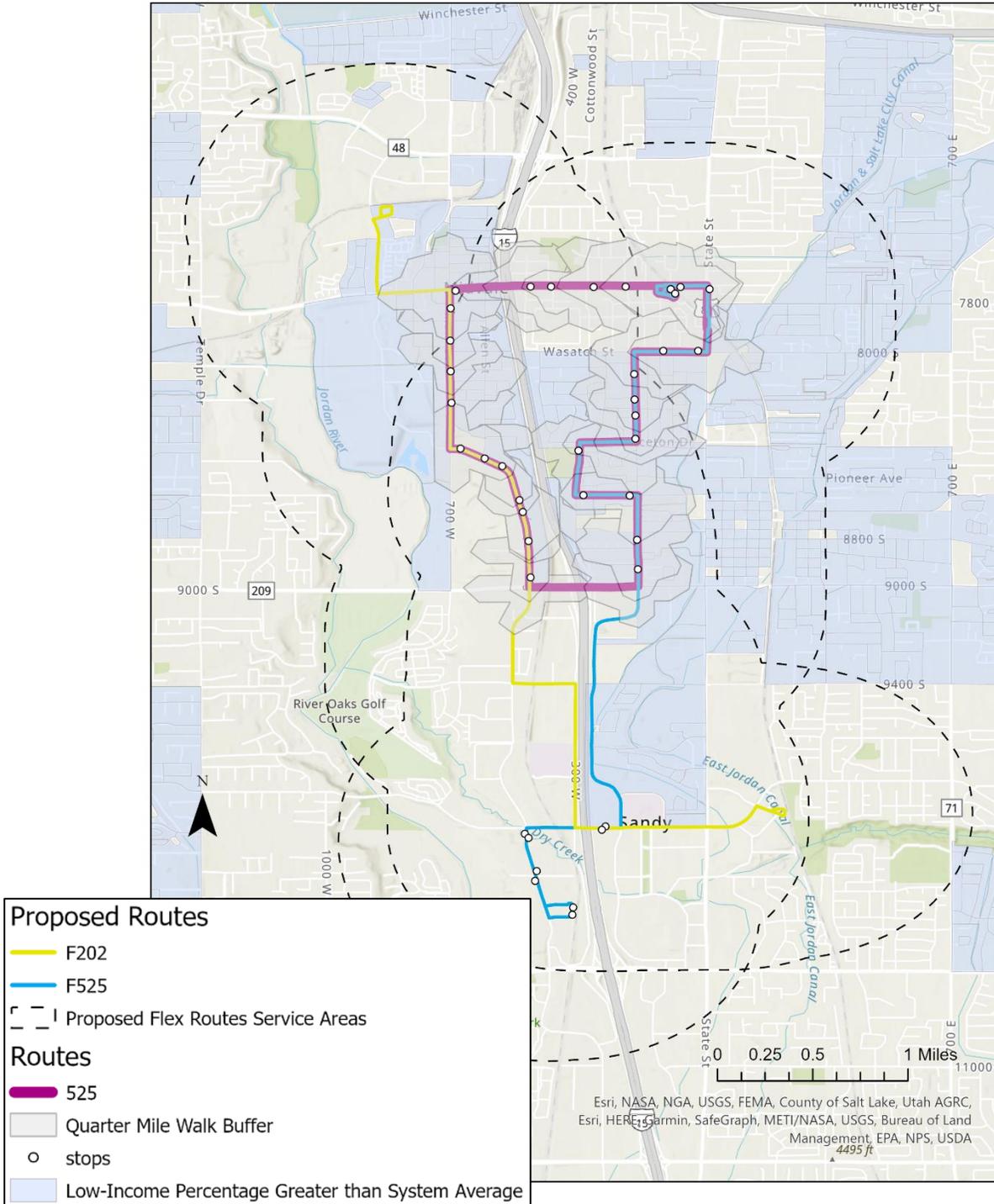
In reviewing the data presented, UTA identified the potential for a disproportionate burden on route 525 in accordance with UTA's disproportionate burden policy. The impacted populace has a percentage of low-income living within its bounds showing the potential of a negative impact in excess of 5% greater than of the system average. Other than this item, however, there does not appear to be any potential for *negative* impacts in excess of this threshold. There are other items that are greater than 5% but these would either negatively impact groups that have lower low-income populations or would positively impact groups that have higher low-income populations which would not be seen as a potential for a disproportionate burden.

Route 232

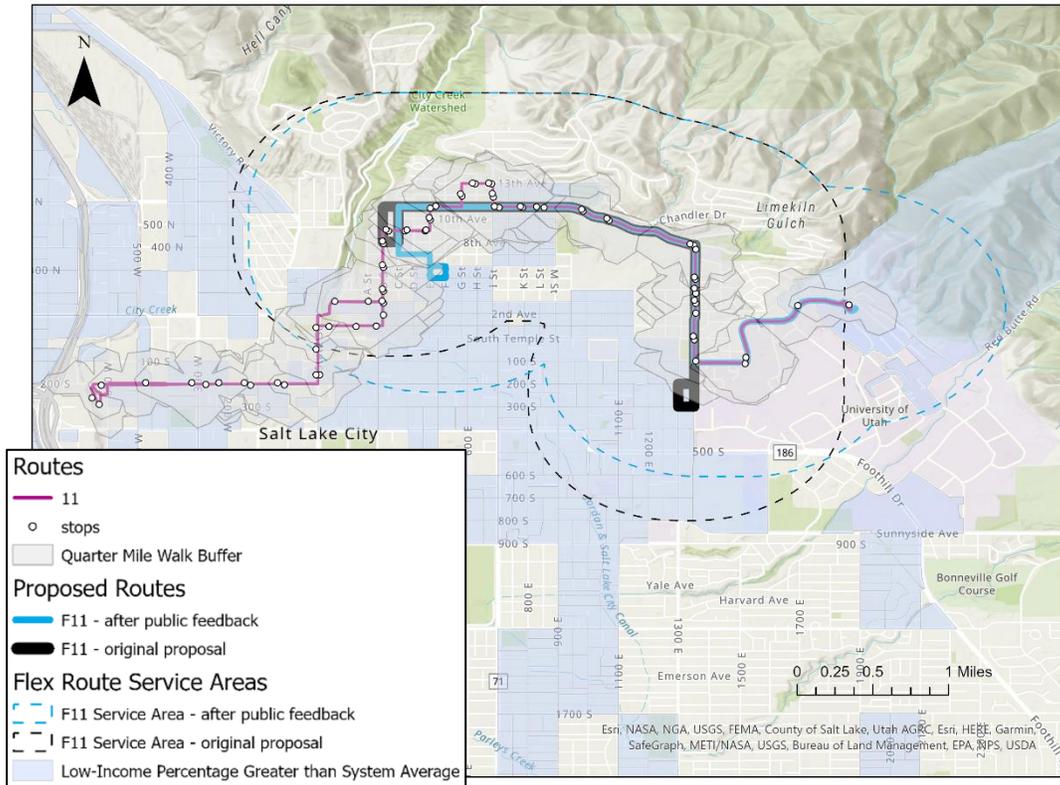


Route 525

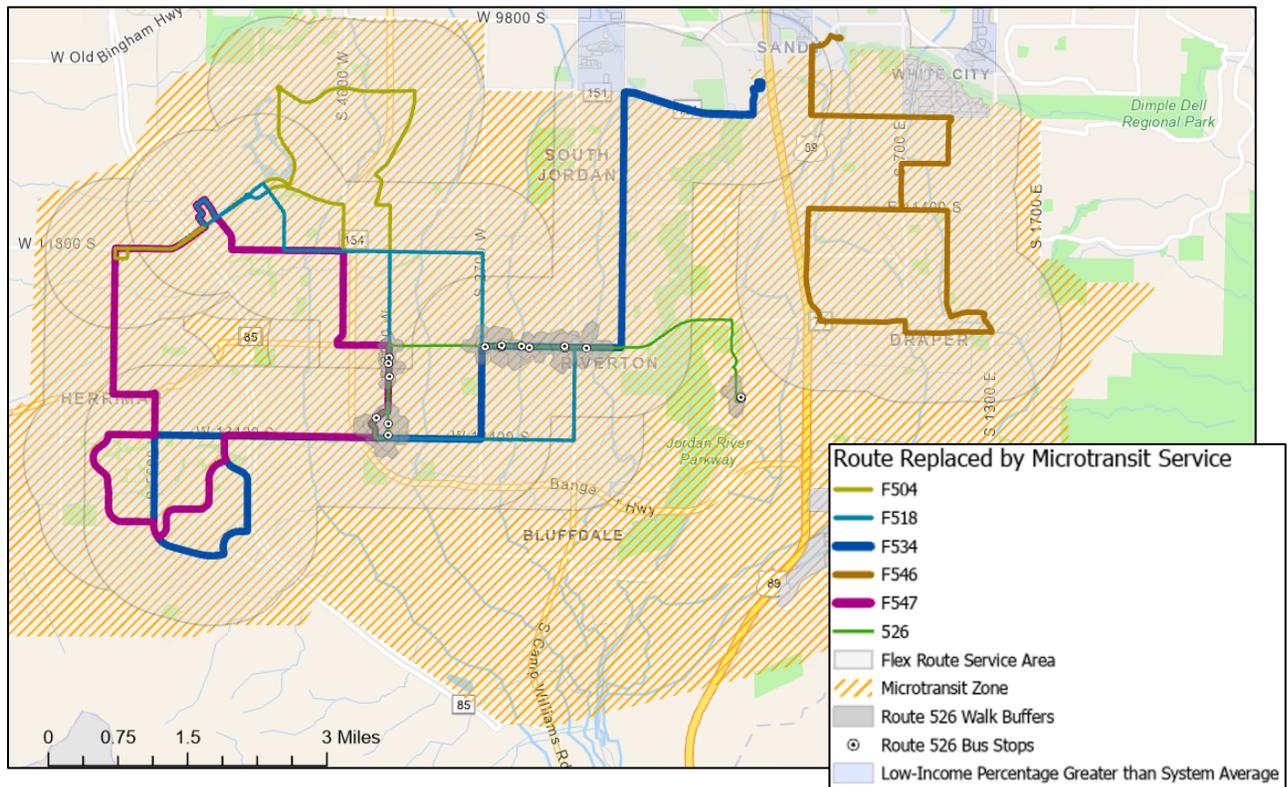
For a full narrative on this change, see the disparate impact portion of this analysis regarding route 525. There were no areas that lost service and the flex routes expanded the service area.



Routes 11 & F11



MicroTransit & Related Discontinuations



System-Wide Impacts

UTA has stated in policy that it would measure the impacts of all major service changes cumulatively when there is more than one proposed major change for a service period change. In order to accomplish this, UTA took an aggregated total of all of the census blocks that fell within a quarter mile of all of the stops and a quarter mile around the flex routes that had proposed changes. In order to measure impact, the figures presented are separated into populations as they currently stand and as they would be if all of the proposed changes were finalized. Special considerations were made to ensure that any census blocks overlapped by multiple routes were not counted twice. Below is a before and after breakdown using these parameters. Please note, the service area for the microtransit on-demand service has been included in the proposed figures. This is included since it is acting to replace the service being removed and provides a more comprehensive view of the proposed changes' impact.

Change in System-Wide Minority Geographic Access to Transit Service

	Total Population	Minority Population	Minority Percent
Pre-August Change	245,051	47,545	19.4%
August 2021 Proposal	400,723	92,002	23.0%
Difference	155,672	44,457	3.6%

Change in System-Wide Low-income Geographic Access to Transit Service

	Total Population	Low-income Population	Low-income Percent
Pre-August Change	243,727	24,580	10.1%
August 2021 Proposal	394,340	52,457	13.3%
Difference	150,613	27,877	3.2%

The data before and after the changes shows that the number of people being served in the impacted areas has increased over 60%. The number of low-income people and the minority population has proportionally increased over 3% in each category. Overall, the benefits of the changes far outweigh any potential negative impacts on a system-wide level.

Conclusion

Although there were some changes that had a potential route level adverse impact on low-income and minority populations, UTA has concluded that all of the changes were mitigated by the immediate implementation of new routes. Therefore, UTA finds that there were no findings of disproportionate burden or disparate impact.

Appendix A – August 2021 Change Day Public Comment Report

August 2021 Change Day – Proposed Service Changes

Public Involvement Report

Updated 07.02.2021

Introduction

In April 2021, the Utah Transit Authority (UTA) proposed several major changes to transit service for implementation on August Change Day (August 8). Those proposed major changes can be reviewed in Appendix 1 of this report. The agency held a 30-day public comment period from April 28 through May 28 with multiple opportunities for the public to engage in the input process, including a virtual public hearing on May 12. This report details public involvement and feedback on the proposed changes.

Part 1: Public Engagement Efforts

Engagement Overview

Component	Dates	Additional Detail
Public comment period	April 28 – May 28	30-day period was required. Public notice was published. Comment was accepted via email, mail, online form, phone, and in-person at Customer Service locations.
Public hearing (Virtual)	May 12, 6pm	15 days after public comment period announced, this public hearing was held virtually over Zoom. UTA staff presented information about proposed changes and answered questions. Registered participants were invited to provide public comment during the meeting. A recording was made available following the event.
Customer Service Information	April 28 – May 28	Customer service offices across the service area (4 locations) supported information sharing about proposed changes onsite for members of the public to learn more and provide comment.
Virtual engagement	April 28 – May 28	Available throughout the comment period online, included virtually accessible information and feedback opportunities through OpenUTA. (Rideuta.com/AugustChanges)
On-system Open Houses	May 6 – Daybreak Parkway Station	UTA staff hosted in-person on-system “open house” events to share information about proposed changes with the public. Events were held in southern Salt Lake County to target the area where impactful Flex routes are proposed

	May 11 – Draper Town Center	to change, along with the installation of permanent on demand service.
	May 19, Draper FrontRunner Station	

The public comment period was held for 30 days from April 28 through May 28. Multiple methods for sharing information on the proposed changes and submitting official comment on the proposed changes were made available to the public. Methods for public comment included email, mail, phone, OpenUTA online comment form, the virtual public hearing, and in-person at customer service locations in three counties. Information on proposed changes was shared widely via newspapers of general circulation in the service area, local publications (City Journals), on-system signage at bus stops and on Flex Routes, UTA's website, and UTA's social media platforms, including Instagram, Facebook, and Twitter.

Public Hearing Notice

A detailed public hearing notice was distributed via newspapers of general circulation for publication on July 22, including the Daily Herald (Utah County), Deseret News, and the Salt Lake Tribune. The public notice was also shared via the Utah Public Notice Website. Proofs are included in Appendix 2.

Social Media

Facebook

Date & Link	Topic	Engagement
4/28	Announcing open public comment period	2,600 people reached; 31 engagements; 17 likes/reactions; 7 comments/replies; 7 shares; 175 total clicks
5/12	Virtual public hearing reminder	1,355 people reached; 15 engagements; 4 likes/reactions; 3 comments/replies; 4 shares; 68 total clicks
5/12	Virtual public hearing live stream	869 people reached; 15 engagements; 8 likes/reactions; 3 comments/replies; 3 shares; 97 total clicks
5/17	Notice of upcoming on-system event	9,832 people reached; 22 engagements; 10 likes/reactions; 2 comments/replies; 6 shares; 168 total clicks
5/19	Reminder about comment period	1,038 people reached; 5 engagements; 4 likes/reactions; 0 comments/replies; 1 shares; 12 total clicks
5/25	Reminder about comment period deadline	764 people reached; 7 engagements; 4 likes/reactions; 2 comments/replies; 1 shares; 32 total clicks

Instagram

Date & Link	Topic	Engagement
4/28	Announcing open public comment period	829 people reached; 41 likes/reactions; 2 comments/replies; 19 total clicks; 2 saves; 4 sends; 12 profile visits
5/12	Virtual public hearing reminder	569 people reached; 19 likes/reactions; 0 comments/replies; 3 total clicks; 1 saves; 4 sends; 3 profile visits

5/17	Notice of upcoming on-system event	863 people reached; 26 likes/reactions; 1 comments/replies; 8 total clicks; 1 saves; 2 sends; 5 profile visits
5/20	Reminder about comment period	638 people reached; 16 likes/reactions; 0 comments/replies; 6 total clicks; 2 saves; 1 sends; 5 profile visits
5/25	Reminder about comment period deadline	740 people reached; 32 likes/reactions; 0 comments/replies; 4 total clicks; 2 saves; 3 sends; 4 profile visits

Twitter

Date & Link	Topic	Engagement
4/28	Announcing open public comment period	4,245 people reached; 186 engagements; 5 likes/reactions; 1 comments/replies; 127 total clicks; 5 retweets; 5 clicks
5/12	Virtual public hearing reminder	3,440 people reached; 85 engagements; 5 likes/reactions; 2 comments/replies; 47 total clicks; 1 retweets; 0 clicks
5/17	Notice of upcoming on-system event	6,059 people reached; 290 engagements; 7 likes/reactions; 2 comments/replies; 108 total clicks; 4 retweets; 2 clicks
5/20	Reminder about comment period	4,245 people reached; 51 engagements; 2 likes/reactions; 0 comments/replies; 25 total clicks; 1 retweets; 2 clicks
5/25	Reminder about comment period deadline	3,035 people reached; 97 engagements; 5 likes/reactions; 1 comments/replies; 41 total clicks; 1 retweets; 0 clicks

Virtual Public Hearing

The virtual public hearing was held on Wednesday, May 12 at 6pm. The event was held over Zoom webinars and was broadcast on the RideUTA Facebook Live feed. Ten individuals from the public registered and attended the live event to make a comment on the broadcast. Closed captioning was provided during the webinar. A recording of the virtual public hearing was also available for viewing following the events on the UTA Facebook, YouTube channel, and OpenUTA page. **Facebook:**

- 361 views
- 7 reactions
- 4 comments
- Link to the event on Facebook:
<https://www.facebook.com/155897434439712/videos/399819904325195>

YouTube:

- 151 Views
- 4 Likes
- 0 Comments
- Link to the event on YouTube:
<https://www.youtube.com/watch?v=WEZ0CC27Dh8&t=1sWebsite>

Detailed information was shared via UTA's website. A carousel on the main page directed the public to detailed information on the proposed changes at rideuta.com/AugustChanges. The public hearing information was also included on the public hearing page of the UTA website.

Additional supporting information used for public information and engagement can be reviewed in Appendix 3.

Part 2: Public Comment Analysis

Engagement by the Numbers

Mode	Comments (#)
Email	9
Mail	0
Customer Service	16
OpenUTA	100
Virtual Public Hearing	10
Total Official	135
Unofficial	
<i>Social Media</i>	23

Public Comment Overview

Comments received during the 30-day comment period largely expressed concern about the proposed changes. People are often more driven to provide comments when they feel impacted by a proposal and given that the proposal for August 2021 suggested major service changes, this is understandable. Additionally, it is likely (based on language, style, and repetition), that multiple comments per individual were submitted in some cases, which could have skewed the data to reflect additional opposition.

Comment Themes

Theme	Description	Comments (#)
Route & mode-specific	Comment refers to a specific route or mode that should be changed/improved/restored	94
Flex/On Demand	Comment refers to the proposed switch from Flex bus routes to On Demand service	20
Accessibility	Comment expresses concerns around accessibility, including ADA and wheelchair, language, and technology	18
Service Restoration	Comment refers to, or requests, information about service restoration and return to pre-COVID schedules/frequency	14
Connectivity & Coverage	Comment describes need for improved connectivity and coverage in schedules and modes	12
On Demand Service only	Comment is specific to feedback on the On Demand service	10

Span of Service	Comment provides feedback on span of service, including hours and days of operation (service earlier, later, and on weekends)	10
Ridership	Comment suggests an impact to ridership based on changes or service	3
Reliability	Comment specifically mentions reliability of services, getting a ride when they need one	2
Workforce	Comment mentions concern for shift in UTA workforce with proposed changes	1

Comment Sentiment

Concern	Support	Suggestion	Question/Follow Up
82 comments	3 comments	36 comments	15 comments

The tables above provide an overview of the major themes and sentiments expressed in the comments. Each comment was individually coded for themes and sentiment. As noted in the tables, many of the comments related to specific routes and modes, including expressed support for the Flex routes (proposal to discontinue), as well as requesting service be restored or changed on specific bus routes, TRAX, and FrontRunner. The proposed switch from Flex to On Demand service in the southern Salt Lake County elicited many comments, with concerns about accessibility and reliability. As mentioned above, most of the comments expressed concern over proposed changes; many comments provided “suggestions” regarding service.

**Note: the number of themes and sentiments in the tables above will add up to more than 135; this is because multiple comments expressed more than one theme.*

Additional Public Engagement

- On Demand** – UTA’s On Demand service began piloting in November 2019 in the southern part of Salt Lake County. Since the original implementation, there has been ongoing engagement with the public and stakeholders to broadly understand experiences and areas for improvement with the system. Ridership trended well prior to COVID and received positive feedback from the community, including riders who indicated they would ride again and would recommend the service to others. UTA’s Innovative Mobility Solutions Department has been proactive in collecting specific feedback and suggestions from the community and riders, as well as finding ways to implement feedback to improve the customer experience.
- Special Services** – Due to lower ridership numbers on the Flex routes proposed for discontinuation and replacement by On Demand service, the Special Services Department has been able to make individualized contact and connection with the riders to support their transition to the new mode. The following efforts are being led by Special Services:
 - Identification of all paratransit eligible people in the On-Demand zone. Active and not active riders.

- Mailed letters to all active paratransit riders funded through DSPD in the zone with proposed changes. (DSPD - Division of Services for People with Disabilities).
- Test Via/Paratransit connections with UTA staff and members of UTA's Committee on Accessible Transportation (CAT).
- Follow-up phone calls to above group.
- Mail letters to all paratransit eligible people in the On-Demand zone with finalized changes and Via/Paratransit scheduling steps.
- Follow-up phone calls and offer travel training to all paratransit riders who could potentially make a Via trip and connect to a paratransit trip at a connection point within the zone.
- Distribute information to current F-Route riders on UTA vehicles.
- Final notification letter.
- Internal communications for UTA Customer Service, Special Service drivers and staff that outlines trip scheduling processes.
- **Communications & Outreach** – throughout the comment period and ongoing until and after August Change Day (August 8), rider communications to increase understanding and awareness of the changes will be provided through UTA's regular channels, including social media, website, and email.

August 2021 Service Changes

In response to public input received in April-May 2021, the final proposal for service changes was updated to reflect:

- Opposition to the Route 11/New Route F11 discontinuing service to the University of Utah Hospital. Connection to the University of Utah Hospital is retained in F11 routing.
- Service restoration, including increased frequency on a variety of routes and modes, including TRAX and FrontRunner, has been announced – this was both planned and in response to public input.

Summary of Findings

Through the public engagement process, 135 official public comments were received, and additional interactions at open house events and on social media provided context for the proposal and planning process.

- Both route/mode-specific comments, as well as service restoration were topics of concern and question. Information on all service changes (major and minor) for August Change Day 2021 had not been publicized at the time of the comment period. It may be beneficial to share comprehensive information all at once with the public, as possible.
- The proposal to switch from Flex bus to On Demand service in southern Salt Lake County created concern and apprehension for riders. These Flex routes have a small, but dedicated ridership who shared their uncertainties around switching modes, particularly with On Demand creating more responsibility for the customer to request rides. Providing ongoing information about and support for the transition will be important.
- Accessibility
 - People with Disabilities – ADA and mobility device accessibility came up in the comments and during the public hearing. On Demand fleet adjustments may be considered to better accommodate mobility devices.
 - Language – particularly Spanish language materials and information was identified as a great need during the public open house events held on the system.

- Technology – with the shift to On Demand service in some areas, UTA should consider technology and digital barriers that people may experience and find ways to improve options for booking a ride.
- On Demand service – questions from the public remain about how UTA’s On Demand services work, including bike carrying capacity, pick up/drop off locations, navigation, hours of operation, payment, and requesting rides. Ongoing communication and outreach with the community about this service will be beneficial.
- Other service improvement comments, including span of service, reliability, connectivity, and coverage point to an ongoing interest from the community in improving the transit network.

Appendix 1 - Proposed Changes

Routes changed with a new service type

- **Route F504**—Replaced by UTA On Demand
- **Route F518**—Replaced by UTA On Demand
- **Route F534**—Replaced by UTA On Demand
- **Route F546**—Replaced by UTA On Demand
- **Route F547**—Replaced by UTA On Demand

(See Proposed UTA On Demand service area)

Routes changed with a reduction in frequency

- **Route 871**—Reduce frequency during midday due to low ridership

Routes changes with a new service type, new route alignments, and expanded service

- **Route 11**—Replaced by F11, increased weekday service to 30 min and added Saturday service **(See F11 Map)**
- **Route 232**—Replaced by F232, increased weekday service to 30 min and added Saturday service **(See F232 Map)**
- **Route 525**—Replaced by F202, F525 increased weekday service to 30 min and added Saturday service **(See Maps: F202, F525)**
- **Route F514** — Increased weekday service to 30 min.
- **Route F556**—Extend to 7800 South, discontinue route on Copper City Dr., 6200 South (served by 54); discontinue loop around Lake Park Dr. (served by 513) **(See F556 Map)**
- **Route F578**—Extend to 5600 West, discontinue Jordan Landing loop (served by 240, F570); discontinue service at Bingham Junction Station (TRAX access at Gardner Village Station) **(See F578 Map)**

Appendix 3 - Supporting Information

UTA is proposing changes to its service this August and we want your input. The changes are designed to increase flexibility and access, improve connections to bus and rail services, and increase mobility.

Visit www.rideuta.com/AugustChanges to learn more about the proposed changes and how you can submit your feedback and comments. We want to hear from you!



1. Ad ran in City Journals.

2. Proposed changes informational flyer used on bust stops and in buses



Proposed Changes

to Flex Routes in southern Salt Lake County

We are...

- **Improving** flexibility and access to increase your mobility
- **Connecting** you to transit where and when you need it
- **Replacing** Routes with UTA on Demand



August 2021 Change Day is coming.

Be prepared.
Ask questions. Provide comments.
We want hear from you.



To leave comment:
Call 801-743-3882 option 5
or rideuta.com/AugustChanges


801-RIDE-UTA | RIDEUTA.COM | [@RIDEUTA](https://twitter.com/RIDEUTA)

- Half sheet handout for public to make comments on proposed changes available in Spanish and English.

Cambios Propuestos
para las Rutas Flex en el sur del condado de Salt Lake

Proposed Changes
to Flex Routes in southern Salt Lake County

Estamos...

- **Mejorando** la flexibilidad y el acceso para aumentar su movilidad
- **Conectándolo** con el tránsito donde y cuando usted lo necesita
- **Reemplazando** las rutas con "UTA on Demand"



Se aproxima el día del cambio en agosto de 2021.

Haga preguntas. Aporte sus comentarios. Queremos escuchar su voz.

Para dejar un comentario: Llame al 801-743-3882, opción 5 o visite rideuta.com/AugustChanges



We are...

- **Improving** flexibility and access to increase your mobility
- **Connecting** you to transit where and when you need it
- **Replacing** Routes with UTA on Demand



August 2021 Change Day is coming.

Be prepared. Ask questions. Provide comments. We want hear from you.

To leave comment: Call 801-743-3882 option 5 or rideuta.com/AugustChanges



UTA 801-RIDE-UTA | [RIDEUTA.COM](https://rideuta.com) | @RIDEUTA

UTA 801-RIDE-UTA | [RIDEUTA.COM](https://rideuta.com) | @RIDEUTA

- Promo code for on demand service

HAIL VIA. RIDE UTA.

UTA ON DEMAND VIA

YOUR FIRST TWO RIDES ARE FREE:

UTAFLEX

NEW RIDERS ONLY. EXPIRES 12/31/2021

DOWNLOAD THE VIA APP AND START RIDING

Rides are just \$2.50 and \$1.25 for seniors/reduced fare, plus transfers to other UTA services are covered in your fare.

Learn more:

Download the Via app

 Or call 385-217-9191 to book

rideuta.com/via

UTA



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
FROM: Carlton Christensen, Chair of the Board of Trustees
PRESENTER(S): Stephanie Withers, Executive Assistant to the Board

TITLE:

Oath of Office: Interim Executive Director and Officer of the Board - Mary DeLoretto

AGENDA ITEM TYPE:

Oath of Office

RECOMMENDATION:

Oath of office administered by notary public, Stephanie Withers

DISCUSSION:

As per R2021-06-07 - Resolution Appointing Mary DeLoretto as Interim Executive Director, and considering that the Executive Director serves as an officer of the board, Stephanie Withers will administer the oath of office to Ms. DeLoretto.

ATTACHMENTS:

None



U T A

Utah Transit Authority

669 West 200 South
Salt Lake City, UT 84101

MEETING MEMO

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
FROM: Carlton Christensen, Chair of the Board of Trustees
PRESENTER(S): Stephanie Withers, Executive Assistant to the Board

TITLE:

Oath of Office: Internal Auditor and Officer of the Board - Mike Hurst

AGENDA ITEM TYPE:

Oath of Office

RECOMMENDATION:

Oath of office administered by notary public, Stephanie Withers

DISCUSSION:

As per R2021-07-03 - Resolution Appointing Mike Hurst as Internal Auditor and Officer of the Board, Stephanie Withers will administer the oath of office to Mr. Hurst.

ATTACHMENTS:

None



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: Andrea Packer, Communications Director
PRESENTER(S): Andrea Packer, Communications Director

TITLE:

Change Order: Advertising Services Extension (Lamar Transit Advertising)

AGENDA ITEM TYPE:

Procurement Contract/Change Order

RECOMMENDATION:

Authorize the Interim Executive Director to extend the contract with Lamar Advertising for one year and set the Minimum Annual Guarantee at \$2,160,000. This action represents the second of three option years available per the original contract.

BACKGROUND:

Lamar Transit Advertising was procured in 2013 through a full RFP procurement process. It's a seven-year contract, with up to three option years available. Lamar Transit Advertising was unanimously chosen by the selection committee due to their experience and their financial proposal.

DISCUSSION:

Lamar is a highly experienced national advertising company, and their performance has been exemplary during the term of their contract. They have been a great partner with UTA.

On August 5th, 2020, the UTA Board of Trustees approved the execution of the first option year available on the contract. The terms of the first option year, which expires August 31, 2021, were modified in response to the COVID-19 pandemic's significant impact on advertising sales. Lamar requested financial relief, and the modified terms were reviewed and agreed upon by staff. In addition to reducing the Minimum Annual Guarantee (MAG), the terms included a mid-year review of advertising sales to gauge any improvement in economic conditions as the pandemic continued.

Staff is now recommending the execution of the second option year. The mid-year review was completed by

Lamar and provided to UTA, with the recommendation to adjust - and improve - the financial terms for this option year. While advertising revenues - which initially dropped by approximately 67% - have notably recovered over the past year, sales are currently trending down approximately 17% from pre-pandemic levels.

The terms of the second option year contract extension are as follows:

- Initiate one-year contract extension with modified terms beginning September 1, 2021, through August 31, 2022.
- Set the annual Minimum Annual Guarantee at \$2,160,000. The MAG was reduced to \$1,080,000 the past year; this reflects almost a \$1 million increase.
- Reinstate the full annual prepayment of the MAG in lieu of monthly installments.
- Reinstate the annual true-up of the contracted 65% revenue share.
- Evaluate the terms at 6 months.

CONTRACT SUMMARY:

Contractor Name:	Lamar Transit Advertising
Contract Number:	UT13-014GL-2
Base Contract Effective Dates:	September 1, 2013 - August 31, 2020 with three one-year options.
Extended Contract Dates:	September 1, 2021 - August 31, 2022
Existing Contract Value:	\$17,530,000.00
Amendment Amount:	\$2,160,000.00
New/Total Amount Contract Value:	\$19,690,000.00
Procurement Method:	RFP selection process
Funding Sources:	UTA funds

ALTERNATIVES:

Should UTA not move forward with the contract extension a new procurement process would need to be undertaken. This process would take several months, during a pandemic and economic downturn, which would likely result in proposals with reduced revenues over the long-term.

FISCAL IMPACT:

Potential reduced advertising revenues of \$440,000 based on the original proposed MAG of \$2,600,000 for this contract year.

ATTACHMENTS:

- Contract extension document
- Original Contract may be accessed in the 8/5/2020 Board of Trustees Meeting Packet



**EXERCISE OF OPTION TWO
TO CONTRACT UT13-014GL**

This Exercise of Option Two to Contract Agreement is hereby entered as of the latest signature date below, by and between UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah, (hereinafter “UTA”) and LAMAR OBIE CORPORATION, dab LAMAR TRANSIT ADVERTISING, (hereinafter “Contractor”).

RECITALS

WHEREAS, on September 1, 2013 UTA entered into a contract to provide professional services for a contractor to market, sell and manage advertising space for and on behalf of the Utah Transit Authority (UTA) for all UTA vehicles; and

WHEREAS, the contract term was from September 1, 2013 through August 31, 2019 with three additional one-year options to be exercised in UTA’s discretion; and

WHEREAS, UTA exercised the first option year covering September 1, 2020 through August 31, 2021; and

WHEREAS, UTA requires the exercise of Option Year 2 covering from September 1, 2021 through August 31, 2022 and

WHEREAS, UTA and the Contractor now desire to modify the Contract Agreement as set forth herein.

CONTRACT AGREEMENT

NOW, THEREFORE, on the stated Recitals, which are incorporated hereby in reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the parties to be derived here from, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

1. Term: Option number two is hereby exercised extending the term of the contract by one (1) additional year covering from September 1, 2021 through August 31, 2022.
2. The greater of the Guaranteed Minimum Payment to UTA or 65% of Net Billings in each contract year: The guaranteed minimum (MAG) will be \$2,160,000.00 for the term listed in number 1 above.

Contract UT13-014GL
Commercial Advertising Services Agreement



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: William Greene, Chief Financial Officer
PRESENTER(S): Kensey Kunkel, Manger Business Development and Sales

TITLE:

Fare Contract: Pass Purchase and Administration Agreement (Davis Technical College)

AGENDA ITEM TYPE:

Service or Fare Approval

RECOMMENDATION:

Authorize UTA to enter into a Pass Purchase and Administration Agreement with Davis Technical College

BACKGROUND:

UTA and Davis Technical College ("College") have a longstanding relationship. For the past four years, the College and UTA have partnered together through an Ed Pass Agreement to provide premium transit passes to all students, faculty, and staff at their institution, or about 3200 authorized users. The term of the current agreement expires July 31, 2021.

DISCUSSION:

Davis Technical College and UTA will enter into a new Pass Purchase and Administration Agreement, wherein the College will pay for each trip taken by authorized users on UTA services, less a discount of 25% off the public fare. UTA will invoice the college monthly. Students, faculty, and staff will receive a UTA issued electronic fare card that will be valid for use on all UTA services except for Paratransit, Park City-SLC Connect, and Ski Services. The term of the contract will be August 1, 2021 through July 31, 2022.

As both UTA and Davis Technical College recover from the Pandemic and in the spirit of partnership, staff recommends that UTA and the College enter into this one year Pass Purchase and Administration Agreement.

CONTRACT SUMMARY:

Contractor Name:	Davis Technical College
Contract Number:	21-F0206
Base Contract Effective Dates:	August 1, 2021-July 31, 2022
Extended Contract Dates:	NA
Existing Contract Value:	NA
Amendment Amount:	NA
New/Total Amount Contract Value:	\$34,000 The value for 2021-22 contract is estimated using Davis Technical College's average monthly pay per trip value from January through July of 2021, then multiplied by 12 to determine the annual contract value.
Procurement Method:	NA
Funding Sources:	NA

ALTERNATIVES:

1. Not approve the contract and renegotiate a new contract price and term
 2. Not approve the contract and forgo revenue
-

FISCAL IMPACT:

\$34,000 in additional revenue.

This revenue was anticipated in the adopted 2021 Budget.

ATTACHMENTS:

Contract

PASS PURCHASE AND ADMINISTRATION AGREEMENT
Davis Technical College

This Pass Purchase and Administration Agreement (the "Agreement") is made this 1st day of August 2021, between the UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah, ("UTA"), and the undersigned administrator ("Administrator").

Recitals:

- A. UTA is a public transit district organized under the provisions of the Utah Public Transit District Act and is in the business of providing public transit service within the state of Utah; and
- B. Administrator desires to purchase electronic fare card media for its Authorized Users to travel on UTA's public transit service and pay a discounted rate for each trip on UTA services.

Agreement:

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and for other good and valuable consideration, the parties hereby agree as follows:

- 1) **PURPOSE OF AGREEMENT.** The purpose of this Agreement is to allow Administrator to purchase a reduced fare for each trip on UTA's public transit service for its Authorized Users (as defined this Agreement) in accordance with the attached and incorporated Exhibit "A." Administrator is responsible for issuing Passes to its Authorized Users (as defined in this Agreement) in accordance with the term and conditions contained in this Agreement.
- 2) **TERM.** The Term of this Agreement shall begin August 1, 2021 and terminate July 31, 2022 (the "Term").
- 3) **AUTHORIZED USERS.** Administrator's eligible Authorized Users include students enrolled at Administrator's school and faculty and staff employed by Administrator ("Authorized Users"). Only Administrator's Authorized Users who have been issued a Pass in accordance with this Agreement are cardholders ("Cardholders") for purposes of this Agreement.
- 4) **FORM OF PASS.** The type of Pass selected by Administrator shall be reflected on Exhibit "A."
 - a) **Electronic Fare Card Media.** Each Pass is in the form of a unique electronic micro-chip embedded in an electronic fare card media, which may be printed by UTA or Administrator.

- b) UTA-Printed Passes. UTA-Printed Passes shall be provided to Administrator in the form of an activated UTA electronic fare card. Each electronic fare card is individually numbered with a unique chip number. Upon entry of either the electronic fare card's UID or card face number using UTA's web-based interface or other log maintained by Administrator and transfer to the Authorized User, the electronic fare card shall become a Pass for purposes of this Agreement. Administrator agrees to: 1) implement and comply with UTA's EFC Rules; and 2) train staff with Pass issuance or administration responsibilities on UTA's EFC Rules.
- c) Administrator-Printed Passes. Administrator-printed Passes shall be in the form of an electronically enabled employee or student identification card complying with UTA Card Data Format Specification Rules. Prior authorization from UTA must be received prior to electing to use Administrator-printed Passes for purposes of this Agreement. Upon activation of electronically enabled employee or student identification card using UTA's web-based interface, the electronically enabled employee or student identification card shall become a Pass, for purposes of this Agreement.

5) PASS RECOGNIZED AS TRANSIT FARE.

- a) So long as this Agreement has not been terminated in accordance with Paragraph 16, a Pass issued to a Cardholder under this Agreement, when used by such Cardholder in accordance with UTA's Cardholder Rules shall be recognized as full fare for the Authorized UTA Services listed on Exhibit "A."
- b) All Cardholders are required to Tap-On and Tap-Off. Failure to do so may result in a citation or fine pursuant to UTA's ordinances, loss of transfer credits, and additional Trip charges.
- c) Cardholders must provide valid photo identification upon request by UTA authorized personnel.
- d) A trip report will be generated every time a Pass issued to a Cardholder is presented to board a UTA vehicle in service (a "Trip").
 - i) UTA services are public transit services. UTA reserves the right to modify its public routes from time in accordance with its operational objectives and policies.
 - ii) Each Pass is valid from the date of issuance or activation by the Administrator through July 31, 2020. Each Pass may be re-activated by the Administrator in accordance with the UTA's EFC Rules pursuant to the terms of this Agreement.

- 6) **RESTRICTIONS ON SPONSOR CHARGES.** While Sponsor may implement a charge to its Authorized Users to offset the cost incurred by Sponsor for the Passes, in no event shall the Sponsor's aggregate charges to Authorized Users for the Passes exceed the total amount paid to UTA pursuant to this Agreement. To the extent, any profits are generated by the sale of Passes to Authorized Users, Sponsor shall provide an accounting to UTA and report and transfer any such proceeds to UTA, less any commercially reasonable and verifiable administrative expenses incurred by Sponsor associated with this Agreement.

Upon the request of UTA, Sponsor shall submit an accounting detailing, the number of Passes sold and the amount paid by Authorized Users for Passes.

7) MONTHLY INVOICE AND PAYMENT.

- a) Administrator shall pay to UTA monthly, the following items:
 - i) The effective Base One-Way Fare for each Trip on an Authorized UTA Service, which may vary by mode of UTA service as identified in Exhibit "B," less a twenty-five percent (25%) discount for each Trip during the preceding month.
- b) UTA shall invoice Administrator monthly. UTA's invoice shall indicate: (1) the number of Trips; (2) the total amount in Base One-Way Fares; and (3) the total amount of Fuel Surcharge Fees owed UTA. The payment of Fares so determined shall be calculated as follows:
 - i) The number of Trips for each quarter is determined by UTA's Electronic Fare Collection system pursuant to the UTA Electronic Fare Collection Frequently Asked Questions. The applicable Base One-Way Fare will be applied to each Trip (See Exhibit "B" for the current Base One-Way Fare schedule). A twenty-five (25%) discount will be applied by UTA to each Base One-Way Fare which will arrive at Administrator's total quarterly payment for fares.
 - ii) The Base One-Way Fare Schedule rates are the rates posted on UTA's website www.rideuta.com and are the same as the rates charged to UTA full fare paying customers. UTA reserves the right to adjust its Base One-Way Fare Schedule rates during the term of this Agreement, according to its operational needs as determined by UTA in its sole discretion. Notwithstanding the forgoing, any adjustment to the Base One-Way Fare Schedule, UTA shall continue to recognize a twenty-five (25%) discount on the Base One- Way Fare rate for all Trips under this Agreement. The Base One-Way Fare rate will be charged at the rate in effect at the time of the Trip.
 - iii) UTA shall provide to Administrator a monthly invoice showing the number of Trips and the Fare for each Trip which shall be used to calculate the amount owed UTA. Payments shall be made by Administrator to UTA within thirty (30) days of receipt of invoice.
 - iv) UTA shall charge and Administrator shall pay a one percent (1%) late fee on balances due under this Agreement which remain unpaid within thirty (30) days from the due date indicated on the invoice.
 - v) UTA shall charge and Administrator shall pay a five percent (5%) processing fee in the event Administrator elects to remit payment using a credit/debit card.

- 8) **PRE-AUTHORIZATION.** As part of this Agreement, Administrator completed and returned to UTA, a Pass Program Configuration Form, upon which Administrator identified various features of this Pass Purchase and Administration Agreement it desires to offer Authorized Users. Said Pass Program Configuration Form is attached hereto as Exhibit "A" and when completed, shall be incorporated herein by reference. Administrator hereby ratifies the elections contained in the Pass Program Configuration Form and agrees to be bound thereby. All capitalized terms used in the Pass Program Configuration Form shall have the same meaning when referenced in this Agreement.

- 9) **HANDLING OF FARE MEDIA.** Administrator shall not furnish, provide, assign, sell or resell, or otherwise transfer an electronic fare card or Pass to any person that is not an Authorized User. Issuance records for each issued Pass will be maintained in a log for such purpose. Administrator must maintain a log for all Passes issued. At all times during the term of this Agreement, Administrator must be able, upon request of UTA, to account for all Passes distributed to Administrator under this Agreement. The obligation under the preceding sentence shall include: (a) Administrator maintaining the unique identification number of each issued Pass and the corresponding person issued such Pass; (b) printing the Cardholder's name on the Pass in permanent ink prior to issuance to the Cardholder; (c) Administrator being able to produce for inspection, upon request during regular business hours, any electronic fare cards delivered to Administrator which have not been issued to a Cardholder; and (d) Administrator being able to identify, by number, any Passes identified as lost or stolen for which replacement Passes have been issued. UTA maintains the right, upon reasonable notice, to inspect during regular business hours, all such records maintained by Administrator at all times during the term of this Agreement and for a period of one year after the expiration or termination of this Agreement. UTA shall only use the information discovered under this paragraph to audit the storage, use and issuance of Passes and electronic fare cards and not for any other purpose.
- 10) **RETURN OF PASSES.** Administrator shall be permitted to return, and UTA may demand the return of, valid Passes to UTA: (a) in the event this Agreement is terminated prior to the expiration of the term. Administrator shall be responsible to pay all invoices incurred prior to date of termination.
- 11) **CONFISCATION OF FARE MEDIA/UNAUTHORIZED USE OF FARE MEDIA.** UTA has the right to require any Administrator-Printed Pass to be deactivated - at any time when UTA reasonably believes the Pass is not being used by the Authorized User. UTA has the right to require the deactivation of any Administrator-Printed Pass that UTA reasonably believes has been duplicated or altered. Notwithstanding the forgoing, UTA may confiscate a Pass for law enforcement purposes. UTA has the right to confiscate a UTA-Printed Pass or electronic fare card at any time (without notice to the Administrator) from any person who UTA reasonably believes is not an Authorized User. UTA has the right to confiscate any UTA- Printed Pass or electronic fare card that UTA reasonably believes has been duplicated or altered. UTA reserves the right to pursue claims or demands against, or seek prosecution of any person who duplicates, alters or uses a Pass in any unauthorized way. UTA shall not pursue any claims or suits against the Administrator for any unauthorized use of a Pass, unless:
- a) the unauthorized use results from counterfeiting a Pass and the Administrator had actual or constructive knowledge of such action and Administrator failed to report such action to UTA within twenty-four (24) hours; (b) the Administrator falsely certified to UTA, the name of a person that is not a Cardholder; or (c) the unauthorized use resulted from Administrator's acts or omissions or misconduct. UTA shall have the right to confiscate a UTA-Printed Pass or electronic fare card if UTA believes that the information provided has been falsified by the Administrator or its authorized

representatives, or a Pass has been given by the Administrator or its authorized representatives to a person who is not an Authorized User.

- 12) **ISSUANCE OF PASSES.** Administrator shall be solely responsible for issuing a Pass to an Authorized User.
- 13) **NON-TRANSFERABLE.** Each Pass is not transferable to any other Cardholder, Authorized User, member of the Cardholder's household or any other person who is not an Authorized User.
- 14) **DELIVERY OF UTA-PRINTED PASSES.** The activated UTA-Printed electronic fare cards shall be printed by UTA and furnished to Administrator's representative at its primary address listed below on an annual basis, or as often as needed, for issuance to Authorized Users.
- 15) **SECURITY TERMS.** Administrator agrees to be responsible and accountable for all electronic fare cards delivered to Administrator by UTA and to treat unissued electronic fare cards with the same care and safeguards as cash. Administrator agrees to indemnify and save harmless the UTA from the loss of any electronic fare cards whether occasioned by loss, theft, forgery by Administrator's employees, or other causes, provided however, that if any unissued electronic fare cards shall be stolen while in the possession of Administrator, Administrator shall not be liable therefore, if Administrator reports electronic fare cards stolen and files with police an official police report declaring said electronic fare cards to have been the subject of theft other than from Administrator's employees, agents or representatives and the cause of the theft is not the result of Administrator's acts or omissions. Only one card may be active at any time for any Authorized User as confirmed by information provided by the UTA web- based database.
- 16) **RECONCILIATION.** Administrator shall cooperate with and permit UTA to examine the unissued Passes distributed to Administrator and reconcile all records and accounts pertaining to this Agreement on a monthly basis.
- 17) **TERMINATION OF AGREEMENT.** UTA may terminate this Agreement at any time by giving 30 days' written notice of termination. Administrator may terminate this Agreement at any time upon written notice and making an accounting and reconciliation as described in Paragraph 5, if requested by UTA.
- 18) **THIRD PARTY INTERESTS.** No person not a party to this Agreement shall have any rights or entitlements of any nature under it.
- 19) **NON-DISCRIMINATION.** Administrator agrees that it shall not exclude any individual from participation in or deny any individual the benefits of this Agreement, on the basis of race, color, national origin, creed, sex, or age in accordance with the requirements of 49 U.S.C. 5332.

- 20) **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties hereto for the term stated and cannot be modified except by written agreement signed by both parties. Neither party shall be bound by any oral agreement or special arrangements contrary to or in addition to the terms and condition as stated herein.
- 21) **COSTS AND ATTORNEY'S FEES.** If either party pursues legal action to enforce any covenant of this Agreement, the parties agree that all costs and expenses of the prevailing party incident to such legal action, including reasonable attorneys' fees and court costs shall be paid by the non-prevailing party.
- 22) **WAIVER.** The waiver by either party of any of the covenants as contained in this Agreement shall not be deemed a waiver of such party's rights to enforce the same or any other covenant herein, and the rights and remedies of UTA hereunder shall be in addition to, and not in lieu of, any right or remedy as provided by law.
- 23) **NOTICES.** Except as otherwise indicated, notices to be given hereunder shall be sufficient if given in writing in person or by personal delivery, U.S. mail, or electronic mail. All notices shall be addressed to the respective party at its address shown on Exhibit A or at such other address or addresses as each may hereafter designate in writing. Notices shall be deemed effective and complete at the time of receipt, provided that the refusal to accept delivery shall be construed as receipt for purposes of this Agreement.

If to UTA:

Kensey Kunkel
MGR. Business Dev. and Sales
669 West 200 South
Salt Lake City, Utah 84101 (801)741-8806
kkunkel@rideuta.com

If to Administrator:

Darin Brush
Davis Technical College
550 E 300 S
Kaysville, UT 84037
Darin.brush@davistech.edu

Either party may change the address at which such party desires to receive written notice by giving written notice of such change to the other party. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed, provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement the date and year above written.

DAVIS TECHNICAL COLLEGE

UTAH TRANSIT AUTHORITY

DocuSigned by:
Darin Brush Date: 6/28/2021
57004BB63BB5403...

Name: Darin Brush

Title: President/CEO

By: _____
Name: Monica Morton
Title: Fares Director

By: _____
Name: Kensey Kunkel
Title: Manager Business Development and Sales

Approved as to Form:

DocuSigned by:
Mike Bell 6/28/2021
Michael Bell
Assistant Attorney General
Counsel for UTA

Exhibit A
Pass Program Configuration Form
Pass Purchase and Administration Agreement (Trip Based Discount)

Authorized UTA Services:

- Regular Service: Regular fixed bus routes, MAX bus rapid transit, Streetcar light rail, and TRAX light rail
- Premium Express Route Service: Regular Service + Express bus routes and FrontRunner commuter rail

Unauthorized services include ski service routes, Park City-SLC Connect routes, and special service routes including but not limited to ADA Paratransit service.

Form of Pass:

- UTA-Printed Passes
- Administrator-Printed Passes

Exhibit B
Base One-Way Fare Schedule
Starting December 1, 2020

Service Type	Regular Bus	Express Bus	TRAX light rail	Streetcar Commuter Rail	FrontRunner commuter rail 1
Base One-Way Fare (Applicable to each trip)	\$2.50	\$5.50	\$2.50	\$2.50 - \$10.30	\$2.50 – \$10.30

Fares on the Base Fare Schedule change periodically and these fares may change during the term of this Agreement. Fuel Surcharge Fees may apply. UTA's Current Fare Schedule includes any applicable Fuel Surcharge Fees. See UTA's website www.rideuta.com for additional information.

1 FrontRunner commuter rail is a Distance Based Service. FrontRunner base fare is currently \$2.50. Each additional station costs \$.60. The maximum fare from Provo to Ogden is \$10.30.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: Nichol Bourdeaux, Chief Planning and Engagement Officer
PRESENTER(S): Jaron Robertson, Director Innovative Mobility Solutions
Monica Morton, Fares Director
Andrea Packer, Communications Director

TITLE:

Promotional Fare Request: UTA On Demand by Via

AGENDA ITEM TYPE:

Service or Fare Approval

RECOMMENDATION:

Approve the use of promotional fares for UTA on Demand by Via and authorize the Executive Director to strategically implement fare promotions as needed between August 8, 2021 and December 31, 2022.

BACKGROUND:

UTA's microtransit pilot (UTA on Demand by Via) began in November 2019. The microtransit pilot has performed similarly to other modes and enjoyed broad support from customers and stakeholders both before and during the COVID-19 pandemic. UTA on Demand by Via is planned to become a permanent service during the August 2021 Change Day (Change Day) as part of several planned service changes. This change will increase coverage and accessibility throughout the microtransit service area and is supported by the Agency's Five-Year Service Plan.

UTA has previously established microtransit fares and transfer rules as part of the pilot. These fares and transfer rules will continue with no change as the pilot becomes a permanent service. In addition, during the pilot, UTA and Via developed innovative electronic fare collection solutions designed to improve fare collections beyond traditional validators and cash collection boxes. These enhancements include the integration of all UTA electronic pass products and media as payment methods within the Via Mobile App. Cash is the only UTA fare payment method that is not accepted with the microtransit service. As an alternative to cash payments, customers can use the reloadable UTA FAREPAY card. Customers may also book and pay for trips using the Via customer service center if they do not have a smart phone.

During the pilot phase, the Board of Trustees approved the use of various fare promotions and discounts as part of marketing strategies to attract and build microtransit ridership. During the next 18 months, promotional and marketing efforts will continue in order to attract and retain new microtransit ridership. Fare promotions and discounts are a valuable tool to support these efforts.

DISCUSSION:

Fare Payment & Media

UTA on Demand by VIA accepts all forms of fare payment through the mobile phone app, including credit card, debit card, electronic pass products, and UTA paper pass products which are visually validated by drivers. Due to limited technology, safety, and security reasons, cash is the only fare payment method not accepted on the microtransit service. If a customer does not have a mobile phone, they can call Via Customer Service and make payment arrangements.

Fares

- Standard Fare One-Way Trip: \$2.50
- Reduced Fare One-Way Trip: \$1.25

Transfers

Transfers are the same as those outlined in the Utah Transit Authority Fare Transfer Rules document. The transfer time is based on the pick-up time plus 2 hours and 30 minutes. Transfers are not allowed between two consecutive microtransit trips.

Fare Promotions & Discounts

UTA is planning to implement various fare promotions and discounts between Change Day and December 31, 2022 as part of marketing and communications strategies to attract and retain customers on the microtransit service. In addition, UTA plans to offer promotional discounts to keep riders engaged and encourage them to refer other riders. Below is a list of sample promotions and discounts that were offered during the pilot phase. The project team requests flexibility to design and implement other fare promotions and discounts that support planned and future marketing strategies.

Example Fare Promotions and Discounts

- One-Way Trip Fare (\$1.00)
- Reduced Fare One-Way Trip (\$0.50)
- Weekly Pass (\$9.50)
- New Rider (First 2 Rides Free)
- Referrals (\$5.00 Ride Credit)
- Referrals Contest (10 Rides Free)
- Churn (50% Next 3 Rides)
- Engagement (1 Ride Free)

ALTERNATIVES:

Do not approve the promotional fare request and require the project team to develop all marketing and promotions of the microtransit service without the use of fare promotions and discounts.

FISCAL IMPACT:

The impact of fare promotions and discounts was approximately 2% of total fare revenue received for the microtransit service based upon 2020 data. As ridership and fare revenue increases throughout 2022, an estimated impact of 3% - 4% may be more likely.

Microtransit Revenue 2020

2020 Fare Media	TOTAL	
UTA Pass / Transfer	\$ 84,595.50	72%
Credit Card	\$ 27,550.50	23%
Free / Promo	\$ 2,263.00	2%
UTA Electronic Card	\$ 3,521.25	3%
Total	\$ 117,930.25	100%

ATTACHMENTS:

None



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: William Greene, Chief Financial Officer
PRESENTER(S): Andrea Packer, Director of Communications
Kensy Kunkel, Manager of Business Dev. and Sales

TITLE:

Promotional Fare Request: Ridership Task Force Initiatives

AGENDA ITEM TYPE:

Service or Fare Approval

RECOMMENDATION:

Approve the promotional fare request for three targeted campaigns - route-targeted direct mail, free fare with boarding pass, complimentary pass for friends and family of UTA employees - to promote ridership as the Authority recovers from the COVID-19 Pandemic.

BACKGROUND:

As Utah's economy continues to recover from the pandemic and as UTA seeks to bring ridership back, the UTA ridership recovery team recommends implementing targeted fare promotions. The promotions would start upon Board adoption and extend through mid-year 2022.

UTA Board Policy requires approval of all promotional fare requests.

DISCUSSION:

The following promotions are recommended:

Route-Targeted Direct Mail

- Specific routes will be identified and targeted throughout the UTA Service Area
 - The promotion is currently scheduled for September-October 2021
 - Resident within ¼ mile of each specified route will receive a post card that includes 2-free ride coupons
-

- Postcard will be route specific
- Coupon will indicate that the trip must start on the bus route; rider is eligible to receive a transfer
- Rider must place the coupons in the farebox
- All coupons will be printed with an expiration date approximately 4-6 weeks after delivery to households

Free Fare with Boarding Pass

To coincide with the grand opening of the new TRAX Airport Station, UTA will accept a person's boarding pass as transit fare

- Estimated opening is November and the promotion will run for 3 months
- The traveler's boarding pass is valid as transit fare on the entire UTA system except for Ski, SLC-PC Connect, and Paratransit Services
- The date on the boarding pass must match the date that the person is riding
- The promotion is valid for travelers only

Complimentary Pass for Friends and Family of UTA Employees

- Complimentary transit passes will be made available to employees to give to friends and family
- The passes will be in the form of an electronic fares card and will be valid for 5-days upon first tap
- The passes will be valid on the entire UTA system except for Ski, SLC-PC-Connect, and Paratransit Services
- Passes must be used within 1 year

In support of the Ridership Recovery Team, with the intent to promote ridership, staff recommends that the Board approve the promotional fare request(s) as outlined above.

ALTERNATIVES:

Decline to approve some or all the promotional fare requests and do not proceed with campaigns

FISCAL IMPACT:

Total fiscal impact is estimated to be between \$78,500 and \$112,000.

Route- Targeted Direct Mail

The value of this promotion is estimated to be between \$28,000 and \$42,000:

- Up to 70,000 flyers will be distributed
- Historical data indicates that the utilization rate of route specific marketing is 4%-6% of total flyers distributed
- The day pass rate of \$5.00 was used to calculate the fare

Free Fare with Boarding Pass

The value of this promotion is estimated to be between \$28,000 and \$40,000

- Sales revenue for 2019 was used as the data source
- Assumes that TVM sales revenue during the promotion will be between 45%-65% of the average 2019 monthly sales revenue

Complimentary Pass for Friends and Family of UTA Employees

The value of this promotion is estimated to be between \$22,500 and \$30,000

- 10,000 passes will be made available for distribution
- Estimates that 60-80% of the passes will be utilized by those that receive them
- The group pass rate of \$3.75 was used to calculate the fare

ATTACHMENTS:

None



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: Mary DeLoretto, Interim Executive Director
PRESENTER(S): Autumn Hu, NEPA Project Administrator
Josh Van Jura, Utah Department of Transportation

TITLE:

Little Cottonwood Canyon Environmental Impact Statement (EIS) Update

AGENDA ITEM TYPE:

Discussion

RECOMMENDATION:

Informational report for discussion

BACKGROUND:

The Utah Department of Transportation (UDOT) is currently working on the Environmental Impact Statement (EIS) for transportation solutions to address congestion issues in Little Cottonwood Canyon (LCC). In 2017, the Utah State Legislature approved SB 277 which designated \$100M for UDOT to use on transportation improvements that have a significant economic development impact associated with recreation and tourism within the state. Four priority recreational hot spots were identified including Moab, Bear Lake, LCC, and Zion. The LCC received \$66M for transportation improvements.

The LCC EIS began in March 2018. UTA is listed as a cooperating agency in the EIS process and has been collaborating with the project team to ensure that public transit alternatives are presented and evaluated accurately in the EIS. UDOT released the Draft EIS for public comment on June 25, 2021. The draft EIS includes the recommended alternatives for LCC.

DISCUSSION:

Josh Van Jura, project manager for the LCC EIS at UDOT, will present a project update, the recommended alternatives, and the next steps.

ALTERNATIVES:

This item is for discussion purposes only.

FISCAL IMPACT:

None

ATTACHMENTS:

None



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 7/28/2021

TO: Board of Trustees
THROUGH: Mary DeLoretto, Interim Executive Director
FROM: Mary DeLoretto, Interim Executive Director
PRESENTER(S): Carlton Christensen, Chair of the Board of Trustees

TITLE:

Strategy Session to Discuss Pending or Reasonably Imminent Litigation

AGENDA ITEM TYPE:

Closed Session

RECOMMENDATION:

Approve moving to closed session for discussion of pending or reasonably imminent litigation

BACKGROUND:

Utah Open and Public Meetings Act allows for the Board of Trustees to meet in a session closed to the public for various specific purposes.

DISCUSSION:

The purpose for this closed session is:

- Strategy session to discuss pending or reasonably imminent litigation