

Consultation on Agency's Tentative 2023 Budget



2023 Budget Challenges/Opportunities

Labor

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

Economic Factors

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

Federal and State Funding

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



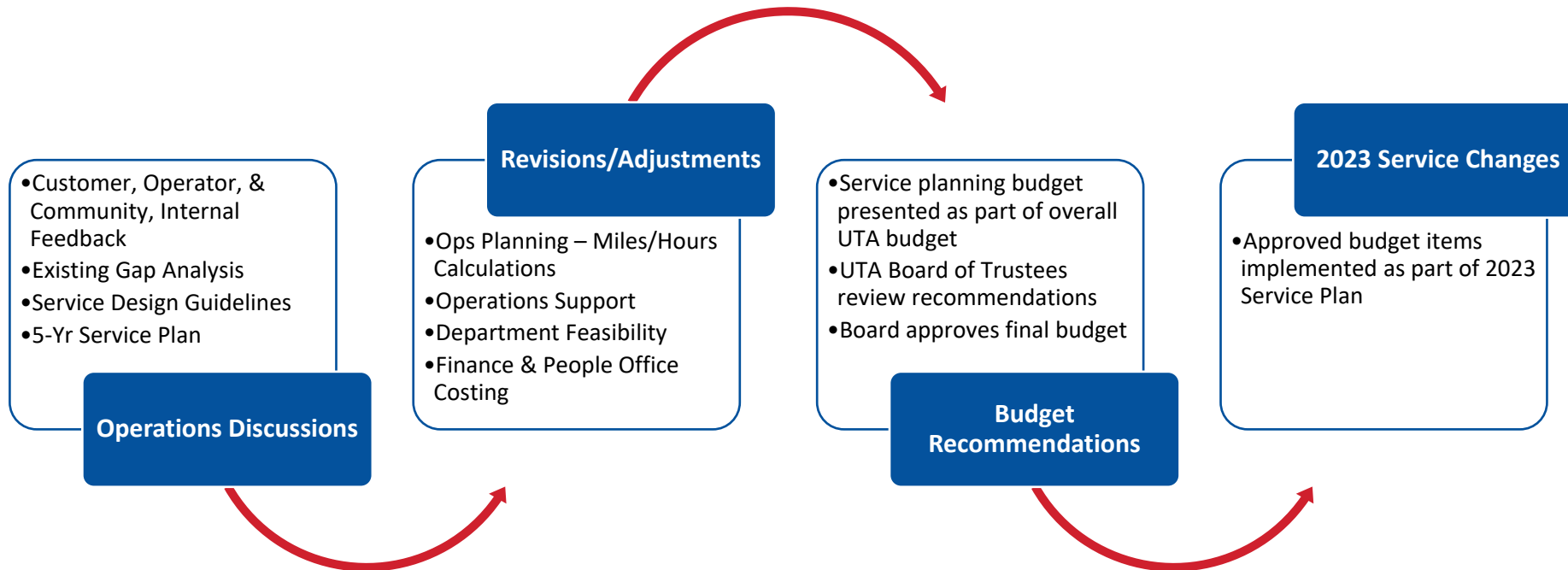
2023 Key Budget Assumptions

- Operating Expenses:
 - Labor Subject to Collective Bargaining
 - Fringe Subject to Collective Bargaining
 - Parts - 6.0%
 - Fuel:
 - Diesel - \$3.20
 - Gasoline - \$3.00
 - CNG DGE - \$1.72
 - Other Expense – 5.25%

- Revenue Growth:
 - Sales Tax – 8.8%
 - Passenger – 4.7%
 - Bipartisan Infrastructure Law \$27 million in 2023



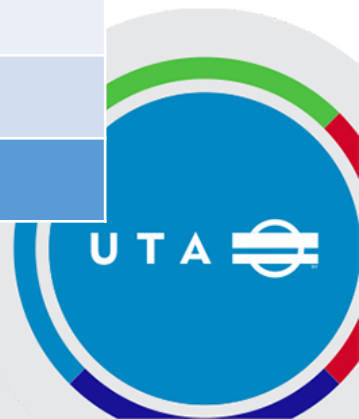
Annual Service Change Planning Process



2023 Service Strategy

	2023 Est. Cost	Ongoing Annual Est. Cost	Annual Service Hours
Ogden OGX	\$900,000	\$ 1,500,000	10,700
TRAX Saturday Svc	800,000	2,100,000	12,900
Adjustments to 2022 Service Calculation ¹	1,200,000	1,200,000	
Extra Board Strategy	1,500,000	1,500,000	
UTA On Demand South SL County Growth	500,000	500,000	8,600
<i>Operating Contingency</i>			
Ogden Local Svc	1,900,000	4,800,000	31,700
2024 Ramp Hiring	1,500,000	1,500,000	
Supervisor Ratios	1,600,000	1,600,000	
Total	\$9,900,000	\$14,700,000	

Footnote: ¹ Correcting/reconciling cost of 2022 service changes



2023 Operating Budget Overview (dollars in thousands)

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			2023 Budget Request
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	
\$ 363,157	\$ (12,719)	\$ 624	\$ 4,156	\$ 9,236	\$ 11,672	\$ 376,125	\$ 3,148	\$ 16,924	\$ 396,197

2023 Additions

Service Strategy

Service Changes	\$ 3,400
Extra Board	1,500
Local Service	1,900
2024 Ramp Hiring	1,500
Supervisor Ratios	1,600
Subtotal Service Strategy	9,900

Regulatory/Board/ROI	1,353
Audit/Federal Compliance	1,190
Agency Requests	1,803
Capital Staff	108
Contingency	1,900
<u>Budget Balance/Reconciliation</u>	<u>700</u>
Subtotal Other Requests	7,054
Grand Total	\$16,924



2023 UTA Operating Budget Expenses by Category

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



2023 UTA Operating Budget Expenses by Office

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



UTA FTE Summary

2022 Budget and 2023 Proposed Budget

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



2023 Capital Budget Summary

Programs/Projects	2023 Proposed Budget	2023 Grants	2023 Lease	2023 State & Local Partners	2023 UTA Funds
5310 Projects	4,821,000	3,714,000		1,059,000	48,000
Capital Construction	30,899,000	22,320,000		3,117,000	5,462,000
Capital Development	86,863,000	24,594,000		21,410,000	40,859,000
Contingency	5,000,000				5,000,000
Facilities- SGR	7,021,000				7,021,000
Information Technology	17,690,000				17,690,000
Infrastructure SGR Projects	51,309,000	37,081,000		200,000	14,028,000
Planning	4,127,000	1,514,000		169,000	2,444,000
Property/TOC	8,627,000			935,000	7,692,000
Revenue/Service Vehicles	90,749,000	26,706,000	41,755,000	3,957,000	18,331,000
Safety and Security	5,420,000				5,420,000
Unfunded- Grants	5,771,000				
Unfunded- Other Sources	500,000				
Grand Total	\$318,797,000	\$115,929,000	\$41,755,000	\$30,847,000	\$123,995,000

Sources and Uses

Sources	Adopted 2022	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027
Beginning Balance	\$ 524.5	\$ 321.8	\$ 484.3	\$ 467.0	\$ 412.4	\$ 358.6	\$ 323.2
Sales Tax	\$ 435.7	\$ 486.3	\$ 529.3	\$ 513.4	\$ 513.4	\$ 529.3	\$ 563.8
PM Funds (FTA)	59.5	110.4	84.9	85.8	86.6	87.5	88.0
Stimulus Funds	100.1	167.8	-	-	-	-	-
Passenger Funds	34.2	34.2	35.8	44.0	48.7	50.2	51.7
Capital Sources	104.2	104.2	189.3	154.3	165.7	136.1	153.1
Other Sources	21.6	17.6	21.2	21.5	20.6	20.1	20.5
Total Sources	\$ 755.4	\$ 920.6	\$ 860.5	\$ 819.0	\$ 835.1	\$ 823.2	\$ 877.0
USES							
Operating Expense	\$ 363.1	\$ 353.2	\$ 396.2	\$ 424.1	\$ 442.9	\$ 457.3	\$ 472.2
Capital Expense	228.1	212.1	318.8	278.5	270.3	216.8	239.8
Debt Service	148.20	152.75	162.82	171.09	175.60	184.53	175.23
Total Uses	\$ 739.4	\$ 718.1	\$ 877.8	\$ 873.6	\$ 888.8	\$ 858.6	\$ 887.2
Net Change	\$ 16.0	\$ 202.5	\$ (17.3)	\$ (54.7)	\$ (53.7)	\$ (35.4)	\$ (10.2)
Cash Amended	-	(40.0)	-	-	-	-	-
Ending Balance	\$ 540.5	\$ 484.3	\$ 467.0	\$ 412.4	\$ 358.6	\$ 323.2	\$ 313.0
Reserves	165.6	166.9	185.2	199.6	211.9	223.7	236.6
Unrestricted Fund Balance	\$ 374.9	\$ 317.4	\$ 281.8	\$ 212.8	\$ 146.7	\$ 99.5	\$ 76.5

Next Steps

