

UTA Board of Trustees Meeting

May 22, 2024



Call to Order and Opening Remarks



Pledge of Allegiance



Safety First Minute



Public Comment

- Live comments are limited to 3 minutes per commenter
- Live comments may be heard from in-person attendees as well as Zoom attendees
- For comments via Zoom, use the “raise hand” function in Zoom to indicate you would like to make a comment
- Public comment was solicited prior to the meeting through alternate means, including email, telephone, and the UTA website
- Any comments received through alternate means were distributed to the board for review in advance of the meeting



Consent Agenda

- a. Approval of May 8, 2024, Board Meeting Minutes



Recommended Action

(by acclamation)

Motion to approve the consent agenda



Reports



Executive Director Report

- May 12th TRAX Derailment
- Officer Ken Bush
- Sergeant Rich Clawson



Investment Report - First Quarter 2024

May 22, 2024



Investments as of First Quarter 2024

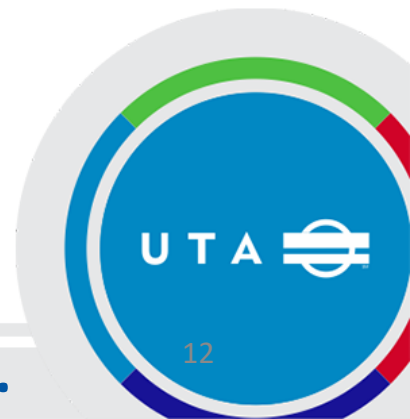
Institution	Amount	Yield
PTIF	\$272,022,188	5.47%
Chandler Asset Management	\$233,609,074	4.63%
Zions Corporate Trust	\$63,125,135	5.47%
Zions Bank	\$20,098,030	5.00%
Totals	\$588,854,427	5.12%



Benchmark Comparisons First Quarter 2024

Institution	January	February	March
PTIF/Zions Corporate Trust	5.48%	5.48%	5.44%
Chandler Asset Management	4.40%	4.76%	4.73%
Zions Bank	5.08%	4.96%	4.95%
Benchmark Returns*	5.33%	5.33%	5.33%

* Benchmark return for quarter is Fed Funds rate.



Questions?



Resolutions



R2024-05-03 - Resolution Approving and Reauthorizing the Transit Agency Safety Plan (TASP)



Utah Transit Authority Transit Agency Safety Plan

UTAH TRANSIT AUTHORITY
TRANSIT AGENCY SAFETY PLAN (TASP)



January 2023

Sheldon Shaw
Director of Safety and Security



Agenda Item 7.a.

49 CFR Part 673

- ▶ General Requirements for PTASPs (Each safety plan must include, at a minimum)
- ▶ A process and timeline for conducting an annual review and update of the safety plan
- ▶ The designation of a Chief Safety Officer
- ▶ The documented processes of the agency's SMS, including the agency's Safety Management Policy and processes for Safety Risk Management, Safety Assurance, and Safety Promotion
- ▶ An employee reporting program
- ▶ Performance targets based on the safety performance measures established in FTA's National Public Transportation Safety Plan (NSP)

Requesting Reauthorization of the 2023 TASP

- ▶ UTA requires a reviewed and approved safety plan as a basis for operations.
- ▶ The 2023 safety plan was approved by Union Leadership (12-28-22).
- ▶ The 2023 safety was signed by our Accountable Executive.
- ▶ State Safety Oversight (SSO) gave final approval of the 2023 TASP (2-29-23)
- ▶ The 2023 safety plan was approved by the Board of Trustees (4-12-23).
- ▶ The Joint Committee is reviewing the current TASP for updates and will present them to the Board for approval at some point in the future.

Questions



Recommended Action

(by roll call)

Motion to approve R2024-05-03 Resolution Approving and Reauthorizing the Transit Agency Safety Plan, as presented



**R2024-05-04 - Resolution Authorizing the
Execution of a Cooperative Agreement with the
Utah Department of Transportation for Grant
Reimbursement for the Acquisition of Real
Property in Weber County, Utah**

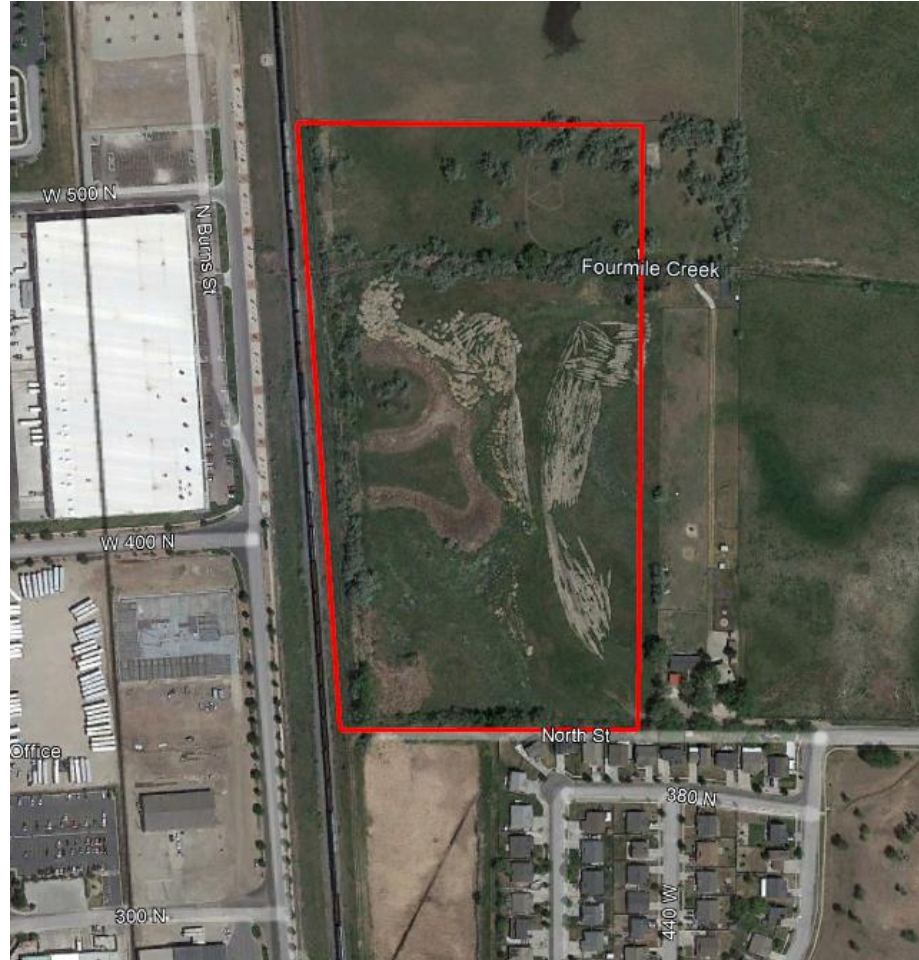
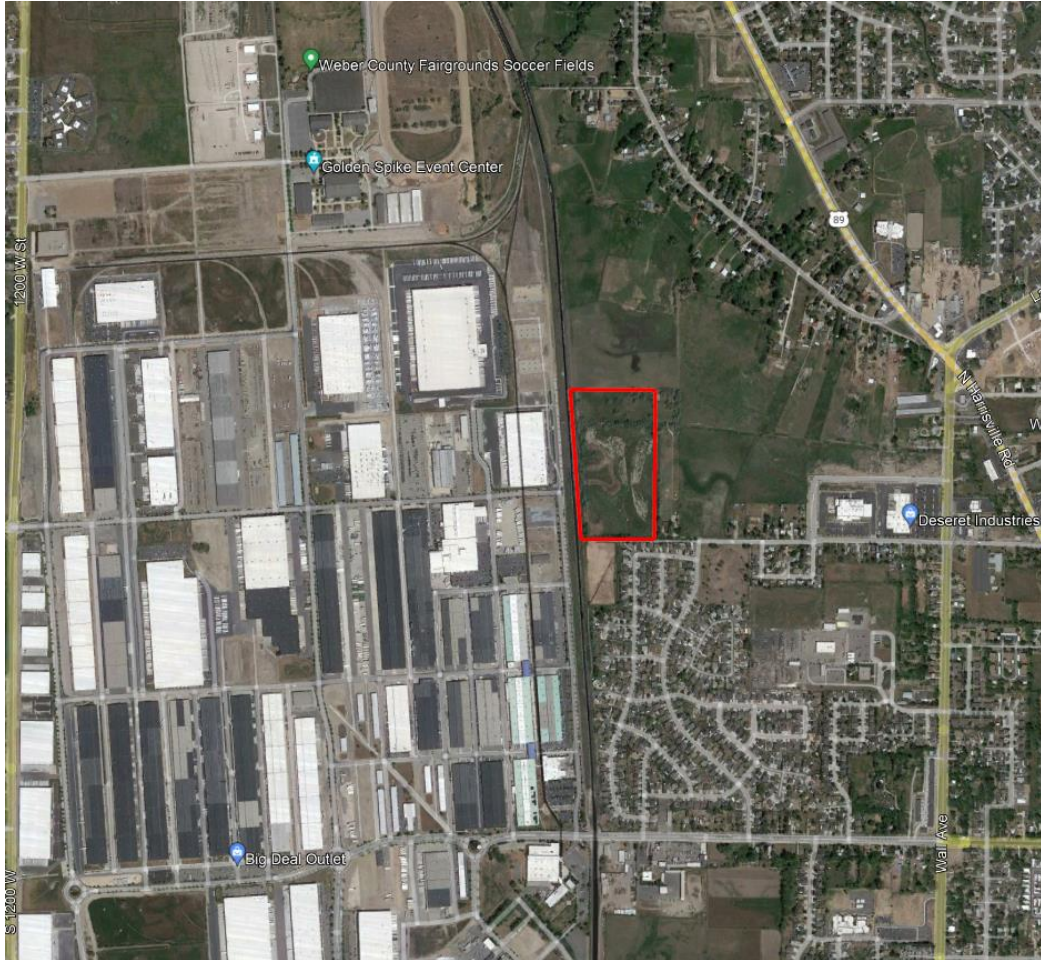


Resolution for WFRC Grant Reimbursement

- In 2021, UTA was awarded \$1.5M in STBG Funds for corridor preservation by WFRC.
- In 2022, WFRC reallocated UTA's Award from STBG Funds to STP-Covid Funds administered by UDOT.
- UTA and WFRC identified 23.66 acres of land available for purchase at 400 West North Street in Harrisville for a future BDO Station site.
- UTA purchased the Tinslee Meadows property with UTA funds for \$1,656,200 and is seeking reimbursement of \$1.5M allocated from STP-COVID Funds.
- UTA and UDOT have prepared a Cooperative Reimbursement Agreement to receive those funds.



Tinslee Meadows Property



Questions?



Recommended Action

(by roll call)

Motion to approve R2024-05-04 Resolution Approving the Execution of a Cooperative Agreement with the Utah Department of Transportation for Grant Reimbursement for the Acquisition of Real Property in Weber County, Utah, as presented



R2024-05-05 - Resolution Approving the Title VI Service and Fare Equity Analysis for August 2024 Change Day



August 2024 Change Day: Final Changes, Public Engagement, and Title VI Resolution



Proposed & Final Changes

Proposed Change for August 24	Final Change for August 24
UVX Fare implementation	Regular fare will be implemented on UVX.
Reduced Fare Expanded Income Eligibility	Reduced Fare income eligibility will be expanded to 200% Federal Poverty Level.
FAREPAY 20% Discount Elimination	The 20% discount on FAREPAY will be eliminated.
Fare capping implementation	A new fare capping program will be implemented on FAREPAY, setting a daily and weekly maximum fare.
Routes 39, 201, 218	Routes 39, 201, and 218 will remain at their current level of service for August 2024 Change Day.
Route 606	Route 606 has been suspended and will be permanently discontinued on August 2024 Change Day.



Public Comment Period Overview

Mode	Comments (#)
Email	18
Mail	0
Customer Service	3
Public Hearing Comment Line	2
Online Comment Form	1,443
Virtual Public Hearing	5
Total	1,471



Public Comment Period Overview

Engagement Component	Dates	Additional Detail
Public Notice	February 28	A public notice was published on the Utah Public Notice Website with the proposed major changes in English and Spanish.
Public comment period	February 28- March 29	30-day period was required. Public notice was published on the UTA website and the Utah Public Notice Website.
Public meeting (Virtual)	March 13	A public meeting was held virtually over Zoom and included ASL and Spanish language interpretation. A recording was made available following the event in English and Spanish.
Virtual engagement	February 28- March 29	Available throughout the comment period online.
Community Outreach	February 28 – March 29	Efforts were made to engage Utah County communities surrounding the UVX service.
Media & Communication efforts	February 28- March 29	Information on proposed changes was shared widely via multiple avenues.



Public Comment Themes

- Opposition to fares on UVX
- Fare enforcement/enforcement plan for UVX
- How to pay for UVX service
- Impact to ridership – cost/benefit
- Fares too high, cost/benefit with driving
- Barriers for low-income, youth, disabilities, those unable to drive, unsheltered riders
- Zero fare support
- Air quality/Traffic
- Reduced Fare Program
- Fare Capping and education about the program
- Opposition to 20% discount elimination
- Route 39
- Bus service & frequency
- TRAX & FrontRunner
- Route 606



Next Steps

- May 22, 2024: Board Meeting
 - Update on public engagement, service plan, fares plan
 - Resolution approving Title VI Analysis
- May-August
 - Community education, outreach, communications
 - Preparation for any planned changes
- August 18, 2024: Change Day
- Information available at rideuta.com/ChangeDay



UTA and Title VI

- Title VI of the Civil Rights Act requires UTA work to ensure there is no discrimination in the delivery of service or application of fare policy
- UTA reviews the equitability of all major changes
- An analysis is performed to ensure there are no unintended negative impacts on low-income and minority populations
- The analysis is presented to and approved by UTA's Board of Trustees



Datasets and Analysis Parameters

- Demographic data from the 2018-2022 American Community Survey (ACS) Five-Year Estimates were used to determine who is impacted by the proposed changes
- Demographics of those impacted were compared to the demographics of the service area
- UTA 2019 On-Board Survey (OBS) data was used to determine impact of proposed fare change
- Differences greater than 5% between those impacted by changes and the entire system require further examination and consideration



August Change Day 2024 Proposed Major Service Changes

August Change Day proposes 4 major service changes

- Routes 39, 201, 218
 - Routes had emergency service reductions in December 2022
 - No longer considered temporary as reductions have exceeded 1 year
- Route 606
 - Temporarily suspended in January 2024
 - Proposed for permanent discontinuation



Analysis of Proposed Service Changes

- 3 potential findings were identified based on the continuation of service reductions
 - 1 of disparate impact
 - 2 of disproportionate burden
- 2 potential findings were identified based on route discontinuation
 - 1 of disparate impact
 - 1 of disproportionate burden

Proposed Service Changes: Conclusions

Continued Service Reduction

- UTA currently has no option for restoring this service due to operator shortages
- UTA evaluated multiple scenarios and the current service reduction was determined to be the option that produced the greatest reduction in staff needs with the least impact to the customer
- UTA is prioritizing the restoration of service to routes 39 and 201 and plans to restore this service in April of 2025

Service Discontinuation

- Single daily trip serving one specific population that no longer uses the service
- Other service still available in the area



August Change Day 2024 Proposed Fare Changes

August Change day proposes 3 fare changes

- 1) Change to eligibility for UTA's reduced fare
 - a) Change from 150% to 200% of Federal Poverty Income Guidelines
- 2) Changes to UTA FAREPAY card
 - a) Removal of 20% per trip discount
 - b) Addition of Fare Capping, including addition of premium day and weekly rate
- 3) Removal of zero-fare on UVX
 - a) Does not include an option to pay fare by cash on vehicle or at most stations



Analysis of Proposed Fare Changes

- 2 potential findings were identified based on the change to UVX fare policy
 - 1 of disparate impact
 - 1 of disproportionate burden

Proposed Fare Changes: Conclusions

- **Discontinuing the zero-fare policy on UVX shows a finding of disproportionate burden:**
 - OBS data indicates that a large majority (85%) of UVX ridership is students who would not have to pay a fare due to existing pass programs
 - UTA should take steps to ensure low-income populations continue to have access to UVX services
- **Requiring riders to obtain a non-cash payment method prior to boarding UVX shows a finding of disparate impact:**
 - UTA will develop a plan to place Ticket Vending Machines (TVMs) at the most needed station locations in the future and is developing plans to mitigate the adverse effects of the non-cash requirement
- **UTA has substantial legitimate justification to proceed in order to:**
 - Maintain consistency in fare collection across the system
 - Avoid degradation of service through onboard fare collection
 - Avoid significant costs associated with the immediate purchase and deployment of TVMs



Recommended Action

(by roll call)

Motion to approve to approve R2024-05-05 Resolution Approving the Title VI Service and Fare Equity Analysis for August 2024 Change Day, as presented



Contracts, Disbursements, and Grants



Contract: Construction Services Agreement for Jordan River Bldg #2 Remodel (Paulsen Construction LLC)

Recommended Action (by acclamation)

Motion to approve the Contract with Paulsen Construction LLC for Construction Services for Jordan River Building #2 Remodel, as presented



Contract: Bus Camera System License (Tivitri Inc)

Recommended Action (by acclamation)

Motion to approve the contract with Tivitri Inc for the Bus Camera System License, as presented



Change Order: On-Call Infrastructure Maintenance Contract Task Order #24-004 – FrontRunner Gap Filler Installation (Stacy and Witbeck, Inc.)

Recommended Action (by acclamation)

Motion to approve the Task Order #24-004 to the On-Call Infrastructure Maintenance Contract with Stacy and Witbeck, Inc. for FrontRunner Gap Filler Installation, as presented



Change Order: On-Call Infrastructure Maintenance Contract Task Order #24-014 - 7200 S Grade Crossing (Stacy and Witbeck, Inc.)

Recommended Action (by acclamation)

Motion to ratify the Task Order #24-014 to the On-Call Infrastructure Maintenance Contract with Stacy and Witbeck, Inc. for the 7200 S Grade Crossing, as presented



Contract: Sponsorship Agreement (GREENbike SLC Bike Share)

Recommended Action (by acclamation)

Motion to approve the the Sponsorship Agreement with GREENbike SLC Bike Share, as presented



Contract: HB322 (2022) Fund Transfers and Work Designation Agreement (UDOT)



Outline of Key Components of the Agreement

UTA

- Transfer \$51M back to UDOT. This amount was transferred to UTA pursuant to the 2021 UTA Pass-Through Agreement to be used to double track strategic sections of the FrontRunner commuter rail system.
- Transfer \$3M back to UDOT. This amount was transferred to UTA pursuant to the 2021 UTA Pass Through Agreement to be used for the Sharp-Tintic railroad consolidation project.
- Total transfer amount of \$54M

UDOT

- Transfer to UTA the balance of the amount appropriated for Point of the Mountain, \$1.25M
- Transfer to UTA the balance of the amount appropriated for S-Line Streetcar, \$3M
- Transfer to UTA the balance of the amount appropriated for Mid Valley BRT, \$2.75M
- Total transfer amount of \$7M



Items to be Addressed in Subsequent Agreements

- Second Agreement - Construction, acceptance, warranties, activation, close out, operations, and maintenance.
- Reimbursement agreement
- Pass-through funds agreement
- Environmental hazards
- Rolling stock procurement



Recommended Action

(by acclamation)

Motion to approve the agreement with UDOT for HB322 (2022) Fund Transfers and Work Designation, as presented



Contract: FrontRunner Double Track Project Funding and Reimbursement Agreement (UDOT)



Outline of Key Components of the Agreement

- Parties will comply with FTA's Master Agreement and FTA's CIG program requirements.
- UDOT is responsible for the fiscal management of the Project.
- UTA agrees to execute, to the extent of its legal authority, annual Certifications and Assurances.
- UTA agrees that UDOT will rely on UTA to meet federal compliance obligations, particularly those made pursuant to any Full Funding Grant Agreement.
- The Parties agree that during the period commencing on the effective date of the 2021 Pass-Through Agreement, and ending on the Project Development Approval Date, UTA incurred expenses for the Project that would be eligible for reimbursement from state funds awarded for the project.
- The Parties agree that UDOT, and state and federal regulators that have authority in connection with the Project, each have the right to audit all cost records and accounts of UTA pertaining to the Project in accordance with their auditing procedures.
- UTA will retain complete and readily accessible records.



Items to be Addressed in Subsequent Agreements

- Second Agreement - Construction, acceptance, warranties, activation, close out, operations, and maintenance.
- Pass through funds agreement
- Transfer of funds agreement
- Environmental hazards
- Rolling stock procurement



Recommended Action

(by acclamation)

Motion to approve the agreement with UDOT for FrontRunner Double Track Project Funding and Reimbursement, as presented



Contract: Pass-Through Funds Agreement for Designated Work - FrontRunner Extension to Payson (UDOT)



Outline of Key Components of the Agreement

- UDOT will transfer \$5M in funds to UTA in four quarterly installments beginning June 1, 2024 and extending through March 1, 2025
 - \$1.25M will be paid in each installment
- UTA to spend 100% of funds by December 31, 2028.
- Funds will be used to complete alternatives analysis, scoping, NEPA documentation in coordination with FTA, 30% design, 25% Union Pacific design, advanced right of way acquisitions, evaluation of funding options
- The Payson project objective is to extend the existing FrontRunner system to Payson City in approximately the rail corridor that UTA currently owns. There are 3 stations identified in Springville, Spanish Fork and Payson Cities. There would also be a light maintenance facility location identified.



Outline of Key Components of the Agreement

- UTA is subject to UDOT oversight and supervisory responsibility. UTA will provide written report of the project status by the completion of the project. UTA will also provide UDOT with a final itemized written report detail expenditures of the funds.
- UTA may be responsible to submit reports or respond to inquiries from the Utah Legislature and Governor's office and respond to request for information about the project funds.



Items to be Addressed in Subsequent Agreements

- Second Agreement - Construction, acceptance, warranties, activation, close out, operations, and maintenance.
- Reimbursement agreement
- Transfer of funds agreement
- Environmental hazards
- Rolling stock procurement



Recommended Action

(by acclamation)

Motion to approve the agreement with UDOT for Pass Through Funds for Designated Work on the FrontRunner Extension to Payson, as presented



Service and Fare Approvals



Fare Agreement: Special Events Agreement (Utah Asian Festival)

Recommended Action (by acclamation)

Motion to approve the Special Events Agreement with Utah Asian Festival, as presented



Fare Agreement: Special Events Agreement (Utah Pride Center)

Recommended Action (by acclamation)

Motion to approve the Special Events Agreement with Utah Pride Center, as presented



Discussion Items



Issuance and Sale of the Authority's Sales Tax Revenue Refunding Bonds



Potential Financing Opportunity

Current financial market conditions present a unique opportunity for the Authority to potentially achieve various favorable objectives

The Primary Opportunity: Refinancing of Build America Bonds (“BABs”)

- UTA has \$461.45 million of bonds outstanding with interest rates ranging from 5.7% to 5.9% (Series 2009B & 2010)
- The Authority receives a subsidy from the Federal Government each year to offset some of the interest cost
- Since the issuance of the Bonds, various Congressional Acts have resulted in a reduction in the subsidy that UTA had expected to receive (subsidy risk) and thereby increasing UTA’s actual annual interest expense
- In recent years, while UTA could have refinanced the BABs to eliminate the risk of further future reductions to the subsidy, it would have come at a significant cost to UTA
- Today, **unique financial market conditions** may present UTA an opportunity to refinance all or a portion of the BABs and achieve savings or at a minimal cost
- Several entities across the country are contemplating or have already executed similar financings in order to reduce risk



Potential Financing Opportunity (continued...)

The Secondary Opportunity: Make-Whole Call of 2007A and Tendering of 2015A Bonds

- UTA can achieve added near-term cash flow savings (2025-2029) through additional refunding strategies
- Tax-exempt Make-Whole Call (“MWC”) refunding of UTA’s Series 2007A bonds maturing 2026-2029 generates **\$14.5 million of total debt service savings in those years**
- A tender refunding of UTA’s Senior Lien Series 2015A maturing in 2025 (assuming 40% tendered/refunded), results in **\$12.0 million of savings in 2025**
- A MWC and tender refunding can incorporate in a broader BABs refunding transaction relatively seamlessly and at a minimal incremental cost
- Favorable current market conditions may also allow UTA to execute a bond tender refunding of certain additional outstanding bonds in order to improve overall financing results
- UTA completed a tender refinancing in 2023 while similar favorable market conditions existed



Potential Financing Opportunity (continued...)

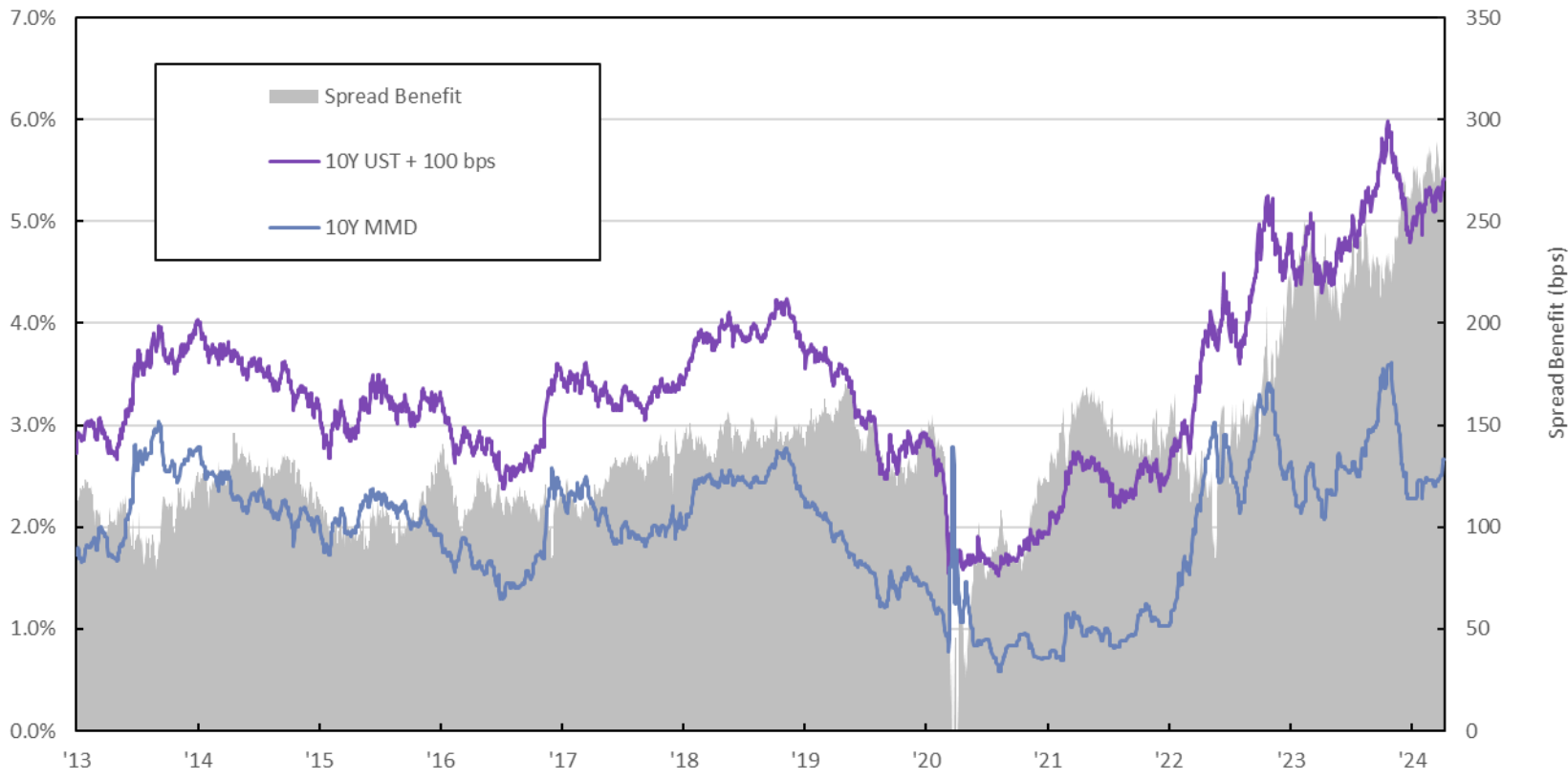
Key Benefits

- ✓ **Risk Reduction:** Refinancing of all \$461.45 million of BABs will eliminate UTA's exposure to the risk of further subsidy reductions as the result of Federal Government actions
- ✓ **Market Conditions:** Current market conditions, unique on a historical basis, may allow UTA to refinance its BABs with the issuance of tax-exempt bonds and potentially achieve overall debt service savings
- ✓ **Future Optionality:** In 10 years, UTA will likely have the option to refinance the bonds issued today at a lower interest rate and achieve savings
- ✓ **Lower Overall Debt:** the proposed transaction would lower UTA's outstanding indebtedness by approximately \$45 million



Current Market Conditions Provide Beneficial Conditions for Exercising a Make-Whole Call

10Y MMD vs. 10Y UST+100bps



Source: Thomson Reuter TM3 and US Department of the Treasury as of April 2024



Current Market Conditions Provide Beneficial Conditions for Exercising a Make-Whole Call (continued...)

- The current market presents a historically favorable opportunity for issuers to defease their BABs: discount rates to redeem BABs have increased (i.e., UST +100bps) while the absolute spread differential between these discount rates and tax-exempt rates (MMD) has increased as well
- Issuers can pay a lower make-whole redemption price (due to higher UST yields), while simultaneously borrowing at a relatively low rate in the tax-exempt market (due to lower MMD)
- This market dynamic is unusual, and ratios may normalize as either UST falls or MMD increases



Financing Overview & Preliminary Results

Summary Financing Results

	2009B/2010 BABs MWC Refunding	Select Series 2007A Bonds MWC Refunding ³	40% Tender of 2015A (Snr.) 2025 Maturity	Aggregate Financing Results
Refunded Bonds				
Refunded Par	\$461,450,000	\$16,000,000	\$12,300,000	\$500,175,000
Redemption Cost	\$467,367,368	\$17,655,259	\$12,834,066	\$509,400,030
Maturities (6/15)	2033 - 2040	2026 - 2029	2025	-
Refunding Bonds				
Par Amount	\$415,945,000	\$15,370,000	\$11,160,000	\$442,475,000
Average Coupon	5.00%	5.00%	5.00%	5.00%
All in TIC	3.82%	3.88%	3.88%	3.82%
Arbitrage Yield	3.44%	3.44%	3.44%	3.44%
Gross Debt Service Savings	\$4,462,619	(\$7,760,813)	(\$6,370,208)	(\$9,668,402)
NPV Savings (\$)	(\$1,342,458)	(\$1,239,750)	(\$610,210)	(\$3,192,419)
NPV Savings (%)	(0.29%)	(7.75%)	(4.96%)	(0.65%)
2nd Order NPV Savings (\$)	\$21,983,386	-	-	\$21,983,386
Aggregate NPV Savings (\$)	\$20,640,928	-	-	\$18,790,967

Assumptions: Dated/delivery date of June 15, 2024; structured for level annual savings; pricing is indicative as of 4/15/2024 and subject to market conditions at time of pricing; All-In COI/UWD of \$5/bond, respectively; Assumes Sales Tax Rev. Bond ratings of Aa2/AA+/AA and Subordinated Sales Tax Rev. Bond ratings of Aa3/AA/AA; Assumes lost BABs subsidy for the life of the bonds (5.7% BAB sequestration haircut rate); 2nd order refunding assumes current refunding of BABs refunding (2035 – 2040 maturities); 5% Coupons at current interest rates for each respective maturity

Tender Assumptions: Rates as of 4/15/2024, Delivery Date: 6/15/2024, \$5/bond Costs of Issuance, \$2.50/bond Tender Costs, and a Tender Price calculated based on BVAL yields for the tendered bonds plus a 40 bps concession to BVALs as of 4/15/2024, BVALs for Tendered Bonds sourced from Bloomberg



Financing Overview & Preliminary Results (continued...)

Build America Bonds (BABs) Refunding

- In the current market, a refunding of all outstanding Series 2009B BABs and 2010 BABs would result in the following:
 - **Aggregate (2009B & 2010 combined) debt service cashflow savings of approximately \$4.4 million**
 - Aggregate NPV savings/dis-savings are roughly neutral at approximately \$1.3 million or -0.29% of refunded par
- The financing would result in significant future optionality (option to refinance again at a lower interest rate for savings)
 - For example, in 2034, assuming current rates, UTA would be able to refund the bonds issued today and achieve NPV savings of \$22.0 million (e.g., “Second Order Savings”)
 - This optionality is meaningful given the current lack of a 10-year par call option on the outstanding BABs



Other Business

- a. Next Meeting: Wednesday, June 12, 2024, at 9:00 a.m.



Adjourn

