

Tentative 2026 Operating and Capital Budget



Budget Process Overview

- Develop strategic initiatives that align with strategic priorities & plan
 - Informed by discussions with the Board of Trustees
- Streamline overall budget schedule
 - Allow purchasing and talent acquisition to start sooner in the year
- Capital budgeting improvements
 - Start with base budget
 - Executive submissions for capital items
 - Sync of capital budget with operating budget schedule



Our Vision

Leading Utah's mobility solutions and improving quality of life

Our Mission

We Move You

Our Foundation

Living and Demonstrating the UTA Way

BOARD STRATEGIC PRIORITIES & SUCCESS OUTCOMES

QUALITY OF LIFE

UTA supports community development, sustainably connecting the Wasatch Front through accessible mobility options, strategic investments, and partnerships.

CUSTOMER EXPERIENCE

UTA puts its customers first by providing an easy, enjoyable and accessible transit experience where customers feel engaged, safe and cared about.

ORGANIZATIONAL EXCELLENCE

UTA's well-resourced workforce excels, innovates and demonstrates empowerment.

COMMUNITY SUPPORT

UTA's communities tell our story and transit is recognized as a keystone to Utah's future growth.

ECONOMIC RETURN

UTA is an economic engine which positively impacts Utah's statewide economy, benefiting every Utahn.

2030 GOALS AND OBJECTIVES

- 70% within 1/2 Mile of Service
- Reduce Footprint by 25%

- Increase Net Promoter by 45%
- Improve Perceived Safety

- Recognized as Premier Workplace
- Increase Improvement Score

- 100+ Partners Telling Transit Stories
- Improve Public Satisfaction

- Communities See Economic Value
- Increase Return on Investment

2026 ANNUAL TARGETS

- Increase Ridership 2%
- Maintain 54% Access to All Day Service
- Reduce Carbon Footprint 5%

- Increase Net Promoter 10%
- Increase Perceived Safety 5%
- Increase Access to All Day Frequent Service 1%
- Increase Customer Info Score 2%

- Increase Org Improvement Score 2%
- Improve OE Systems Maturity 50%
- Reduce OSHA Reportables 10%
- Improve Employee NPS 5%

- Community Benchmark 3%
- Increase Public Relations Score 8%
- Improve Community Value Metric 2%

- Achieve Budget
- Improve Perceived Economic Value Metric 3%

ANNUAL STRATEGIC INITIATIVES

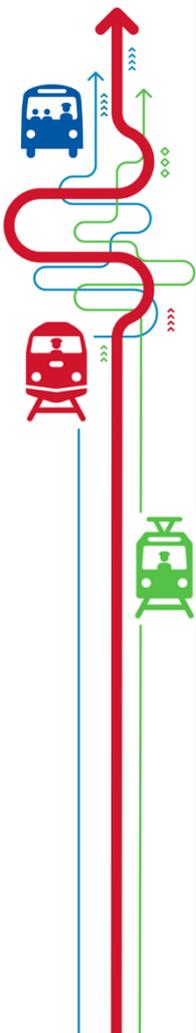
- Update 5 Year Service Plan
- Deliver 2026 SGR Program
- Implement Phase I of Sustainability Program
- Successful Completion of Triennial

- Implement Customer Experience Improvement Strategies
- Design UTA Fare Strategy

- Mature UTA Excellence Systems
- Continue Sustainable Service Delivery System Rollout
- Deploy WorkDay & Trapeze Modules
- Implement EE Voice Action Plan
- Improve EE Safety in System

- Host APTA Mobility/Rodeo
- Design Process for Utilizing Community Voices

- Coordinate with Olympics Transportation Plan Working Group
- Transition UTA Radio System



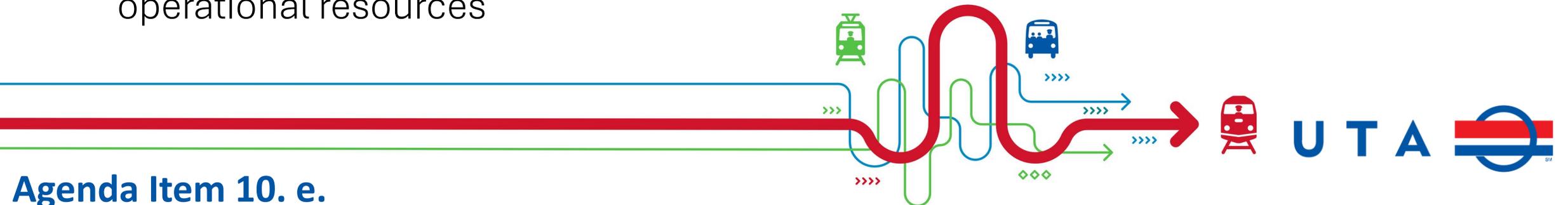
Tentative 2026 Annual Service Plan

2026 April Change Day

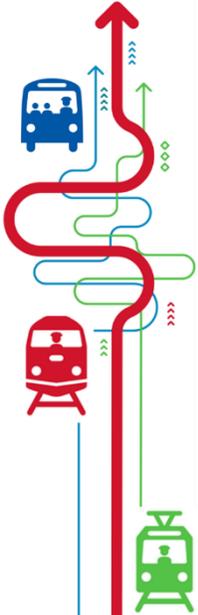
- Advance Midvalley Express (MVX) and corresponding route changes from 2027 to 2026
- Postpone current Five-Year Service Plan 2026 implementation
- Reevaluate priorities in the upcoming Five-Year Service Plan based on the financial and operational resources

Financial Impact

- 2026 Recommended (MVX): \$2.9M



5-Year Financial Forecast



- MVX starts 2026
- FR2X starts 2030 at \$16M

DRAFT

Agenda Item 10. e.

<i>USD \$ Millions</i>		Actual	Forecast	Projected	Projected	Projected	Projected	Projected
Sources		2024	2025	2026	2027	2028	2029	2030
A	Beginning Balance	\$ 373.4	\$ 229.6	\$ 194.3	\$ 121.0	\$ 43.8	\$ (24.7)	\$ (101.4)
	Sales Tax	\$ 492.4	\$ 505.2	\$ 516.5	\$ 532.0	\$ 546.9	\$ 561.8	\$ 576.7
	PM Funds (FTA)	32.7	120.0	96.5	73.7	74.6	75.4	76.1
	Passenger Funds	39.3	38.6	40.9	41.6	42.6	46.6	47.3
B	Capital Sources	64.0	284.5	249.9	183.9	159.4	120.7	64.8
	Bonding	-	55.5	47.3	24.9	52.1	40.7	4.7
	Leasing	24.1	32.7	36.7	37.4	25.5	29.6	26.4
	Grants	10.6	69.95	80.5	42.9	22.9	1.3	0.7
	Formula Funds	18.9	53.03	30.2	42.2	49.2	43.2	30.2
	State	7.4	34.8	10.6	3.9	3.1	3.4	0.7
	TTIF	-	29.6	31.1	23.4	3.5	1.0	2.2
	Local Revenues	3.0	5.0	13.5	9.3	3.0	1.5	0.0
	Other	-	4.0	-	-	-	-	-
	Other Sources	53.1	22.1	31.4	24.8	19.8	19.3	19.3
C	Total Sources	\$ 681.5	\$ 970.4	\$ 935.3	\$ 856.0	\$ 843.2	\$ 823.7	\$ 784.2
	Uses							
D	Operating Expense	\$ 417.1	\$ 464.5	\$ 487.5	\$ 503.4	\$ 519.7	\$ 536.6	\$ 570.3
E	Capital Expense	181.2	363.2	331.7	242.0	207.9	167.5	104.3
F	Debt Service	145.9	161.3	176.5	178.2	180.7	192.7	202.0
G	Total Uses	\$ 744.2	\$ 989.0	\$ 995.8	\$ 923.6	\$ 908.3	\$ 896.8	\$ 876.5
H	Net Change	\$ (62.7)	\$ (18.7)	\$ (60.5)	\$ (67.6)	\$ (65.1)	\$ (73.1)	\$ (92.3)
I	Contribution to Reserves	9.1	16.7	12.7	9.6	3.4	3.5	7.1
J	Cash Amended	(72.0)	-	-	-	-	-	-
K	Ending Balance	\$ 229.6	\$ 194.3	\$ 121.0	\$ 43.8	\$ (24.7)	\$ (101.4)	\$ (200.7)
L	Reserves	209.5	226.2	238.9	248.5	204.7	208.3	215.4

2026 Tentative Operating Budget



Agenda Item 10. e.

<u>Revenue</u>		<u>2026 Budget</u>
1	Sales Tax	\$ 516,541,000
2	Federal Preventative Maintenance	96,548,000
3	Passenger Revenue	40,887,000
4	Advertising	2,172,000
5	Investment Income	14,384,000
6	Other Revenues	14,867,000
7	Total Revenue	685,399,000
<u>Operating Expense</u>		
8	Bus	162,892,000
9	Commuter Rail	36,317,000
10	Light Rail	66,015,000
11	Paratransit	33,364,000
12	Rideshare/Vanpool	4,563,000
13	Microtransit	17,968,000
14	Operations Support	75,498,000
15	Administration	66,846,000
16	Planning/Capital Support	15,063,000
17	Non-Departmental	8,997,000
18	Total Operating Expense	487,523,000
<u>Debt Service, Contribution to Reserves, and Transfer to Capital</u>		
19	Principal and Interest	173,176,000
20	Bond Service Utah County for UVX BRT program	3,374,000
21	Contribution to Reserves	12,738,000
22	Transfer to/(from) UTA Fund Balance	8,588,000
23	Total Debt Service, Reserves, Transfers	197,876,000
24	Total Expense	\$ 685,399,000

2026 Tentative UTA Operating Budget

Expenses by Mode

Mode	FY 2025 Budget	FY 2026 Budget	Change	% Change
Bus	\$160,507,000	\$162,892,000	\$2,385,000	1.5%
Commuter Rail	38,541,000	36,317,000	(2,224,000)	-5.8%
Light Rail	69,093,000	66,015,000	(3,078,000)	-4.5%
Paratransit	29,991,000	33,364,000	3,373,000	11.2%
Rideshare/Vanpool	4,034,000	4,563,000	529,000	13.1%
Microtransit	16,811,000	17,968,000	1,157,000	6.9%
Operations Support	66,954,000	75,498,000	8,544,000	12.8%
Administration	63,286,000	66,846,000	3,560,000	5.6%
Planning/Capital Support	14,292,000	15,063,000	771,000	5.4%
Non-Departmental	1,000,000	8,997,000	7,997,000	799.7%
Total Division	\$464,509,000	\$487,523,000	\$23,014,000	5.0%



2026 Tentative UTA Operating Budget

Expenses by Office

Office	FY 2025 Budget	FY 2026 Budget	Change	% Change
Board	\$3,627,000	\$3,794,000	\$167,000	4.6%
Executive Director	7,539,000	7,790,000	251,000	3.3%
Operations	347,705,000	355,208,000	7,503,000	2.2%
Finance	19,080,000	19,636,000	556,000	2.9%
Capital Services	8,183,000	8,383,000	200,000	2.4%
Planning & Engagement	27,397,000	29,691,000	2,294,000	8.4%
Enterprise Strategy	31,267,000	34,800,000	3,533,000	11.3%
People	13,868,000	13,994,000	126,000	0.9%
Communication	4,842,000	5,230,000	388,000	8.0%
Non-Departmental	1,000,000	8,997,000	7,997,000	799.7%
Total Division	\$464,509,000	\$487,523,000	\$23,014,000	5.0%



2026 Tentative UTA Operating Budget

Expenses by Category

Category	FY 2025 Budget	FY 2026 Budget	Change	% Change
Wages	\$218,577,000	\$233,568,000	14,991,000	6.9%
Fringe	109,966,000	116,658,000	6,692,000	6.1%
Services	56,044,000	59,679,000	3,635,000	6.5%
Fuel/Power	34,821,000	35,700,000	879,000	2.5%
Parts	29,548,000	25,891,000	(3,657,000)	-12.4%
Utilities	8,010,000	7,325,000	(685,000)	-8.6%
Other O&M	23,911,000	24,747,000	836,000	3.5%
Capitalized Costs	(16,368,000)	(16,046,000)	322,000	-2.0%
Total Budget	\$464,509,000	\$487,523,000	\$23,014,000	5.0%



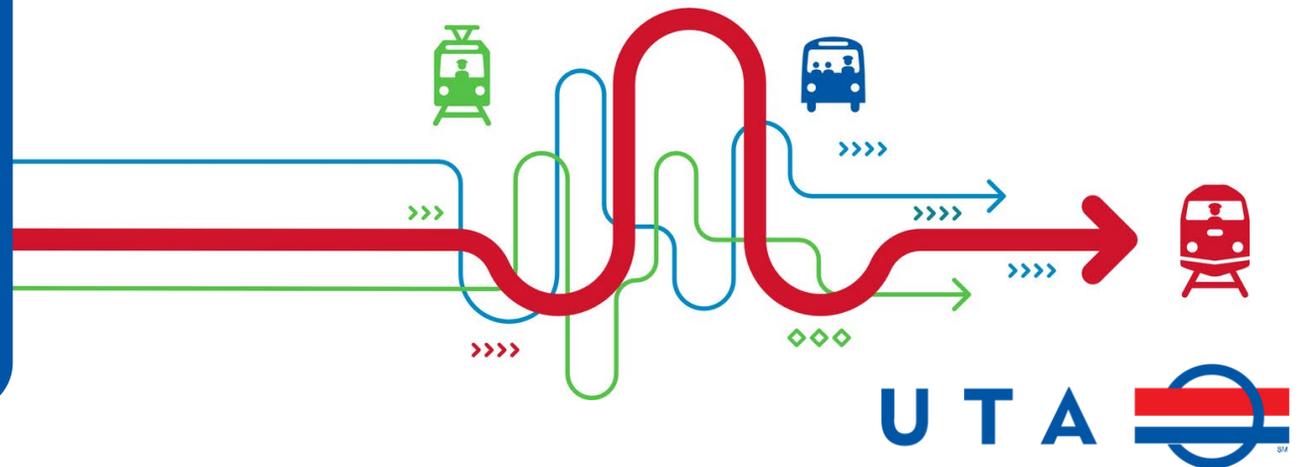
2026 Tentative UTA Operating Budget

FTE Summary by Office

Office	FY 2025 Budget	FY 2026 Budget	Change	% Change
Board	16.0	16.5	0.5	3.1%
Executive Director	32.5	35.7	3.2	9.7%
Operations	2,389.7	2,453.2	63.5	2.7%
Finance	117.0	118.0	1.0	0.9%
Capital Services	64.0	64.5	0.5	0.8%
Planning & Engagement	100.6	106.1	5.5	5.5%
Enterprise Strategy	131.0	133.0	2.0	1.5%
Communications	19.0	19.0	-	0.0%
People	105.8	105.8	-	0.0%
Total FTE	2,975.6	3,051.7	76.2	2.6%



Operating Changes Since Budget Work Session



Changes to Operating Budget

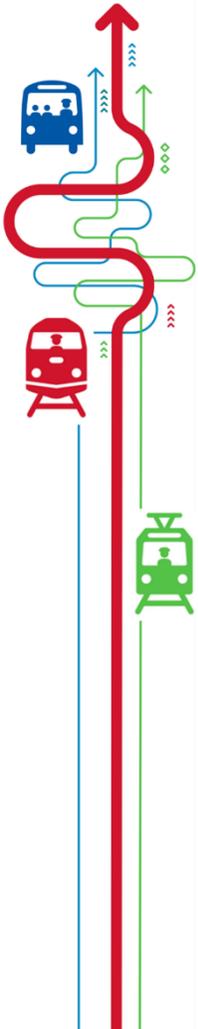
Budget Work Session :

\$487,105,735

#	Item	FTE	Change
1	Supply Chain FTE & Capital Offset	1.00	\$ (3,666)
2	Community Engagement 2025 Adjustment	0.50	-
3	Customer Service Consolidation	(0.50)	-
4	Operations Headcount Refinement	(2.00)	-
5	Insurance Premium	-	420,158
Total		(1.00)	\$ 416,492

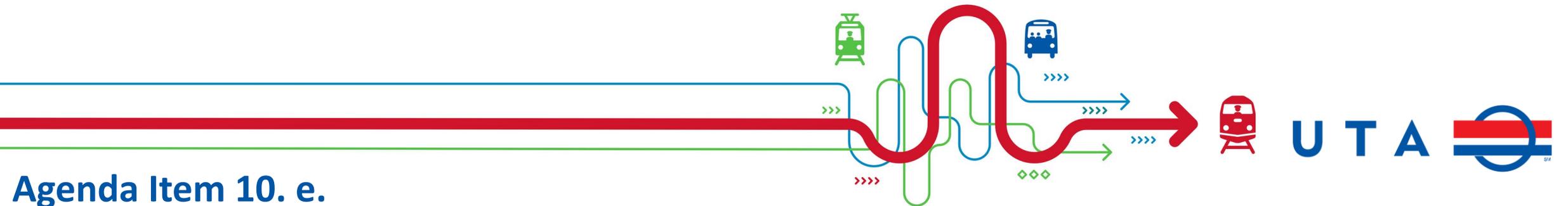
Current:

\$487,522,227



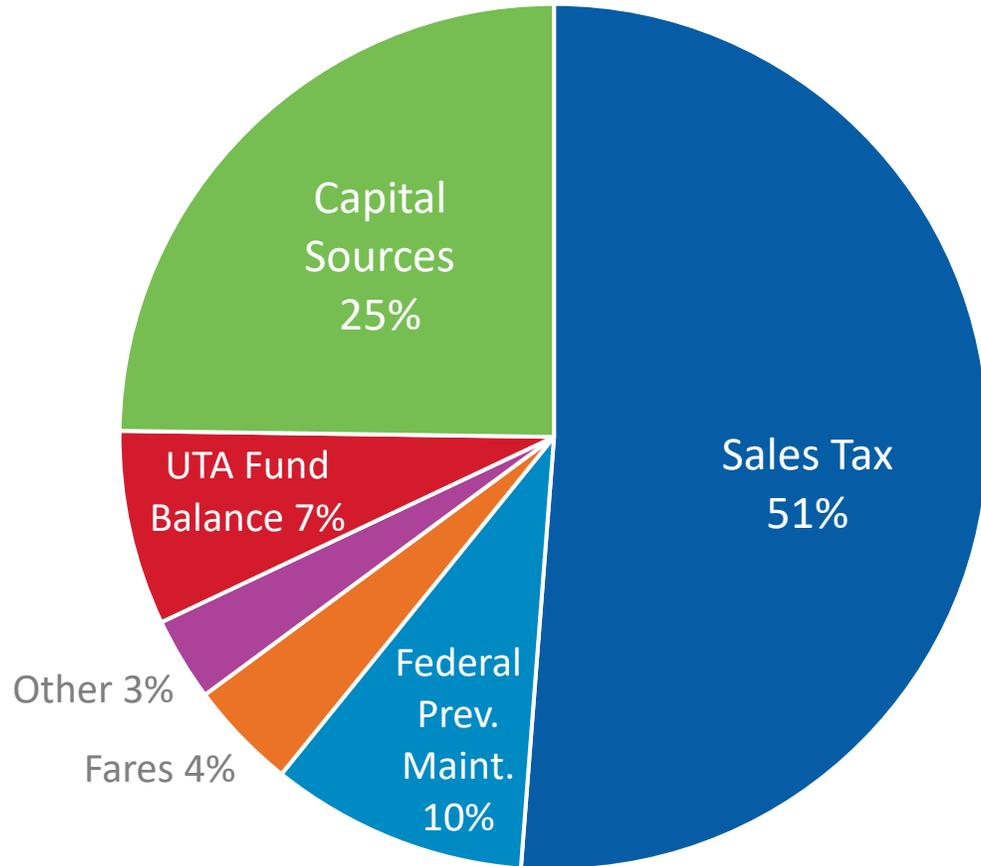
Total 2026 Tentative Budget Request

	FY 2025 Budget	FY 2026 Budget	Change	% Change
Operating	\$464,509,000	\$487,523,000	\$23,014,000	4.95%
Capital	330,231,000	331,738,000	1,507,000	0.46%
Debt Svc & Reserves	180,803,000	189,288,000	8,485,000	4.69%
TOTAL	\$975,543,000	\$1,008,549,000	\$33,006,000	3.38%

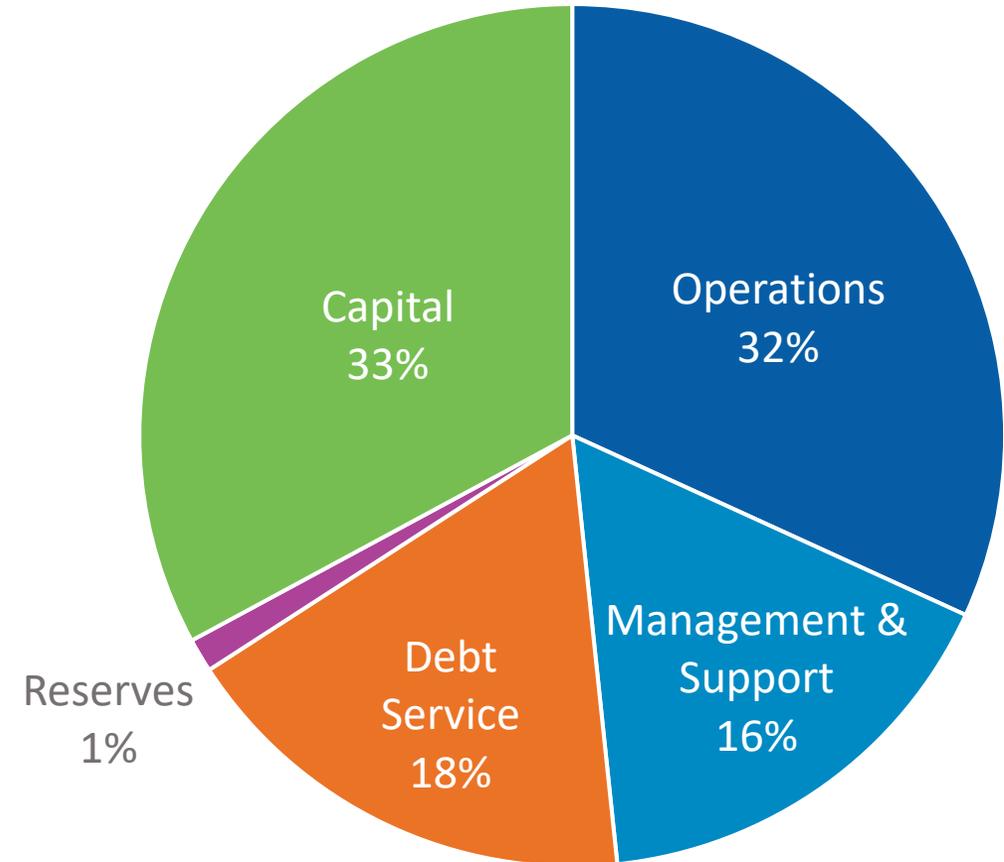


Sources and Uses

Sources



Uses



2026 Operating Budget Initiatives

2026 Budget Requests	Expenses	FTEs
BOARD OF TRUSTEES	\$ 55,600	-
Government Relations Manager travel, conferences and meetings	6,500	-
LAC Member compensation	4,500	-
Local/State government engagement	10,500	-
Political consultants renewal	15,800	-
Travel - escalating costs	18,300	-
CAPITAL SERVICES	44,000	0.5
Part-time Environmental Compliance Administrator position for regulatory oversight	44,000	0.5
EXECUTIVE DIRECTOR	497,250	3.0
2 new Roadway Worker Protection Specialists	185,000	2.0
Add consulting services money for ED projects including Strategic Plan and other needs	150,000	-
Compliance manager position	162,250	1.0
PEOPLE	86,000	1.0
Addition of FTE for Drug & Alcohol specialist position	86,000	1.0
PLANNING & ENGAGEMENT	440,000	-
Added matching funds for UDOT funded research.	40,000	-
Additional funding to complete the majority of the 2027-2054 Long Range Transit plan	400,000	-
Grand Total	\$1,122,850	4.5



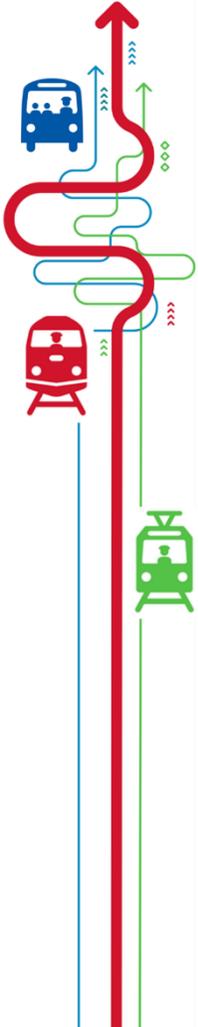
2026 Key Budget Assumptions

Operating Expenses:

- Labor
 - 3% avg growth
- Fringe
 - 6% avg growth
- Parts – 2.5%
- Fuel:
 - Diesel – \$3.45
 - Gasoline – \$3.15
 - CNG DGE* – \$2.15
- Other Expense – 2.1%

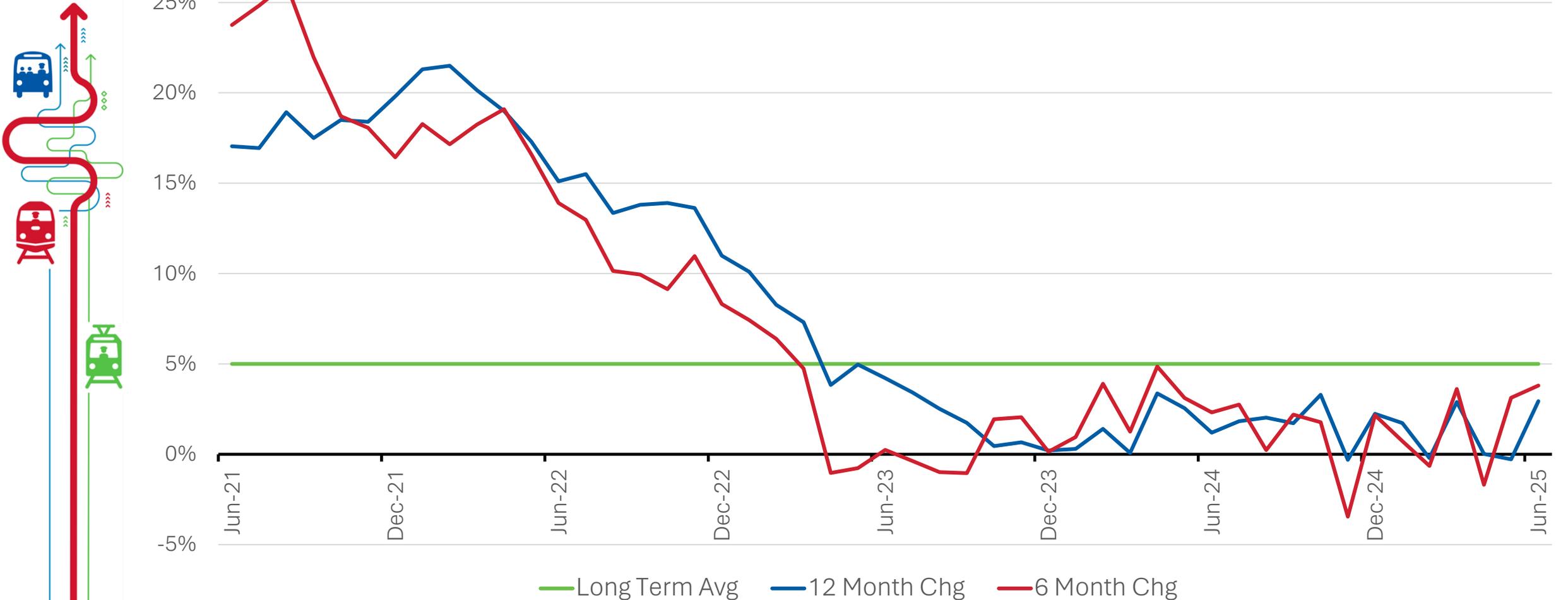
Revenues:

- Sales Tax – 2.96%
- Passenger – 6.0%
- Federal Preventative Maintenance: \$40.9 million

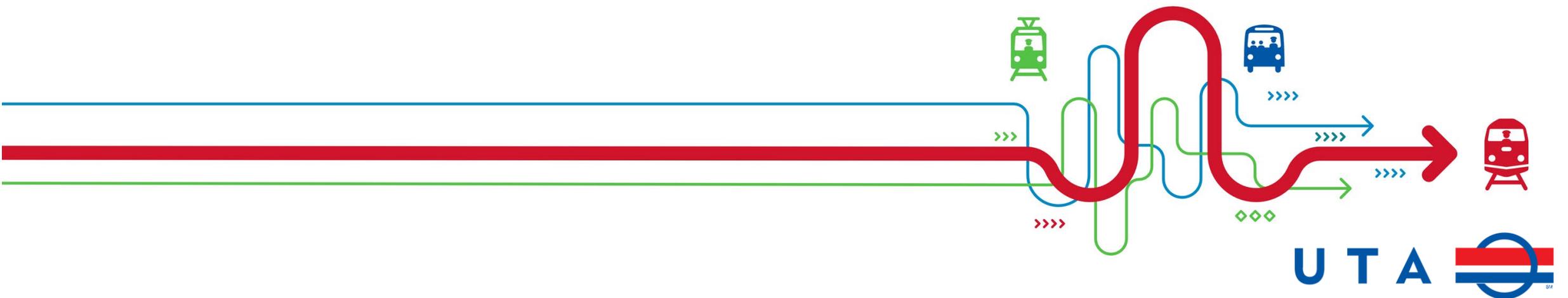


**Compressed Natural Gas Diesel Gallon Equivalent*

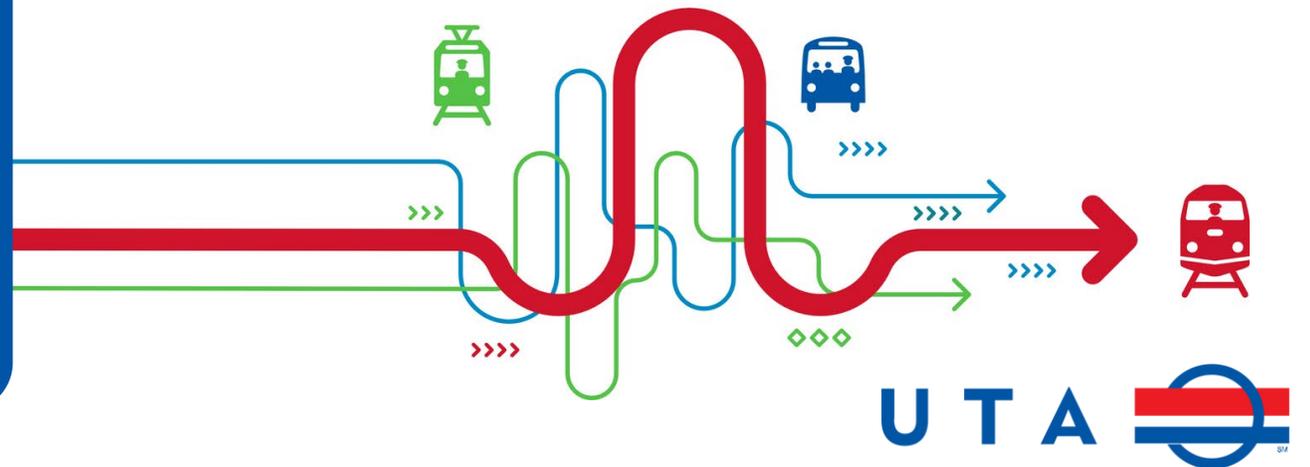
UTA Sales Tax Revenue Growth: 2021 - 2025



2026 Tentative Capital Budget

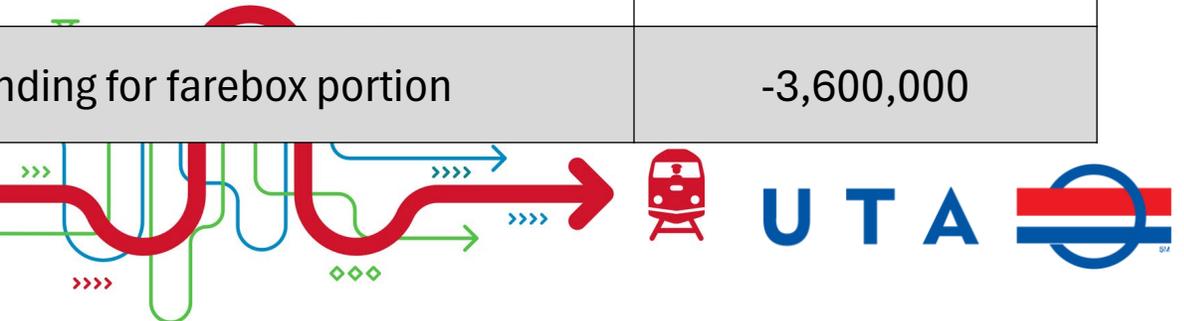


Capital Changes Since Budget Work Session



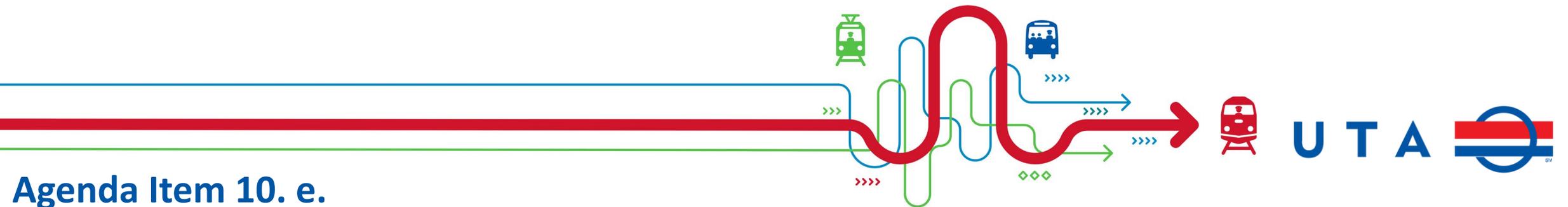
Project Adjustments

Project	Description of Change	2026 Fiscal Impact
SGR411- Farmington Ped Bridge Repairs	Updated name to Farmington Station Ped Bridge Repairs.	unchanged
REV238- Light Rail Vehicle Replacement	Contract milestones updated- added \$700K from 2025 underspend to 2026	+700,000
MSP208- Clearfield Trail	Added \$200K to 2026 based on anticipated 2025 underspend	+200,000
FMA687- Layton Station Improvements	Funding removed for now. If project needs funds based on progress, a Technical Budget Adjustment can occur	-50,000
FMA696- Mt Ogden Fueling System Replacement	Added \$85,000 to 2026 based on anticipated 2025 underspend. Used for Design support	+85,000
ICI191- IT Managed Reserve	Project was removed	-400,000
ICI222- Fare Collection System	Removed funding for farebox portion	-3,600,000



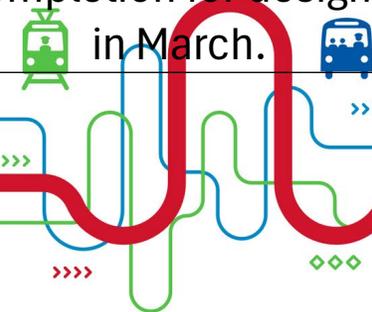
Project Adjustments- Cont'd

Project	Description of Change	2026 Fiscal Impact
Various 5310 projects	<p>Reconciliation with the award system and recent feedback on allocations have provided more solid numbers for projects. Request hits 15 projects. Two projects were added back into budget after initially thought they could close next year:</p> <p>MSP281 - FFY 2021 UT-2023-023 P/O 5310- adds \$5,000 to close out in 2026</p> <p>MSP299 - FFY 2019/2020 UT-2021-009-01 P/O 5310 adds \$15,000 to close out in 2026</p>	+4,273,000



Project Adjustments- Cont'd

Project	Description of Change	2026 Fiscal Impact
FMA685- Wheel Truing Machine	Received tariff impact letter. Adjusted funding to align with milestones and tariff impact.	-767,000
NP053- Optical Detection Next Steps	Project was removed	-50,000
MSP316- One-Time UTA On Demand Funds	Project was removed	-200,000
MSP330 - One-Time Innovative Mobility Solutions Capital Expenses, 2026	Budget lowered to 300,000	-338,000
REV233- Commuter Rail Vehicle Procurement- Used	Removed project from plan	-4,450,000
FMA693- Meadowbrook Electrification	Pre-programmed \$500K in anticipated unspent funds from 2025 to continue design contract. Completion for design anticipated in March.	+500,000

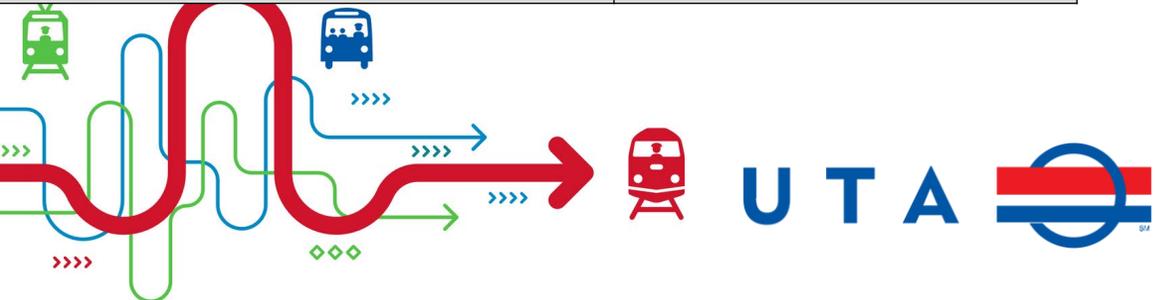


U T A



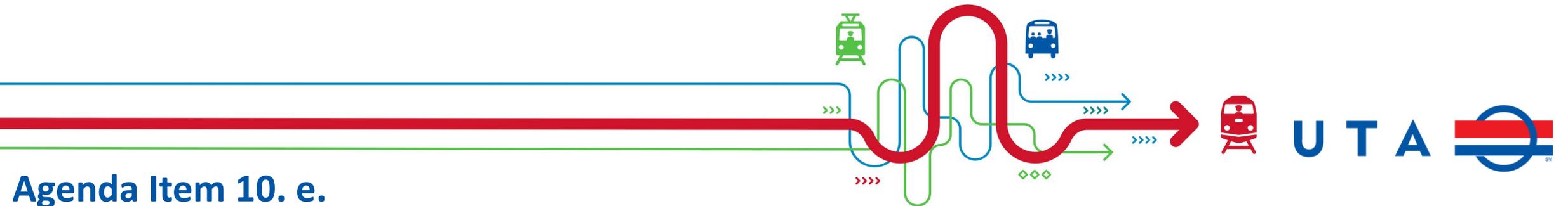
Project Adjustments- Cont'd

Project	Description of Change	2026 Fiscal Impact
FMA688- Lab Building FLHQ Demo/Parking Lot	Pre-programming \$375,000 from 2025 to 2026.	+375,000
MSP262- SL Central HQ Office	Preprogramming \$760,000 from 2025 to 2026 to finish schematic design	+760,000
MSP260- 5600 West Bus Route	Redistributed funds based some preprogramming of unspent 2025 funds and completing construction in 2027 as opposed to 2026 to align with service plan	-12,600,000
SGR385- Rail Replacement Program	Added \$2,250,000M to project in 2026. Took from SGR393- Grade Crossing and found some additional 5337 Formula funds to program.	+2,250,000
SGR393- Grade Crossing Replacement Program	Moved \$500K to the SGR385 Rail Replacement Program project in 2026	-500,000



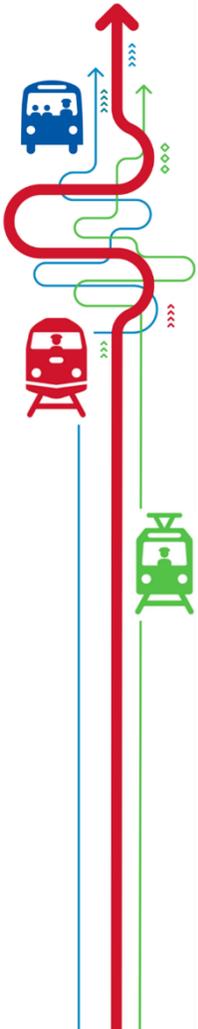
Project Adjustments- Cont'd

Project	Description of Change	2026 Fiscal Impact
FMA653- Facilities Rehab/Replacement	Pre-programmed \$260,000 forward to 2026 for Midvale Floor refinishing project	+260,000
MSP270- Transit Signal Priority On Board Units (TOB) Project	Raised 2026 budget amount back to be consistent with 2025-2029 Capital Plan numbers.	+139,000



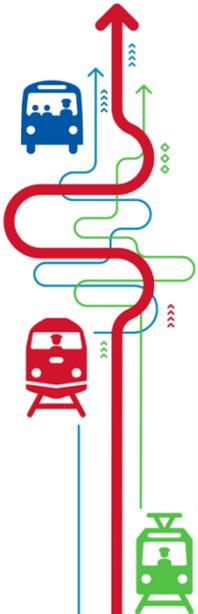
2026 Tentative Capital Budget Overview

Project Category	2026 Total Budget
5310 Projects	\$12,372,000
Bus System Enhancement	50,741,000
Capital Projects	11,481,000
Charging Infrastructure	2,365,000
Facilities	39,571,000
Finance	10,209,000
Information Technology	14,886,000
Infrastructure SGR Projects	27,082,000
Planning	1,311,000
Property/TOC	3,025,000
Rail System Expansion	35,642,000
Revenue/Service Vehicles	119,950,000
Safety and Security	3,103,000
Grand Total	\$331,738,000



2026 Capital Funding Details

Reporting Group	Total Budget	Grants	State & Local	UTA & Lease	Bonds
5310 Projects	\$12,372,000	\$8,422,000	\$3,826,000	\$124,000	\$ -
Capital Projects	11,481,000	-	231,000	11,250,000	-
Charging Infrastructure	2,365,000	-	-	2,365,000	-
Facilities	39,571,000	17,442,000	-	18,855,000	3,274,000
Information Technology	14,886,000	3,200,000	-	11,686,000	-
Infrastructure SGR Projects	27,082,000	20,330,000	300,000	6,452,000	-
Planning	1,311,000	-	-	1,311,000	-
Property/TOC	3,025,000	840,000	1,900,000	285,000	-
Revenue/Service Vehicles	119,950,000	23,715,000	-	52,224,000	44,011,000
Safety and Security	3,103,000	1,250,000	-	1,853,000	-
Finance	10,209,000	8,167,000	-	2,042,000	-
Bus System Enhancement	50,741,000	27,377,000	17,007,000	6,357,000	-
Rail System Expasion	35,642,000	-	31,886,000	3,756,000	-
Grand Total	\$331,738,000	\$110,743,000	\$55,150,000	\$118,560,000	\$47,285,000



Major 2026 Capital Milestones

State of Good
Repair
Ongoing Focus

MVX
In Service

S-Line
Construction

TTEC Building
Construction

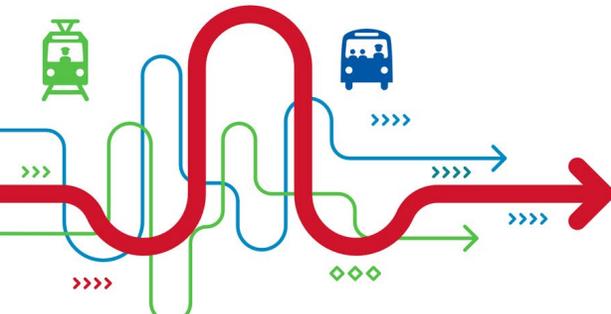
Mt. Ogden Admin
Building Begin
Construction

Light Rail Vehicle
Replacement
Under Contract

Davis SLC
Final Design

Fares System
Completed

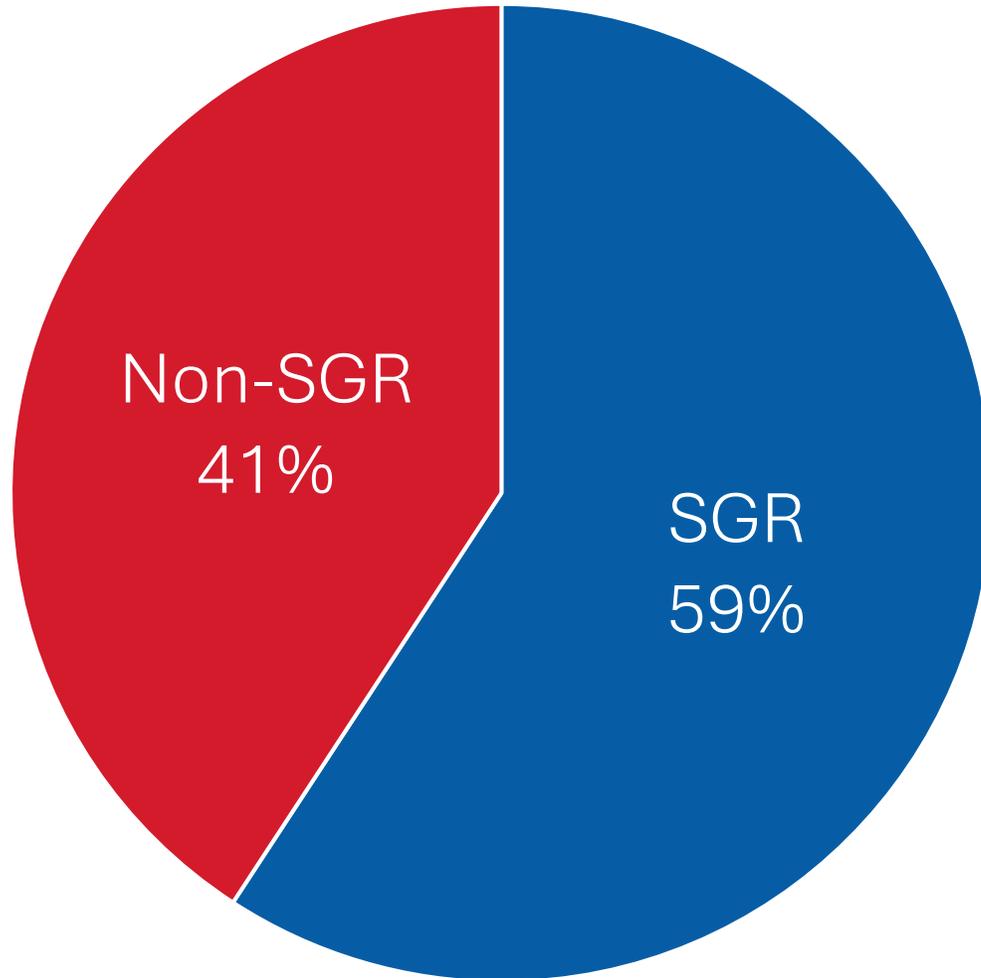
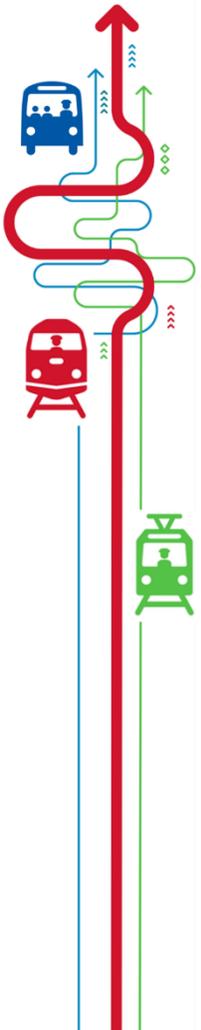
New Radio System
Installation



U T A



State of Good Repair (SGR) Focused Projects in 2026

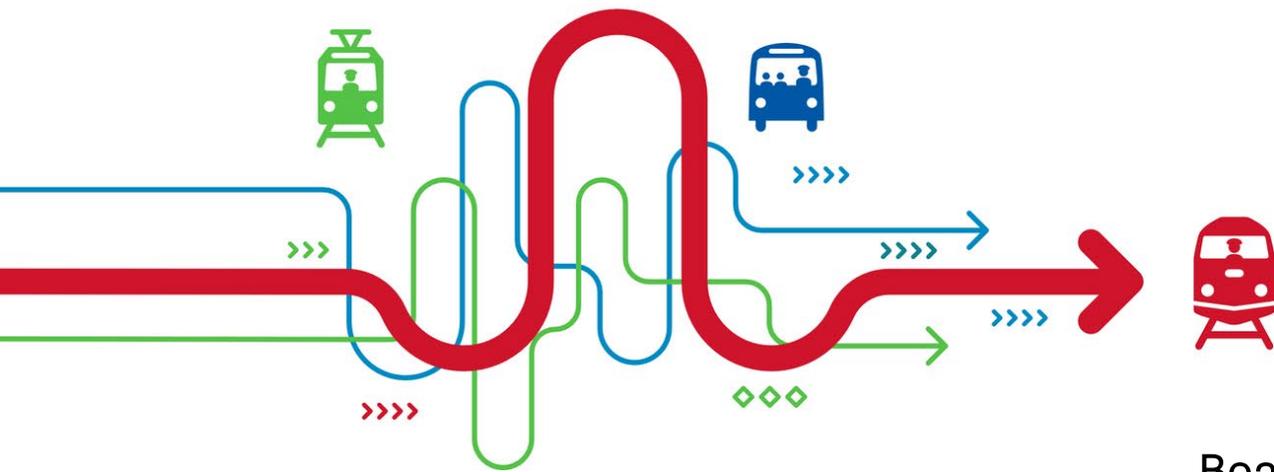


Major SGR Projects

- Light Rail Vehicle Replacement
- Light Rail Vehicle Rehab
- Mt. Ogden Admin Building Expansion
- Fares System Replacement

Major Non-SGR Projects

- Midvalley Connector (MVX)
- S-Line Extension



Next Steps

