

Utah Transit Authority Tentative Budget 2023



Contents

Message from the Executive Director	4
Budget Summaries.....	8
Ridership	11
Platform Hours.....	12
2023 Operating Revenue Summary	14
2023 Operating Expense Summary	15
2023 Tentative Operating Expense Budget.....	16
Summary by Mode	16
Summary by Office	16
Summary by Expense Category	17
FTE Summary	18
Key Assumptions and Sources and Uses	19
Summary – 2023 Sources.....	20
Summary – 2023 Uses	21
Operating Sources – 2023 Detail.....	22
Sales and Use Tax.....	22
Advertising.....	23
Passenger Revenue	24
Federal Preventive Maintenance Formula Grants	25
Investment Income	26
Other Income	27
Operating Uses – 2023 Detail.....	28
Sources and Uses	30
5-Year Sources & Uses	30
2023 Operating Budget Request Detail.....	31





Proposed Org Chart – 2023 36

2023 Operating Budget by Office, Cost Center, Category & FTE 37

 Operations..... 37

 2023 Operations Budget Expenses by Department..... 38

 2023 Operations Budget Changes 39

 COO Office 41

 Timpanogos Service Unit..... 46

 Ogden Service Unit..... 48

 Special Services Service Unit 50

 Light Rail Service Unit..... 53

 Commuter Rail Service Unit..... 56

 Maintenance Management Service Unit..... 58

Executive Director..... 61

Communication 64

Planning & Engagement..... 66

People..... 69

Finance 72

Service Development..... 75

Enterprise Strategy 78

UTA Board of Trustees 81

2023 Capital Budget and 5-Year Plan 85

 2023 Capital Budget Project Summary..... 85

 5-Year Plan: 2023-2027..... 87

 Capital Revenues 87

 Capital Sources & Uses 88

Debt..... 89

 2023 Debt Service Detail..... 93





Financial Structure 94

Financial Information and Policies 96

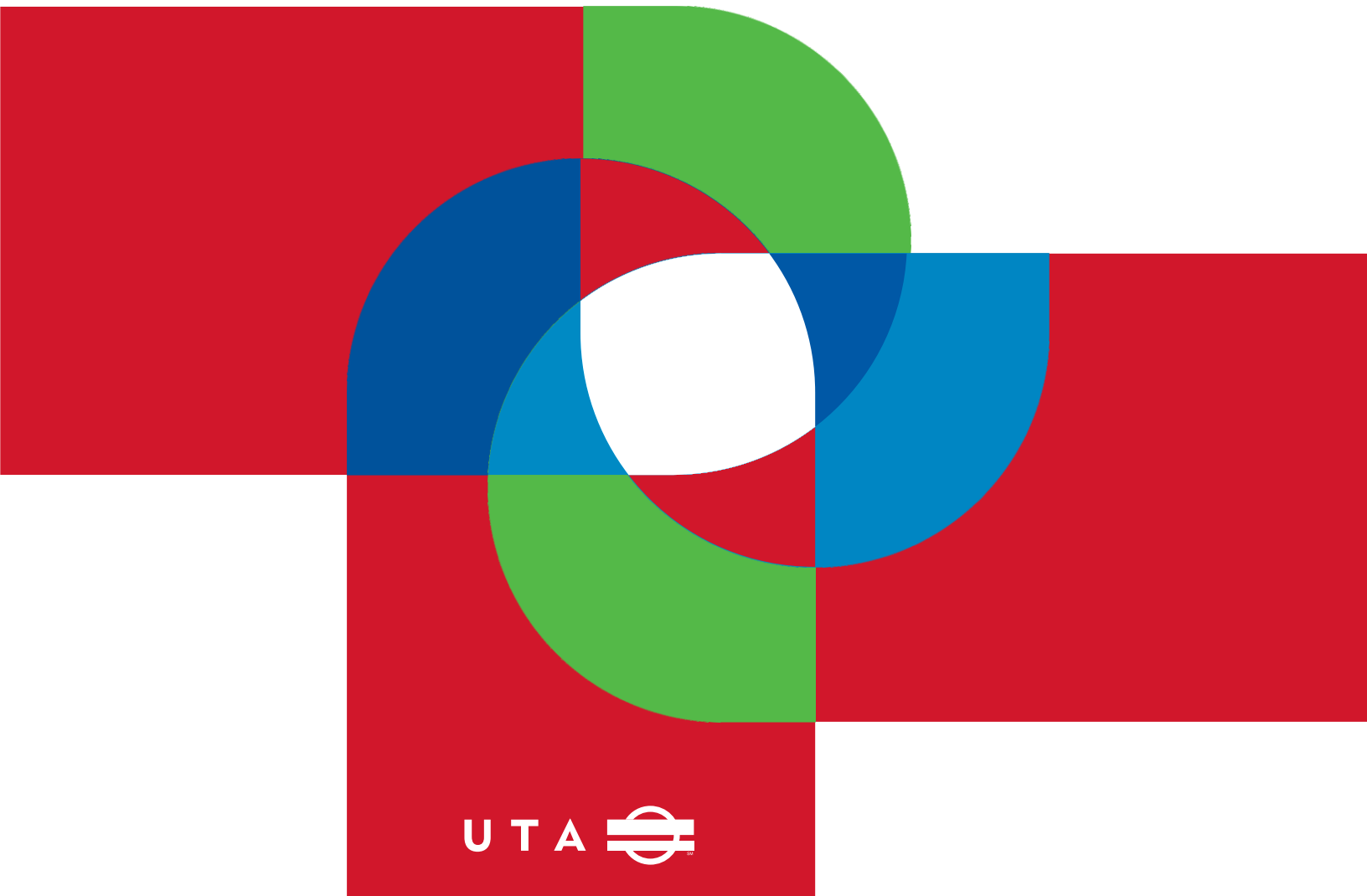
UTA Board of Trustees Bylaws (Budget Related)..... 98

Utah’s Provisions Applicable to All Local Districts 100

Budget Process..... 104



Introduction and Overview



Message from the Executive Director



Since being sworn in as Executive Director last January, I have spent time across our system learning from and listening to UTA's dedicated family of employees. Their commitment to UTA, our customers, and the communities we serve, drove the agency's significant accomplishments this year and is the catalyst for successful delivery of the 2023 budget and 5-year Capital Plan outlined in this document. I thank our enthusiastic operating and support personnel teams for their contributions delivering OneUTA – one workforce, one agency.

In delivering our service, we answer state, regional, and community questions on connecting our customers to work, education, entertainment, family, and friends. We provide answers to building economies, fostering transit supportive community development, and safeguarding our future through environmentally friendly and sustainable transportation. UTA is a passport to outdoor recreation, a needed ride for healthcare, and a mobility bridge to opportunity.

Last year, UTA and the region continued recovering from the impacts of the pandemic. Current projections for 2022 ridership show an increase of more than 35 percent over 2021 levels. UTA will have recovered systemwide to about 75 percent of pre-pandemic levels (2019) by the end of the current year. As compared to our peers nationally, this is a remarkable transit renewal. Overall, UTA service levels as measured by service hours provided exceeded 2019 levels in 2022. So much so that as an agency, we will look at the pandemic as a historical event but no longer reference as performance history in our day-to-day business.

Looking back on 2022, our team has accomplished much. UTA began light rail service to the Salt Lake Airport, restored six-minute headways on its UVX bus rapid transit line, and opened the new Vineyard FrontRunner station. Our new OGX bus rapid transit line in Ogden began campus-wide service for Weber State University in anticipation of its completion next year, and the Depot District maintenance facility made substantial progress toward its 2023 completion date. On Demand transit service expanded across the region, providing a convenient, affordable transit option connecting riders to their destinations and/or other UTA services. The agency continued making significant investments in state of good repair activity to keep the system performing at optimal levels and reduce backlogs. We also held our first ever, "Free Fare February" partnering with Salt Lake City, numerous local governments, partner agencies, our pass partners, and private businesses, successfully reducing emissions while honoring the legacy of the Salt Lake Olympics.

UTA's 2023 Budget and supporting 5-Year plans were developed during a time of economic uncertainty. Inflation recently set a new 40-year high and interest rates are approaching levels last seen during the Great Recession of 2008. Year over year increases for fuel and power, goods and services, parts, utilities, construction materials and other costs of providing service is significantly higher than recent experience. Offsetting these negative economic indicators, but creating a different and equally difficult challenge, are robust employment, historically low unemployment levels, and a resilient Utah economy. Recruiting and retaining employees in the competitive Utah economy is an essential focus area for current and future public transportation services.



UTA's budget and supporting financial plans acknowledge these challenges. The 2023 Tentative Budget was developed with an emphasis on creating value, accomplished by:

- Reducing agency costs
- Making UTA a more efficient organization
- Improving/enhancing service delivery
- Improving UTA culture

The next five years will see significant system improvements resulting from partnerships with UTA's Local, State, and Federal partners. The Bipartisan Infrastructure Law (BIL), passed by Congress in 2021, significantly increases transit funding. UTA has acted quickly and, at time of writing, has over \$80 million in pending grant applications for improvements across the system including over \$60 million for the Mid Valley Connector BRT project. UTA is also supporting a UDOT \$671 million grant request for FrontRunner strategic double tracking and rail vehicle acquisition. Staff are poised to pursue other grant opportunities as the federal government publishes notices of Funding Availability/Opportunity. Increases in UTA's formula funds will also fund preventive maintenance, paratransit operations, and state of good repair projects.

House Bill 322¹ passed in the 2022 Session by the Utah State Legislature directed UDOT and UTA to partner on "fixed guideway" projects and identified UDOT as the lead agency for project delivery. This transit-focused legislation creates a strong working relationship between UDOT and UTA and provides state funding for major transit investments across the region. These funds can be used to leverage other grant programs – as mentioned above for FrontRunner. UDOT and UTA have been working together to keep the FrontRunner double tracking and Point of the Mountain projects on schedule while leveraging the strengths of each agency in delivering these regionally significant projects.

The 2023 budget and 5-year Capital and Operating plans are fiscally constrained and significantly leverage UTA funds for investments in the system. Our federal, state, regional, local partners, elected officials, and customers support our vision for transit in the region and we will confidently deliver on our commitments to them. I have highlighted a few of the key components of both our 2023 operating budget and capital budget/5-year capital plan on the following page.

Together with our OneUTA team, the Board of Trustees, community partners, and customers, we will continue providing safe, reliable, and convenient service, demonstrating that every day, "Transit is the Answer" for our communities, our region, and the State of Utah.

Every day, UTA moves you!



Jay Fox
Executive Director

¹ [HB0322 \(utah.gov\)](https://legislature.utah.gov/Bills/Details/2022/2022HB0322)



2023 Operating Budget Highlights

- Funding to operate the new OGX bus rapid transit line and changes to local service, Saturday service for light rail, and additional funding to support the growth of the popular On Demand service in South Salt Lake County.
- Funding for hiring and retention of operators, additional extra board or entry level operators, begins early operator recruitment activity for anticipated 2024 service changes, addresses low operator/supervisor ratios, develops employees, and aligns with our values.
- New employee engagement program aimed at making UTA a more efficient organization, improving or enhancing service delivery, and improving UTA culture. This Workforce Innovations Program (WINS) was created with the goal of soliciting and implementing employee initiatives that will pay for the program within three years.
- Strengthens audit functions at UTA and acts on recommendations from 2022 audits to improve accountability and reduce costs.
- Funds data governance improvements, strengthens UTA's technology security, and upgrades UTA's video surveillance capabilities to increase safety and security throughout the system.
- Funding for a Transit Connection Program to foster efforts across UTA in addressing social issues, transit education, and connection with transit for our community through supportive response to incidents; Transit Ambassadors on TRAX trains; and training resources for communities accessing transit.
- Creates a position to support Station Area Planning and Transit Oriented Community planning in the region.



2023 Capital Budget and \$1.3 billion 5-year Capital Plan Highlights

- Focus on safety, and security, reliability, and maintaining a state of good repair (SGR) for our revenue vehicles, infrastructure, and support systems.
- Invests nearly \$800 million in State of Good Repair activities
- Completes construction of the new Depot District Facility (2023)
- Completes construction on the new Ogden Express (OGX) line in Ogden (2023)
- Funds design and construction of the Mid-Valley bus rapid transit line (2023-2025)
- Provides \$10 million to support local partner's high priority projects (2023)
- Addresses UTA's most pressing technology needs including fare collection system replacement, new radio communication system, and critical business system replacements (2023-2027)
- Begins to invest in renewal of UTA's maintenance facilities and study options to relocate UTA's main headquarters facility



Budget Summaries

UTAH TRANSIT AUTHORITY 2023 TENTATIVE OPERATING BUDGET October 26, 2022

Exhibit A

Tentative 2023

Budget

Revenue

1	Sales Tax	\$ 529,284,000
2	Federal Preventive Maintenance	84,903,000
3	Passenger Revenue	35,850,000
4	Advertising	2,322,000
5	Investment Income	6,516,000
6	Other Revenues	12,388,000
7	Stimulus Funding	-
8	Total Revenue	671,263,000

Operating Expense

9	Bus	131,173,000
10	Commuter Rail	33,664,000
11	Light Rail	61,922,000
12	Paratransit Service	27,190,000
13	Rideshare/Vanpool	3,960,000
14	Microtransit	9,183,000
15	Operations Support	61,855,000
16	Management & Support	55,136,000
17	Planning/Capital Support	11,114,000
18	Non-Departmental	1,000,000
19	Total Operating Expense	396,197,000

Debt Service, Contribution to Reserves, and Transfer to Capital

20	Principal and Interest	159,441,000
21	Bond Service Utah County for UVX BRT program	3,375,000
22	Contribution to Reserves	18,344,000
23	Transfer to Capital	93,906,000
24	Total Debt Service and Reserves	275,066,000
25	Total Expense	\$ 671,263,000



UTAH TRANSIT AUTHORITY
2023 TENTATIVE CAPITAL BUDGET
October 26, 2022

Exhibit A-1

<u>Funding Sources</u>		Tentative 2023 Budget
1	UTA Current Year Funding	\$ 123,995,000
2	Grants	121,700,000
3	Local Partner Contributions	11,509,000
4	State Contribution	19,838,000
5	Leasing	41,755,000
6	Total Funding Sources	318,797,000
<u>Expense</u>		
6	State of Good Repair	77,396,000
7	Depot District	12,001,000
8	Ogden/Weber BRT	14,785,000
9	Front Runner Forward	3,880,000
10	Mid Valley Connector	15,001,000
11	TIGER Program of Projects	10,460,000
12	Other Capital Projects	185,274,000
13	Total Expense	\$ 318,797,000



UTAH TRANSIT AUTHORITY
2023 TENTATIVE OPERATING BUDGET
October 26, 2022

Exhibit A-2

		Tentative 2023 Budget	
<u>Revenue</u>			
1	Sales Tax	\$ 529,284,000	
2	Federal Preventive Maintenance	84,903,000	
3	Passenger Revenue	35,850,000	
4	Advertising	2,322,000	
5	Investment Income	6,516,000	
6	Other Revenues	12,388,000	
7	Stimulus Funding	-	
8	Total Revenue	\$ 671,263,000	
<u>Operating Expense</u>			FTE
9	Board of Trustees	\$ 3,147,000	14.4
10	Executive Director	5,926,000	30.5
11	Communications	3,943,000	15.0
12	Operations	298,456,000	2,334.2
13	Finance	17,195,000	123.5
14	Service Development	8,754,000	62.0
15	Planning & Engagement	18,648,000	80.2
16	Enterprise Strategy	24,822,000	122.0
17	People Office	14,306,000	84.0
18	Non-Departmental	1,000,000	-
19	Total Operations	396,197,000	2,865.8
20	Debt Service	162,816,000	
21	Contribution to Reserves	18,344,000	
22	Transfer to Capital Budget	93,906,000	
23	Total Tentative 2020 Operating Budget	\$ 671,263,000	2,865.8

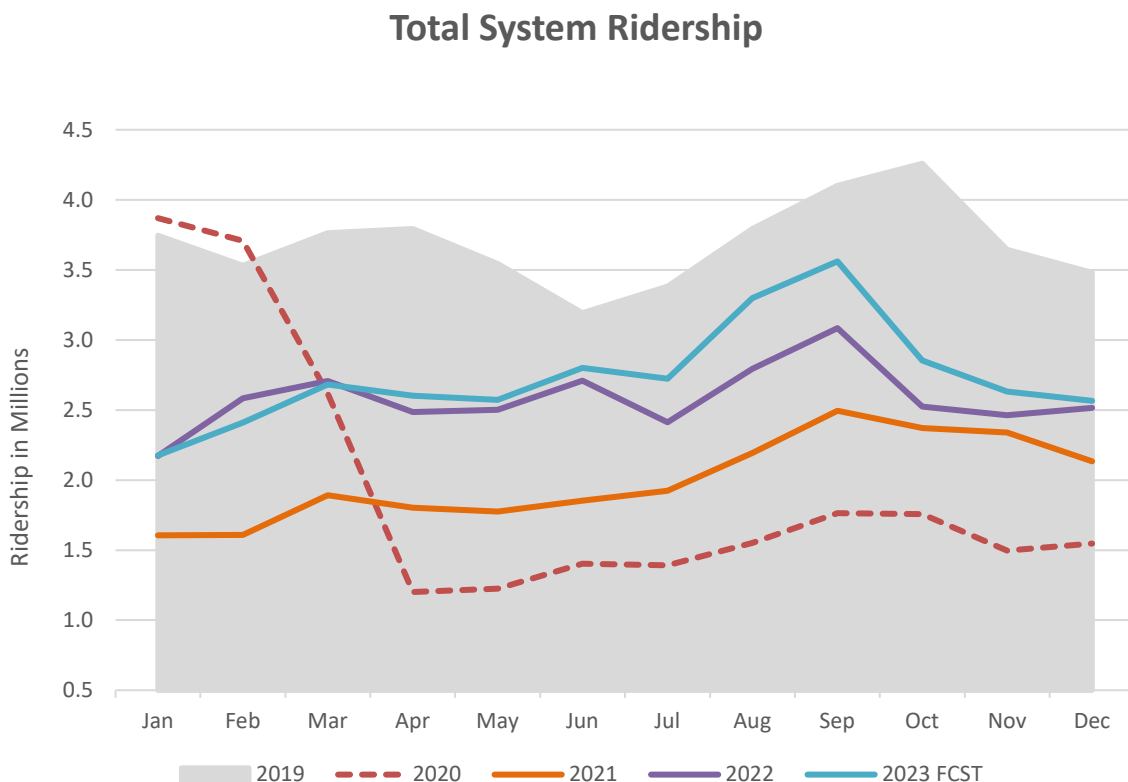


2023 Tentative Budget Overview

UTA's 2023 Budget and supporting 5-Year plans were developed during a time of economic uncertainty. Inflation recently reached a 40-year high and interest rates are approaching levels last seen during the Great Recession of 2008. Year-over-year growth for costs of fuel and power, goods and services, parts, utilities, construction materials and other of providing service is significantly higher than in the recent past.

Offsetting these negative economic indicators, but creating a different and difficult challenge, are robust employment, historically low unemployment levels, and a resilient Utah economy. Recruiting and retaining employees in the competitive Utah economy is a challenge and an area of focus in this budget.

Ridership



2022 ridership is recovering better than projected in the 2022 adopted budget. While ridership through September lags 2019 totals by about 30 percent, steady and significant gains over 2021 ridership can be seen on the chart above. In fact, 2022 ridership for the months February through September are about 37 percent over ridership for the same period in 2021. The 2023 Budget and underlying 5-year financial plan assume that the system will return to 2019 ridership levels by 2025. Recovery has been steady, and varies by mode.

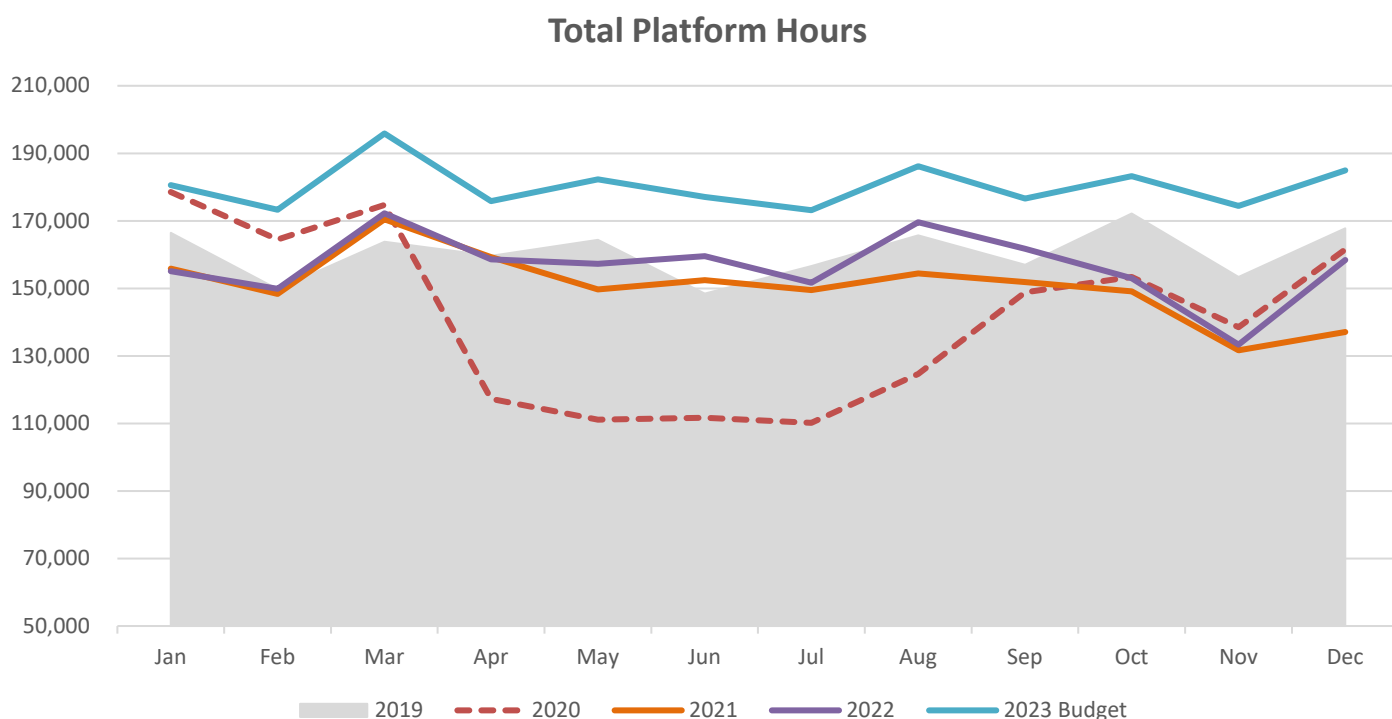


In 2022, UTA continued its targeted service change strategy focusing on route performance and emerging ridership trends, guided by UTA’s Service Guidelines. The August 2022 service change reduced/replaced unproductive service, added service, and significantly expanded On Demand service.

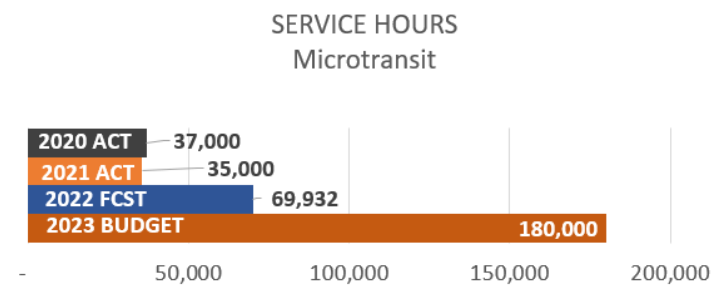
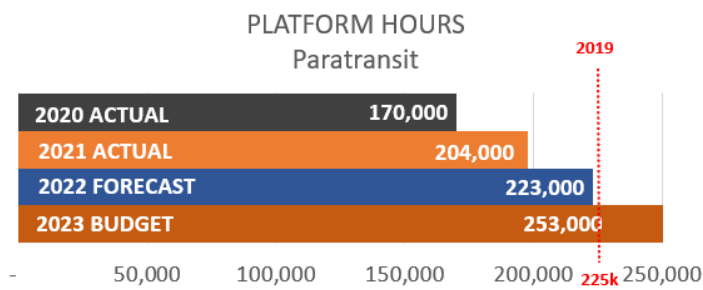
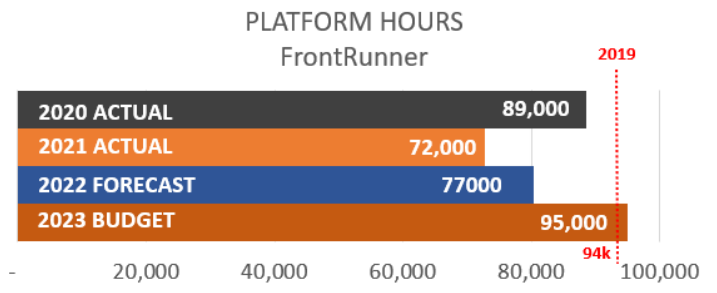
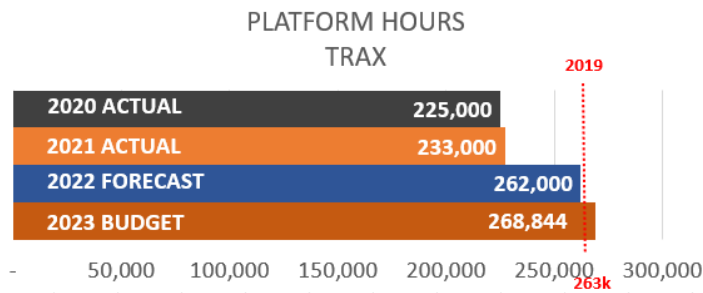
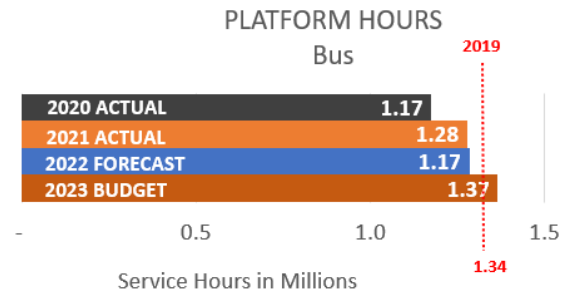
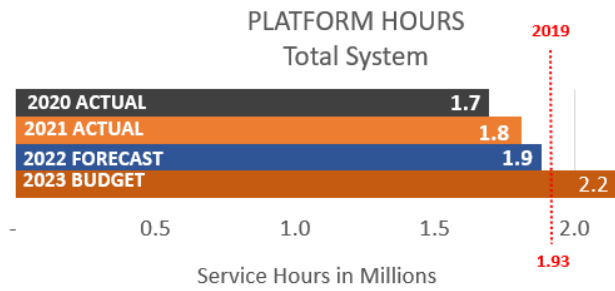
The 2023 budget envisions adding about 56,000 hours of service to implement Ogden Express – bus rapid transit service (OGX) and add light rail service on Saturdays.

Microtransit/On Demand was introduced in 2019 on a pilot basis and with the proposed service additions in 2023, will provide about 180,000 platform hours across the region.

Platform Hours



Platform Hours by Mode

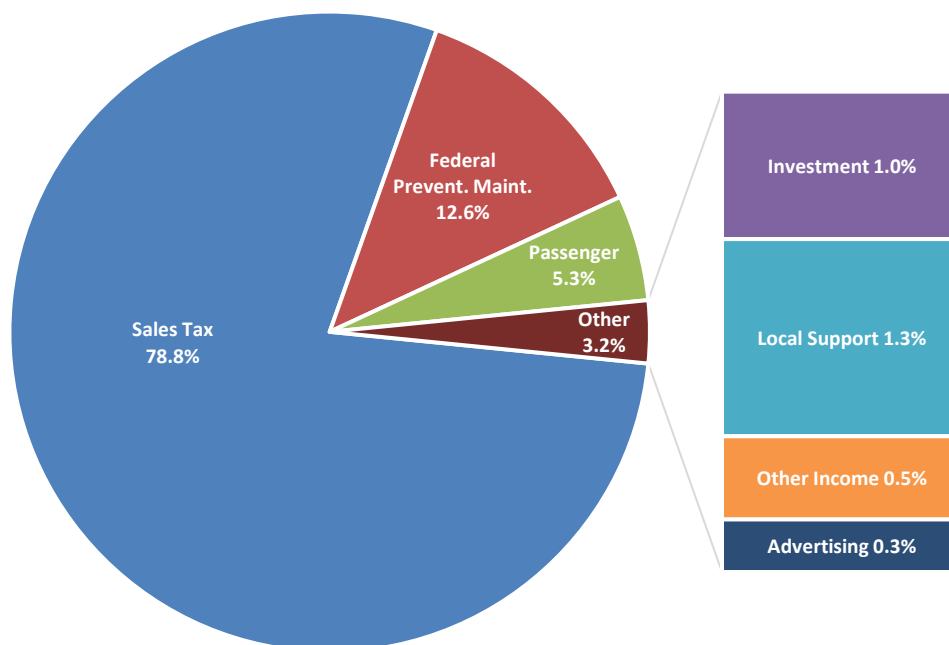


2023 Operating Revenue Summary

UTA reports as a single enterprise fund and all revenues are deposited in the UTA Operating Fund. Within this enterprise fund, UTA maintains two budgets –operations and capital. Transfers from the enterprise fund to the Capital program are made as necessary to support investment in the system.

Sales tax revenue at \$529 million, or 79 percent of total revenues, represents the largest funding source for the 2023 budget. Federal preventive maintenance totals \$85 million, and passenger revenues total \$36 million. Other revenues include, in order of magnitude, investment income, local support, advertising, and other fees, resulting in a total revenue of \$671 million.

2023 Operating Revenue
(\$671.3 million)



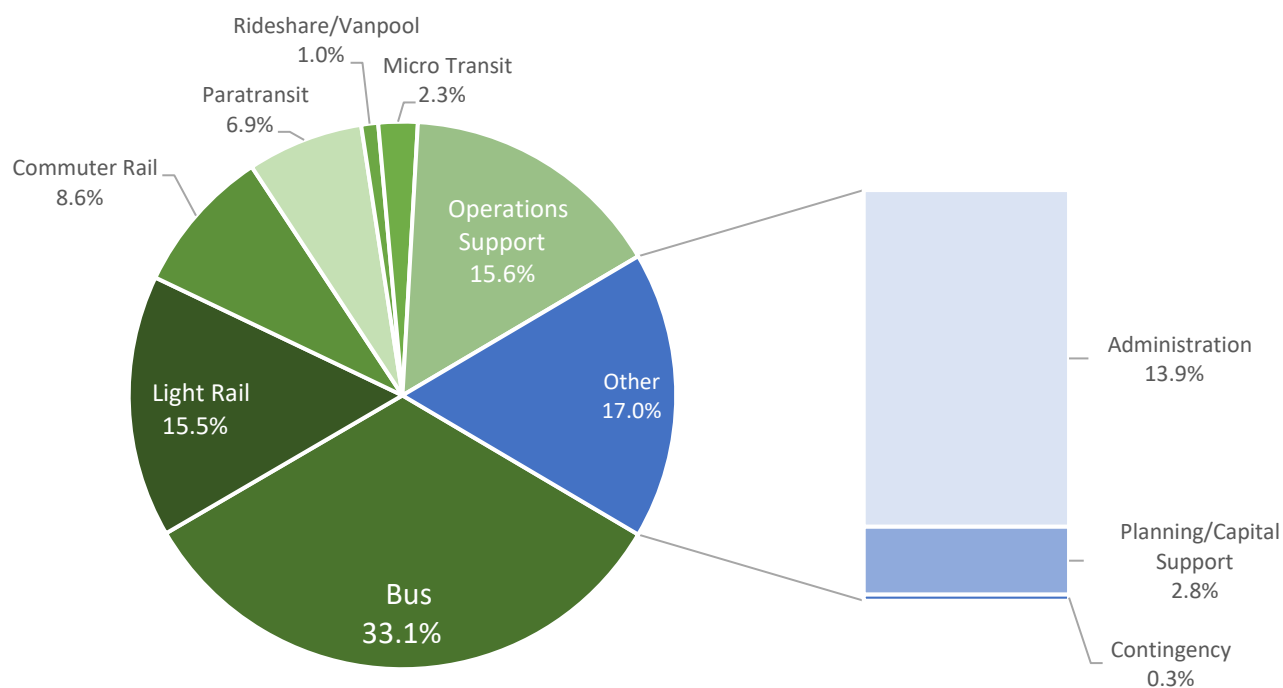
2023 Operating Expense Summary

The 2023 Tentative Operating Budget includes almost \$329 million for operations and maintenance of the system, or 83 percent of the 2023 operating budget request. These functions are represented in the green shaded segments in the graph below.

The “Other” functions (blue segments comprising 17 percent) include Management and Support, Planning/Capital Support and \$1.0 million set aside to fund emerging/emergency needs.

Management and Support includes executive leadership and support, human capital management, communications, payroll, accounting, purchasing, warehouse, fares, service development, information technology, strategic planning, continuous improvement, data management, and other functions that support the capital and operating programs at UTA.

2023 Tentative Operating Budget
(\$396.2 million)



2023 Tentative Operating Expense Budget

Summary by Mode

	FY 2022 Budget	FY 2023 Budget	Change
Bus	\$120,084,000	\$131,173,000	\$11,089,000
Light Rail	57,548,000	61,922,000	4,374,000
Commuter Rail	32,304,000	33,664,000	1,360,000
Paratransit	25,476,000	27,190,000	1,714,000
Rideshare/Vanpool	3,795,000	3,960,000	165,000
Operations Support	61,736,000	61,855,000	119,000
Administration	45,020,000	55,136,000	10,116,000
Planning/Capital Support	9,493,000	11,114,000	1,621,000
Micro Transit	6,731,000	9,183,000	2,452,000
Non-Departmental	1,000,000	1,000,000	-
Total Division	\$363,157,000	\$396,197,000	\$33,040,000

Summary by Office

	FY 2022 Budget	FY 2023 Budget	Change
Board	\$2,702,000	\$3,147,000	\$445,000
Executive Director	5,108,000	5,926,000	818,000
Operations	274,918,000	298,456,000	23,538,000
Finance	15,376,000	17,195,000	1,819,000
Service Development	7,783,000	8,754,000	971,000
Planning & Engagement	14,884,000	18,648,000	3,764,000
Enterprise Strategy	22,525,000	24,822,000	2,297,000
People	15,479,000	14,307,000	(1,172,000)
Communication	3,382,000	3,943,000	561,000
Non-Departmental	1,000,000	1,000,000	-
Total Division	\$363,157,000	\$396,197,000	\$33,040,000



Summary by Expense Category

	FY 2022 Budget	FY 2023 Budget	Change
Wages	\$172,287,000	\$185,631,000	7.7%
Fringe	84,779,000	94,633,000	11.6%
Services	34,914,000	39,897,000	14.3%
Fuel/Power	27,464,000	31,408,000	14.4%
Parts	22,863,000	23,447,000	2.6%
Utilities	6,397,000	6,189,000	-3.3%
Other O&M	25,141,000	26,679,000	6.1%
Capitalized Costs	(10,689,000)	(11,688,000)	9.3%
Total Budget	\$363,157,000	\$396,197,000	9.1%

Summary of budget changes

- Increase in fuel due to higher price per gallon and increased service levels vs 2022 levels
- Increase in wages and fringe benefits due to headcount increases, COLA, and benefit increases
- Increase in Contract Services for additional investment in UTA information systems and Microtransit services expansion
- Decrease in Utilities expenses to reflect decrease in costs for Facilities
- The increase in Other O&M is primarily an increase in Operations Contingency for emerging needs
- Increase in Capitalized Costs reflects increased investment in resources to support 2023-2027 capital program delivery



FTE Summary

	2022 Budget	2023 Proposed	Change
Board	13.38	14.38	1.00
Executive Director	28.50	30.50	2.00
Operations	2,279.23	2,334.23	55.00
Finance	120.45	123.45	3.00
Service Development	56.00	62.00	6.00
Planning & Engagement	73.22	80.22	7.00
Enterprise Strategy	115.00	122.00	7.00
Communications	13.00	15.00	2.00
People	84.00	84.00	-
Totals	2,782.78	2,865.78	83.00



Key Assumptions and Sources and Uses

UTA contracts with the Economic Development Unit at the University of Utah to generate sales tax forecasts. The 2023 Tentative Budget was developed in a time of economic uncertainty. Inflation is at a 40 year high and in response, the Federal Reserve has implemented interest rate hikes pushing rates toward 2008 highs, with further increases anticipated in the near future. From Utah's Department of Workforce Services August 2022 Report²:

Inflation will have an impact on some industries, but Utah's strong economy, led by a 2.0% unemployment rate, should allow it to absorb and weather any inflation-influenced economic slowing. On average, Utah's unemployment rate has stayed 1.5 percentage-points below that of the United States. Even if the U.S. unemployment rate rises to the highest range of the Fed's expectations and reaches 4.2%, Utah's unemployment rate should still be under 3.0%, an unemployment rate that is not economically stressful. If the economy enters the shallow downturn predicted by the Federal Reserve Board Members, Utah's economy should fare well.

This Tentative Budget and 5-year plan include assumptions from the University's April 2022 forecast. UTA will monitor the economic situation and work with the University of Utah to update its sales tax forecast in November to inform the 2023 Final Budget and 5-year plans.

The key assumptions in the 2023 budget are provided below.

- 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

² [Rising Inflation and Its Impact on Employment in Utah](#)



Summary – 2023 Sources

Operating sources of funds total \$671.3 million, a decrease of \$145.2 million or (17.8%) from the FY 2022 forecast. The primary sources and changes are detailed below:

- The largest contributor to lower anticipated revenues is the result of UTA exhausting Federal Stimulus funds issued over the last two years. The CARES, CRRSAA, ARPA funds have been used to supplement operations and maintenance over the last 2 years. UTA does not anticipate any additional relief funding in 2023 and beyond at this time.
- Sales Tax contributions of \$529.3 million are up \$42.9 million. This assumes an 8.8% growth in sales tax over projected 2022 sales tax collections, in accordance with the April 2022 forecasts provided by the University of Utah. This forecast will be updated in November of 2022 and will inform the final 2023 Budget documents. These funds are used for operations and maintenance, other agency support costs, debt service, reserves, and capital program support.
- Passenger revenue is \$35.8 million, up \$1.6 million from FY 2022. These flat revenues in spite of a projected growth in ridership are driven by lower than anticipated pass revenues and increased subsidies for low-income riders.
- Federal formula funds dedicated to preventive maintenance and paratransit operations are programmed at \$84.9 million in 2023. The apparent reduction in funding is the result of a timing issue in federal reimbursements and the 2022 anticipated reimbursements from prior years.
- Other revenue is \$21.3 million, up from \$17.6 million in FY 2022 primarily due to increasing advertising revenue and higher rates of return on UTA investments on fund balances.

	2021 Actual	2022 Forecast	2023 Budget	Change 2023 - 2022
Sales Tax	\$433.4	\$486.3	\$529.3	\$42.9
Federal Preventive Maint.	7.0	110.4	84.9	(25.5)
Stimulus Funds	123.9	167.8	0.0	(167.8)
Passenger	28.5	34.2	35.8	1.6
Salt Lake City	4.3	8.3	8.7	0.4
Investment	1.4	3.7	6.5	2.8
Advertising	1.9	1.9	2.3	0.4
Other	5.5	3.7	3.7	(0.1)
Total Revenues	\$605.8	\$816.4	\$671.2	(\$145.2)



Summary – 2023 Uses

Operating uses of funds are \$396.2 million, an increase of \$33.0 million or 9.1% from the FY 2022 budget. The primary uses are detailed below:

- Total employee compensation and benefits increased 7.7% and 11.6% respectively. These increases are due to staffing level increases and an assumed average wage increase of 3%, increased benefits, and the additional hires. The FY2023 budget anticipates hiring 83 additional FTE's as compared to the FY2022 adopted budget.
- Fuel costs are budgeted at an increase of 14.4%. Fuel prices have increased due to supply chain and demand issues. The FY 2023 budget assumes \$3.20 per gallon for diesel, \$3.00 per gallon for gasoline, and \$1.72 CNG DGE for natural gas vehicles, compared to \$2.50 per gallon for diesel and \$2.35 per gallon for gasoline in FY 2022. Earlier this summer, prices were trending downward toward these 2023 forecasted fuel costs but have started to increase again this fall. UTA will monitor closely and if necessary, make adjustments in the Final Budget document.
- Utilities costs are projected to decrease by 3.3% due to increase oversight in the last year.
- Parts represent a 2.6% increase primarily due to increases in prices for parts and increased shipping costs.

Capital uses of funds are \$318.8 million, this represents an increase of about \$106.7 million over 2022 projected capital uses. The primary uses and changes are detailed below:

- Major capital projects such as: \$22 million for VW Battery Buses, \$15.0 million for the continuation of the Mid-Valley Connector (BRT) in Salt Lake County, \$14.8 million Ogden/Weber State University BRT (OSX), and \$12 million to complete the Depot District transit center.
- UTA has allocated \$123 million to continue efforts to achieve a steady state of good repair. This includes funding for vehicle replacements, technology replacements and upgrades, facility maintenance, rail vehicle overhauls and rail system preservation and replacements.
- Other capital projects consist of, but are not limited to, the TIGER program of projects, ROW & Facility Property funding, Public Partnership projects, 900 East UVX Station, Electronic Fares Systems Replacement, wayfinding signage, a new radio communication system, and ongoing video camera sustainability and expansion.

Debt service is cash that is required to cover the repayment of interest and principal on the debt related to UTA's outstanding bonds and its leasing program. Total combined debt service for FY 2023 is \$162.8 million, which includes Leasing debt of \$14.1 million.



Operating Sources – 2023 Detail

Sales and Use Tax

The largest operating source of revenue for the Authority is a local sales tax, which is imposed by the individual jurisdictions within the service area of the Authority. In July 2019, the Salt Lake County Council and the Utah County Commission approved increasing their tax rate by 0.25 percent with 0.10 percent dedicated to UTA.

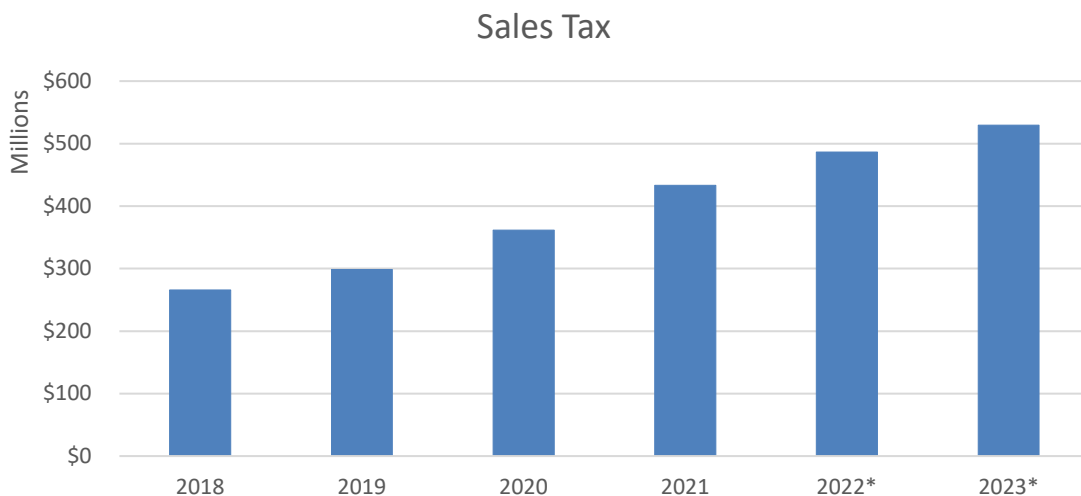
UTA's sales tax is applied by each jurisdiction within the service area to gross taxable sales within the service district. From 2004 through 2020, gross taxable sales have grown by an annual average of 7.0%. Sales tax forecasting is a priority for UTA, and in 2021 UTA engaged Stephen C. Bannister, PH.D. Associate Director of Economics at the University of Utah to provide more accurate sales tax revenue forecasts.

2023 Sales Tax Revenues - \$529.3 million:

The 2023 Budget assumes an 8.8 percent increase over 2022 projected sales tax collections. The estimate is based on the University's Economic Development Unit (EDU), projected sales tax growth rates applied to an adjusted 2022 projection using actuals through April. The estimate is generated using EDU's econometric models. Sales tax forecasts will be updated by EDU in November and will inform the Final 2023 Budget and supporting 5-year Capital and financial plans.

Year	2018	2019	2020	2021	2022*	2023*
Sales Tax	\$265,770,000	\$298,640,000	\$361,591,000	\$433,361,000	\$486,340,000	\$529,284,000

*Budget/Projected

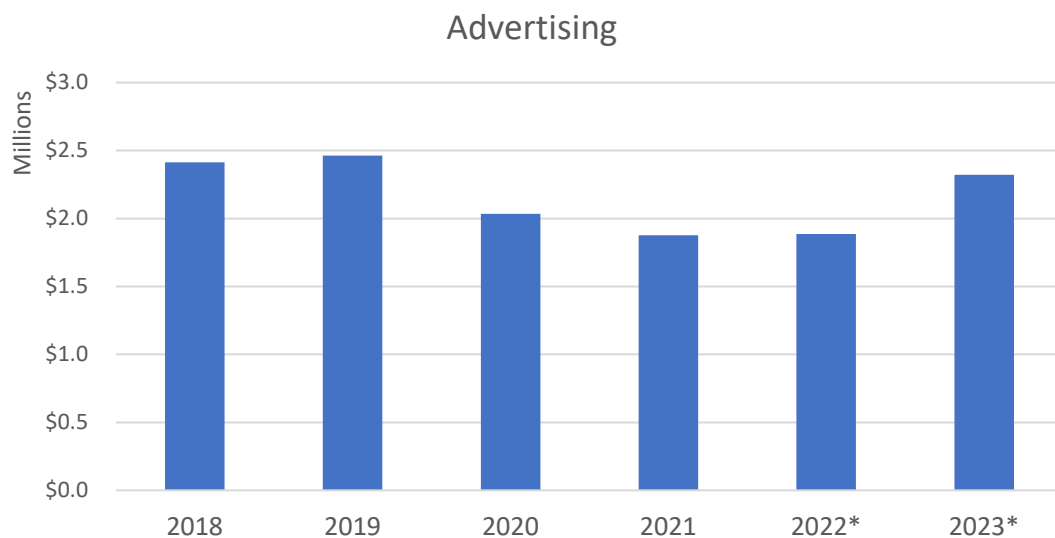


Advertising

Advertising revenues for the Authority come from the lease of exterior space on the sides and rear of bus, light rail vehicles, and the signage inside of commuter rail cars. The annual growth rate for advertising is beginning to increase. For 2022 and 2023 advertising is projected to produce \$1.9 million and \$2.3 million, an increase due to COVID recovery and improved economic conditions.

Year	2018	2019	2020	2021	2022*	2023*
Advertising	\$2,413,000	\$2,463,000	\$2,035,000	\$1,876,000	\$1,885,000	\$2,322,000

* Budget/Projected



Passenger Revenue

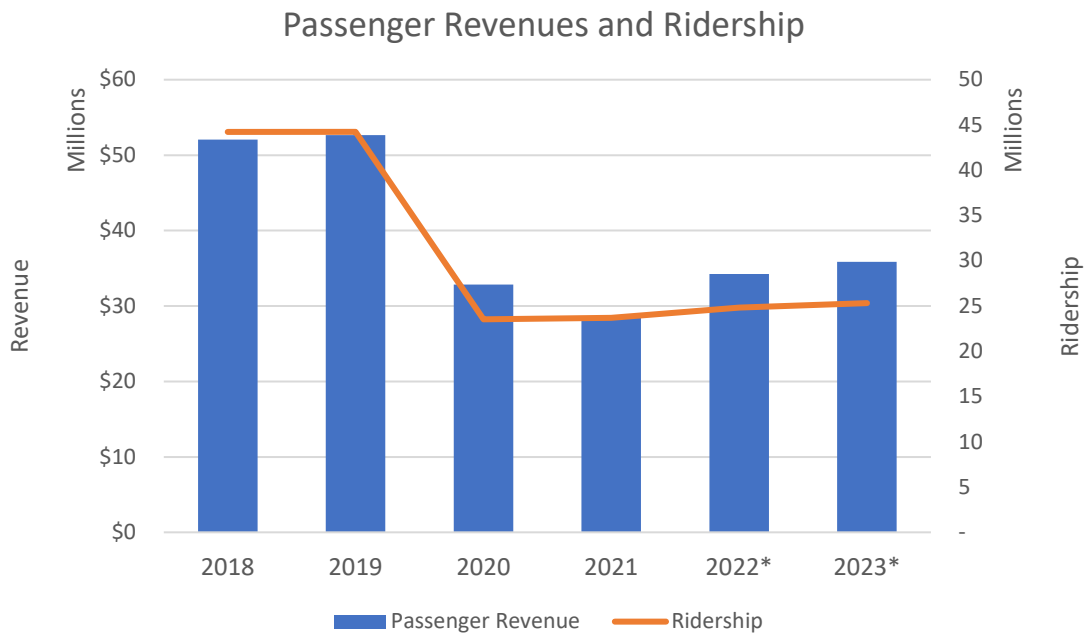
Since 2013, the Authority's base fare has been \$2.50. Fares range from \$1.25 for senior citizens to \$5.50 for premium express service. Low income and fares for social service agencies receive discounts of up to 75 percent over the base fares. Service increases planned in 2023, and continued population and employment growth, will all contribute to an increase in passenger revenues.

2023 Passenger Revenue – \$35.8 million:

Ridership and fares recovered roughly as projected in the 2022 budget. The 2023 budget assumes a 12 percent increase in passenger revenues, driven by continued growth in ridership. The 5-year plan assumes that passenger revenues will return to pre-pandemic levels by 2027.

Year	2018	2019	2020	2021	2022*	2023*
Passenger Revenue	\$52,052,000	\$52,649,000	\$32,845,000	\$28,510,000	\$34,239,000	\$35,850,000
Ridership	44,217,000	44,239,000	23,530,000	23,692,000	24,821,000	25,305,000

* Budget/Projected



Federal Preventive Maintenance Formula Grants

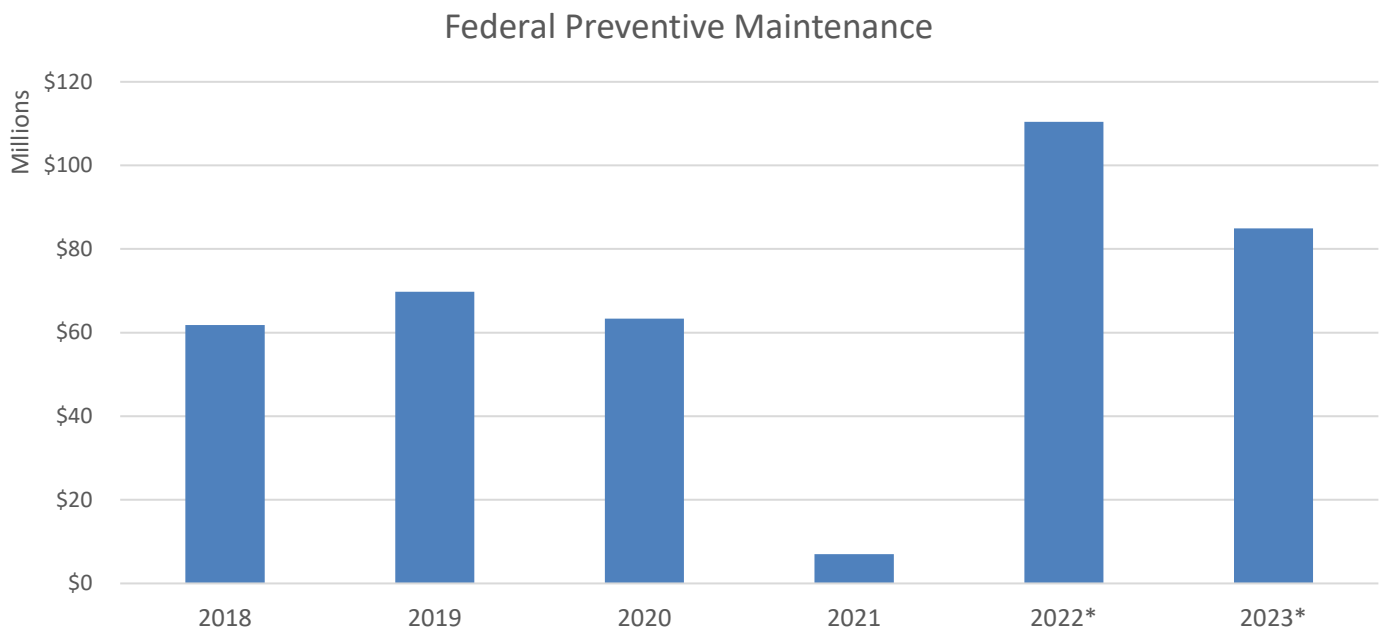
In 2016 the Transportation Bill, Fixing Americas' Surface Transportation (FAST) was approved by Congress. Since that time, the Authority has been able to use formula funds for preventive maintenance. These formula funds may be used to cover up to 80% of preventive maintenance costs. After operating additional TRAX lines/extensions for 7 years UTA qualified for additional formula funds on the green line.

2023 Federal Preventive Maintenance – \$84.9 million

The financial plan assumes \$84.9 million in FTA formula funds to support the operating program (preventive maintenance and paratransit). This appears to be a decrease from 2022, but this is due to grant award delays for 2021 funds that will be expended in 2022 and the allocation of some formula funds to state of good repair projects in the capital program.

Year	2018	2019	2020	2021	2022*	2023*
Operating Grants	\$61,821,000	\$69,746,000	\$63,351,000	\$6,968,000	\$110,435,000	\$84,903,000

* Budget/Projected



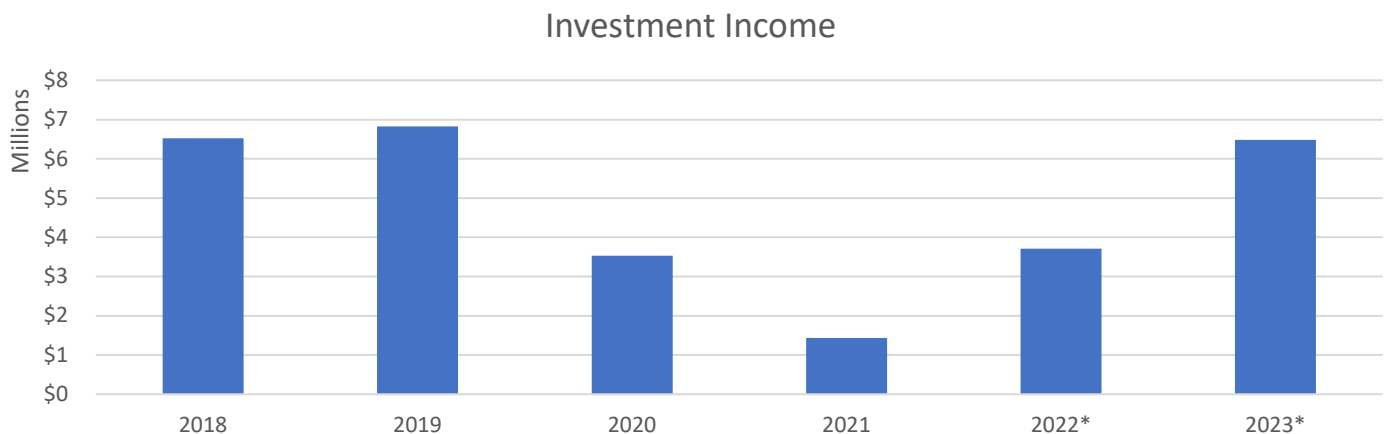
Investment Income

Investment income consists of revenue generated from invested operating fund balances and reserves. Some of the Authority's funds are invested with the Public Treasurers Investment Fund managed by the State Treasurer's office; others are invested by UTA's Investment Management firm (Chandler Asset Management) in accordance with the State's Money Management Act³. These investments may yield a higher interest and are secure.

An approximate rate of 2.50% is applied to projected reserve account and cash balances in UTA's Operating Fund. Projected 2022 investment revenues are \$3.7 million with 2023 returns projected at \$6.5 million.

Year	2018	2019	2020	2021	2022*	2023*
Investment Income	\$6,526,000	\$6,822,000	\$3,526,000	\$1,432,000	\$3,707,000	\$6,516,000

* Budget/Projected



³ [Utah Code Chapter 51-7](#)

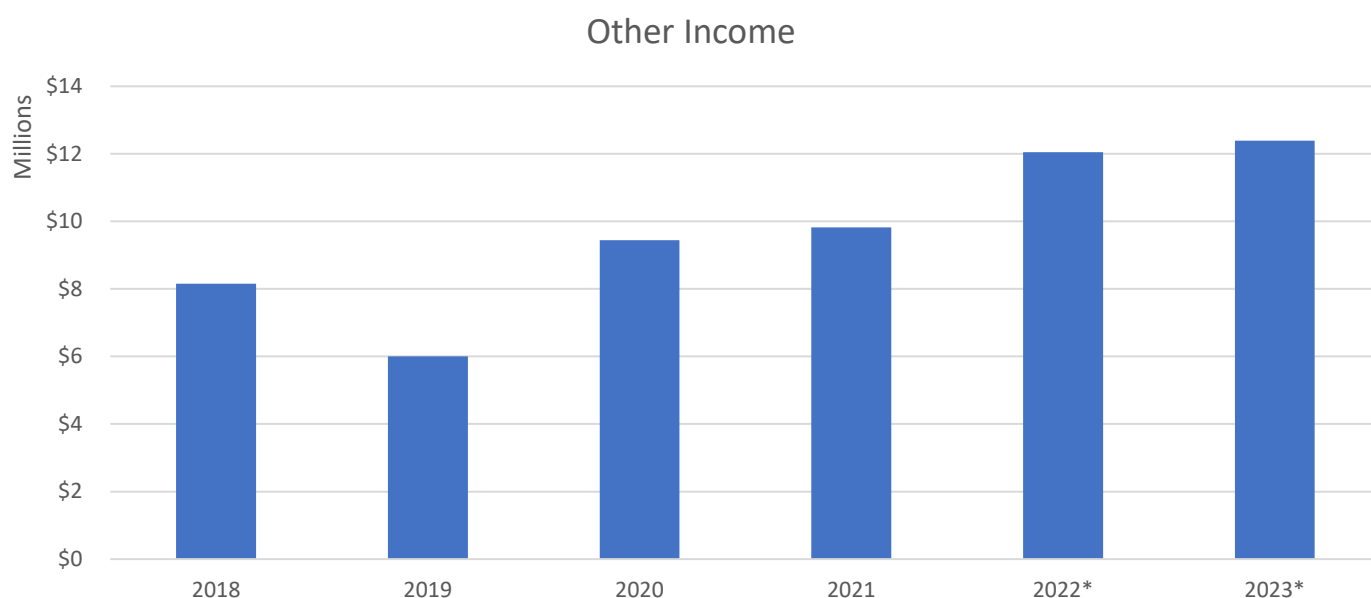


Other Income

Other income for 2023 consists of \$8.7 million from Salt Lake City for enhanced bus service and Microtransit/On Demand services, a \$2.0 million sales tax distribution from the Utah Department of Transportation, \$1.2 million for enhanced transit services, and \$0.5 million from transit-oriented development revenues.

Year	2018	2019	2020	2021	2022*	2023*
Other Income	\$8,156,000	\$6,001,000	\$9,443,000	\$9,824,000	\$12,044,000	\$12,389,000

* Budget/Projected



Operating Uses – 2023 Detail

Employee Compensation and Benefits - \$280.3 million:

The 2023 budget reflects an 9.0 percent increase over the 2022 budget. The 2023 budget includes an estimated average increase of 7.7 percent for salaries and wages 11.6 percent for benefits.

Utilities - \$6.2 million:

Includes electricity (excluding propulsion power), heat, light and other utilities. Costs are expected to decrease 3.3 percent in 2023, driven by more careful management from Dan Locke and team. Like fuel, UTA staff will monitor utility costs and adjust the Final Budget if necessary.

Parts - \$23.4 million:

This 2023 budget reflects a \$584,000 (2.6 percent) increase over 2022 budget. Inflation continues to drive parts costs upwards, including freight costs. Furthermore, the addition of electric buses in Ogden to run the OGX BRT route has added to the increase in the total parts budget for 2022, both in quantity and through higher cost per part.

Services - \$39.9:

The 2023 Services budget is up \$4.97 million (14.2 percent) over 2022 levels. This increase is due to the expansion of Microtransit into the Toole service area (\$2.3 million), carryover from the Rail Apprenticeship Program (\$1.5 million), IT additions (\$700,000) for database and business intelligence tools.

Other O&M Costs - \$26.7 million

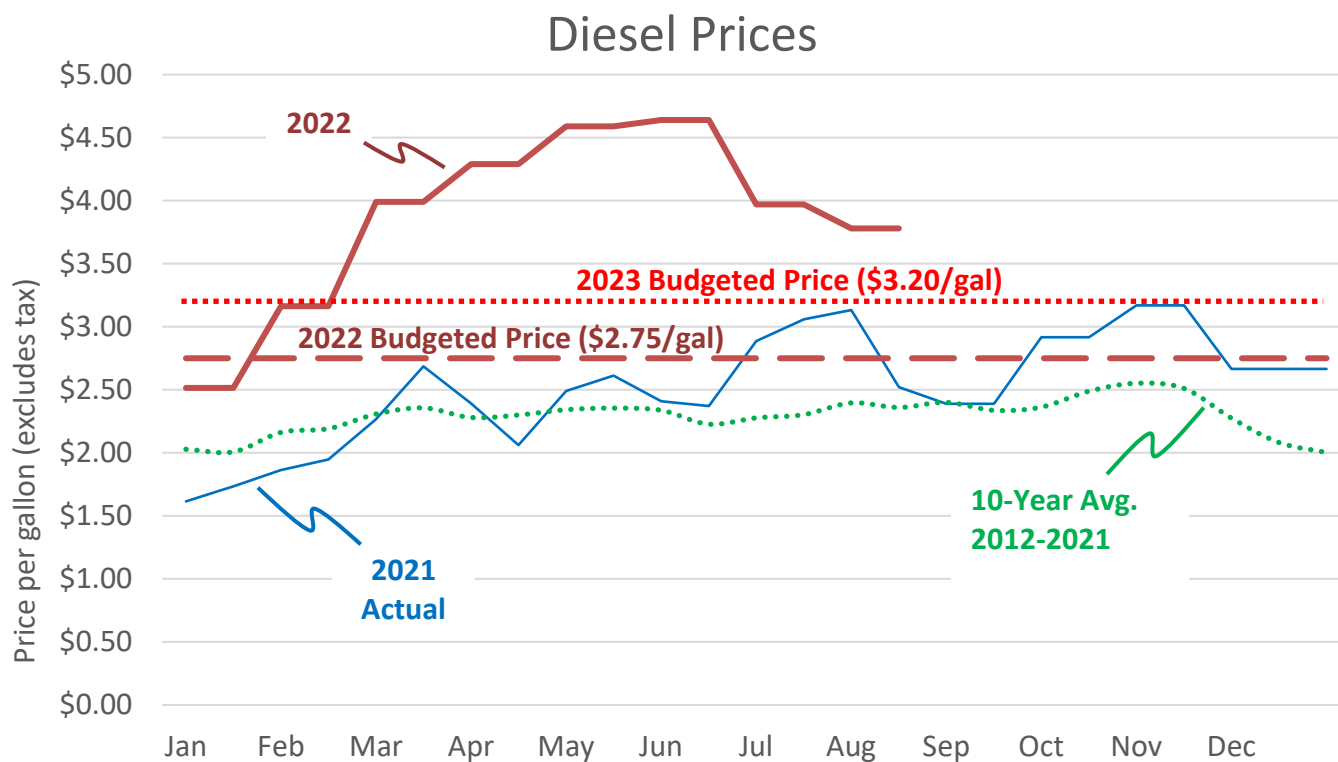
This 2023 budgeted amount represents a \$1.5 million (6.1 percent) increase over 2022 levels. The increase reflects some Agency Contingencies and other offsetting adjustments.

Fuel and Propulsion Power - \$31.4 million:

Fuel is budgeted 14.4 percent or \$3.9 million higher in 2023 than 2022. This increase is predominantly due to fuel cost assumptions (\$2.8 million), with consumption changes actually decreasing the total diesel and gasoline fuel costs by about \$23,000 due to reduced gasoline-run service miles. The 2023 Tentative Budget assumes \$3.20 per gallon for diesel (\$2.50 in 2022), \$3.00 per gallon for gasoline (\$2.35 in 2022), and \$1.72 CNG. Fuel prices have continued to climb over the period that the Tentative Budget was being developed. Fuel prices will be re-evaluated prior to approval of the Final Budget and adjustments will be considered.

Propulsion power cost is expected to increase by about \$255,000 or 3.7%, driven by small changes in miles driven by light rail (additional service) and bus propulsion power. No major changes are expected in propulsion power rates during 2023.





Capitalized Costs – minus \$11.7 million:

Staff time in support of the capital program is initially charged to the operating program and is ultimately charged to capital through a reimbursable process. This \$11.7 credit is the estimated cost of UTA capital program support.



Sources and Uses

5-Year Sources & Uses

	Sources	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027
A	Beginning Balance	\$ 321.8	\$ 484.3	\$ 467.0	\$ 412.4	\$ 358.6	\$ 323.2
	Sales Tax	\$ 486.3	\$ 529.3	\$ 513.4	\$ 513.4	\$ 529.3	\$ 563.8
	PM Funds (FTA)	110.4	84.9	85.8	86.6	87.5	88.0
	Stimulus Funds	167.8	-	-	-	-	-
	Passenger Funds	34.2	35.8	44.0	48.7	50.2	51.7
	Capital Sources	104.2	189.3	154.3	165.7	136.1	153.1
	Other Sources	17.6	21.2	21.5	20.6	20.1	20.5
B	Total Sources	\$ 920.6	\$ 860.5	\$ 819.0	\$ 835.1	\$ 823.2	\$ 877.0
USES							
	Operating Expense	\$ 353.2	\$ 396.2	\$ 424.1	\$ 442.9	\$ 457.3	\$ 472.2
	Capital Expense	212.1	318.8	278.5	270.3	216.8	239.8
	Debt Service	152.8	162.8	171.1	175.6	184.5	175.2
C	Total Uses	\$ 718.1	\$ 877.8	\$ 873.6	\$ 888.8	\$ 858.6	\$ 887.2
D	Net Change	\$ 202.5	\$ (17.3)	\$ (54.7)	\$ (53.7)	\$ (35.4)	\$ (10.2)
	Cash Amended ¹	(40.0)	-	-	-	-	-
E	Ending Balance	\$ 484.3	\$ 467.0	\$ 412.4	\$ 358.6	\$ 323.2	\$ 313.0
F	Reserves	166.9	185.2	199.6	211.9	223.7	236.6
G	Unrestricted Cash Balance	\$ 317.4	\$ 281.8	\$ 212.8	\$ 146.7	\$ 99.5	\$ 76.5

$$E = A - B - C$$

$$G = E - F$$

¹ Repayment of state funds



2023 Operating Budget Request Detail

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 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
<u>Supervisor Ratios</u>	<u>1,600</u>
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

Service Strategy

UTA continues to have difficulty recruiting and retaining operators and other staff to support the operations and maintenance of the fleet. The 2023 Tentative Budget request includes strategies to address this challenge that will allow UTA to continue to successfully operate base service and position the organization for future growth.

This request includes \$3.4 million for service additions to support the new OGX bus rapid transit service, add light rail service on Saturdays, additional On Demand service in South Salt Lake County, and \$1.2 million in service costs adjustments associated with annualizing costs of the approved August 2022 service changes. Another \$1.9 million is tentatively budgeted as an Operating contingency for local service supporting OGX in the Ogden area. UTA's staffing situation will be reassessed in the spring for Board consideration of approval of this local service for the August 2023 service change.

The remaining elements of the Service Strategy are aimed at improving recruitment and retention of front-line staff.



- \$1.5 million is requested to increase the pool of “extra board” operators. This will provide for improved scheduling flexibility and increase the pool of operators for each of the bus business units. The Salt Lake Business unit will add 12 extra boards, Timpanogos and Ogden 4 each.
- \$1.5 million is requested for “ramp hiring” to start early hiring in 2023 to ensure any 2024 service changes can be implemented. Like the Ogden Local service item, this funding is placed in an Operating Contingency and will be revisited next spring before seeking Board approval to move forward with ramp hiring later in 2023.
- \$1.6 million is included in the budget request to address the operator/supervisor ratio. This item is also in the Operating Contingency and subject to Board approval before implementation.

Studies show that one of the top reasons employees look to leave employment with their company is the relationship with their supervisor. The current operator/supervisor ratio has been identified as a contributing cause to retention issues. UTA will undertake an organizational assessment and will return to the Board with a plan to address the operator/supervisor ratios and seek approval at that time to fund this initiative.

Regulatory/Board/ROI

2023 Regulatory/Board/ROI

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

This package of requests includes funding to improve UTA video surveillance capability, funds the first year of the federally required On Board survey, and provides funding to improve internal audit functions and support for lobbying activities. Funding for a planner to support regional station area planning and transit oriented community planning is also included. This request also includes funding the Workforce Innovation Program (WINS). This new employee engagement program is aimed at making UTA a more efficient organization, improving or enhancing service delivery, and improving UTA culture. This Workforce Innovations Program (WINS) was created with the goal of soliciting and implementing employee initiatives that will pay for the program within three years.



UTA is also seeking funding for a cost inventory accountant. This position will enhance UTA's record keeping ability and documentation of costs that will have a residual benefit of enhancing support in litigation. It is estimated that improved documentation to support Attorney General staff in litigation will dramatically improve UTA's recover of costs, paying for the position.

Audit/Federal Compliance

2023 Audit/Federal Compliance

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

This request includes two elements.

UTA is consolidating grant functions for all grant programs at UTA. This will streamline the grant planning, acquisition, management, and administration functions and will create efficiencies between programs. Grant management is currently dispersed across the organization resulting in inefficiencies. The Bipartisan Infrastructure Law includes significant opportunities for new funding. This new organization will better position UTA for success in grant acquisition and management

An internal audit identified a need to improve non-revenue fleet management and oversight. A contract has been executed to develop a Fleet Management Action Plan to respond to the audit findings and improve oversight of the non-revenue fleet. The plan will be completed early next year and an implementation plan based on the recommendations will be brought to the Board for approval to implement.



Agency Requests

2023 Agency Requests

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

This \$1.8 million package of requests includes funding to improve oversight of human relations in the People Office, an Operations Chief of Staff to support the administrative functions of Operations, and a dedicated FTE to support planning and on-the-ground support during major state of good repair and other scheduled service interruptions.

The request also includes funding to enhance UTA's data governance and support the introduction of new tools that will allow UTA to become more data driven. Funding is also included for Information Technology to improve UTA's cyber risk profile.

Funding is also included for a Transit Connection Program to foster improved customer experience and compassionately address unhoused individuals touching UTA's system

Additional funding and one new staff is requested to enhance recruitment development at UTA.

A hiring contra is included that envisions hiring for new positions will not be complete until the end of the first quarter for these positions.



Capital Position Requests

UTA approves all headcount in the Operating budget request. Capital staff will charge to the capital program through a reimbursable process. Funding for these 9 positions include start up costs only (computer, supplies, office space, etc.).

2023 Capital Positions

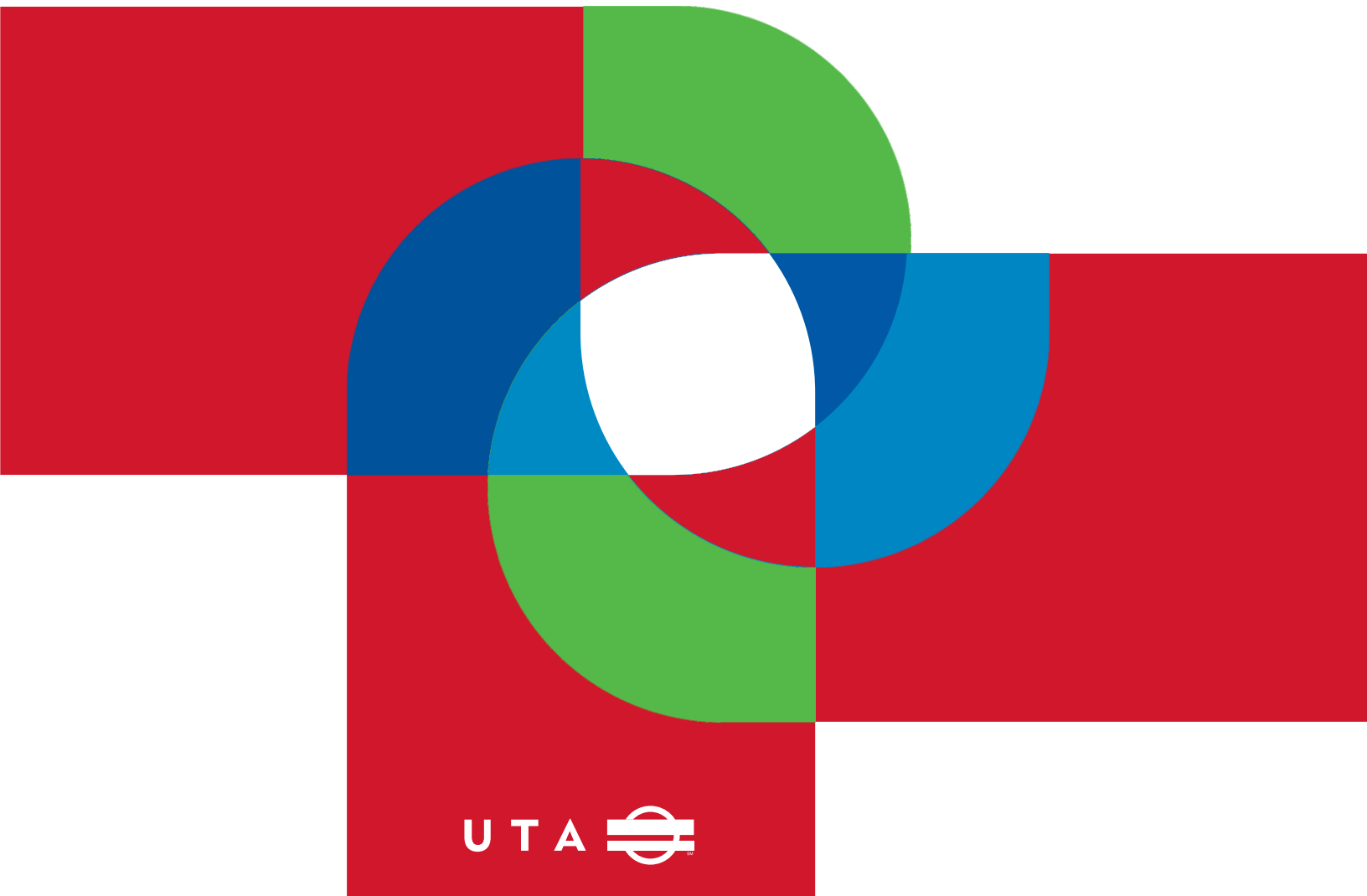
	<i>FTE</i>	<i>Total Cost</i>	<i>Cumulative Cost</i>
Rail Infrastructure PM	1.0	12,000	4,358,000
Rail Vehicle Procurement PM	1.0	12,000	4,370,000
Video Security Tech (Security)	1.0	12,000	4,382,000
Ops Capital support (Rail Sustainability)	6.0	72,000	4,454,000
Subtotal Capital	9.0	108,000	4,454,000

The table below quantifies the ongoing costs that will be incurred by the capital program associated with these nine positions.

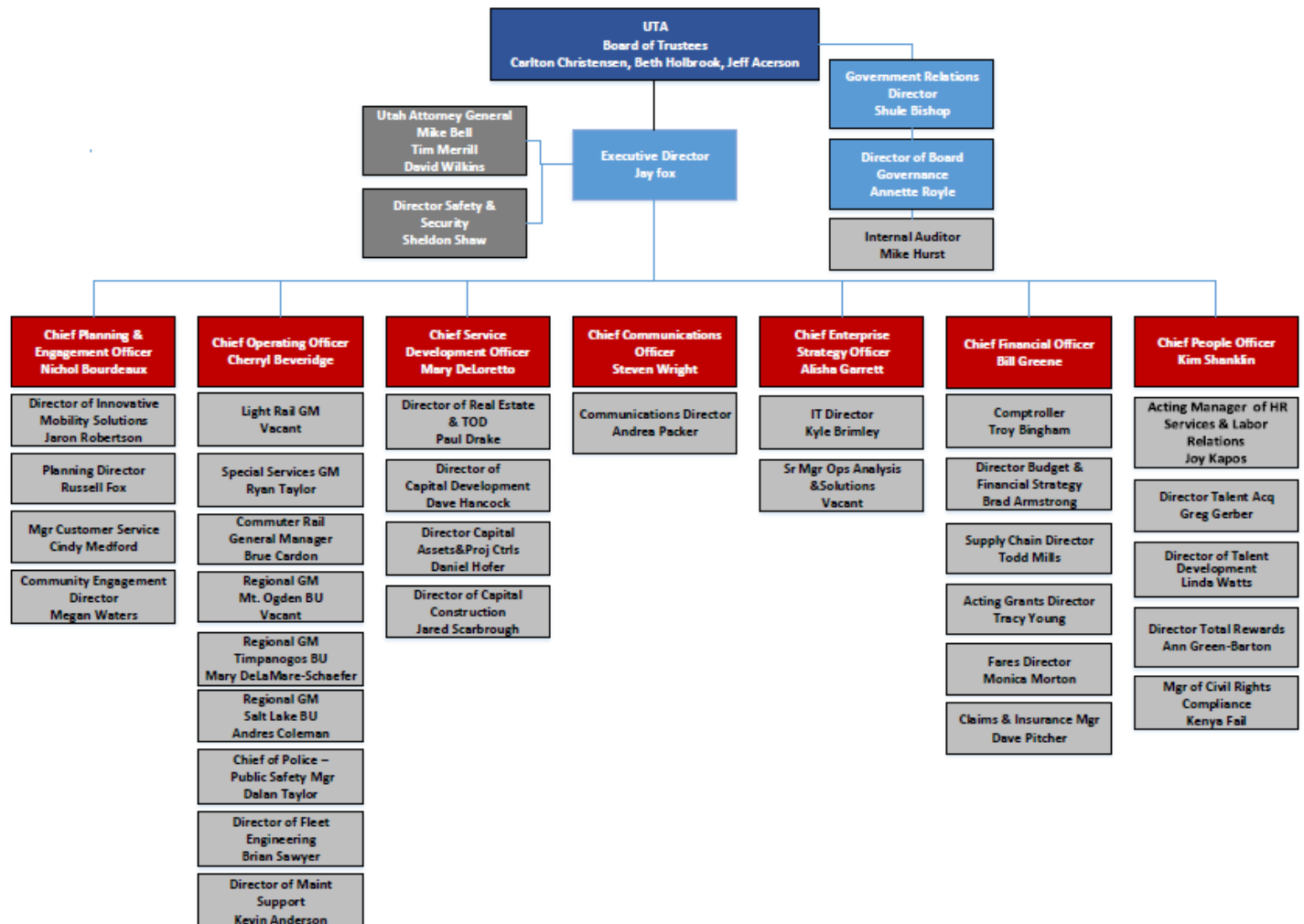
Job Title	FTE	2023 Costs
SERVICE DEVELOPMENT		
Rail Vehicle Procurement PM	1.0	\$165,000
Rail Infrastructure PM	1.0	\$165,000
FLEET ENGINEERING		
Journeyist	1.0	\$105,000
Rail Project Adm	1.0	\$ 91,000
Bus Project Adm	1.0	\$ 91,000
Technical Writer	1.0	\$ 75,000
Quality Assurance Adm	2.0	\$181,000
Total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



Departmental Information

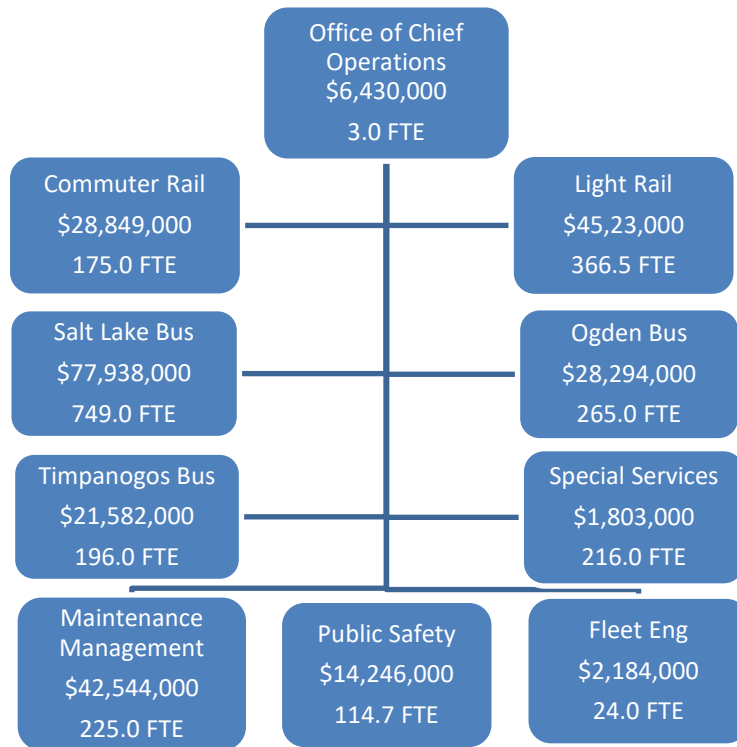


Proposed Org Chart – 2023



2023 Operating Budget by Office, Cost Center, Category & FTE

Operations



The Operations organization is comprised of nine service units covering UTA's service area and Public Safety, Fleet Engineering and Asset Management (Engineering & Support Maintenance) Departments. UTA Operations provides the following functions:

- *Office of the Chief.* Provides oversight, direction, and leadership for Operations.
- *Modal Offices.* Operate buses (3 business units), light rail, commuter rail, vanpool, and special services across the UTA service area in a safe and efficient manner.
- *Maintenance Management.* Maintain the buses, rail cars and rail right of way to allow the safe and comfortable operation of services to UTA's customers.
- *Public Safety.* UTA has an internal police department focused on keeping our community, our riders, and our employees safe. Our police also engage in community service and support our local authorities.
- *Fleet Engineering.* Assists in fleet acquisition and maintenance across all modes.



2023 Operations Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
COO Office*	\$18,623,000	\$22,860,000	\$4,237,000
Maintenance Mgt	40,954,000	42,544,000	1,590,000
Salt Lake Bus	71,543,000	77,938,000	6,395,000
Mt. Ogden Bus	26,328,000	28,294,000	1,966,000
Timpanogos Bus	19,026,000	21,582,000	2,556,000
Special Services	30,012,000	31,803,000	1,879,000
Light Rail	42,031,000	45,238,000	3,207,000
Commuter Rail	27,142,000	28,849,000	1,707,000
Totals	\$274,918,000	\$298,456,000	\$23,538,000

**Includes Public Safety and Fleet Engineering*



2023 Operations Budget Changes

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 275,658	\$ (4,023)	\$ 5	\$ 2,945	\$ 7,007	\$ 7,183	\$ 288,776	\$ 500	\$ 9,180	\$ 298,456

Summary of 2023 budget changes

- Added 55 Headcount
- Increased cost over 2022 baseline \$9,180,000
- See business units/modes for detail

2023 Proposed Operations Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$135,736,000	\$145,364,000	8.6%
Fringe	68,686,000	76,519,000	11.4%
Services	12,335,000	11,598,000	-6.0%
Fuel/Power	27,231,000	31,012,000	13.9%
Parts	22,499,000	23,114,000	2.7%
Utilities	5,341,000	5,108,000	-4.4%
Non-Departmental	2,805,000	5,876,000	109.5%
Other O&M	7,832,000	8,547,000	9.1%
Capitalized Costs	(7,757,000)	(8,919,000)	15.0%
Totals	\$274,918,000	\$298,456,000	8.6%

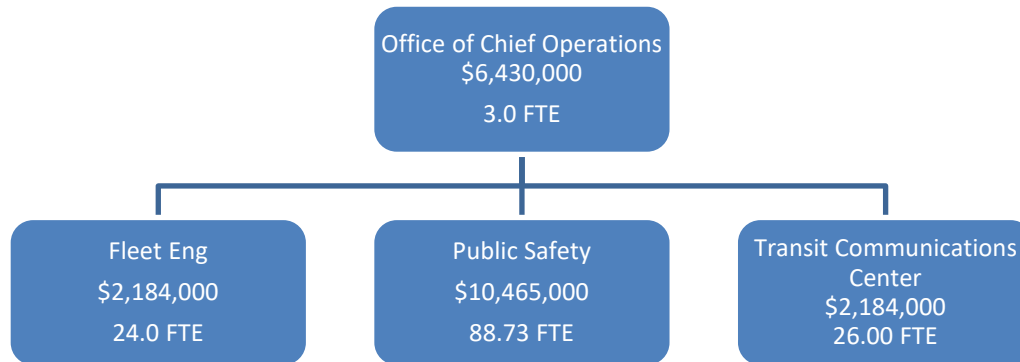


Operations FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
COO Office	4.00	3.00	(1.00)
Public Safety	114.73	114.73	-
Fleet Engineering	19.00	24.00	5.00
Maintenance Mgt	225.00	225.00	-
Salt Lake Bus	737.00	749.00	12.00
Mt. Ogden Bus	255.00	265.00	10.00
Timpanogos Bus	182.00	196.00	14.00
Special Services	214.00	216.00	2.00
Light Rail	353.50	366.50	13.00
Commuter Rail	175.00	175.00	-
Totals	2,279.23	2,334.23	55.00



COO Office



2023 Proposed COO Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
COO Office	\$ 3,868,000	\$ 6,430,000	\$ 2,562,000
Transit Communications Center	2,090,000	2,185,000	95,000
Public Safety	10,465,000	12,061,000	1,596,000
Fleet Engineering	2,199,000	2,184,000	(15,000)
Totals	\$ 18,623,000	\$ 22,860,000	\$ 4,238,000



2023 Proposed COO Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$ 9,654,000	\$ 11,282,000	16.9%
Fringe	4,979,000	5,290,000	6.2%
Services	104,000	245,000	135.6%
Fuel/Power	234,000	255,000	9.0%
Utilities	154,000	153,000	-0.6%
Other O&M	3,822,000	6,531,000	70.9%
Supplies	11,000	13,000	18.2%
Capitalized Costs	(334,000)	(908,000)	171.9%
Totals	\$ 18,623,000	\$ 22,860,000	22.8%

COO FTE Summary: 2023 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
COO Office	4.00	3.00	(1.00)
Transit Communications Center	26.00	26.00	-
Public Safety	88.73	88.73	-
Fleet Engineering	19.00	24.00	5.00
Totals	137.73	141.73	4.00



Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 18,623	\$ (3,326)	\$ -	\$ -	\$ 626	\$ 2,010	\$ 17,933	\$ 500	\$ 4,427	\$ 22,860

One-time expenses:

COO Operating Contingencies: \$3.3 million

Other Increases:

Police Compensation Increase: \$1.6 million

Employee Engagement Transfer from People: \$0.4 million

2022 Carry Forward:

COO Service Contingency: \$0.5 million

2023 Additions:

Unhoused People Strategy: \$0.1 million Police

Operations: Chief of Staff and Rail Sustainability positions: \$0.2 million

Operations Contingency:

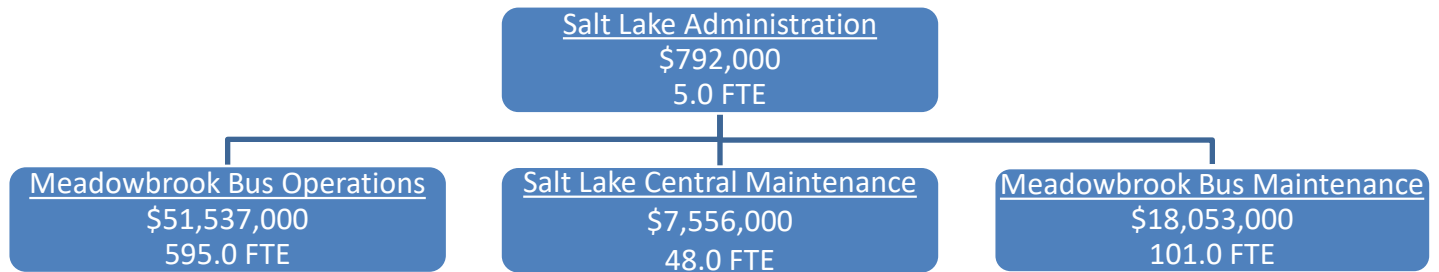
Supervisor ratios: \$1.6 million

Ogden Local Service: \$1.9 million

2024 Ramp Hiring: \$1.5 million



Salt Lake Service Unit



2023 Proposed Salt Lake Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Salt Lake Administration	\$981,000	\$792,000	\$(189,000)
Salt Lake Operations	47,809,000	51,537,000	3,728,000
Salt Lake Maintenance	22,753,000	25,609,000	2,856,000
Totals	\$71,543,000	\$77,938,000	\$6,395,000

2023 Proposed Salt Lake Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$41,199,000	\$42,810,000	6.5%
Fringe	21,269,000	25,532,000	10.6%
Services	393,000	150,000	-61.8%
Fuel/Power	5,601,000	7,006,000	25.1%
Parts	2,781,000	3,013,000	8.3%
Other O&M	1,300,000	1,427,000	9.8%
Totals	\$71,543,000	\$77,938,000	8.9%



Salt Lake FTE Summary: 2023 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Salt Lake Administration	6.00	5.00	-1.00
Salt Lake Operations	582.00	595.00	13.00
Salt Lake Maintenance	149.00	149.00	-
Totals	737.00	749.00	12.00

Summary of budget changes:

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	
\$ 71,777	\$ (223)	\$ -	\$ 1,562	\$ 2,094	\$ 1,163	\$ 76,373	\$ -	\$ 1,565	\$77,938

One-time expenses:

Bus Camera Moves to Security: \$0.2 million

Service Changes:

Salt Lake County Service Annualized Changes: \$1.4 million

MLK Day Observation: \$0.1 million

Other Increases:

Fuel Increases: \$1.0 million

Parts Increases: \$0.1 million

Other materials and services increases: \$0.1 million

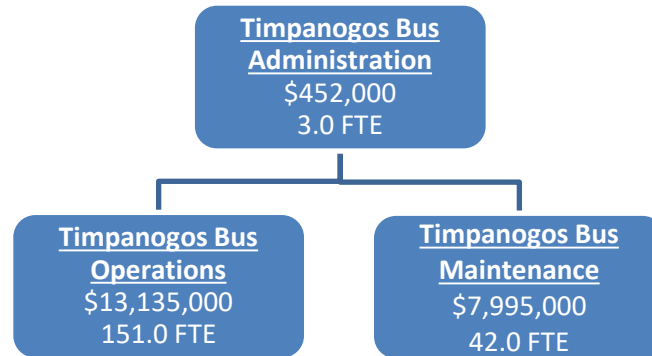
2023 Additions:

Salt Lake Extra Board: \$0.9 million

Additional Service Request: \$0.7 million



Timpanogos Service Unit



2023 Proposed Timpanogos Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Timp Administration	\$494,000	\$452,000	\$(42,000)
Timp Operations	11,335,000	13,134,000	1,799,000
Timp Maintenance	7,197,000	7,995,000	798,000
Totals	\$19,026,000	\$21,582,000	\$2,556,000

2023 Proposed Timpanogos Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$10,279,000	\$11,417,000	11.10%
Fringe	5,357,000	5,289,058	15.90%
Services	122,000	121,809	-51.60%
Fuel	2,088,000	1,927,445	24.50%
Parts	915,000	925,922	15.80%
Utilities	16,000	14,000	-12.50%
Other O&M	249,000	285,000	14.50%
Totals	\$19,026,000	\$21,582,000	13.40%



Timpanogos FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Timp Administration	3.00	3.00	-
Timp Operations	137.00	151.00	14.00
Timp Maintenance	42.00	42.00	-
Totals	182.00	196.00	14.00

Summary of budget changes:

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	
\$ 19,026	\$ (62)	\$ -	\$ 865	\$ 502	\$ 381	\$ 20,712	\$ -	\$ 870	\$ 21,582

One-time expenses:

Bus Camera Moves to Security: \$0.1 million

Service Changes:

Timpanogos Annualized Service: \$0.8 million

MLK Day Observation: \$0.1 million

Other Increases:

Fuel Increases: \$0.3 million

Parts Increases: \$0.1 million

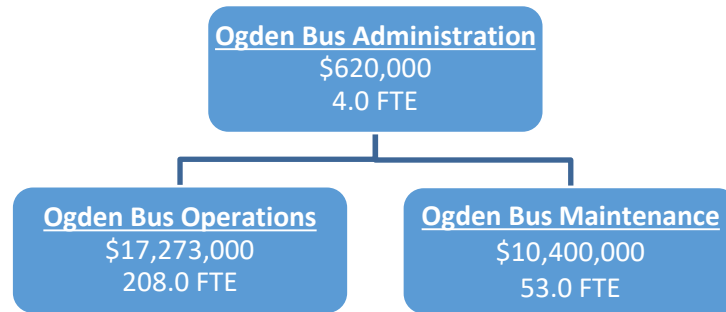
2023 Additions:

Timp Extra Board: \$0.3 million

Additional service adds: \$0.5 million



Ogden Service Unit



2023 Proposed Mt. Ogden Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Ogden Administration	\$648,000	\$620,000	\$(28,000)
Ogden Operations	16,374,000	17,273,000	899,000
Ogden Maintenance	9,306,000	10,400,000	1,094,000
Totals	\$26,328,000	\$28,294,000	\$1,966,000

2023 Proposed Mt. Ogden Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$14,265,000	\$14,963,000	4.9%
Fringe	7,428,000	8,204,000	10.4%
Services	191,000	126,000	-34.0%
Fuel	2,720,000	3,105,000	14.2%
Parts	1,312,000	1,336,000	1.8%
Utilities	15,000	15,000	0.0%
Other O&M	398,000	544,000	36.7%
Totals	\$26,328,000	\$28,294,000	7.5%



Mt. Ogden FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Ogden Administration	4.00	4.00	-
Ogden Operations	200.00	208.00	8.00
Ogden Maintenance	51.00	53.00	2.00
Totals	255.00	265.00	10.00

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 26,094	\$ (297)	\$ -	\$ 354	\$ 660	\$ 490	\$ 27,300	\$ -	\$ 993	\$ 28,294

One-time expenses:

Bus Camera Moves to Security: \$0.1 million
OGX Start up costs \$0.2 million

Service Changes:

OGX annualized service: \$0.3 million
MLK Day Observation: \$0.1 million

Other Increases:

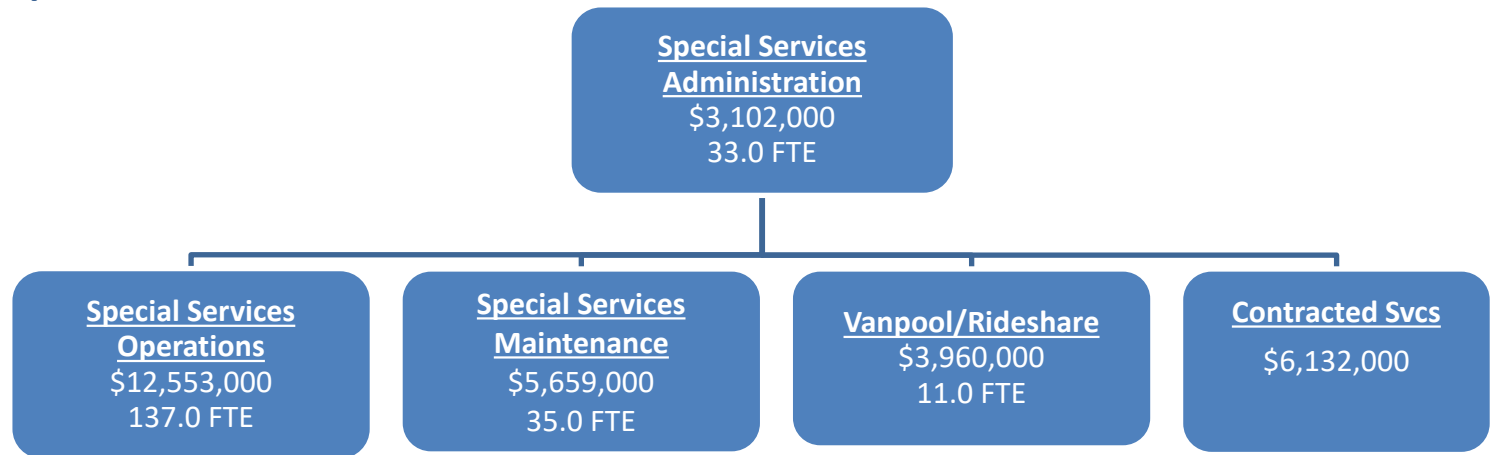
Fuel Increases: \$0.4 million
Parts Increases: \$0.1 million
Other materials and services increases: \$0.1 million

2023 Additions:

Ogden OGX Launch: \$0.9 million
Other small offsets



Special Services Service Unit



2023 Proposed Special Services Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Special Svcs Administration	\$2,269,000	\$3,102,000	\$833,000
Special Svcs Operations	11,640,000	12,553,000	913,000
Special Svcs Maintenance	5,393,000	5,659,000	266,000
Vanpool/Rideshare	3,794,000	3,960,000	166,000
Contracted Services	6,174,000	6,132,000	(298,000)
Totals	\$29,271,000	\$31,150,000	\$1,879,000



2023 Proposed Special Services Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$11,905,000	\$13,014,000	9.3%
Fringe	6,154,000	7,066,000	14.8%
Services	6,515,000	6,051,000	-7.1%
Fuel	2,866,000	3,133,000	9.3%
Parts	458,000	445,000	-2.8%
Other O&M	1,346,000	1,420,041	5.3%
Totals	\$29,271,000	\$31,150,00	6.4%

Special Services FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Special Services Administration	26.00	33.00	7.00
Special Services Operations	142.00	137.00	-5.00
Special Services Maintenance	35.00	35.00	-
Vanpool/Rideshare	11.0	11.0	0.0
Totals	214.00	216.00	2.00



Summary of budget changes:

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	
\$ 30,012	\$ (100)	\$ -	\$ 67	\$ 686	\$ 193	\$ 30,857	\$ -	\$ 344	\$ 31,201

One-time expenses:

Vanpool GPS hardware and IT items: \$0.1 million

Service Changes:

South SL County service adjustments \$0.1 million

Other Increases:

Fuel Increases: \$0.5 million

Parts Increases: \$0.2 million

Other materials and services increases: \$0.2 million

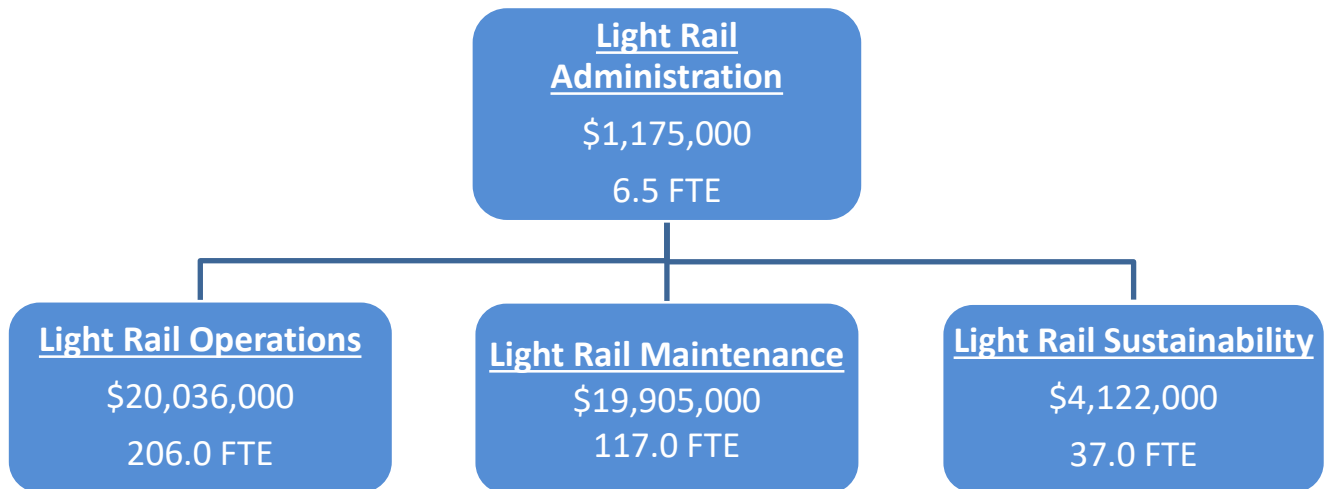
Transfer of Grants Team to Finance: -\$0.7 million

2023 Additions:

Small Service adjustments: \$0.3 million



Light Rail Service Unit



2023 Proposed Light Rail Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Light Rail Administration	\$1,137,000	\$1,175,000	\$38,000
Light Rail Operations	18,810,000	20,036,000	1,226,000
Light Rail Maintenance	18,157,000	19,905,000	1,748,000
Light Rail Sustainability	3,926,000	4,122,000	196,000
Totals	\$42,031,000	\$45,238,000	\$3,207,000



2023 Proposed Light Rail Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$23,237,000	\$24,557,000	5.7%
Fringe	11,355,000	12,487,000	10.0%
Services	1,245,000	1,355,000	8.8%
Fuel/Power	74,000	121,000	63.5%
Parts	11,469,000	12,337,000	7.6%
Other O&M	1,468,000	1,738,000	18.4%
Capitalized Costs	(6,818,000)	(7,357,000)	7.9%
Totals	\$40,775,968	\$41,751,166	7.6%

Light Rail FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Light Rail Administrative	6.50	6.50	-
Light Rail Operations	196.00	206.00	10.00
Light Rail Maintenance	116.0	117.0	1.00
Rail Sustainability	35.0	37.0	-
Totals	353.00	366.50	13.00



Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 42,031	\$ -	\$ 5	\$ 72	\$ 1,116	\$ 913	\$ 44,136	\$ -	\$ 1,101	\$ 45,238

Staffing Changes:

Impact of capitalized Rail Sustainability position transferred from Warehouse

Service Changes:

MLK Day Observation: \$0.1 million

Other Increases:

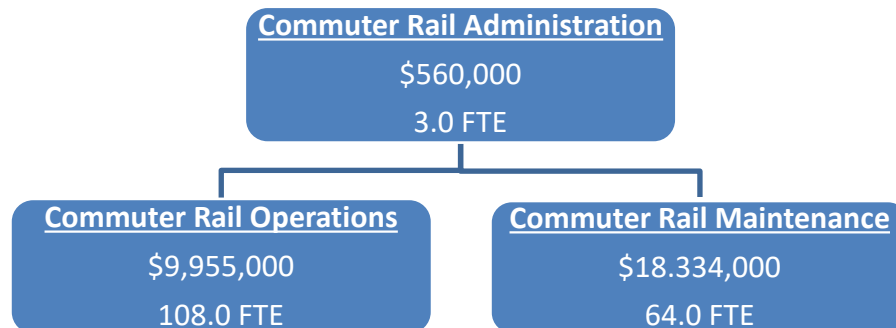
Fuel Increases: \$0.1 million
Parts Increases: \$0.8 million

2023 Additions:

Trax Saturday Service: \$0.8 million
Rail Sustainability hiring: \$0.1 million
Other small items



Commuter Rail Service Unit



2023 Proposed Commuter Rail Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Com. Rail Administration	\$538,000	\$560,000	\$22,000
Com. Rail Operations	9,074,000	9,955,000	881,000
Com. Rail Maintenance	17,531,000	18,334,000	803,000
Totals	\$27,142,000	\$28,849,000	\$1,707,000

2023 Proposed Commuter Rail Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$10,727,000	\$11,170,000	4.1%
Fringe	4,922,000	5,568,000	13.1%
Services	809,000	466,000	-42.4%
Fuel	6,704,000	7,672,000	14.4%
Parts	3,657,000	3,328,000	-9.0%
Other O&M	723,000	1,146,000	58.5%
Capitalized Costs	(400,000)	(500,000)	-25.0%
Totals	\$27,142,000	\$28,849,000	6.3%



Commuter Rail FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Com. Rail Operations	108.00	108.00	-
Com. Rail Maintenance	64.00	64.00	-
Com. Administrative	3.00	3.00	-
Totals	175.00	175.00	-

Summary of budget changes:

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	
\$ 27,142	\$ -	\$ -	\$ 76	\$ 536	\$ 1,369	\$ 29,123	\$ -	\$ (274)	\$ 28,849

Service Changes:

MLK Day Observation: \$0.1 million

2023 Changes:

Revamp parts and fuel estimates -\$0.3 million

Other Increases:

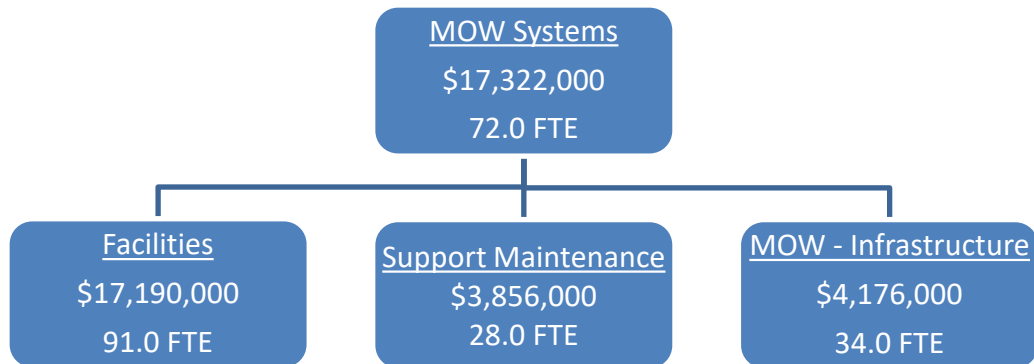
Fuel Increases: \$1.0 million

Parts Increases: \$0.2 million

Other materials and services increases: \$0.2 million



Maintenance Management Service Unit



2023 Proposed Maintenance Management Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Support Maintenance	\$4,221,000	\$3,856,000	\$(365,000)
Facilities	16,083,000	17,190,000	1,107,000
MOW - Systems	16,989,000	17,322,000	333,000
MOW - Infrastructure	3,660,000	4,176,038	516,000
Totals	\$40,954,000	\$42,544,000	\$1,590,000



2023 Proposed Maintenance Management Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$15,470,000	\$16,151,000	4.4%
Fringe	7,222,000	8,176,000	13.2%
Services	2,955,000	3,147,000	6.5%
Fuel	6,943,000	7,121,000	2.6%
Parts	1,908,000	1,594,000	-16.5%
Utilities	4,961,000	4,433,000	-10.6%
Other O&M	1,701,000	2,028,000	19.2%
Capitalized Costs	(205,000)	(105,000)	-48.8%
Totals	\$40,954,000	\$42,544,000	3.9%

Maintenance Management FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Support Maintenance	28.00	28.00	-
Facilities	91.00	91.00	-
MOW Systems	72.00	72.00	-
MOW Infrastructure	34.00	34.00	-
Totals	225.00	225.00	-



Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 40,954	\$ (15)	\$ -	\$ -	\$ 788	\$ 666	\$ 42,392	\$ -	\$ 152	\$42,544

One-time expenses:

Small one-time items

2023 Additions:

Small service adjustment items

Other Increases:

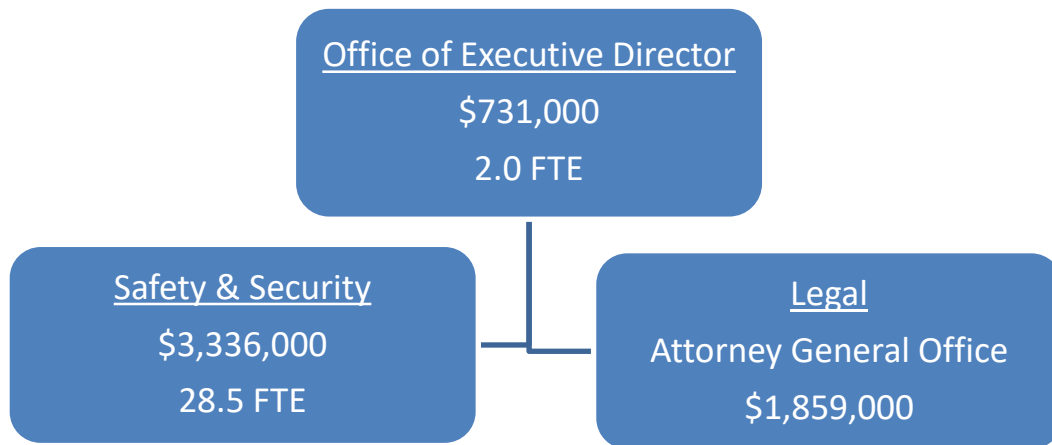
Fuel Increases: \$0.1 million

Parts Increases: \$0.1 million

Other materials and services increases: \$0.5 million



Executive Director



The Executive Director's Office focuses internally on running the day-to-day functions of the organization. The Executive Director sets the annual strategies, initiatives and goals for the Agency and partners with each Executive Office to fulfill UTA's mission and vision.

UTA Executive Office provides the following to meet the needs of the Agency:

- Executive Director. Provides leadership and daily management to UTA's workforce.

In addition to the six chief offices, the Executive Director also oversees the following departments:

- *Safety & Security*. Focused on UTA safety and security practices and ensuring regulations are met.
- *Legal*. Works directly with our inhouse representation from the Attorney General's Office.



2023 Executive Director Operating Budget Expenses by Division

Category	2022 Budget	2023 Proposed Budget	Change
Executive Director	\$754,000	\$731,000	\$(23,000)
Legal	1,859,000	1,859,000	0,000
Safety & Security	2,495,000	3,336,000	841,000
Total Division	\$5,108,000	\$5,926,000	\$818,000

2023 Executive Director Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$1,809,000	\$1,954,000	8.0%
Fringe	778,000	889,000	14.3%
Services	2,437,000	3,038,000	24.7%
Other O&M	247,000	264,000	6.9%
Capitalized Cost	(162,000)	(220,000)	35.8%
Total Group	\$5,108,000	\$5,926,000	16.0%

Also, under the purview of the Executive Director is the non-departmental cost center which has \$1 million proposed in this budget to fund emerging/emergency needs.

	FY 2022 Budget	FY 2023 Budget	Change
Non-Departmental	\$1,000,000	\$1,000,000	0.0%



Executive Director FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Executive Director	2.00	2.00	-
Legal	0.00	0.00	-
Safety & Security	26.50	28.50	2.00
Totals	28.50	30.50	2.00

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 6,108	\$ (1,124)	\$ -	\$ -	\$ 172	\$ 780	\$ 5,936	\$ 1,000	\$ (11)	\$ 6,926

One-time expenses:

Executive Director Contingency: \$1.0 million
Marketing Consulting: \$0.1 million

Other Increases:

Bus Video Consolidation: \$0.7 million
Other Services/Supplies Increases: \$0.1 million

2022 Carry Forward:

Executive Director Contingency: \$1.0 million

2023 Changes:

Reductions in miscellaneous areas



Communication

Office of
Communication
\$3,943,000
15.0 FTE

This new Office was created in 2022 and moved from the Executive Director's budget. The new Office will focus on enhancing UTA's digital media presence including social media and analytics, improving strategic communications, developing and implementing a UTA Brand strategy, and generally improving all UTA communications activities.

2023 Communication Operating Budget Expenses by Division

Category	2022 Budget	2023 Proposed Budget	Change
Office of Communication & Marketing	3,382,000	3,943,000	561,000
Total Division	\$3,382,000	\$3,943,000	\$561,000

2023 Communication Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$1,111,000	\$1,373,000	23.6%
Fringe	446,000	608,000	36.3%
Services	1,025,000	1,025,000	0.0%
Other O&M	800,000	937,000	17.1%
Total Group	\$3,382,000	3,943,000	16.6%



2023 Communication FTE Summary:

	2022 Budget	2023 Proposed	Change
Communications & Marketing	13.00	15.00	2.00
Totals	13.00	15.00	2.00

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 3,382	\$ -	\$ 210	\$ -	\$ 42	\$ 100	\$ 3,733	\$ -	\$ 210	\$ 3,943

One-time expenses:

See Exec Dir

Other Increases:

Inflation adjustments for contract services and other items

Staffing Changes:

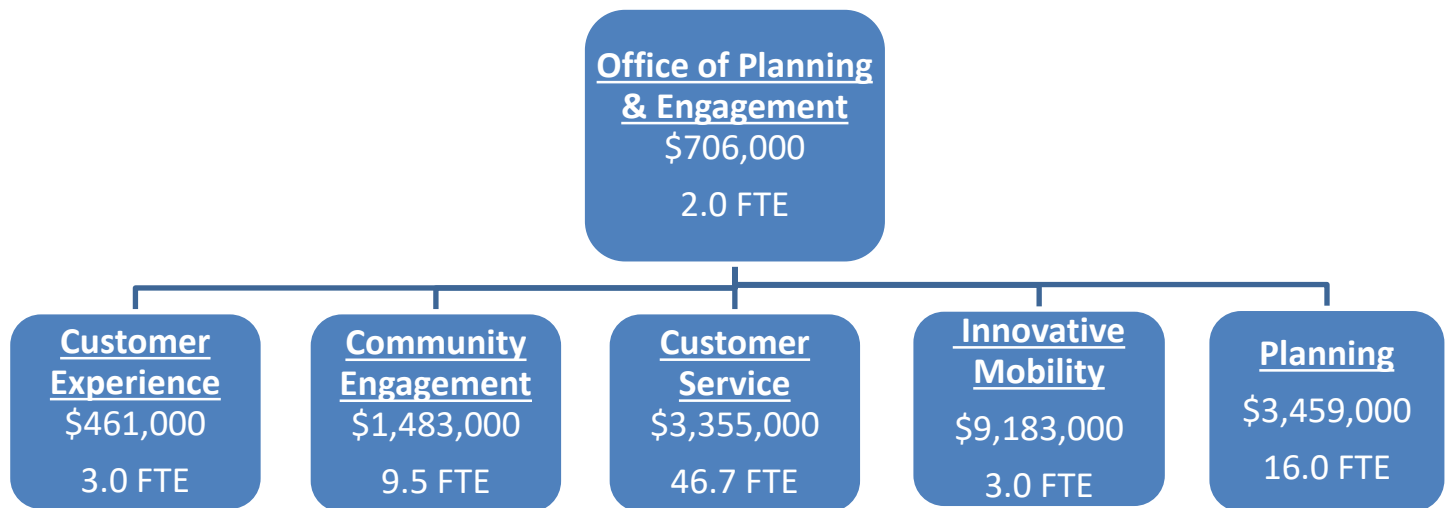
New Chief Communications Officer

2023 Additions:

Additional staffing costs/reorganization
New Executive start up expense



Planning & Engagement



This Office supports UTA's planning and community engagement efforts focused on customer service, customer experience and providing innovative mobility solutions.

UTA Planning & Engagement provides the following to make the UTA System work:

- *Planning.* The Planning Department's role is to ensure that UTA is prepared to meet the needs of the future. This includes working with local governments, regional and state agencies to anticipate future growth and development and find the right transit solutions to meet those needs.
- *Customer Service.* The Customer Service teams provide information about UTA services, receive and process customer feedback, provide rider information through the Gov Delivery system and social media outlets, sell UTA fare media and handle the lost and found items found on public transit. They are responsible to ensure that customers can maneuver throughout the service areas with confidence in UTA's service districts and service types.
- *Community Engagement.* This team serves as a trusted resource and a catalyst for effective partnerships with UTA's riders, key stakeholders, and community. Acts as a facilitator/access point for public hearings and community events/activities.
- *Customer Experience.* Evaluates UTA's system focused on the impact ease of the customer journey. Partners with service units to ensure consistency across the service area, optimizing customer experience.
- *Innovative Mobility.* Manages the On Demand program for UTA and identifies opportunities and tests new ideas that can improve transit service.



2023 Proposed Planning & Engagement Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Chief Planning & Engagement	\$1,234,000	\$706,000	\$(528,000)
Service Planning	1,077,000	1,099,000	22,000
Planning	1,710,000	2,360,000	650,000
Community Engagement	516,000	1,483,000	967,000
Customer Experience	430,000	461,000	31,000
Customer Service	3,186,000	3,355,000	169,000
Innovative Mobility	6,731,000	9,183,000	2,452,000
Totals	\$14,884,000	\$18,648,000	\$3,764,000

2023 Proposed Planning & Engagement Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$4,227,000	\$4,719,000	11.6%
Fringe	1,970,000	2,281,000	15.8%
Services	7,492,000	10,765,000	43.7%
Fuel	159,000	305,000	91.8%
Other O&M	1,036,000	578,000	-44.2%
Totals	\$14,884,000	\$18,648,000	25.3%



Planning & Engagement FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Planning & Engagement	3.00	2.00	-1.00
Service Planning	7.50	8.50	1.00
Planning	7.00	7.50	0.50
Community Engagement	3.00	9.50	6.50
Customer Experience	3.00	3.00	-
Customer Service	46.70	46.70	-
Innovative Mobility	3.00	3.00	-
Totals	73.22	80.22	7.00

Summary of budget changes:

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	
\$ 14,884	\$ (1,143)	\$ 190	\$ 1,900	\$ 292	\$ 881	\$ 17,004	\$ 50	\$ 1,594	\$ 18,648

One-time expenses:

Other software related items: \$0.1 million
 Completed Studies: \$0.2 million
 Reduced Microtransit Service Contingencies: \$0.4 million
 Microtransit misc one-time expense: \$0.3 million
 Move of expense to capital programs: \$0.1 million

Staffing Changes:

Move of Travel Trainers from Special Services: \$0.2 million

Service Changes:

Microtransit Annualized Changes: \$1.9 million

Other Increases:

Other materials and services increases: \$0.5 million
 Additional committed study expense: \$0.4 million

2022 Carry Forward:

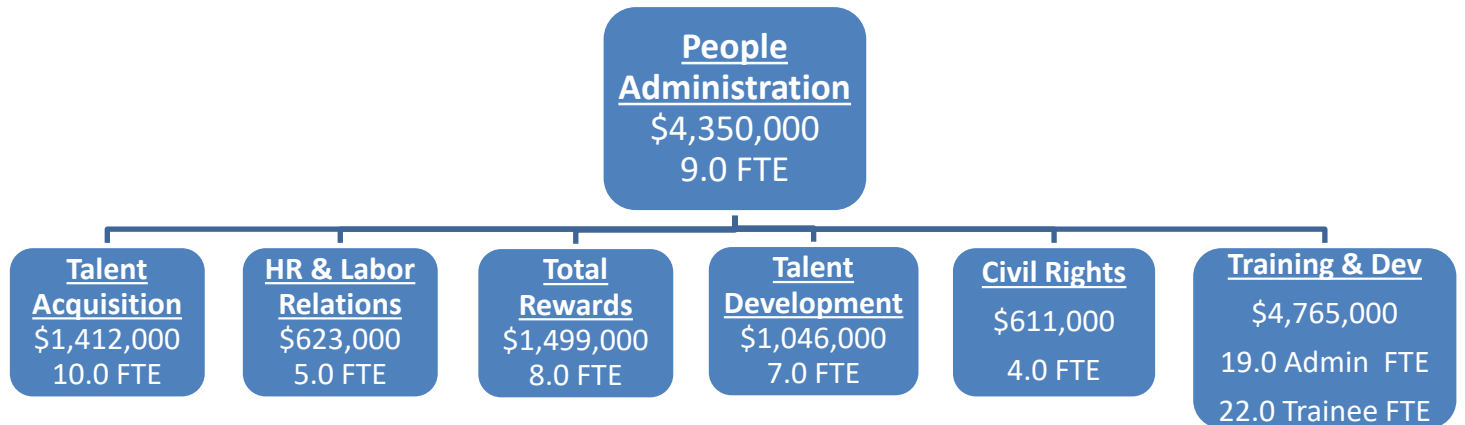
Finish Long Range Transit Plan: \$0.1 million

2023 Additions:

Microtransit Service: \$0.5 million
 Unhoused People Strategy: \$0.6 million CPE
 Ridership survey \$0.4 million
 GoTeam Coordinator \$0.1 million



People



The People Office is focused on providing service to our employees through the entire employee life cycle from recruitment to retirement and ensures UTA's employees and leaders have what they need to succeed at accomplishing the Agencies objectives and goals.

UTA People office provides the following to make the UTA System work:

- *HR & Labor Relations:* From daily HR transactions to long-term talent goals, HR & Labor Relations collaborates with employees and leaders to fulfil the people portion of UTA's business strategies, using deliberate talent management and deployment.
- *Total Rewards:* Manages and administers employee programs such as health & wellness, retirement, and leave administration.
- *Talent Acquisition:* In partnership with hiring officials, the team analyzes current & future staffing needs and identifies effective strategies for sourcing, recruiting, and onboarding.
- *Talent Development:* An internal resource to UTA providing technical, professional, regulatory/compliance training and leadership development that support the UTA Way.
- *Compensation/Analytics:* Embedded within the People Office are also a Compensation Analyst and Strategic Analyst who focus on use data, best practices, and benchmarking to ensure UTA has competitive and fair pay practices and use data to continuously improve compensation practices and impact across the Agency.
- *Civil Rights:* Ensure UTA remains in compliance with all relevant civil rights laws, regulations, standards, and Executive Orders which prohibit discrimination or harassment of employees, applicants, or customers. This office also oversees UTA's ADA & DBE teams.



2023 Proposed People Office Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Chief People Officer	1,950,000	\$4,350,000	\$2,400,000
Talent Acquisition	1,506,000	1,412,000	(94,000)
Talent Development	912,000	1,046,000	134,000
HR Services & Labor Relations	735,000	623,000	(112,000)
Training & Development	8,523,000	4,764,608	(3,758,000)
Civil Rights	602,000	611,000	9,000
Total Rewards	1,251,000	1,499,000	248,000
Totals	\$15,479,000	\$14,307,000	\$(1,172,000)

2023 Proposed People Office Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$5,286,000	\$5,683,000	7.5%
Fringe	2,324,000	2,489,000	7.1%
Services	1,598,000	2,507,000	56.9%
Other O&M	6,272,000	3,629,000	-42.4%
Totals	\$15,479,000	\$14,307,000	-7.6%



People FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Chief People Officer	8.00	9.00	1.00
Talent Acquisition	9.00	10.00	1.00
Talent Development	5.00	7.00	2.00
Training & Development	45.00	41.00	-4.00
HR & LR	6.00	5.00	-1.00
Civil Rights	4.00	4.00	0.00
Total Rewards	7.00	8.00	1.00
Totals	84.00	84.00	-

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 15,479	\$ (5,626)	\$ 118	\$ -	\$ 340	\$ 77	\$ 10,387	\$ 1,563	\$ 2,357	\$ 14,307

One-time expenses:

Apprenticeship program \$4.6 million
Employee Engagement Transfer to Operations: \$0.4 million
Other service and consulting: \$0.6 million

Staffing Changes:

MOW Trainer: \$0.1 million

Other Increases:

Other materials and services increases: \$0.1 million

2022 Carry Forward:

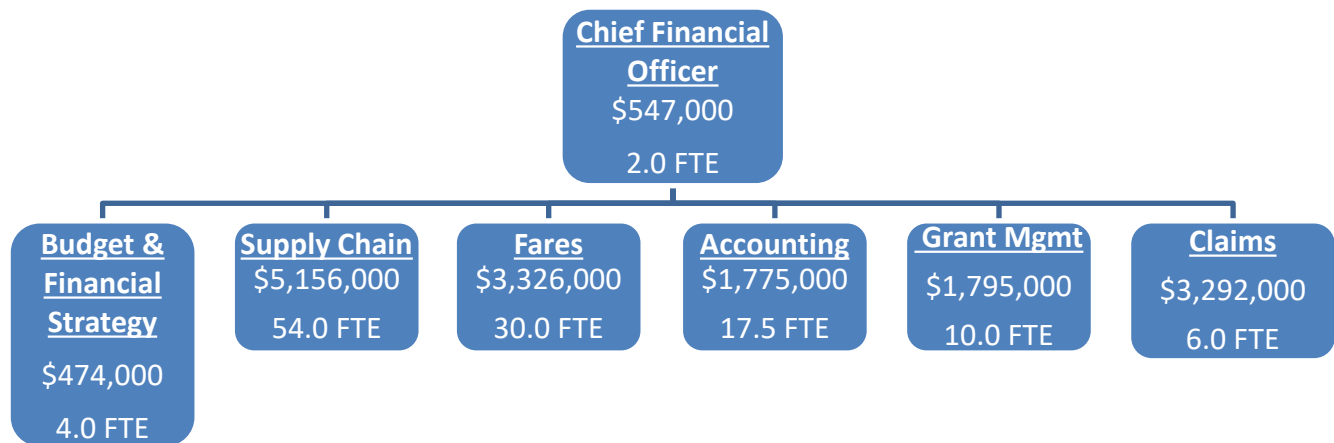
Apprenticeship program: \$1.5 million
Finishing 2022 Budgeted Contract services: \$0.1 million

2023 Additions:

HR Director and Strategy 2.0 FTE: \$0.3 million
Additional resources for Extra Board/Trainees: \$0.3 million
Operational Contingencies: \$1.9 million



Finance



Finance ensures UTA practices efficient, sound financial and resource management practices and oversees financial controls necessary to support the enterprise. Finance plans, allocates, and manages UTA's financial resources, leads financial risk management/mitigation, audit management, revenue collection, corporate investments, financial contract relationships, and pension fund and debt management.

UTA Finance office provides the following to make the UTA System work:

- *Budget and Financial Strategy.* Responsible for financial analysis, forecasting and planning, budget development, management, and monitoring/reporting on budget execution.
- *Accounting.* Manages payroll operations, accounts payable, accounts receivable, and financial reporting. Accounting is also the owner of the Enterprise Resource Planning system (ERP) – the financial system of record for the agency.
- *Fares.* Responsible for fare policy development, fare reporting and analysis, program administration of contract fares and all activities related to public fares including fare revenue collections and operations. Responsible for repairing, maintaining, and keeping all fare collection machines in proper working order and a state of good repair.
- *Supply Chain.* Supply Chain manages procurement, contracting, inventory, warranty claims, shipping & receiving, central warehouse operations and production control processes in support of TRAX, FrontRunner, and all administrative functions.
- *Claims and Insurance.* Manages risk and exposure for the agency. The Department manages all UTA claims and insurance programs including property damage, workers compensation, Personal Injury Protection and oversees capital development project insurance programs.
- *Grant Management.* The 2023 Operating Budget consolidates all grant functions at UTA in Finance. This includes the Program Grant section formerly housed in Service Development and the 5310 Mobility Management section formerly housed in Operations. Grant Strategy, Acquisition, Management and Administration is now consolidated in Finance.



2023 Proposed Finance Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
CFO	\$549,000	\$595,000	\$46,000
Grant Management	741,000	1,634,000	893,000
Supply Chain	5,170,000	5,337,000	167,000
Claims & Insurance	3,292,000	3,500,000	208,000
Fares	3,327,000	3,547,000	(39,000)
Accounting	1,770,000	2,067,000	297,000
Budget	528,000	516,000	12,000
Totals	\$15,376,000	\$17,195,000	\$1,819,000

2023 Proposed Finance Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$7,876,000	\$8,623,000	9.5%
Fringe	3,672,000	4,111,000	12.0%
Services	871,000	1,045,000	20.0%
Insurance	2,500,000	2,792,000	11.7%
Other O&M	994,000	1,106,000	11.3%
Capitalized Expense	(537,000)	(482,000)	-10.2%
Totals	\$15,376,000	\$17,195,000	11.8%



Finance FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
CFO	2.00	2.00	-
Grant Management	7.00	10.00	3.00
Claims & Insurance	7.00	6.00	-1.00
Budget & Financial Strategy	4.00	4.00	0.00
Accounting	16.50	17.50	1.00
Supply Chain	54.0	54.0	-
Fares	30.0	30.00	-
Totals	120.45	123.45	3.00

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 14,636	\$ (116)	\$ (95)	\$ -	\$ 455	\$ 952	\$ 15,831	\$ -	\$ 1,364	\$17,195

One-time expenses:

Procurement Software move to IT: \$0.1 million

Staffing Changes:

Move of Paralegal to CES from Insure and Claims: \$0.1 million decrease

Other Increases:

Other materials and services increases: \$0.2 million

Transfer of Grants Team from Special Services: \$0.8 million

2023 Additions:

New Grants Organization and transfers \$0.9 million

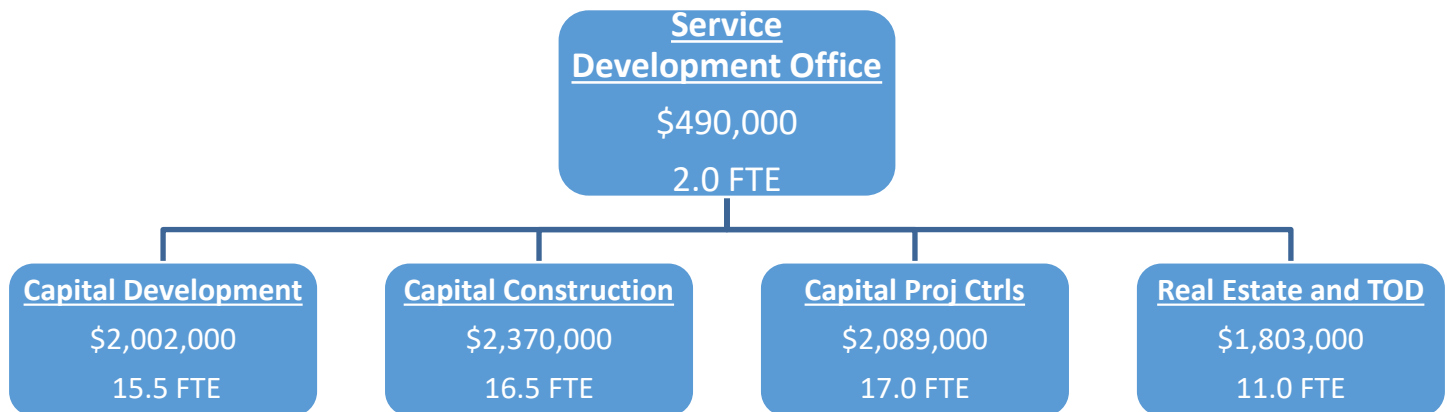
Increased insurance premiums \$0.2 million

Additional fares fees and expenses: \$0.2 million

Financial reporting fees \$0.1 million



Service Development



This office oversees UTA's capital work focused on safety, state of good repair, regulatory and service expansion needs.

UTA Service Development provides the following to make the UTA System work

- *Capital Development.* Work to transition projects from the visioning and local planning provided by the Planning Department to the project implementation phase.
- *Capital Construction.* Responsible for project design, design review, and project construction management.
- *Capital Project Controls.* Provide support for all departments on project controls/reporting, asset management, and environmental issues.
- *Real Estate and Transit Oriented Development.* Facilitates the acquisition, lease, management, disposition, and development of all UTA real property. Responsible to protect UTA's real property while generating revenue and upholding UTA's principal objectives.



2023 Proposed Service Development Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
CSDO Office	\$492,000	\$490,000	\$(2,000)
Capital Development	2,155,000	2,002,000	(153,000)
Capital Construction	2,255,000	2,370,000	115,000
Capital & Project Controls	1,346,000	2,089,000	743,000
Real Estate	1,535,000	1,803,000	268,000
Totals	\$7,783,000	\$8,754,000	\$971,000

2023 Proposed Service Development Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$5,178,000	\$5,676,000	9.6%
Fringe	2,294,000	2,651,000	15.6%
Services	1,742,000	1,557,000	-10.6%
Leases	162,000	312,000	92.6%
Capitalized Cost	(2,205,000)	(2,067,000)	-6.3%
Other O&M	612,000	625,000	2.1%
Totals	\$7,783,000	\$8,754,000	12.5%



Service Development FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
CSDO Office	2.00	2.00	-
Capital Development	18.00	15.80	-2.50
Capital Construction	14.00	16.50	2.50
Capital/Proj Ctrl's	13.00	17.00	4.00
Real Estate	9.00	11.00	2.00
Totals	56.00	62.00	6.00

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 7,783	\$ (63)	\$ 72	\$ -	\$ 336	\$ 128	\$ 8,257	\$ -	\$ 497	\$ 8,754

One-time expenses:

Move of software costs to IT: \$0.1 million

Other Increases:

Other materials and services increases: \$0.1 million

Staffing Changes:

Non-Revenue Fleet Maintenance Specialist

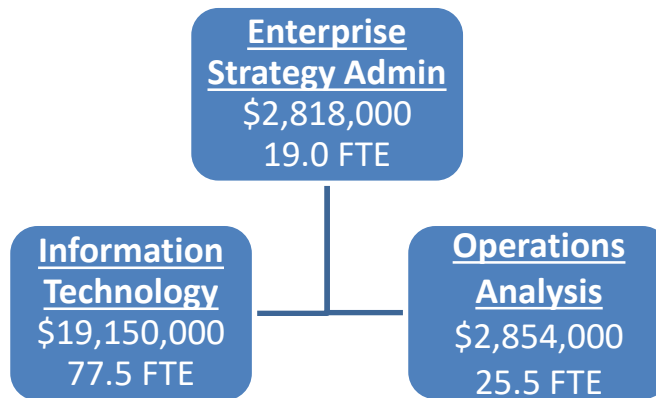
2023 Additions:

Real Estate Mgr: \$0.2 million

Non-Rev Fleet efforts: \$0.3 million



Enterprise Strategy



This Office brings together an Enterprise-wide view of UTA’s critical systems that drive Agency performance. UTA Enterprise Strategy office provides the following to make the UTA System work:

- **Enterprise Strategy:** Chief officer Administration also includes:
 - **Culture & Continuous Improvement:** Oversees the design, development, and deployment of UTA’s cultural initiatives, organizational development and implement continuous improvement tools and concepts which support and align with UTA’s culture model- the UTA Way.
 - **Risk & Policy:** In 2022 an Enterprise Risk Program will be deployed to help UTA focus on managing and mitigating risk Agency wide. This office will also oversee our UTA Policies and Agency standard operating procedures and ensure support our long-term Agency strategies and goals.
 - **Records Management:** Oversees UTA’s records and ensures the Agency is following proper retention policies and responding to all GRAMA requests.
- **Information Technology:** Provides ongoing support for and improvements to applications, data network needs, telephone communication, on-board technologies, radio communication, passenger information, and administrative systems.
- **Operations Analysis & Solutions (OAS):** Focuses on two critical areas: Promoting a data-driven culture and improving client experience in using technology tools to meet day to day business needs.



2022 Proposed Enterprise Strategy Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Chief Enterprise Strategy	\$1,734,000	\$2,818,000	\$1,084,000
Information Technology	18,001,000	19,150,000	1,149,000
Operations Analysis	2,790,000	2,854,000	64,000
Totals	\$22,525,000	\$24,822,000	\$2,297,000

2023 Proposed Enterprise Strategy Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$9,663,000	\$10,705,000	10.8%
Fringe	4,046,000	4,424,000	9.3%
Services	6,886,000	7,629,000	10.8%
Utilities	828,000	909,000	9.8%
Other O&M	1,103,000	1,155,000	4.7%
Totals	\$22,525,000	\$24,822,000	10.2%



Enterprise Strategy FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Chief Enterprise Strategy	12.00	19.00	7.00
Information Systems	77.50	77.50	-
Operations Analysis	25.50	25.50	-
Totals	115.00	122.00	7.00

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 22,525	\$ (600)	\$ 124	\$ -	\$ 514	\$ 845	\$ 23,408	\$ 35	\$ 1,379	\$ 24,822

One-time expenses:

One-time Office 365 Implementation: \$0.5 million

Staffing Changes:

Move of Paralegal in from Insurance and Claims: \$0.1 million
Mid-year promotions and compensation changes

Other Increases:

Other materials and services increases: \$0.8 million

2022 Carry Forward:

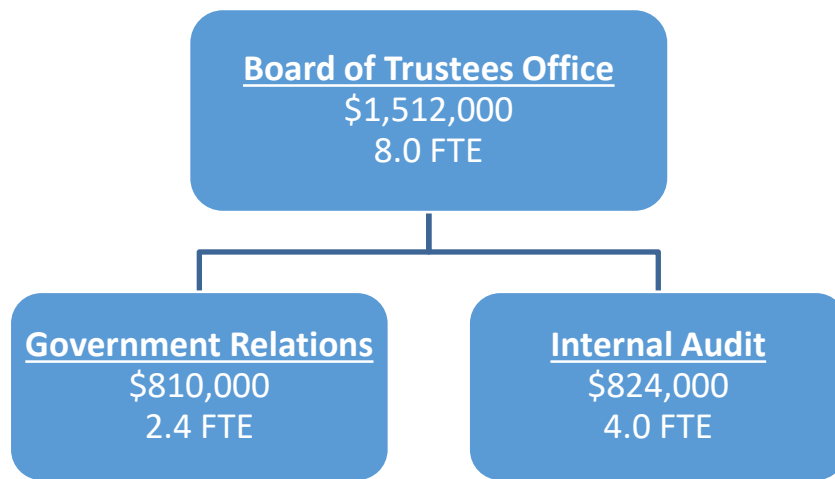
Overlap Business Analyst positions for transition

2023 Additions:

Data Governance: \$0.5 million
Data Security: \$0.2 million
WIN Program \$0.6 million
Other small items: \$0.1 million



UTA Board of Trustees



The UTA Board of Trustees are appointed by the Governor to represent their respective counties. The Trustees work closely with legislators, local governments, stakeholders, and community members. They partner with the Executive Director in setting the vision and long-term priorities for the Agency.

The Board of Trustees Office provides the following to make the UTA System work:

- Board of Trustees. Provide leadership, fiscal oversight and support the Executive Director in the daily management of UTA's services.
- In addition to their external focus the Board of Trustees also oversees the following departments:
 - *Internal Audit.* The audit team plays a critical role in evaluating and improving UTA's system of governance, risk management, and controls. This is done primarily through execution of the annual internal audit plan, which is defined and approved by the Audit Committee.
 - *Government Relations.* Engages externally with elected officials at a federal, state, and local level to inform, advocate and influence public policy that impacts UTA. They also collaborate and coordinate with partners and advocates on all three of these levels to promote the best interests of the organization.



2023 Proposed Board of Trustees Operating Budget Expenses by Department

Category	2022 Budget	2023 Proposed Budget	Change
Internal Audit	\$510,000	\$824,000	\$314,000
Government Relations	733,000	810,000	77,000
Board of Trustees	1,460,000	1,512,000	52,000
Totals	\$2,703,000	\$3,146,000	\$443,000

2023 Proposed Board of Trustees Operating Budget Expenses by Category

Category	2022 Budget	2023 Proposed Budget	Change
Wages	\$1,401,000	\$1,533,000	9.4%
Fringe	563,000	661,000	17.4%
Services	514,000	719,000	39.9%
Other O&M	226,000	234,000	3.5%
Totals	\$2,703,000	\$3,147,000	16.5%



Board of Trustees FTE Summary: 2022 Budget and 2023 Proposed Budget

	2022 Budget	2023 Proposed	Change
Board of Trustees	8.00	8.00	-
Government Relations	2.38	2.38	-
Internal Audit	3.00	4.00	1.00
Totals	13.38	14.38	1.00

Summary of budget changes:

2022 Budget	2022 One-Time Expenses	2022 Additions		2023 Adjustments		2023 Budget			
		Staffing	Service	Wage and Fringe	Other	2023 Base	2022 Carry Forward	2023 Additions	2023 Budget Request
\$ 2,702	\$ (25)	\$ -	\$ -	\$ 78	\$ 37	\$ 2,793	\$ -	\$ 354	\$ 3,147

One-time expenses:

APTA Hosting expenses: \$25k

Other Increases:

Other materials and services increases: \$37k

2023 Additions:

Internal Audit: External services \$150k

Internal Audit: EEO Auditor \$154k

Consulting/other expenses: \$50k



Board of Trustees 2023 Budget Requests

Key Initiatives:

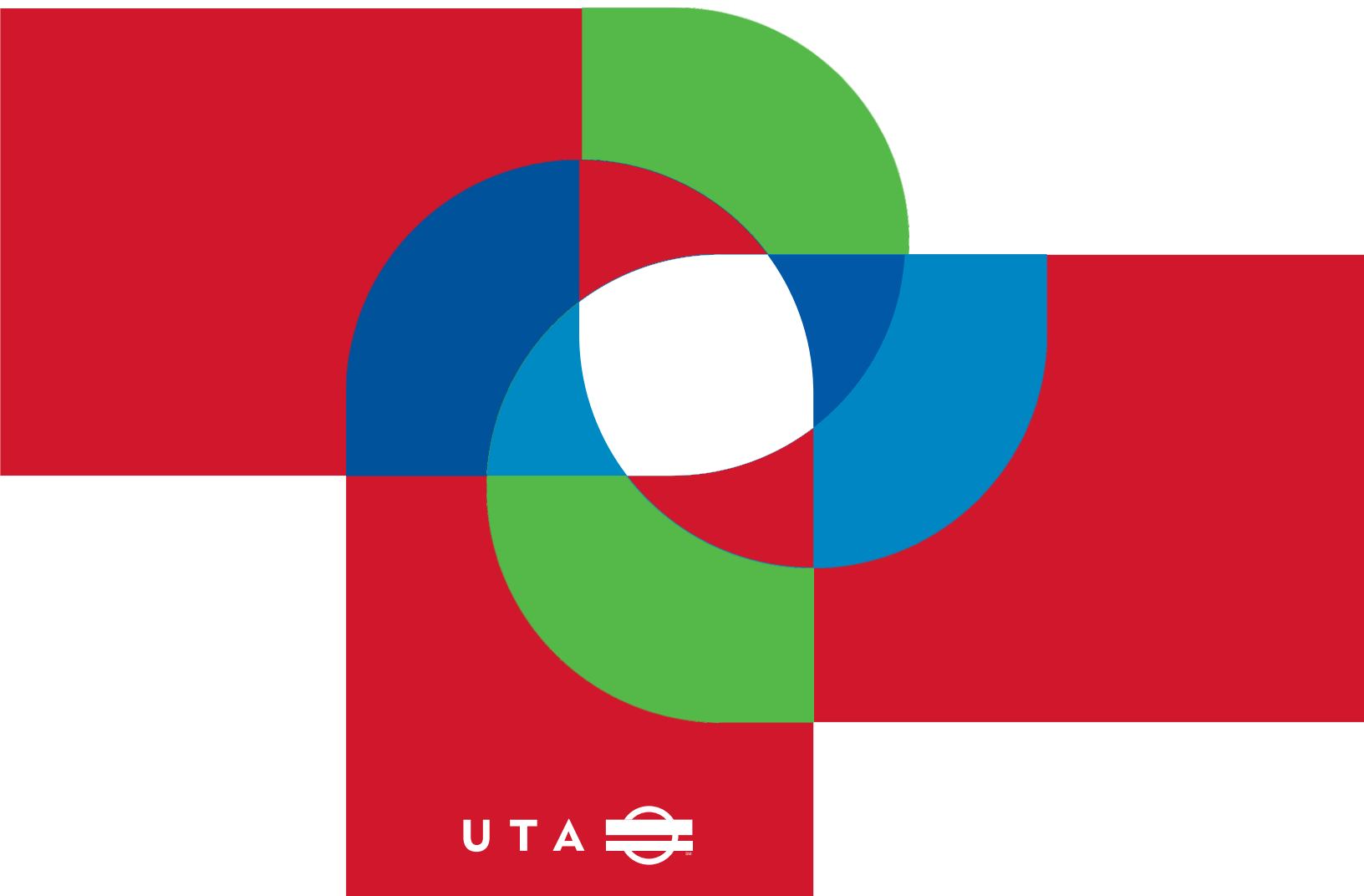
- Activation of Strategic Plan, including work plan and baseline metrics
- Increase influence on state issues with additional lobbyist investment (\$50K budget initiative)
- Outsources special purpose audit (\$125K budget initiative)
- Assume function of EEO investigations (\$10K budget initiative, alongside Internal Audit personnel)
- FTA certification for Internal Audit staff to perform safety audits

Core Work:

- Preparing and producing 34 open and public meetings of the Board of Trustees, Local Advisory Council and Audit Committee
- Implementing the 2023 Internal Audit Plan approved by the Audit Committee
- Engaging in and influencing key state and federal issues relevant to UTA;
2023 focus areas will include:
 - Frontrunner Strategic Double Tracking funding (with UDOT)
 - Transit Tech Center funding
 - Congressionally Directed Spending preparation and funding
 - Southern Utah County transit expansion
 - Multiple state policy issues (transit worker safety, UTA Police, etc.)



Capital and Debt



2023 Capital Budget and 5-Year Plan

The following tables are developed with reference to the 5-Year Capital Plan documents produced by Project Controls in the Service Development Office. The capital revenue in this section is listed on an accrual-basis such that projects balance in each year of work. Note that the capital revenue listed in financials reconciling at the organization-wide level (including opening and closing cash balances) are listed on a cash-basis. This may result in some discrepancies for state funds received in years prior to their actual usage.

2023 Capital Budget Project Summary

Reporting Group	2023 Total Budget	2023 Grants & Lease	2023 State & Local	2023 UTA Funds
5310 Projects	\$ 7,455,000	\$ 6,348,000	\$ 1,059,000	\$ 48,000
Capital Construction	30,899,000	22,320,000	3,117,000	5,462,000
Capital Development	87,623,000	25,354,000	21,410,000	40,859,000
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	92,249,000	69,461,000	4,457,000	18,331,000
Safety and Security	5,420,000	-	-	5,420,000
Other (Contingency-Unfunded)	6,377,000	1,377,000	-	5,000,000
Grand Total	\$ 318,797,000	\$163,455,000	\$ 31,347,000	\$123,995,000



2023 State of Good Repair Summary

Highlighted Projects	2023 Total Budget	2023 Grants & Lease	2023 State & Local	2023 UTA Funds
Revenue/Service Vehicles	\$ 59,183,000	\$ 48,643,000	\$ -	\$ 10,540,000
Replacement Buses	31,452,000	31,356,000	-	96,000
Light Rail Vehicle Rehab	13,610,000	10,888,000	-	2,722,000
Paratransit Replacements	3,328,000	3,328,000	-	-
Commuter Rail Engine Overhaul	3,035,000	-	-	3,035,000
Bus Engine/Trans/Comp Rehab/Replace	2,100,000	-	-	2,100,000
Other	5,658,000	3,071,000	-	2,587,000
Infrastructure SGR Projects	\$ 51,309,000	\$ 37,081,000	\$ 200,000	\$ 14,028,000
Traction Power Rehab/Replacement	15,332,000	12,265,000	-	3,067,000
Rail Rehab and Replacement	14,650,000	11,720,000	-	2,930,000
Train Control Rehab/Replacement	4,400,000	3,520,000	-	880,000
Fiber Rehab/Replacement	4,400,000	3,520,000	-	880,000
Light Rail Red Signal Enforcement	3,315,000	-	-	3,315,000
Rail Switches/Trackwork Controls	2,820,000	2,256,000	-	564,000
Grade Crossing Rehab/Replacement	2,750,000	2,200,000	-	550,000
OCS Rehab/Replace	2,000,000	1,600,000	-	400,000
Other	1,642,000	-	200,000	1,442,000
Facilities- SGR	\$ 7,021,000	\$ -	\$ -	\$ 7,021,000
Capital Development	\$ 5,090,000	\$ -	\$ -	\$ 5,090,000
Bus Stop Enhancements	3,090,000	-	-	3,090,000
Other	2,000,000	-	-	2,000,000
Grand Total	\$ 122,603,000	\$ 85,724,000	\$ 200,000	\$ 36,679,000

*All projects with a total 2023 budget under \$2 million are listed under Other in their respective reporting Group



2023 Major Project Summary

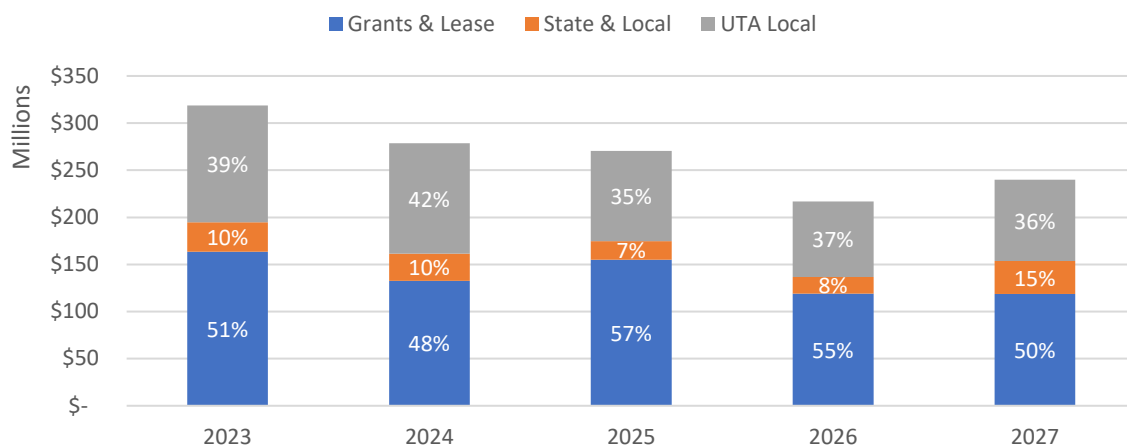
Non-SGR projects with a total 2023 budget \$5 million and greater are listed below:

Highlighted Projects	2023 Total Budget	2023 Grants & Lease	2023 State & Local	2023 UTA Funds
VW Battery Buses	\$ 22,030,000	\$ 13,008,000	\$ 2,500,000	\$ 6,522,000
MSP253 Mid-Valley Connector	15,001,000	9,228,000	5,773,000	-
Ogden/Weber State University BRT	14,785,000	13,625,000	-	1,160,000
Depot District	12,001,000	8,695,000	3,117,000	189,000
TIGER Program of Projects	10,460,000	4,464,000	1,477,000	4,519,000
Public Partnership Projects	10,000,000	-	-	10,000,000
Fares Systems Replacement Program	5,500,000	-	-	5,500,000
ROW & Facility Property Opportunity Buy	5,000,000	-	-	5,000,000
HB433 Future Rail Car Purchase Payment	5,000,000	-	-	5,000,000
Grand Total	\$ 99,777,000	\$ 49,020,000	\$ 12,867,000	\$ 37,890,000

5-Year Plan: 2023-2027

Year	Total Budget	Pending Grants/State	Grants & Lease	State & Local	UTA Funds
2023	\$ 318,797,000	\$ 6,271,000	\$ 157,684,000	\$ 143,333,000	\$ 11,509,000
2024	278,469,000	18,733,000	114,546,000	144,370,000	820,000
2025	270,308,000	58,247,000	100,560,000	111,071,000	430,000
2026	216,803,000	60,445,000	74,774,000	81,484,000	100,000
2027	239,753,000	101,557,000	50,918,000	87,266,000	12,000
Grand Total	\$1,324,130,000	\$245,253,000	\$ 498,482,000	\$567,524,000	\$ 12,871,000

Capital Revenues



Capital Sources & Uses

Sources	2023	2024	2025	2026	2027	Total	%
UTA Local	\$123,995	\$116,938	\$95,446	\$80,184	\$86,166	\$502,729	38%
Lease	41,755	52,201	47,826	56,744	32,916	231,442	17%
Formula Funds	47,969	30,000	18,003	18,000	18,000	131,972	10%
Grants	73,731	50,328	89,228	44,225	67,809	325,321	10%
State	19,338	27,432	15,625	1,300	1,100	64,795	5%
Local Partner	11,509	820	430	100	12	12,871	1%
Other State/Local	500	750	3,750	16,250	33,750	55,000	0%
Grand Total (Thousands)	\$318,797	\$278,469	\$270,308	\$216,803	\$239,753	\$1,324,130	100%

Uses	2023	2024	2025	2026	2027	Total	%
LR Vehicle Replace	\$2,000	\$3,000	\$15,000	\$65,000	\$135,000	\$220,000	17%
Replacement Buses	31,452	38,787	42,816	50,891	26,910	190,856	13%
Mid-Valley Connector	15,001	45,103	43,976	-	-	104,080	8%
LR Vehicle Rehab	13,610	12,662	10,000	9,000	9,000	54,272	4%
Davis-SLC Connector	1,700	5,864	35,566	12,519	-	55,649	4%
Revenue/Service							
Vehicles	45,187	23,461	14,119	13,273	12,868	108,908	8%
Capital Development	70,162	41,660	26,525	14,575	14,375	167,297	12%
Infrastructure SGR							
Projects	51,309	40,623	35,095	28,063	25,672	180,762	14%
Information Technology	17,690	25,483	15,036	8,764	2,023	68,996	5%
Capital Construction	30,899	2,050	1,000	500	-	34,449	3%
Property/TOC	8,627	2,634	1,184	791	63	13,299	1%
Facilities- SGR	7,021	16,117	6,245	3,527	3,823	36,733	2%
Safety and Security	5,420	2,823	2,817	2,793	2,912	16,765	1%
Planning	4,127	1,935	1,800	1,800	1,800	11,462	1%
Other	14,592	16,267	19,129	5,307	5,307	60,602	6%
Grand Total (Thousands)	\$318,797	\$278,469	\$270,308	\$216,803	\$239,753	\$1,324,130	100%



Debt

UTA does not use short-term debt to bridge the gap between the timing of expenditures and the receipt of revenues. The current 5-year Capital Plan does not forecast any additional bonds will be issued. All these bonds have been executed under the General Indenture of Trust created in 2002.

Capacity

If UTA issued General Obligation Bonds, according to Utah State law, the amount of debt issued by UTA cannot exceed 3% of the fair market valuation of property located within the regional transit authority's district. UTA does not issue General Obligation Bonds as a Transit District in the State of Utah. UTA issues Sales Tax Revenue Bonds, which Sales Tax Revenue Bonds do not have any statutory limits as to legal debt limitations. Sales Tax Revenue Bonds are constrained by UTA's ability to repay the principal and interest amounts annually with Sales Tax revenues. An important metric of UTA'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	Lowest DSCR Forecasted	Year of Lowest
Senior Lien	2.0x	3.60x	2023
Subordinate Lien	1.5x	4.54x	2040

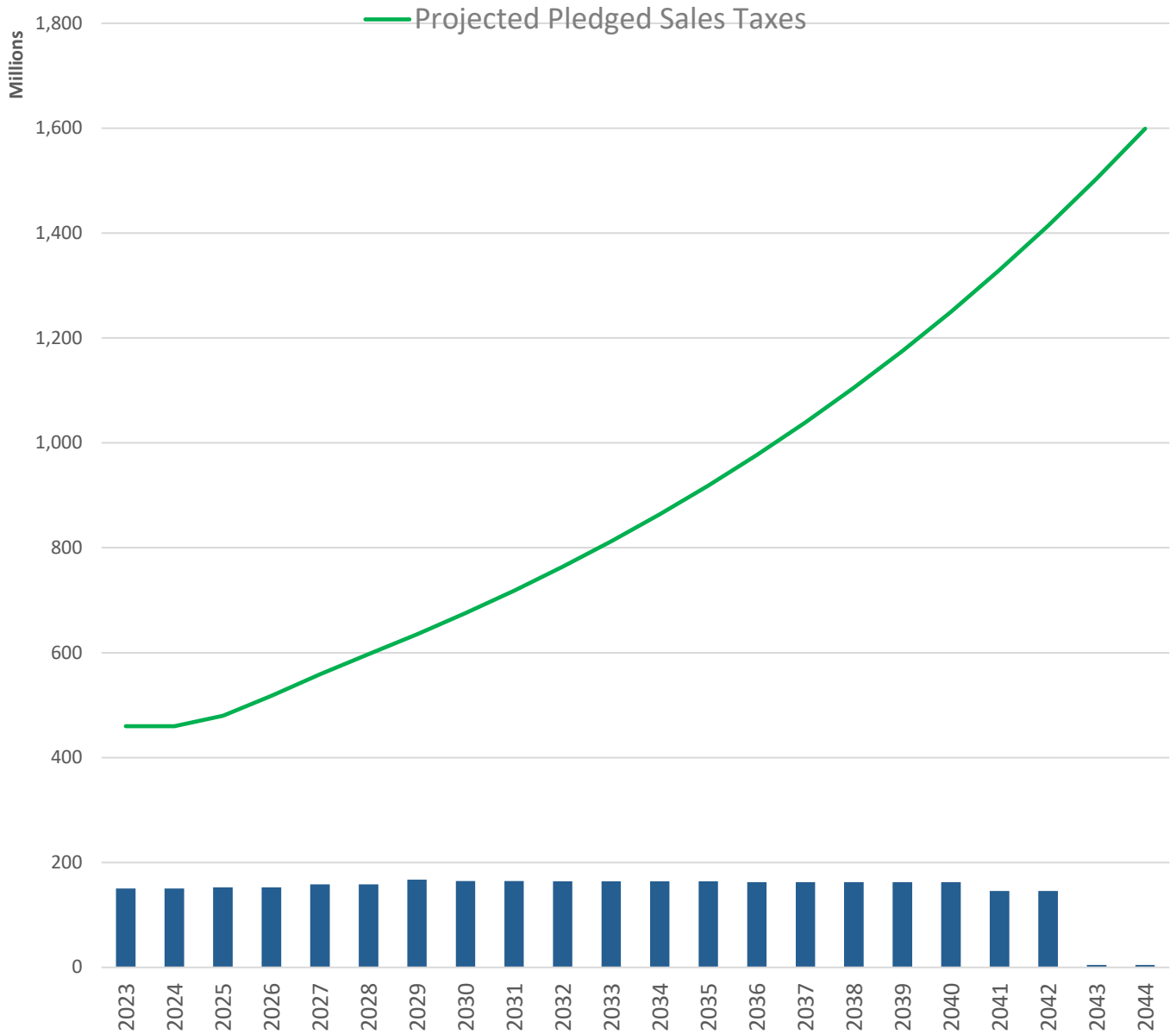
UTA's net debt service coverage ratio would be at its lowest rate of 3.6 in 2023 and is projected to increase steadily over the life of the existing debt portfolio. Adherence to other minimum debt service coverage ratios specific to the lien are detailed on the table on the next page.



Year	Projected Pledged Sales Taxes	Senior Lien Debt Payments	Sr Lien & Cov. Ratio	Subordinate Lien Debt Payments	Sub. Lien Debt Service Cov. Ratio	Total Debt Payments	Total Debt Service Cov. Ratio
2023	459,839,154	104,039,742	4.42	46,453,711	9.90	150,493,453	3.06
2024	459,839,154	104,045,687	4.42	46,446,219	9.90	150,491,906	3.06
2025	479,658,222	105,978,989	4.53	46,447,174	10.33	152,426,163	3.15
2026	517,743,085	105,981,667	4.89	46,451,771	11.15	152,433,438	3.40
2027	558,851,886	101,946,084	5.48	56,198,041	9.94	158,144,125	3.53
2028	597,133,240	101,941,964	5.86	56,188,017	10.63	158,129,981	3.78
2029	635,051,201	104,906,327	6.05	62,439,403	10.17	167,345,730	3.79
2030	675,376,952	102,048,307	6.62	62,415,895	10.82	164,464,202	4.11
2031	718,263,388	102,055,492	7.04	62,439,893	11.50	164,495,385	4.37
2032	763,873,114	101,802,153	7.50	62,439,607	12.23	164,241,760	4.65
2033	812,379,056	124,060,994	6.55	40,077,991	20.27	164,138,985	4.95
2034	863,965,126	124,064,926	6.96	40,080,199	21.56	164,145,125	5.26
2035	918,826,912	124,062,891	7.41	40,078,514	22.93	164,141,405	5.60
2036	977,172,421	127,429,814	7.67	34,962,723	27.95	162,392,537	6.02
2037	1,039,222,870	125,833,888	8.26	36,563,777	28.42	162,397,665	6.40
2038	1,105,213,522	123,415,219	8.96	38,980,308	28.35	162,395,527	6.81
2039	1,175,394,580	99,960,375	11.76	62,436,883	18.83	162,397,258	7.24
2040	1,250,032,136	11,657,724	107.23	150,946,856	8.28	162,604,580	7.69
2041	1,329,409,177	79,316,687	16.76	66,369,476	20.03	145,686,163	9.13
2042	1,413,826,660	122,206,633	11.57	23,475,140	60.23	145,681,773	9.70
2043	1,503,604,652	4,445,000	338.27			4,445,000	338.27
2044	1,599,083,548	4,439,300	360.21			4,439,300	360.21
Totals		\$ 2,105,639,863		\$1,081,891,598		\$ 3,187,531,461	



Total Debt Service Payments in Relation to Pledged Sales Taxes



UTA's 2023-2027 Transit Financial Plan (TFP) does not call for any financing needs, which is evident in the unrestricted cash balances available throughout the plan. Total projected sources and beginning cash balance is insufficient to fund total uses, reserve requirements and debt service for the period of 2023 to 2027.

Performance and ratings

UTA's financing performance to date and in the future is evaluated by the agency's credit rating and adherence to debt service coverage ratios and other financial policies. The agency's current bond ratings are as follows:

Source: Zions Bank Financial Advisors

Effective date: November 2019	Standard & Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AA	AA-	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A+	AA-	A1
Outlook	Stable	Stable	Stable

Source: Zions Bank Financial Advisors

Effective date: November 2019	Standard & Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AA	AA-	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A+	AA-	A1
Outlook	Stable	Stable	Stable

Utah Transit Authority Issuer Type: Transit					
BOND RATINGS < 1 of 2 >			BOND RATINGS < 2 of 2 >		
Senior Lien			Subordinate Lien		
MOODY'S	S&P	FITCH	MOODY'S	S&P	FITCH
Aa2	AA	AA	Aa3	AA-	AA

Source: <https://www.rideutainvestors.com/utah-transit-authority-bonds-ut/i2318>



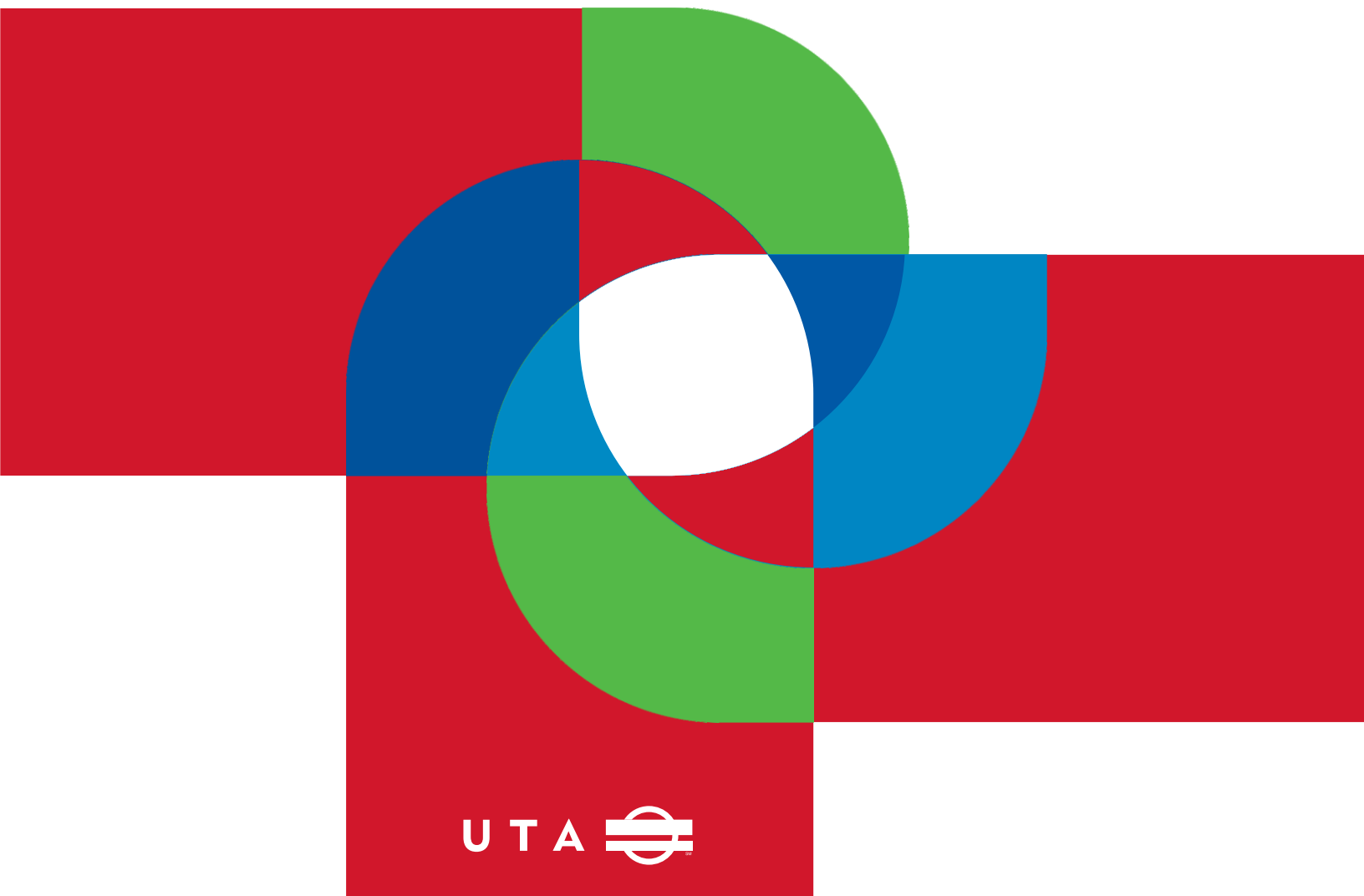
2023 Debt Service Detail

2023 Debt Service (000's)	Cash Basis	Full Accrual Basis
Principal on Bonds	\$ 67,770	\$ 69,093
Interest on Bonds	82,723	73,045
Interest Subsidy (Build America Bonds)	(8,889)	(8,889)
Premium/Discount Amortization		(7,322)
Refunding Gains/Losses Amortization		17,658
Accrued Interest on 2016 CAB		779
Net Interest Expense	73,834	75,271
Net Bond Principal and Interest	141,604	144,364
On-going Bond Sale Cost	79	79
Principal on 2016 Utah County Debt	1,595	1,595
Interest on 2016 Utah County Debt	1,780	1,780
Restricted Reserves for 2029 Principal		9,123
4th Quarter Cent in Utah County	3,375	12,498
Principal on Existing Leases	8,604	8,604
Interest on Existing Leases	1,413	1,413
Principal on 2022 Leases for \$49.3M starting November 2022	3,687	3,687
Interest on 2022 Leases for \$49.3M starting November 2022	2,122	2,122
Lease Principal & Interest on \$46.8M in November 2023	450	450
Net Lease Principal and Interest	16,276	16,276
Total 2023 Debt Service	\$ 161,334	\$ 173,217

UTA continues to look for opportunities to refund bonds when possible in the future.



Financial Structure, Policy, and Process



Financial Structure

Accounting Method

UTA reports as a single enterprise fund and uses the accrual method of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Department /Fund Relationship

Within the enterprise fund, UTA maintains two budgets – one for operations and one for capital. Within the operations budget, expenses are tracked by type of service mode (bus, light rail, commuter rail, paratransit, or rideshare/vanpool) as well as operations support, administrative, non-operating, and debt service.

Departments within operations and operations support by type of service are:

Bus	Light Rail	Commuter Rail	Paratransit	Rideshare Vanpool
Mt. Ogden Operations	Light Rail Operations	Commuter Rail Operations	Paratransit Operations	Van Pools
Mt. Ogden Maintenance	Light Rail Maintenance	Commuter Rail Maintenance	Paratransit Maintenance	Rideshare Administration
Mt. Ogden Administration	Light Rail Jordan River Maintenance	Commuter Rail Administration	Special Service Administration	
Timpanogos Operations	Light Rail Administration	Maintenance of Way Systems		
Timpanogos Maintenance	Rail Fleet Sustainability	Maintenance of Way Infrastructure		
Timpanogos Administration	Maintenance of Way Systems			
Meadowbrook Operations	Maintenance of Way Infrastructure			
Meadowbrook Maintenance				
Meadowbrook Administration				
Central Maintenance				
Integrated Service Planning				
Transit Communications Center				

Departments within the operations support, and administrative classifications are provided on the following page.



Operations Support	Administrative
Support Maintenance	Product Development & Sales
Fleet Engineering	Fares
Asset Management - State of Good Repair	Risk Management
Vehicle Disposal	Technology Security
Facilities	Communications & Deployment
Ticket Vending Machine Maintenance	Applications Support
Radio & Rail Communications	Application Development
Supply Chain - Purchasing	Network Support
Supply Chain - Warehousing	Quality Assurance
Farebox Service	Accounting
Fare Strategy & Operations	Finance
Customer Service	Intermodal Center - SLC
Public Safety	Intermodal Center - Ogden
Operations Analysis & Solutions	Budget & Financial Analysis
Data Quality & Ridership	Innovative Mobility Services
Safety & Security	Government Relations
Bus Communications	Public Relations & Marketing
Talent Development	Planning & Engagement
	Board of Trustees
	Total Rewards
	People Office
	Human Resources and Labor Relations
	Workforce Planning
	Operations Office
	Internal Audit
	Executive Director
	Legal
	Civil Rights
	Corporate Support
	Customer Experience
	Grant Management
	Enterprise Strategy
	Capital Projects & Development
	Planning
	Real Estate
	Service Development
	Grant Management

Within the capital budget, expenses are tracked by discrete projects, Safety & Security, State of Good Repair (capital maintenance to the transit infrastructure), and Information Technology. More detail about capital investments is provided in the Capital and Debt section.



Basis of Budgeting

Budgeting is based upon the accrual basis with these exceptions:

- UTA budgets capital expense rather than depreciation expense
- UTA does not budget for change in actuarial estimates for the pension
- In addition to bond interest expense, UTA budgets annual bond principal payments
- The annual budget excludes amortization of bond issuance premiums and discount

Financial Information and Policies

Basis of Accounting

The Authority reports as a single enterprise fund and uses the accrual method of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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.

Federal Planning Assistance and Preventive Maintenance Grants

Federal planning assistance grants received from the Federal Transit Administration (FTA) and preventive maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. The current reauthorizations act, Fix America's Surface Transportation (FAST), allows for the replacement and repair of aging infrastructure. Congress is engaged in negotiations on the next Transportation Act at the time this document was printed.

Federal Grants for Capital Expenses

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 35% to 93% of the cost of property and equipment acquired by the Authority through federal grants. Grant funds for capital expenses are earned and recorded as capital contribution revenue when the capital expenses are made and eligibility requirements are met.

Contributions from Other Governments (Sales Tax)

As approved by the voters or county governing bodies, sales tax for transit is collected to provide the



Authority with funds for mass transit purposes. Funds are utilized for operations and for the local share of capital expenses. Sales tax revenues are accrued as a revenue and receivable for the month in which the sales take place. The Authority does not have taxing authority in any jurisdiction; therefore, this revenue is considered a contribution from another government.

Approved Local Option Sales Tax:

Salt Lake County	0.7875%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.6260%
Tooele County	0.4000%

Budgetary and Accounting Controls

The Authority's annual budgets are approved by the Board of Trustees, as provided for by law. Operating and non- operating revenues and expenses are budgeted on the accrual basis except for depreciation, pension actuarial expenses, bond principal payments, and amortization of bond issuance premiums and discounts. Capital expenses and grant reimbursements are budgeted on a project basis. Multi-year projects are approved in whole but are budgeted based on estimated annual expenses and revenues.

The Authority adopts its annual budget in December of the preceding year.



UTA Board of Trustees Bylaws (Budget Related)

ARTICLE VII – CONDUCTING BUSINESS

Section 1 **Resolutions, Orders and Ordinance – Vote Recorded**

Each and every formal action by the Board and Advisory Council shall be taken by the passage of a resolution, order or ordinance by the Board or Advisory Council. Resolutions and ordinances shall be by roll call vote with each affirmative and negative vote recorded. Proposed resolutions and ordinances shall be forwarded to each Trustee and Member by electronic means at least twenty-four hours before the ordinance is presented for adoption. All resolutions and ordinances passed by the Board and Advisory Council shall be authenticated as soon as practicable after their passage by the signature of the applicable Chair and attested to by the Board Secretary or Advisory Council, Second Vice-Chair, and kept in the official records of the Authority. A record of meetings of the Board and Advisory Council shall be made and retained as provided by law.

Section 2 **Adoption and Amendment of Bylaws**

These Bylaws may be adopted and amended by an affirmative vote by a majority of the Board after consultation with the Advisory Council.

Section 3 **Fiscal Year**

The fiscal year of the Authority shall commence on January 1 and end December 31 of each calendar year.

Section 4 **Principal Place of Business**

The principal place of business for the Authority, and the location of all offices and departments, shall be determined from time to time by the Board. The Board Secretary shall publish the location of the principal place of business in the Government Entity Database maintained by the Division of Corporations of the State of Utah.

Section 5 **Budget**

The Authority shall prepare an annual budget for the consideration of the Board each year in compliance with applicable law. After analyzing the proposed budget and making any corrections or revisions that it may find necessary and consulting with the Advisory Council, the Board shall adopt a final annual budget prior to the end of each fiscal year.

Section 6 **Audit Reports**

- A. Annual Audit - The Board shall cause an annual audit of the Authority's financial statements to be conducted in accordance with general accepted auditing standards following the end of each fiscal year and in compliance with the Act. The audit shall be performed by an independent certified public accounting firm selected by the Board. The auditor shall provide a signed auditor's opinion as to the fair presentation



of the financial position of the Authority and the results of Authority operations and changes in its financial position for the fiscal year ended. The audit shall be made available in compliance with the Act.

- B. Other Audits – In consultation with the Advisory Council, the Board may cause audits other than the annual audit to be made, which shall be made available in compliance with the Act.



Utah's Provisions Applicable to All Local Districts

17B-1-702 Local District to Submit Budgets

Except as provided in paragraph (a), within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of each local district with an annual budget of \$50,000 or more shall send a copy of its tentative budget and notice of the time and place for its budget hearing to 1) each of its constituent entities that has in writing requests a copy; and (2) to each of its customer agencies that has in writing requested a copy.

(a) Within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of trustees of a large public transit district as defined in Section 17B-2a-802 shall send a copy of its tentative budget and notice of the time and place for its budget hearing to 1) each of its constituent entities; 2) each of its customer agencies that has in writing requested a copy; 3) the governor; and 4) the Legislature.

The local district shall include with the tentative budget a signature sheet that includes 1) language that the constituent entity or customer agency received the tentative budget and has no objection to it; and 2) a place for the chairperson or other designee of the constituent entity or customer agency to sign.

Each constituent entity and each customer agency that receives the tentative budget shall review the tentative budget submitted by the district and either 1) sign the signature sheet and return it to the district; or 2) attend the budget hearing or other meeting scheduled by the district to discuss the objections to the proposed budget.

If any constituent entity or customer agency that received the tentative budget has not returned the signature sheet to the local district within 15 calendar days after the tentative budget was mailed, the local district shall send a written notice of the budget hearing to each constituent entity or customer agency that did not return a signature sheet and invite them to attend that hearing. If requested to do so by any constituent entity or customer agency, the local district shall schedule a meeting to discuss the budget with the constituent entities and customer agencies. At the budget hearing, the local district board shall 1) explain its budget and answer any questions about it; 2) specifically address any questions or objections raised by the constituent entity, customer agency, or those attending the meeting; and 3) seek to resolve the objections.

Nothing in this part prevents a local district board from approving or implementing a budget over any or all constituent entity's or customer agency's protest, objections, or failure to respond.



Utah's Provisions Applicable to All Local District 17-B-1-1102 Limitation on Bonds

A public transit district may not issue general obligations bonds if the issuance of the bonds will cause the outstanding principal amount of all of the district's general obligation bonds to exceed the amount that results from multiplying the fair market value of the taxable property within the district, as determined under Section 11-14-301(3)(b) by 3%. Bonds or other obligations of a public transit district that are not general obligation bonds are not included in this limit.



Board of Trustees Policy No. 2.1

Financial Management – Key Budget Provisions (~December 2022)

A. Reserves

1. The Authority will maintain the following reserves:
 - a. General operating reserves, 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 Treasurer will manage the use of the funds in the general operating reserve.
 - b. Service stabilization reserve funded at a level equal to three percent (3%) of the Authority's budgeted operating expense, excluding nonoperating expense, to be used to avoid service reductions at such times as the Authority faces a revenue shortfall or cost overrun due to extraordinary circumstances. The Board of Trustees must give its prior approval before funds in the service stabilization reserve are used.
 - c. Bond reserves funded at a level required by bond covenants to be used for the payment of debt service in the event that the Authority fails to make scheduled bond principal and interest payments. The Board of Trustees must give its prior approval before funds in the bond reserve are used.
 - d. Capital replacement reserve to reach a level equal to 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.
 - e. Self-insurance/catastrophic reserve established annually through the budget process to reflect claims outstanding from risk management and estimable and presumed liability on open legal cases through the attorney general's office. The amount in this reserve is reported to the Department of Public Safety annually. An element of the reserve will fund a catastrophic loss reserve for vanpool claims over existing insurance coverage. The funding of the catastrophic loss reserve may be funded by vanpool fees to mitigate large claims.
 - f. Debt reduction reserve fund for the purpose of retiring outstanding bonds or long-term obligations, with advance approval by the Board of Trustees, may be used to supplement the general operating reserve.



2. The Board of Trustees may establish other reserves and make additional contributions to existing reserves.
3. Reserve balances will be reported on the Authority's monthly financial statements.
4. Upon the use of any service stabilization, bond, or capital replacement reserves, or debt reduction reserve the Board of Trustees will, by resolution, establish a timeline for the full reimbursement of the reserves within 60 months after their first use and begin to restore reserves used no later than 24 months after their first use.

B. Long-term Financial Planning

1. The Executive Director will develop a long-term (5 years or longer) financial plan incorporating the Board of Trustees' strategic plan, identifying the Authority's long-term financial challenges and proposed solutions based upon reasonable projections of revenue and expense including operations and maintenance, reasonably anticipated new funding programs, capital expansion, maintenance of a state of good repair of existing assets, asset replacement, and debt issuance. The Executive Director will update the long-term financial plan three times a year.
2. The Board of Trustees will review the long-term financial plan annually and report it to the State Bonding Commission.

C. Budgeting

1. As provided for in the Authority's Bylaws, the Authority will prepare an annual budget and the Board of Trustees, after consultation with the Advisory Council, will approve the budget.
2. The Board of Trustees may amend or supplement the budget at any time after its adoption.
3. The Executive Director may make administrative adjustments to an adopted budget without Board of Trustee approval as long as those changes will not have a significant policy impact or affect budgeted year-end fund balances.

Capital

The Executive Director will develop a Five-Year Capital Plan to be approved by the Board of Trustees annually after consultation with the Local Advisory Council where they approve and recommended adoption by the Board of Trustees. The plan will be updated every year for inclusion in the annual budget process discussions and approvals. The Five-Year Capital Plan will be fiscally constrained and will maintain all assets at a state of good repair to protect the Authority's capital investment and minimize future maintenance and replacement costs.



Budget Process

This section describes the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also includes procedures for amending the budget after adoption and the process used in developing the capital budget. A budget calendar for the budgeted year 2023 is included at the end of this section.

Budget Process: The Executive Director and Chief Financial Officer, with the advice and counsel of the Board of Trustees and the Local Advisory Council, prepare a preliminary budget for the ensuing year including operation, maintenance, administration expenses, debt service, and capital expenditures.

Preparation of the annual budget is intertwined and coordinated with input from various updates from of the Agency's financial plan. There are four stages in the annual budget process:

1. Budget Planning
2. Establishing the Base Budget
3. Identification, prioritization, and selection of Budget Initiatives from Budget Planning phase or other processes for inclusion in the Tentative Budget
4. Preparation, and approval of Tentative and Final Budgets

The yearly process starts in the Spring with the Authority's Executive Team and staff assessing estimates for revenues, operating expenses, and capital projects. Budget priorities are discussed, and a preliminary five-year capital plan is developed.

Budget Planning starts the Budget Development process. Budget Plans provide key information for UTA's decision-making process around resource allocation. They clearly articulate Office/Department objectives, business, or operating environment, change drivers, change initiatives, prioritization criteria and connection to the UTA Way and Strategic Framework. Budget Plans are an input to the budget outlook process and form the foundation for potential Budget Initiatives.

After a preliminary budget outlook is reviewed with the Board of Trustees, the Executive Director develops and distributes budget preparation instructions for Authority staff.

Changes in assumptions are incorporated into the 5-Year financial plan and a Base Operating Budget (Base Budget) for the upcoming year is calculated. One-time costs are eliminated, current year technical budget adjustments, mid-year service changes, and know labor cost changes, fuel and power cost change projections, and inflationary factors are applied to the current adopted budget to arrive at a Base Budget at the account code level for each Office. The Base Budget is then projected over the 5-year planning horizon and the agency determines if the Base Budget is sustainable.

The next phase of the Budget Development process is the development of new Budget Initiatives. Budget



Initiatives are informed by the Budget Planning process and emerging factors. This is the process to identify priority investments in the Operating program or, if the Base Budget is not sustainable, initiatives are identified to bring the financial plan back into balance. Budget Initiatives are reviewed and prioritized by the Executive Team for inclusion in the budget request.

A draft five-year capital plan is completed and reviewed with the Board of Trustees and the Local Advisory Council in September. The first year of the capital plan, which includes specific capital projects and the funding available through outside funding such as grants, local partners, state funding, and financing are included in the next year's capital budget.

In August each Chief Officer submits an operating budget which includes the Base Budget level and any approved Budget Initiatives. The Executive Team reviews the operating budgets and makes any adjustments it deems necessary. Preliminary budgets are reviewed with the Board of Trustees in September. Any modifications to the budget are completed by early October.

In late October or early November, the Executive Director presents the Tentative Budget to the Board of Trustees for their review and approval. Once the Tentative Budget is approved by the Board of Trustees, it is sent to the Governor's Office, State Legislature and Local Governments and a 30-day comment period, which includes a public hearing, is established. Input from the Local Advisory Council on the Tentative Budget is sought following Board approval.

In early December, the Executive prepares and presents the Final Budget to the Board of Trustees for its review and approval.

Adoption of Annual Budget: Before the first day of each fiscal year, the Board shall adopt the annual budget by a vote of a quorum of the total Board. If, for any reason, the Board has not adopted the annual budget on or before the first day of January of any fiscal year, the preliminary budget (Tentative Budget) for such year shall be in effect for such fiscal year until the annual budget is adopted.

Please refer to the 2023 UTA Budget Preparation Schedule at the end of this section.



Annual Budget Schedule:

<u>Task</u>	<u>Completion Date</u>
Budget Office Distributes Budget Memo	Apr. 22, 2022
Executive Team Reviews & Approves Base Targets	May 31, 2022
Executive Team Reviews and Approves Draft Tentative Budget	Aug. 2, 2022
Board Budget Work Sessions	Sep. 12 to Sep. 16, 2022
Board Reviews 2023 Tentative Budget	Oct. 12, 2022
Board approves 2023 Tentative Budget and November public hearing date	Oct. 26, 2022
Budget Review and Comment Period	Nov. 10 to Dec. 10, 2022
Local Advisory Council approves 5-Year Capital Plan and Consults on 2023 Ops. Budget	Nov. 2, 2022
2023 Budget Open House/Public Hearing	Nov. 10, 2022
Board of Trustees reviews public comments, LAC input, and 2023 final budget	Dec. 7, 2022
Final Public Engagement report (including comments received after 12/1) due to board office	Dec. 13, 2022
Board of Trustees considers approval of the 2023 Final Budget and 5-Year Capital Plan	Dec. 21, 2022
Staff submits Final Budget to State Auditor	Dec. 30, 2022
Staff prepares, prints, and distributes 2022 Budget Document to the Board of Trustees, Operating Departments and interested parties	Dec. 30, 2022

