

Tentative 2022 Budget



2022 Strategic Framework

Draft Goals & Initiatives: Service

Innovate and Integrate our System
Implement 5-year service plan
Evaluate mobility solutions & software as a service technology options to enhance our service
Kick off phase 1 of Fare system technology replacement project

Deliver Excellence
Support service through enhanced capital program/project delivery to meet future service demands
Deploy UTA strategic framework to increase goal alignment, communication, and awareness
Conduct customer assessments to improve impact and understanding of our internal/external customers



Strategic Framework

2022 *Draft* Goals & Initiatives: People

Develop our People
Conduct comprehensive total rewards review focused on increasing attraction and retention of employees
Design optimal plans for UTA training facility
Launch phase 2 of design and creation of leadership and apprenticeship training programs

Cultivate a Diverse and Inclusive Culture
Adopt 3-year inclusion and belonging strategy
Develop transportation and equity metrics with community partners
Achieve completion of phase 2 - UTA Way deployment and training



Strategic Framework

2022 *Draft* Goals & Initiatives: Stewardship

Safeguard our Future
Deploy risk management program to mitigate Agency risk and ensure regulatory compliance
Integrate agency long and short-term financial modeling to support cash flow, alternative analysis and near- and long-term financial planning
Finalize the business plan for FrontRunner to create a system-wide service vision and define short- and long-term investments
Evaluate and onboard workforce planning program and methodology

Protect our Environment
Update and improve UTA sustainability plan to include sustainability measures, employee engagement and actions
Complete fixed bus fleet replacement plan aligned with proposed fleet propulsion mix
Activate UTA green team to support sustainability and environmental efforts
Develop strategies to reduce water usage across the Agency

Next Steps: Measures/Ownership, Cascade and Communicate



2022 Budget Challenges/Opportunities

Ongoing COVID 19 Recovery

- Fares
- Ridership
- Labor
- Service

Labor

- Labor Market
- Training
- Retention
- Succession Planning
- Apprenticeship
- Labor Agreements

2022 Service Development

- Service Guidelines
- Operations Feasibility Review
- Change ridership patterns
- Staffing Constraints

Financial Stability

- Economic Factors
- Stimulus
- Sales Tax Growth
- Fund Balance
- AAA Bond Rating



2022 Budget Challenges/Opportunities

Delivering on Commitments

- Capital Project Delivery
- Engineering Resources
- Organizational Support
- Cost Escalation

Partnerships

- Federal
- State
- Local
- Other

Technology

- Aging Systems
- Business Intelligence
- Fare Collection
- Supporting Increased Reliance
- Cyber Security



BUDGET PROCESS

OPERATIONS

- Sales Tax Forecast (U of U)
- Budget Planning
- Update Assumptions
- Established 2022 Base Budget (Budget Targets)
- Develop Strategic Framework

- Initiative Development
- Service Change Process
- Initiative Prioritization and Selection
- Tentative 2022 Budget Developed

CAPITAL

- 2020 Carryover
- 2021 Project Aging
- Setting up Capital Budget Process
- Call for Capital Projects
- Developing Priorities
- Received Capital Updates and Requests

- Project Prioritization
- Project Selection
- Initial Draft 5-Year Plan

BOARD

- Assumptions and Budget Themes Discussion
- Technical Budget Adjustments (Operating and Capital) to deliver 2021 Program
- Strategic Framework Coordination

- 2021 Project/Program Delivery
- 5-Year Draft Capital Plan to Board and Local Advisory Council
- Operating Workshops



2022 Operating Budget Overview (dollars in thousands)

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 326,512	\$ (6,748)	\$ 1,247	\$ 3,911	\$ 9,369	\$ 3,471	\$337,763	\$ 18,323	\$356,086

2022 Additions

Restore Service

Service Changes	\$ 6,915
Support Costs	656
Rail Apprenticeship Program	5,100
Recruitment and Retention	1,624
Information Technology	1,308
Other Management and Support	1,220
Operating Contingency	<u>1,500</u>
Total	\$18,323



2022 UTA Operating Budget Expenses by Category

Category	FY2021 Budget	FY 2022 Budget	Change	% Change
Wages	\$158,368,493	\$170,747,523	\$12,379,030	7.8%
Fringe	75,243,781	83,340,042	8,096,261	10.8%
Services	30,393,901	33,167,680	2,773,779	9.1%
Fuel	21,938,262	25,210,783	3,272,522	14.9%
Parts	22,518,325	22,821,044	302,719	1.3%
Utilities	5,962,312	6,396,797	434,485	7.3%
Other O&M	21,419,009	25,064,222	3,645,213	17.0%
Capitalized Costs	(9,331,626)	(10,662,401)	(1,330,775)	14.3%
Total Budget	\$326,512,457	\$356,085,690	\$29,573,233	9.1%



2022 UTA Operating Budget Expenses by Office

Office	FY2021 Budget	FY 2022 Budget	Change	% Change
Board	\$2,720,074	\$2,677,442	\$(42,632)	-1.6%
Executive Director	9,890,971	9,445,684	(445,287)	-4.5%
Operations	254,205,987	270,501,615	16,295,628	6.4%
Finance	13,863,537	14,589,315	725,778	5.2%
Service Development	7,274,239	7,781,813	507,574	7.0%
Enterprise Strategy	19,880,699	22,524,933	2,644,234	13.3%
Planning & Engagement	10,649,039	13,086,278	2,437,239	22.9%
People Office	8,027,911	15,478,610	7,450,699	92.8%
Total Division	\$326,512,457	\$356,085,690	\$29,573,233	9.1%



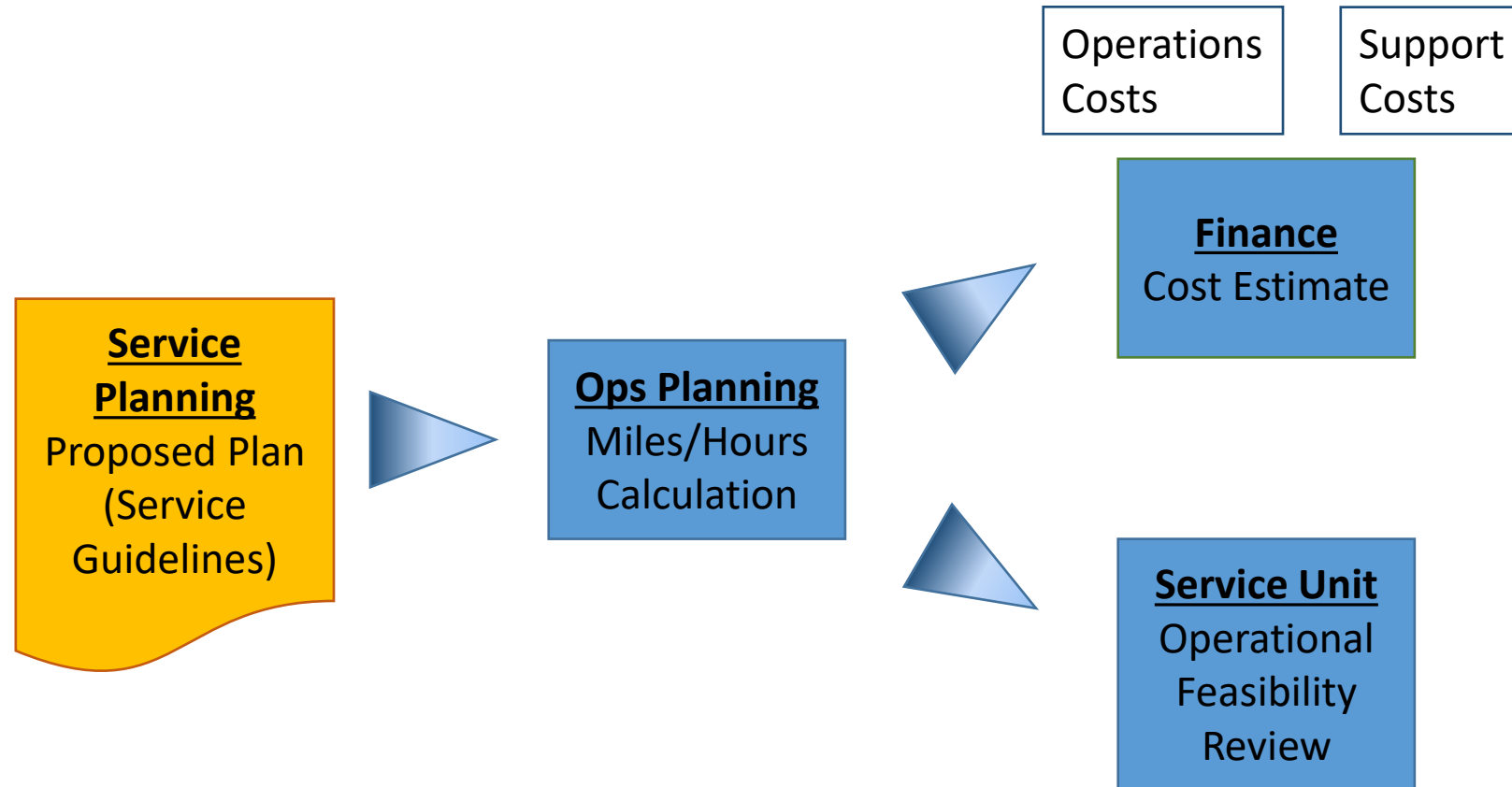
UTA FTE Summary

2021 Budget and 2022 Proposed Budget

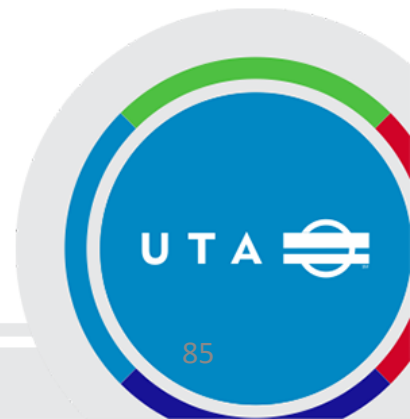
Department	2021	2022	Change	Change
	Amended Budget	Proposed Budget	FTE FY21 - FY22	FTE % FY21 - FY22
Board	13.5	13.4	(0.1)	-0.9%
Executive Director	37.5	41.5	4.0	10.7%
Operations	2,211.7	2,285.2	73.5	3.3%
Finance	105.1	113.5	8.4	8.0%
Service Development	45.0	56.0	11.0	24.4%
Enterprise Strategy	105.0	115.0	10.0	9.5%
Planning & Engagement	71.5	73.2	1.7	2.4%
People Office	59.5	84.0	24.5	41.2%
Totals	2,648.8	2,781.8	133.0	5.0%



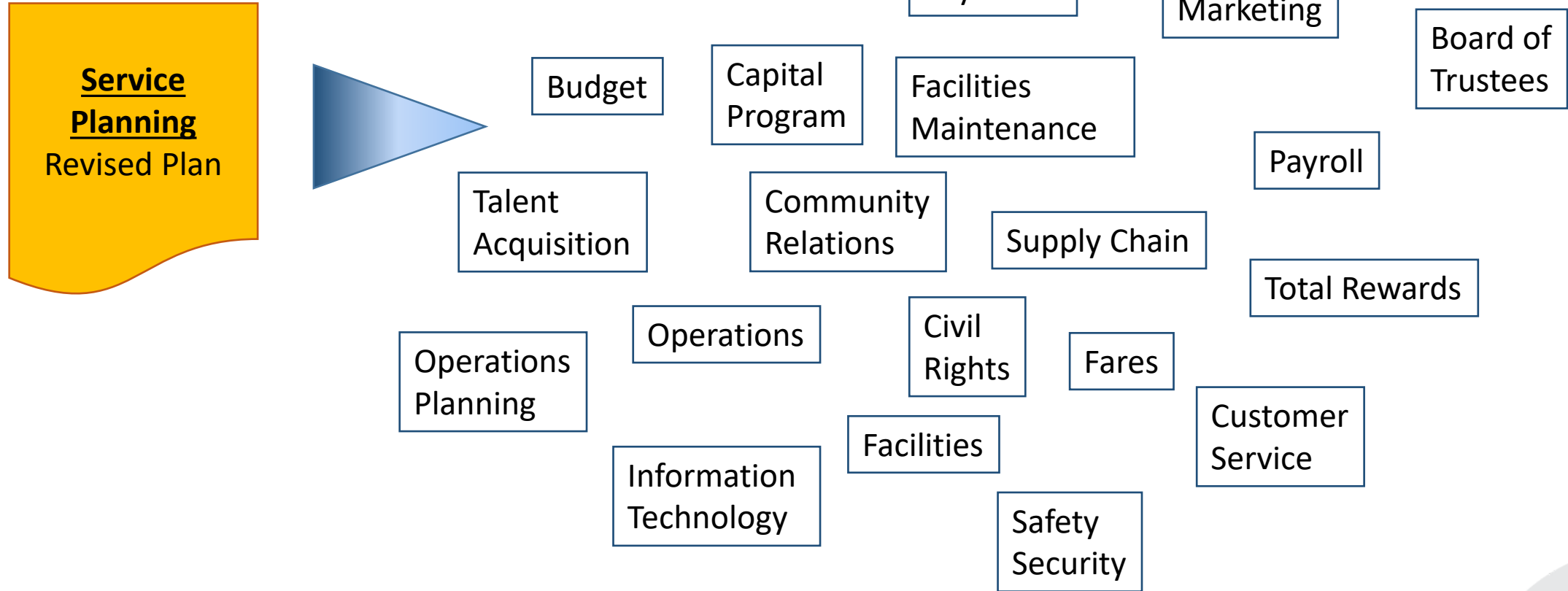
2022 Service Change Process



Operational Feasibility Review



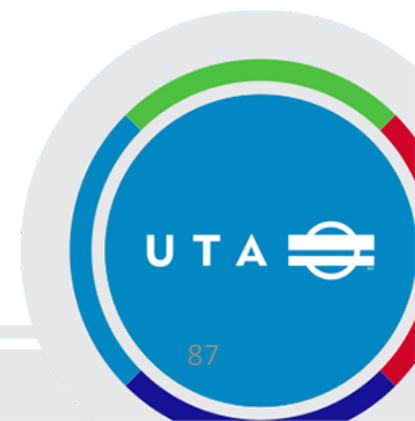
Service Additions Impact on the Organization



2022 Proposed Service Changes

	2022 Est. Cost	Ongoing Annual Est. Cost	FTE Change
Bus Service	\$4,215,000	\$ 6,777,000	44.0
Special Services	284,000	522,000	6.0
Front Runner	1,027,000	1,027,000	11.0
Tooele Valley UTA On Demand*	668,000	1,560,000	
South Davis UTA On Demand*	721,000	1,741,000	
Total	\$6,915,000	\$11,627,000	61.0

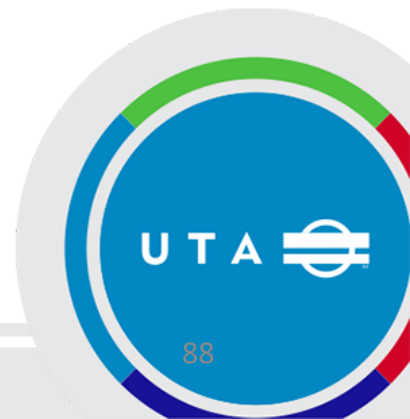
*Microtransit contingency included \$403,000



Measuring Success Service Changes

Key Measures:

- Ridership by mode
- Changes in ridership by mode
- Passengers Per Platform Hour
- Geographic Coverage Change
- Cost of Coverage (metric in development, potential measure of cost per square mile of service coverage)

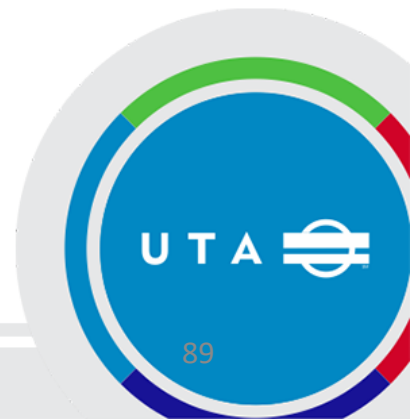


Operating Service Support

<u>Initiative</u>	<u>2022 Request</u>	<u>FTE</u>
• Transit Communications Dispatch	\$ 200,000	4.0
• Transit Stop Maintenance	80,000	1.0
• Ogden Bus Ops Analytical Support	175,000	1.0
• Revenue vehicle overhauls	<u>201,000</u>	<u>2.0</u>
Subtotal Operating Service Support	\$ 656,000	8.0

Key Deliverables:

- Enhance transit dispatching coverage
- Dedicated business analyst to support data analysis
- Provide maintenance service to expanded number of transit stops
- Support revenue vehicle overhauls

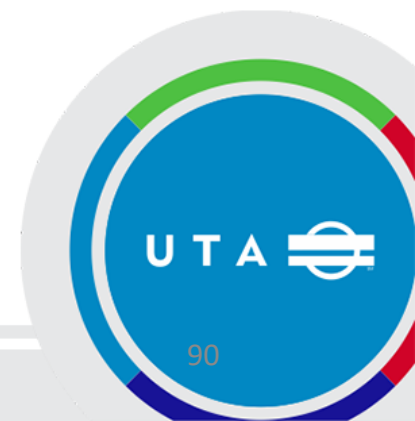


Recruitment and Retention

<u>Initiative</u>	<u>2022 Request</u>	<u>FTE</u>
• Operator Retention	\$ 350,000	1.0
• Bus Operator Training	596,000	17.3
• UTA Employer of Choice Branding	180,000	0.0
• Leadership Development	145,000	0.0
• Total Rewards Program Support	178,000	2.0
• Inclusion and Belonging Program Support	50,000	0.3
• Workforce Planning	100,000	0.0
• Harassment Prevention Training	<u>25,000</u>	<u>0.0</u>
Subtotal Recruitment and Retention	\$ 1,624,000	20.6

Key Deliverables:

- Focus on Operator retention efforts
- Increased Operator training headcount to meet increased service and attrition requirements
- Investment in developing employee leadership and culture
- Develop compensation, staffing and training programs



Rail Maintenance Apprenticeship

<u>Resource</u>	<u>2022 Request</u>	<u>FTE</u>
• People Office Program Development	<u>\$ 5,100,000</u>	<u>1.0</u>
Subtotal Operating	\$ 5,100,000	1.0
• Capital Program Investment*		
• MOW Training Yard	\$ 1,000,000	
• Training Engine and HEP	750,000	
• Training Aids	<u>200,000</u>	
Subtotal Capital	\$ 1,950,000	
Total Apprenticeship Program	\$7,050,000	

* Capital Costs in 2023 total \$1,500,000 for MOW Training Yard



Project Delivery

Rail Maintenance Apprenticeship

75% curriculum development complete by end of 2022

Milestones

- Procure outside vendor for curriculum design by end of 2021
- Create scope of work for MOW training area mockup by end of 2021
- Create scope of work for Locomotive & HEP by end of 2021
- Bring on C.R. and Light Rail HVAC vendor by Q1 2022
- MOW Track Circuit, PTC, and communications by Q2 2022

Metrics

- Register Light Rail Program by end of 2022
- Register Commuter Rail Program by end of 2022



Project Delivery

Rail Maintenance Apprenticeship

50% courseware delivered by end of 2022

Milestones

- Finalize common core: electrical, brakes, HVAC by end of Q1 2022
- C.R. Preventive maintenance and wheeler vendor training by end of Q1 2022
- MOW switches & switches heaters, locomotive, and plans by end of Q1 2022
- C.R. coupler, cab equipment & HEP engine end of Q2 2022
- Lt. Rail coupler, truck and brakes end of Q2 2022
- MOW cab equipment, cab signaling, & inspections end of Q2 2022
- Common core: pneumatics and brakes end of 2022
- Lt. Rail propulsion and car body end of 2022
- C.R. car body end of 2022
- MOW grade crossing, grade crossing inspections, and PM's end of 2022
- Lt. Rail power distribution, vehicle controls system end of 2022
- C.R. prime engine end of 2022
- MOW OCS & power section end of 2022

Metrics

- Implement MOW program



Project Delivery

Rail Maintenance Apprenticeship

100% curriculum development by end of Q1 2023

Milestones

- Lt. Rail communication system and doors end of Q1 2023
- MOW lineman school, signals & interlocking end of Q1 2023
- C.R. door and rotating electric end of Q1 2023

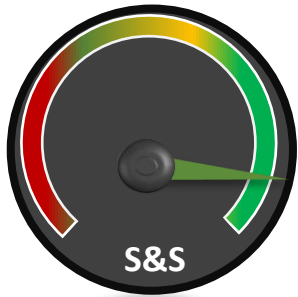
Metrics

- Full implementation of Rail Programs completed end of 2023



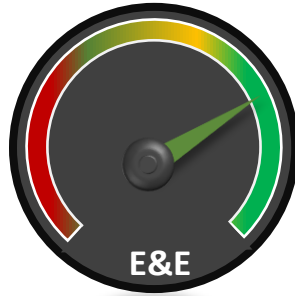
Influencing Operating Measures Rail Maintenance Apprenticeship

Safety and Security



- Bus Avoidable Accidents/100K Miles
- Fare Inspection Rate

Efficiency and Effectiveness



- Expense
- Platform Hours
- Total Hubo Miles
- On-Time Performance
- Cost/Hour
- Cost/Mile
- Subsidy/Rider
- Avg Weekday Boardings

Service Quality



- Miles/Road Call
- Rail Miles/Service Interruption
- TRAX Miles/Service Interruption

Asset Management



- PM Inspections



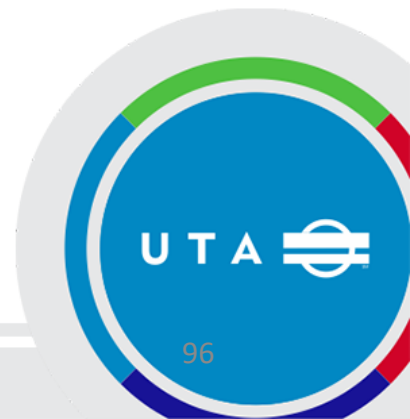
Information Technology

Hardware - Systems

<u>Hardware/System Needs</u>	<u>2022 Request</u>
• Increase in Utilities	\$132,000
• Office 365 licenses	527,000
• JDE Upgrades & System Modifications	93,000
• Azure Cloud Services	<u>234,000</u>
Subtotal Hardware/System	\$ 986,000

Key Deliverables:

- Utility increase allows for greater system reliability and accuracy of passenger signage data along with backup circuits and links.
- Increased collaboration and functionality with Office 365 implementation
- Increased reliability, responsiveness, security and disaster recovery protection.



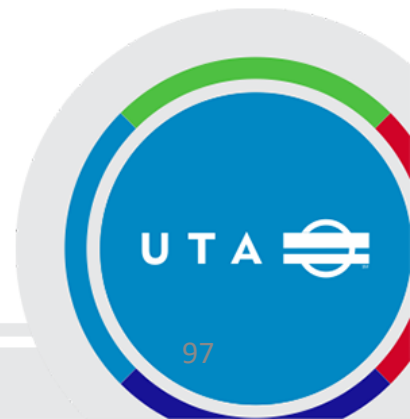
Information Technology System Support

Initiative

	<u>2022 Request</u>	<u>FTE</u>
• Bus Communications Support	\$ 90,000	1.0
• Systems Administration	145,000	1.0
• Help Desk Support	<u>87,000</u>	<u>1.0</u>
Subtotal System Support	\$322,000	3.0

Key Deliverables:

- Ability to support bus technology, new transit signal priority and signage replacement capital projects
- Meet increased system admin management requirements and increase support/responsiveness of UTA help desk

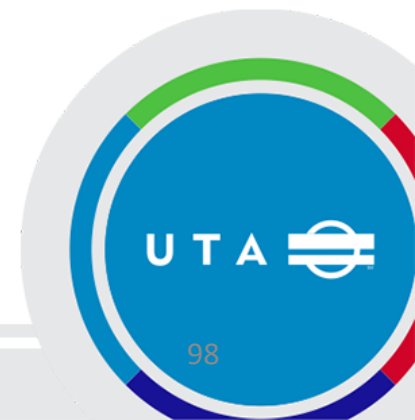


Operating Program Delivery Support

<u>Initiative</u>	<u>2022 Request</u>	<u>FTE</u>
• Customer Service at Airport Station	\$ 157,000	2.7
• Public Relations Outreach	344,000	2.0
• Records Management	20,000	0.0
• Supply Chain Support	140,000	2.0
• Financial Modeling	137,000	1.0
• ESO Contract and Consulting	130,000	0.0
• Risk Administrator	138,000	1.0
• Payroll Processing Support	<u>103,000</u>	<u>1.0</u>
Subtotal Operating Program Delivery Support	\$ 1,169,000	9.7

Key Deliverables:

- Increased processing of legacy records across UTA
- Additional public outreach to support ridership restoration and capital programs
- Support expanded microtransit services
- Supply additional parts management support for operations
- Develop new financial models to support data-driven decision making
- Establish Enterprise Risk Management Program to identify and reduce UTA's risk
- Extend full time analytical support to all operating service units

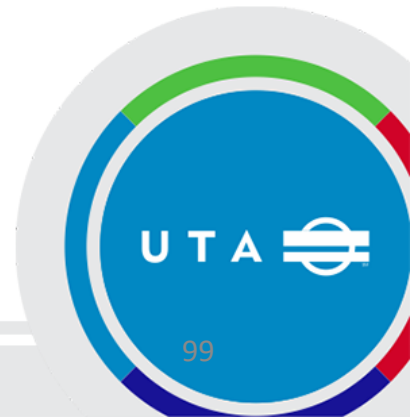


Capital Program Delivery Support

<u>Initiative</u>	<u>2022 Request</u>	<u>FTE</u>
• Legal Support (provided by AG office)	\$ 162,000	0.0
• Project Controls	106,000	1.0
• Construction Management and Support	244,000	2.0
• Facilities Project Management	142,000	1.0
• Procurement and Contract Management	122,000	1.0
• Capital Budgeting and Analysis	<u>137,000</u>	<u>1.0</u>
Subtotal Capital Program Delivery Support	\$ 913,000	6.0

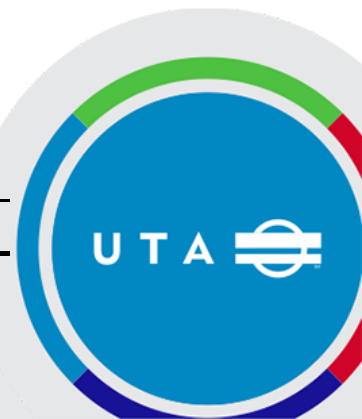
Key Deliverables from additional capital program delivery support:

- Increased legal services support for expanded program
- Provide additional capital project controls and management
- Support increased procurement efforts for expanded program
- Supply additional project development, budgeting and analytical support

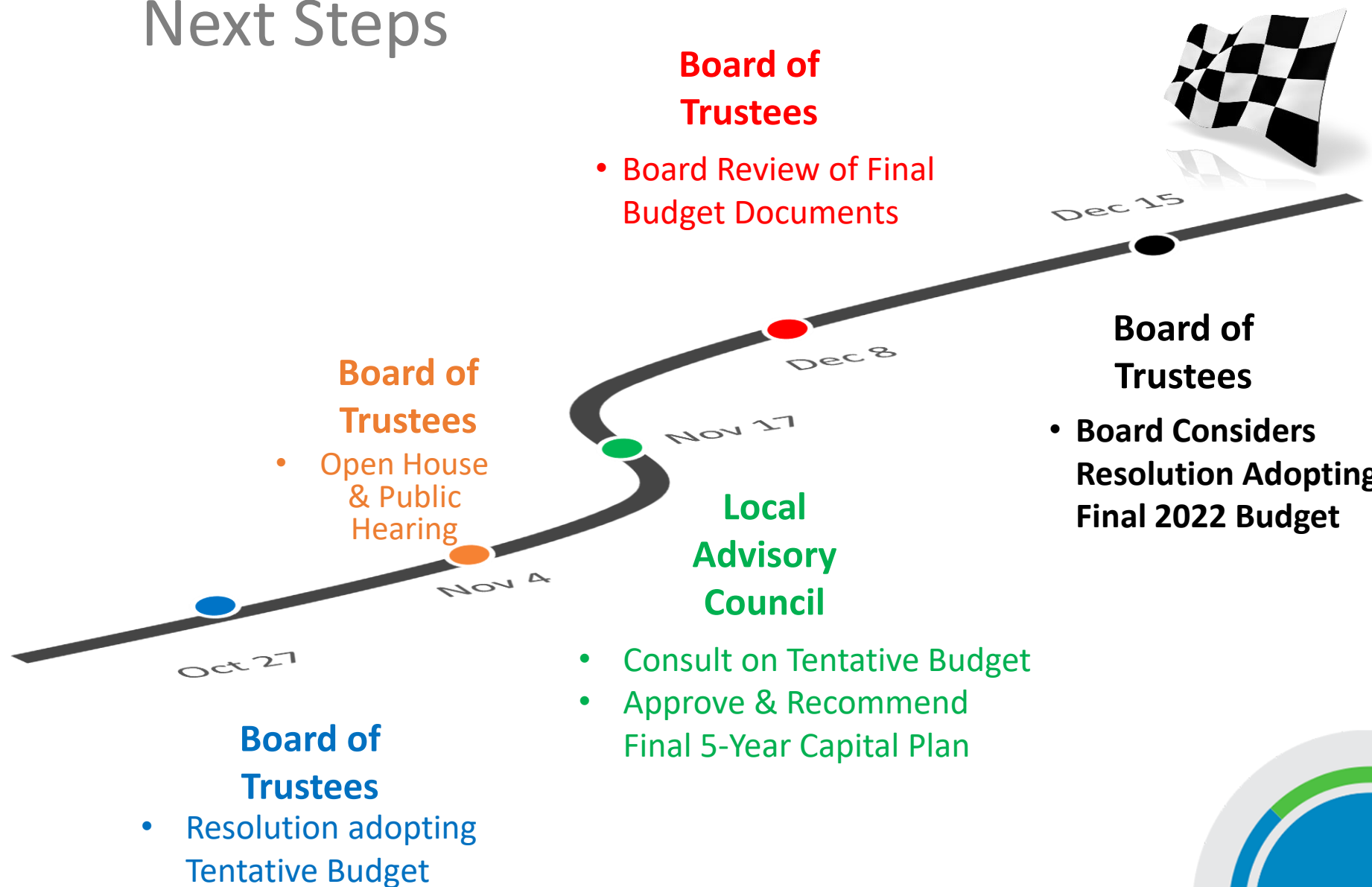


Sources and Uses

Sources	Adopted 2021	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026
Beginning Balance	\$ 352.1	\$ 333.1	\$ 511.0	\$ 482.5	\$ 407.4	\$ 350.6	\$ 294.2
Sales Tax	\$ 364.1	\$ 401.5	\$ 419.1	\$ 437.2	\$ 455.4	\$ 473.6	\$ 491.8
PM Funds (FTA)	70.5	12.0	36.2	73.9	76.6	75.4	76.9
Stimulus Funds	101.0	205.0	88.0	-	-	-	-
Passenger Revenue	32.0	32.0	36.0	40.7	46.2	52.6	55.3
Capital Sources	127.6	151.4	112.7	275.0	199.6	178.7	101.0
Other Sources	16.8	17.8	19.9	19.6	19.1	17.9	20.7
Total Sources	\$712.0	\$819.6	\$711.9	\$846.4	\$797.0	\$798.2	\$745.7
Uses							
Operating Expense	\$ 326.5	\$ 322.3	\$ 356.1	\$ 400.1	\$ 418.1	\$ 436.7	\$ 455.9
Capital Expense	255.6	174.9	231.0	358.0	268.8	242.5	151.6
Debt Service	146.1	144.5	153.2	163.4	166.9	175.5	181.6
Total Uses	\$ 728.2	\$ 641.8	\$ 740.3	\$ 921.5	\$ 853.8	\$ 854.6	\$ 789.0
Net Change	\$ (16.2)	\$ 177.8	\$ (28.5)	\$ (75.1)	\$ (56.8)	\$ (56.4)	\$ (43.3)
Ending Balance	\$ 335.9	\$ 511.0	\$ 482.5	\$ 407.4	\$ 350.6	\$ 294.2	\$ 250.8
Reserves	152.4	142.0	158.4	162.1	166.0	170.1	168.6
Unrestricted Fund Balance	\$ 183.5	\$ 368.9	\$ 333.4	\$ 249.0	\$ 188.5	\$ 128.1	\$ 80.8



Next Steps



Questions?

