



Minutes of the Budget Work Session of the
Utah Transit Authority (UTA) Board of Trustees

held on Thursday, September 26, 2019, 11:30 a.m.–2:30 p.m.
Utah Transit Authority Headquarters
669 West 200 South, Salt Lake City, Utah
Golden Spike Conference Rooms

Board Members Present:

Carlton Christensen, Chair
Beth Holbrook
Kent Millington

Also attending were members of UTA staff.

Call to Order & Opening Remarks. Chair Christensen welcomed attendees and called the meeting to order at 11:45 a.m.

Safety First Minute. Chair Christensen yielded the floor to Lamount Worthy, Video Security Administrator, for a brief safety message.

Board of Trustees Office – 2020 Draft Budget Presentation and Discussion.

Board of Trustees. Annette Royle, UTA Director of Strategic Board Operations, provided an overview of the budget for the Office of the Board of Trustees including structure, expenses by division, full-time employees, key changes, initiatives, and challenges.

Internal Audit. Riana De Villiers, UTA Chief Internal Auditor, explained the responsibilities for the internal audit department. She also reviewed her full-time employees, key budget changes, initiatives, and challenges. The board asked if the software being considered is what the Utah Department of Transportation uses to which Ms. De Villiers responded.

Government Relations. Chair Christensen summarized the budget for the Government Relations department including structure, full-time employees, key budget changes, initiatives, and challenges.

Feedback Received from Local Advisory Council on September 25, 2019. Chair Christensen reviewed specific items the local advisory council discussed, questions they had, and the

feedback the councilmembers provided. The board requested future updates on refinancing with tax exempt bonds. They also asked if staff has researched the level of debt the agency has compared to other agencies of similar size and what UTA's debit service is as a percent of its total sales tax revenue.

2020 Draft Budget – Additional Considerations. Carolyn Gonot, UTA Executive Director, was joined by Bob Biles, UTA Chief Financial Officer, Mary DeLoretto, UTA Acting Chief Service Development Officer, and Eddy Cumins, UTA Chief Operating Officer.

Agency Reserves. Mr. Biles provided additional information about projected reserves, as well as expected composition and the use of unrestricted reserves. The board requested using another term for "unrestricted" in order to eliminate confusion from individuals outside the finance industry.

State of Good Repair Strategy. Mr. Cumins was joined by Dave Hancock, UTA Manager of Asset Management. Together they reviewed the funding process for UTA's state of good repair and advised on the level of necessary funding. Questions regarding whether proper funding levels were reflected only in the 2020 budget year, if there are any safety concerns, how equipment failure and the span of life impacts the budget, and how many grade crossings can be maintained in a year were posed by the board and answered by staff. The board agreed grade crossings need to be looked at in order to avoid safety issues.

Capital Budget Year-to-Year Continuity. Mr. Cumins informed the board that staff can order parts in advance and request delivery at a later date in order to plan projects appropriately. Mr. Biles confirmed advanced ordering is an acceptable practice as finance applies the expense to the year it is used. Ms. DeLoretto added the 5-year capital plan regularly follows this process.

Capital Offset Process. Mr. Biles explained the steps of the offset process and reported staff plans to put maintenance items in the operating budget to for accounting purposes. He noted staff is currently researching whether do so will have unintended consequences. The board asked if project costing expenses can be tracked and staff responded. The board then instructed Mr. Biles to continue pursuing avenues that make the most operational and functional sense.

Strategy for Future of Rail Ticket Vending Machine (TVM) Solutions. Mr. Biles reported funding for TVMs can be moved in the 5-year capital plan from bonding to leasing. The board asked about compliance and staff answered.

Recruitment Budget. Kim Ulibarri, UTA Chief People Officer, informed the board she feels the 2020 decentralized recruitment budget is workable but staff will prepare a different overall strategy for the 2021 budget. Questions regarding what may cause the 2020 budget to become problematic, what the total recruitment budget across UTA

currently is, and if a budget number for centralized recruiting was available were posed by the board and answered by staff.

Mr. Biles reviewed dates for the remaining budget process. The board asked what the statutory deadline is and Mr. Biles responded.

Adjournment. The meeting was adjourned at 12:59 p.m. by motion.

Transcribed by Angie Olsen
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This document along with the digital recording constitute the official minutes of this meeting.