

# UTA Board of Trustees Meeting

August 21, 2019



# Call to Order and Opening Remarks



# Pledge of Allegiance



# **Oath of Office – Executive Director Carolyn Gonot**



# Safety First Minute



# BE ALERT, ACCIDENTS HURT



U T A   
SAFETY & SECURITY

August 2019



# Public Comment Period



# Public Comment Guidelines

- Each comment will be limited to two minutes per citizen or five minutes per group representative
- No handouts allowed



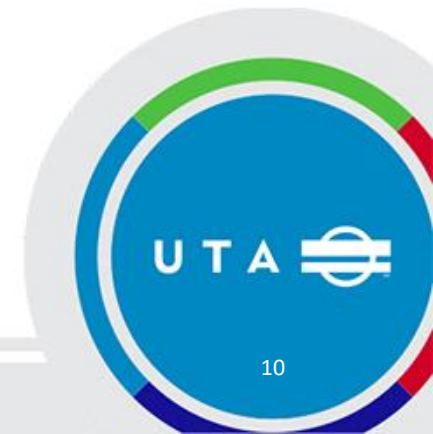


# Approval of August 7, 2019 Board Meeting Minutes



# Recommended Action (by acclamation)

Motion to approve



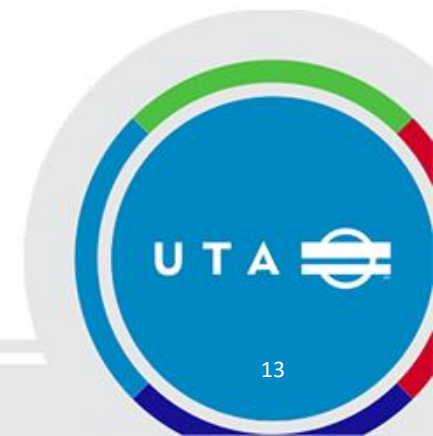
# Agency Report



# Gillig Bus Purchase

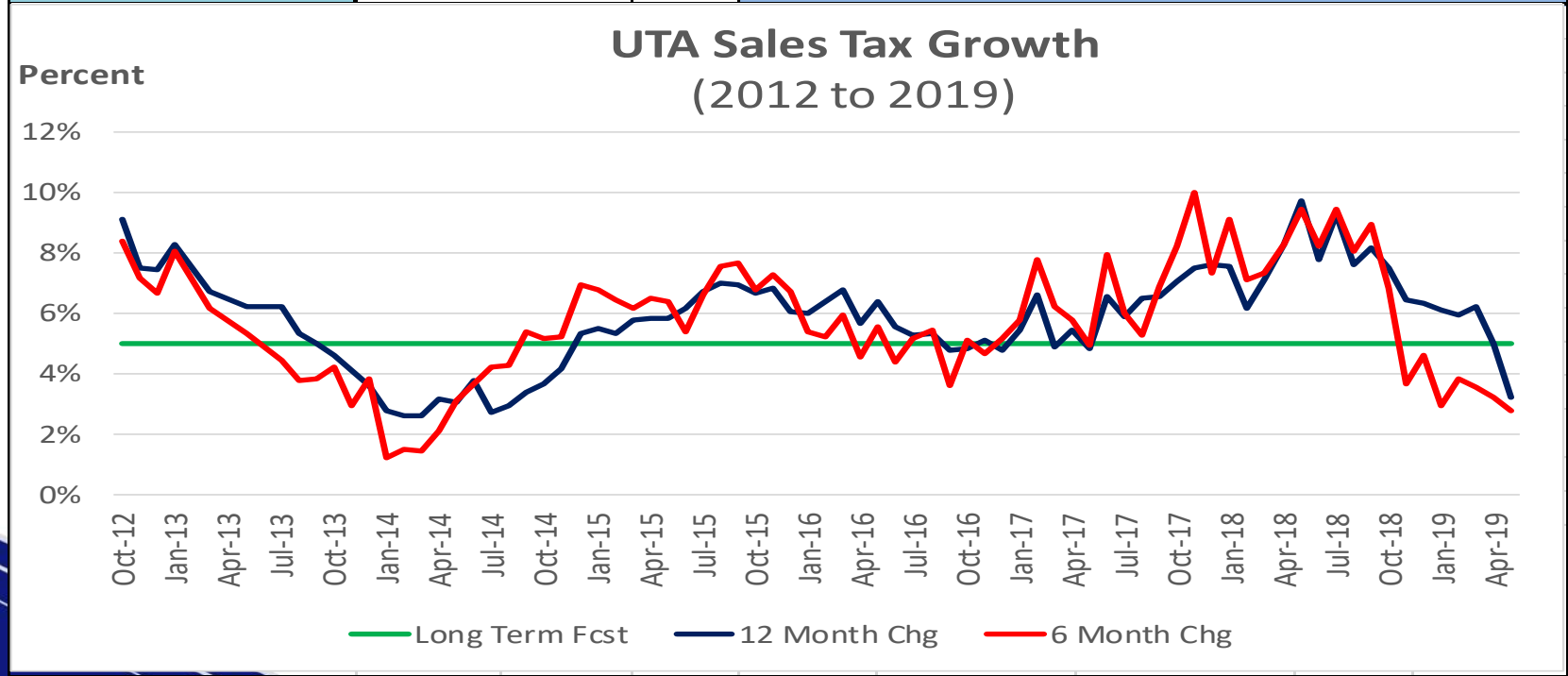


# Financial Report – July 2019



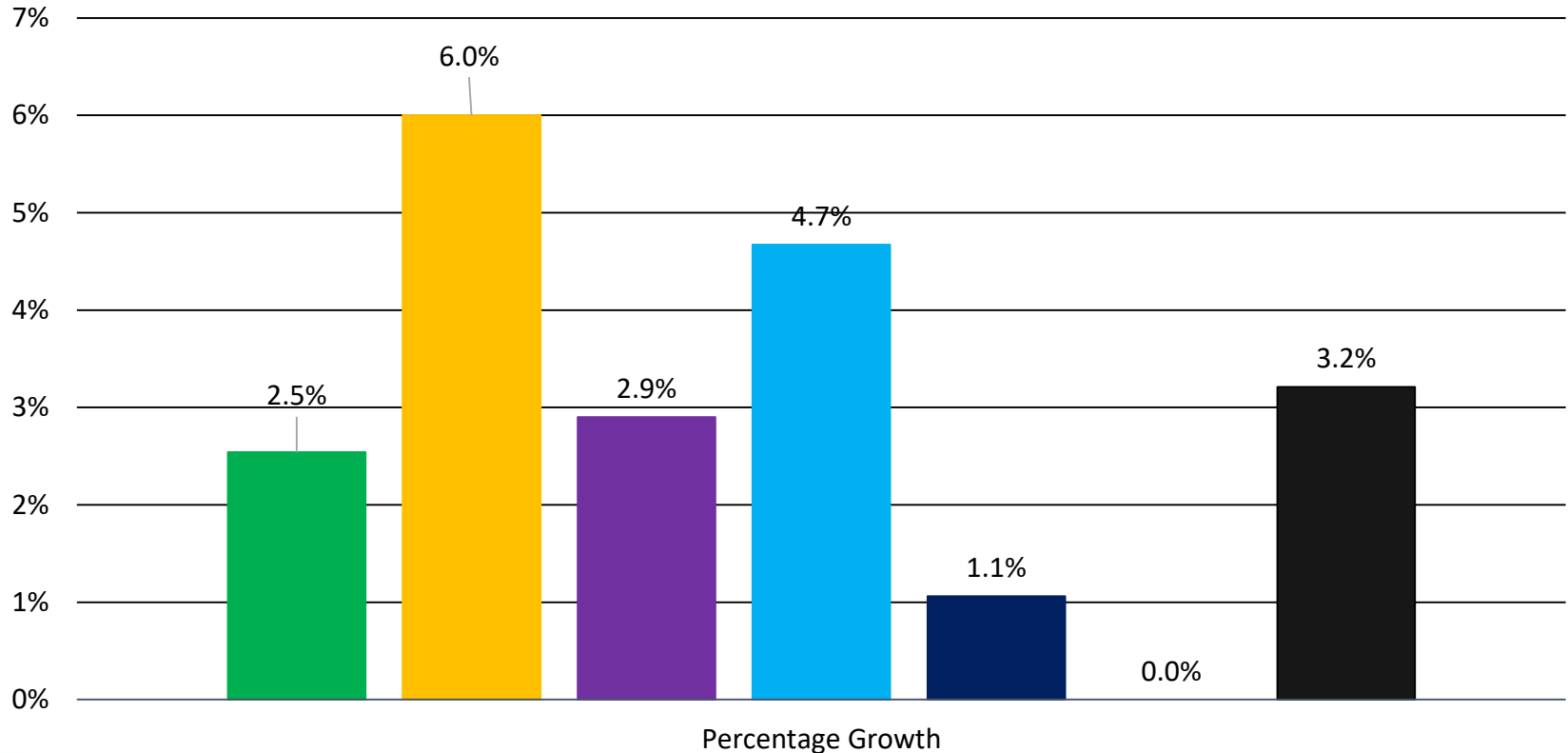
# July 2019 Dashboard

<b>Financial Metrics</b>	July Actual	July Budget	Fav/ (Unfav)	%	YTD Actual	YTD Budget	Fav/ (Unfav)	%
Sales Tax (May '19 mm \$)	\$ 24.8	\$ 23.1	\$ 1.68	● 7.3%	\$ 115.1	\$ 114.3	\$ 0.75	● 0.7%
Fare Revenue (mm)	\$ 4.4	\$ 4.3	\$ 0.04	● 0.9%	\$ 30.9	\$ 31.0	\$ (0.16)	● -0.5%
Operating Exp (mm)	\$ 25.3	\$ 24.7	\$ (0.59)	● -2.4%	\$ 163.3	\$ 170.1	\$ 6.79	● 4.0%
Subsidy Per Rider (SPR)	\$ 6.20	\$ 5.48	\$ (0.72)	● -13.1%	\$ 5.31	\$ 5.48	\$ 0.17	● 3.1%
UTA Diesel Price (\$/gal)	\$ 2.02	\$ 2.50	\$ 0.48	● 19.1%	\$ 2.03	\$ 2.50	\$ 0.47	● 18.7%
<b>Operating Metrics</b>	July Actual	Jul-18	F/ (UF)	%	YTD Actual	YTD 2018	F/ (UF)	%
Ridership (mm)	3.38	3.26	0.1	● 3.7%	24.96	24.91	0.1	● 0.2%
<b>Alternative Fuels</b>	CNG Price (Diesel Gal Equiv)		\$ 1.80					



# Sales Tax Collections

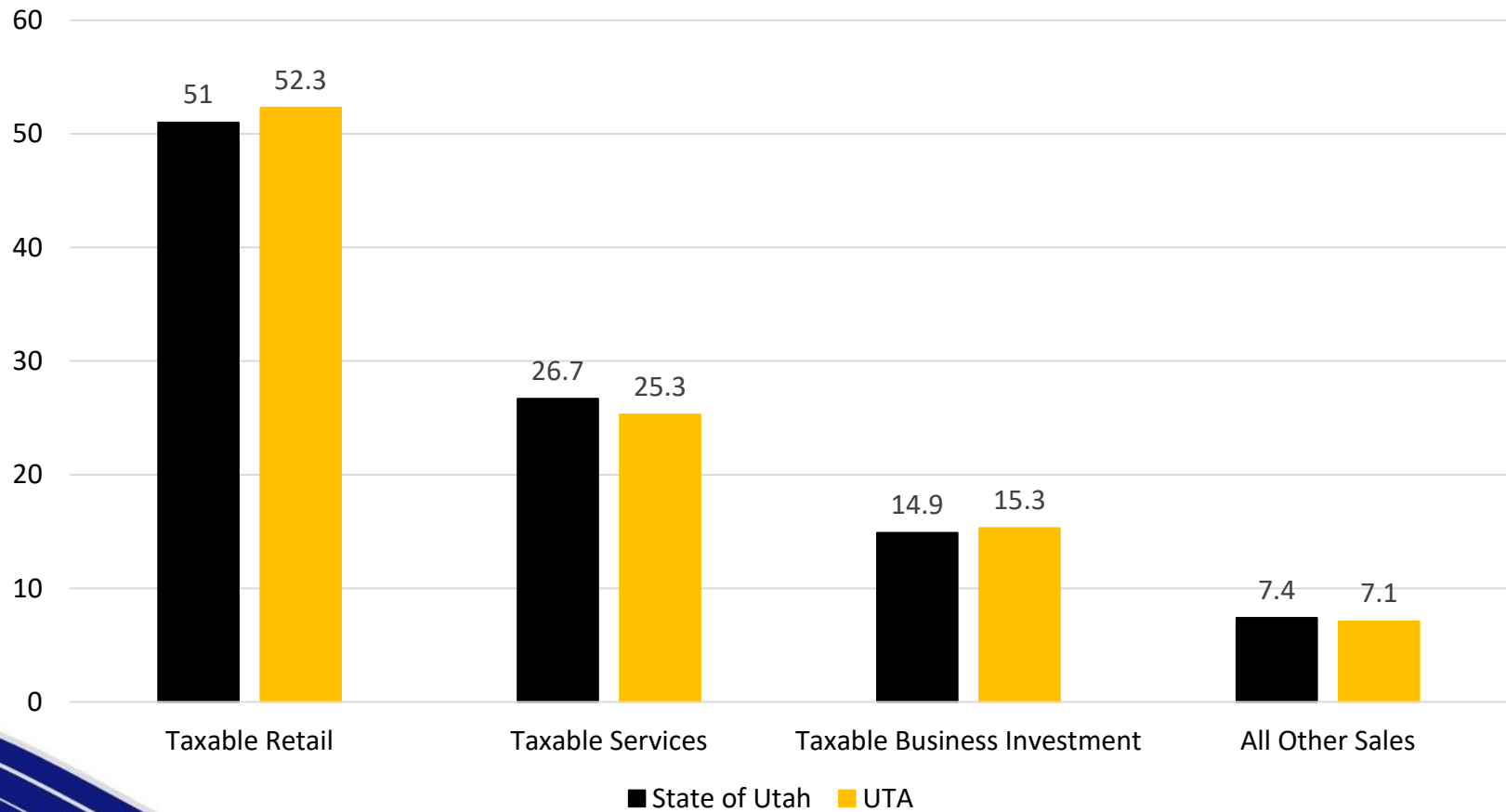
(2019 over 2018 for 12 months ended July 31)



■ Salt Lake (61.5%) ■ Utah (16.4%) ■ Davis (11.3%) ■ Weber (9.2%) ■ Tooele (0.9%) ■ Box Elder (.7%) ■ Overall

# Taxable Sales by Supersectors

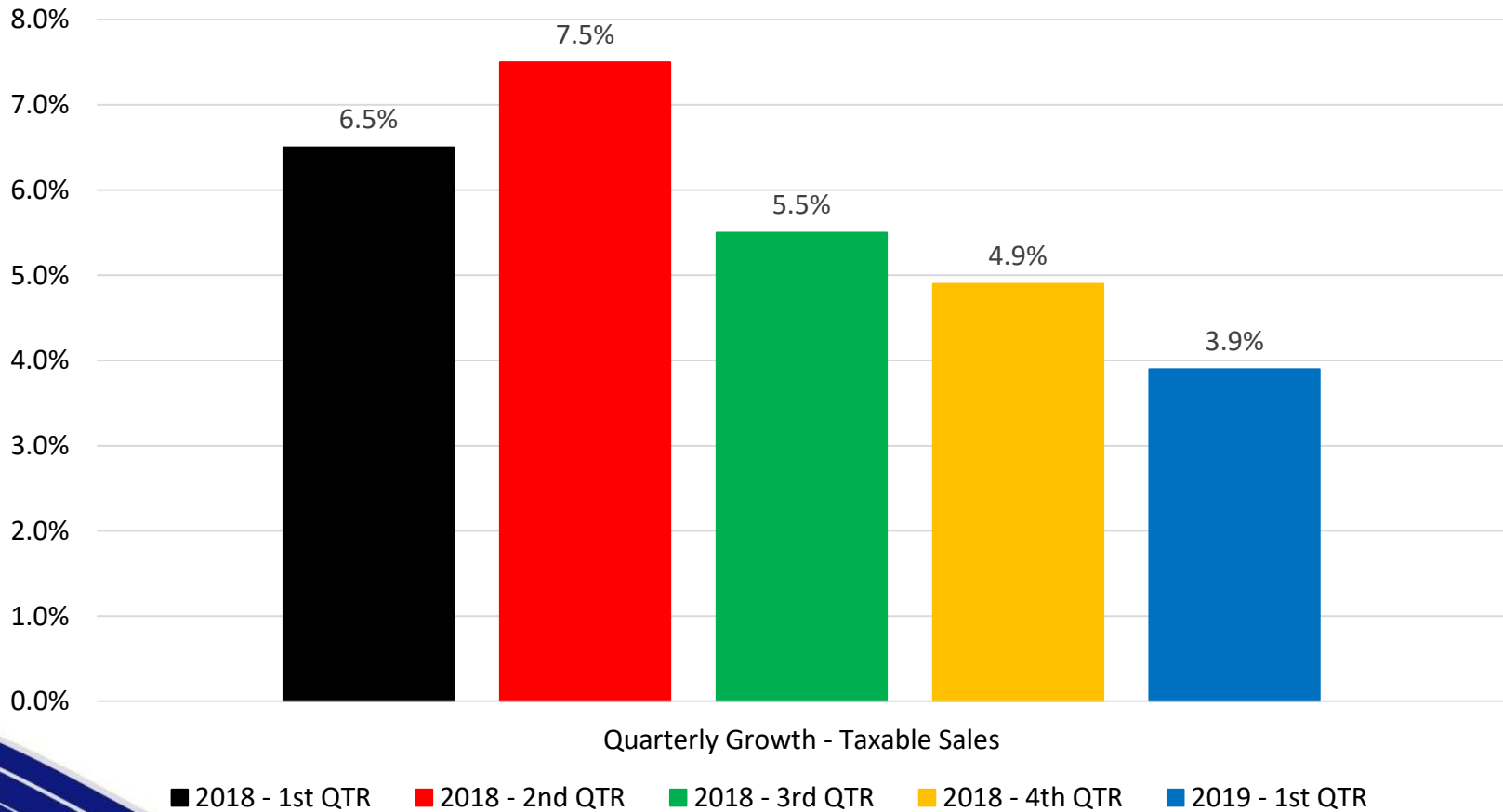
Percentage of Total Taxable Sales



Source: Utah Tax Commission

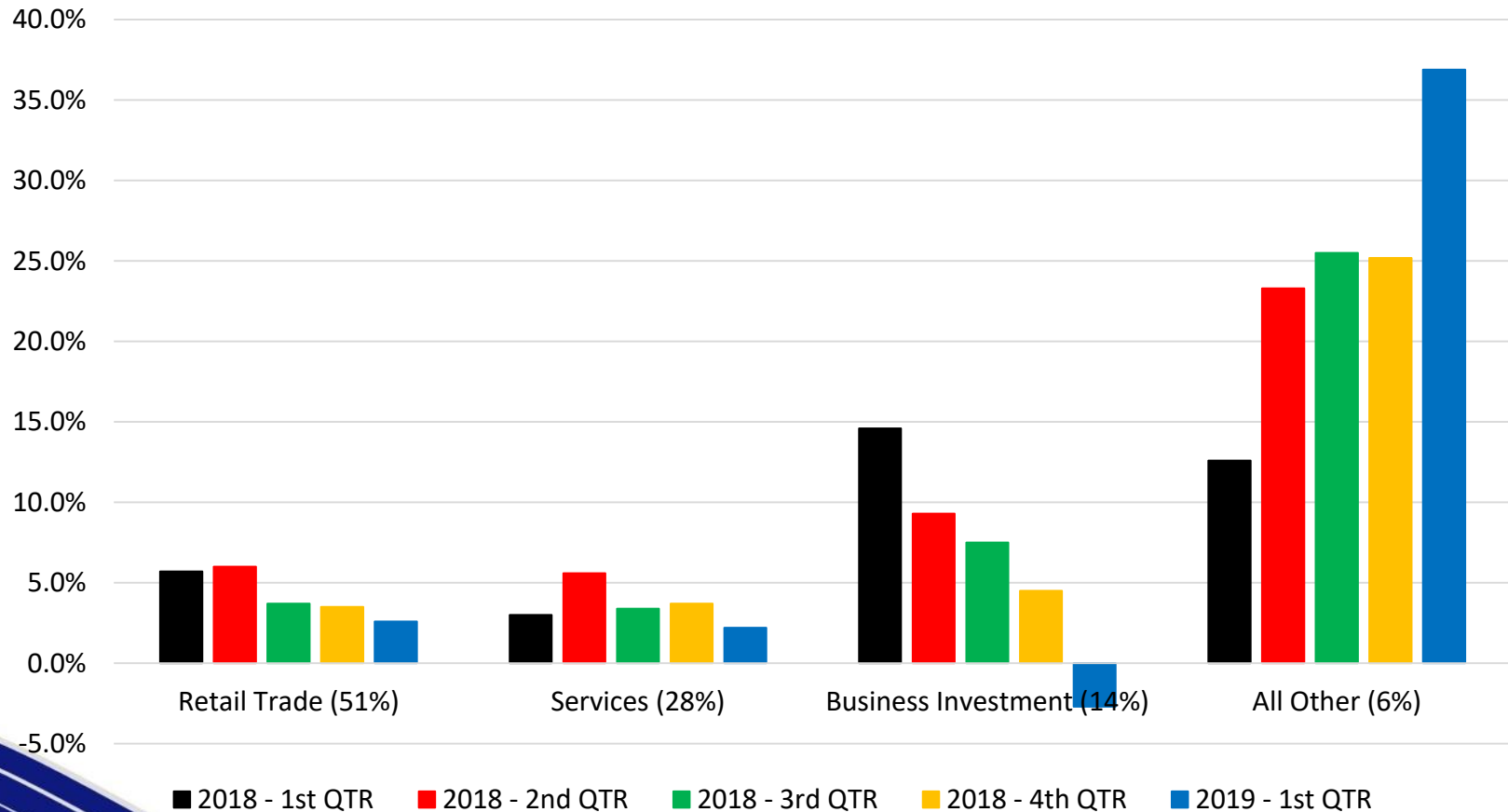


# UTA's Quarterly Taxable Sales Growth – Year Over Year



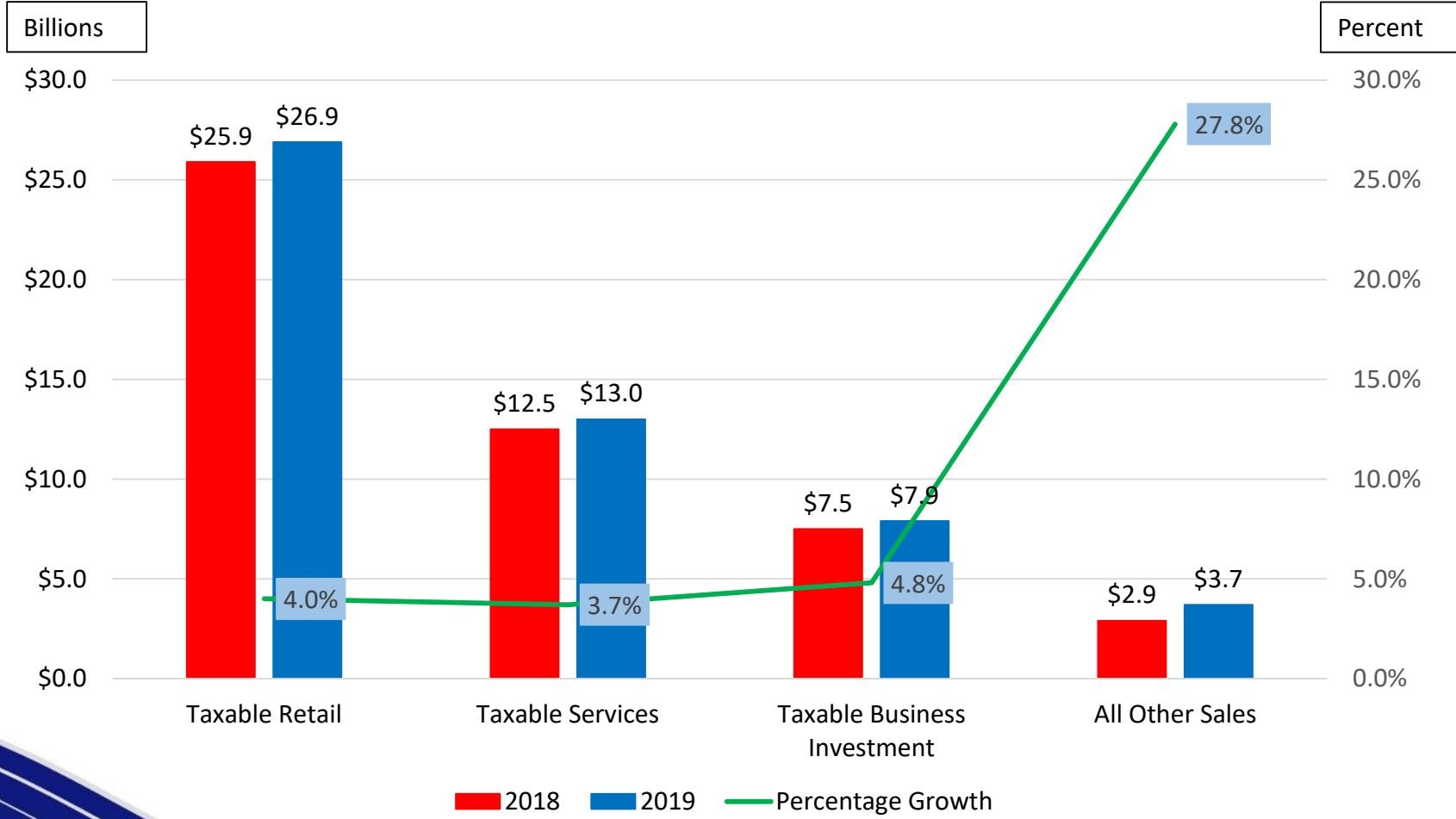
Source: Utah Tax Commission

# UTA's Quarterly Taxable Sales Growth Year Over Year by Supersectors



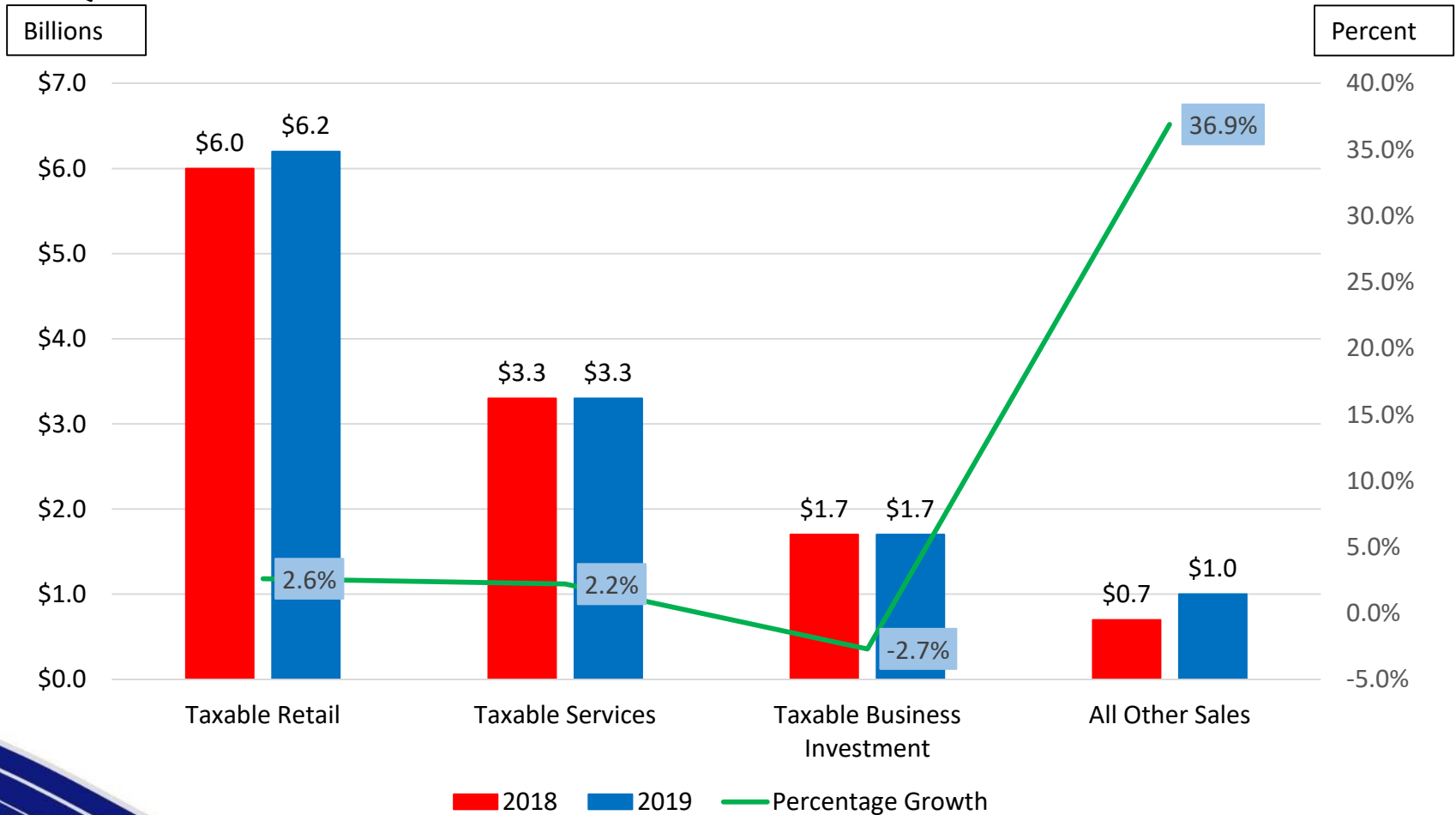
Source: Utah Tax Commission

# UTA Taxable Sales Growth for Twelve Month Period Ending March 31



Source: Utah Tax Commission

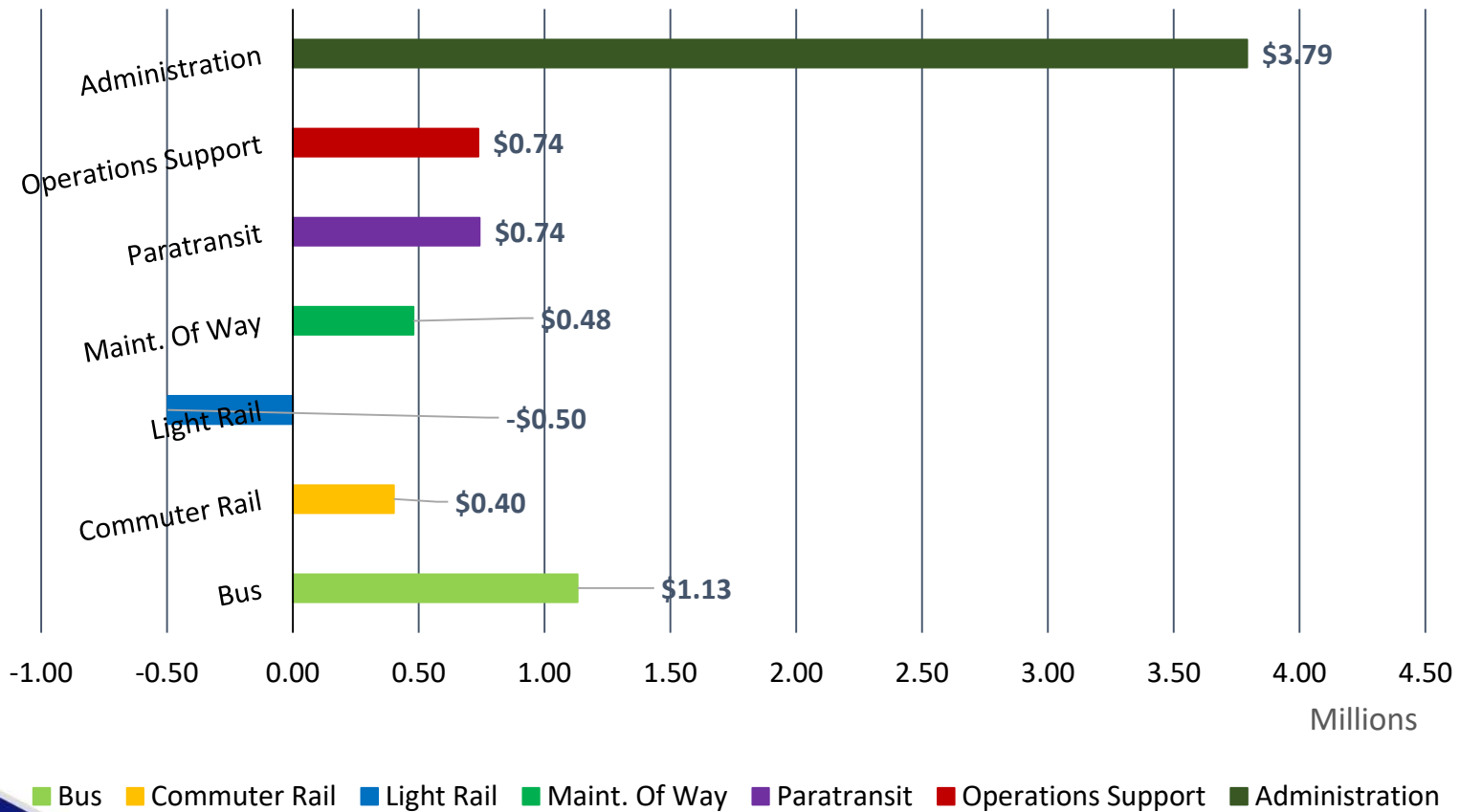
# UTA Taxable Sales Growth for First Quarter 2019 and 2018



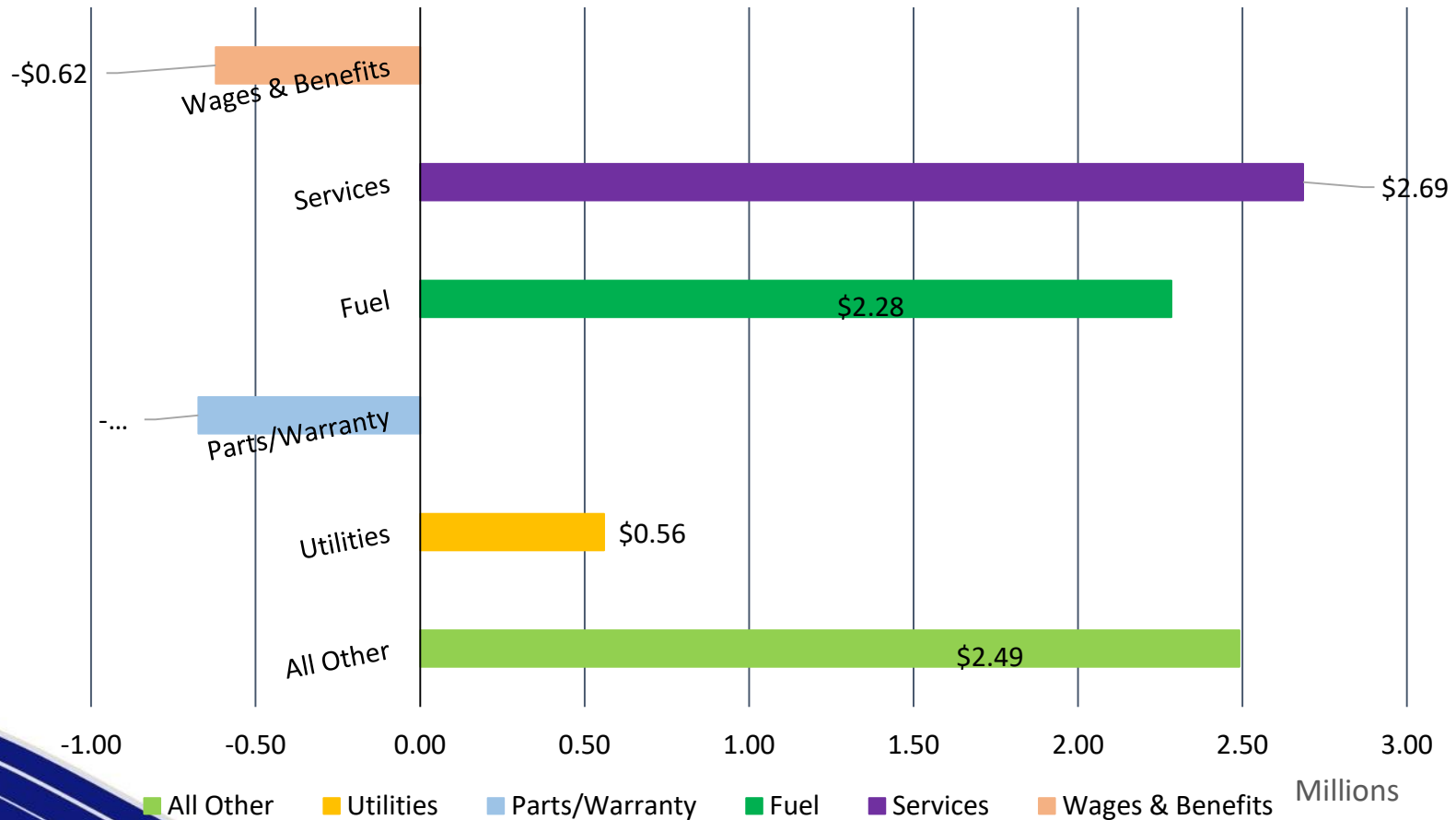
Source: Utah Tax Commission

# YTD 2019 Expense Thru July 31

## Variance by Mode



# YTD 2019 Expense Thru July 31 Variance by Type



**R2019-08-04**

**Resolution Authorizing the Execution of a  
Certification of Intent to Participate in  
the Volkswagen Environmental  
Mitigation Trust Funding Assistance  
Program for Replacement of Diesel  
Buses**



# Recommended Action (by roll call)

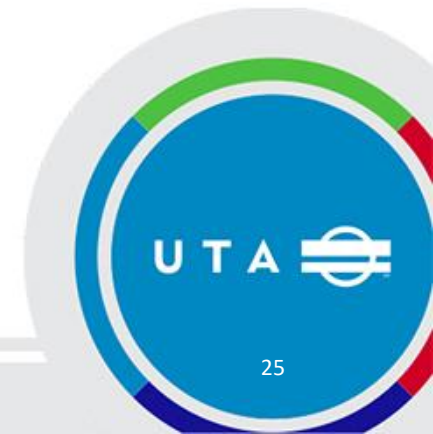
Motion to approve R2019-08-04:

Resolution Authorizing the Execution of a Certification of Intent to Participate in the Volkswagen Environmental Mitigation Trust Funding Assistance Program for Replacement of Diesel Buses



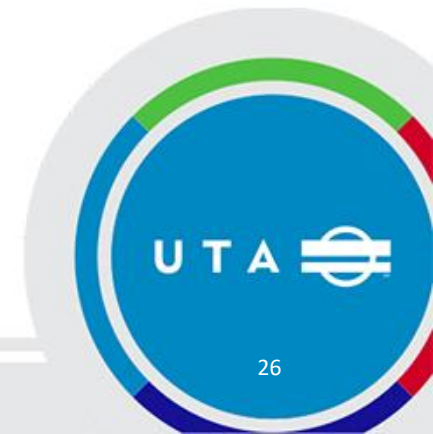


# Contracts, Disbursements, and Grants



# Amendment 1 to Memorandum of Understanding with University of Utah for Union Building Bus Bays (University of Utah)

- Description and purpose:
  - Amendment to Memorandum of Understanding with the University of Utah establishing funding details for the University of Utah Bus Bays Improvement Project
  - Reflects a cost increase of \$200,293 to the original task order authorized at \$399,400; \$200,000 of the cost increase will be funded by the University of Utah
- Total amendment:
  - \$200,293
- Total contract:
  - \$599,693



# Recommended Action (by acclamation)

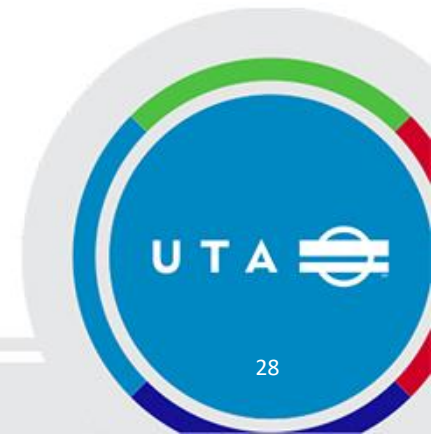
Motion to approve amendment:

Amendment 1 to Memorandum of Understanding with University of Utah for Union Building Bus Bays (University of Utah)



# Change Order: On-Call Maintenance Task Order #85 – University of Utah Union Building Bus Bay Improvements (Stacy and Witbeck)

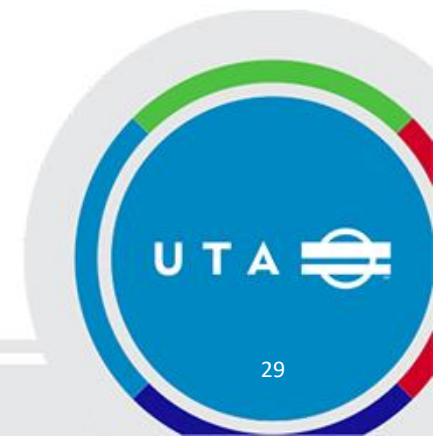
- Description and purpose:
  - Improvements to bus bays at the University of Utah Union Building, as memorialized in a Memorandum of Understanding between the University of Utah and UTA
  - Reflects a cost increase of \$200,293 to the original task order authorized at \$399,400; \$200,000 of the cost increase will be funded by the University of Utah
  - Services are part of a three-year on-call maintenance contract
- Total change order:
  - \$599,693
- Total contract:
  - \$33,966,861



# Recommended Action (by acclamation)

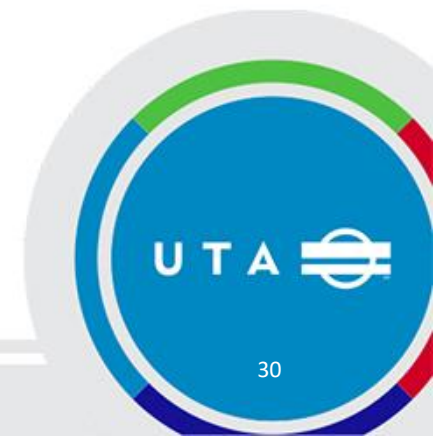
Motion to approve change order:

On-Call Maintenance Task Order #85 – University of Utah Union  
Building Bus Bay Improvements (Stacy and Witbeck)



# Contract: Davis Salt Lake City Community Connector Bus Rapid Transit Project Engineering and Design Services (AECOM Technical Services)

- Description and purpose:
  - Engineering, design, and environmental services for the Davis Salt Lake City Community Connector Bus Rapid Transit Project
  - Costs for this portion of the project are covered by \$1.2 million in funding from Davis County
- Total contract:
  - \$1,169,242.32



# Recommended Action (by acclamation)

Motion to approve contract:

Davis Salt Lake City Community Connector Bus Rapid Transit Project  
Engineering and Design Services  
(AECOM Technical Services)



# Change Order: Depot District Clean Fuels Technology Center Construction Manager/General Contractor Phase 2 Change Order 2

- Description and purpose:
  - Demolition and hazardous waste abatement of the locomotive building and breezeway connecting UTA headquarters
- Total change order:
  - \$241,637
- Total contract:
  - \$2,459,950

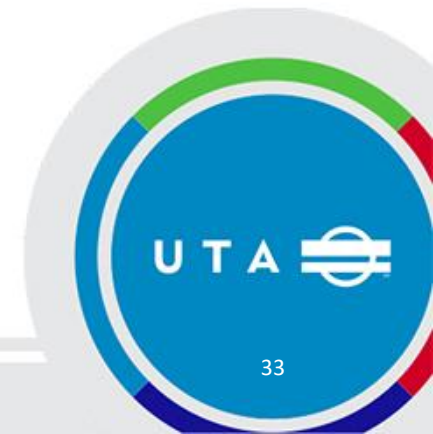




# Recommended Action (by acclamation)

Motion to approve change order:

Depot District Clean Fuels Technology Center Construction  
Manager/General Contractor Phase 2 Change Order 2



# Contract: 2019 OnBoard Survey (Resource Systems Group)

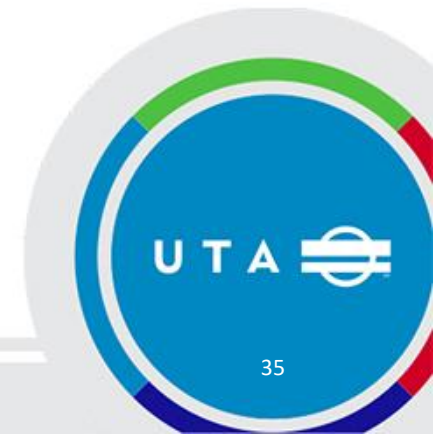
- Description and purpose:
  - Passenger survey required per Title VI regulations
  - Allows UTA to develop a demographic profile comparing minority and non-minority ridership patterns and fare medium usage
- Total contract:
  - \$499,853



# Recommended Action (by acclamation)

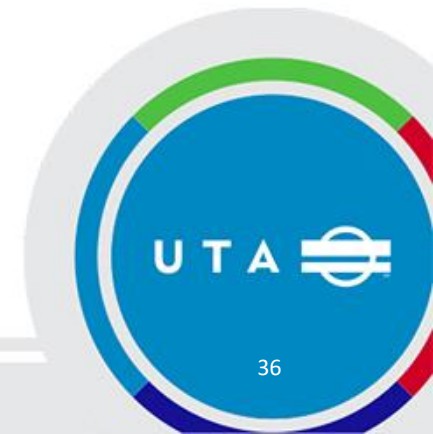
Motion to approve contract:

2019 OnBoard Survey  
(Resource Systems Group)



# Contract: Inventory Parts for Light Rail Vehicle Pantograph Overhaul (Siemens)

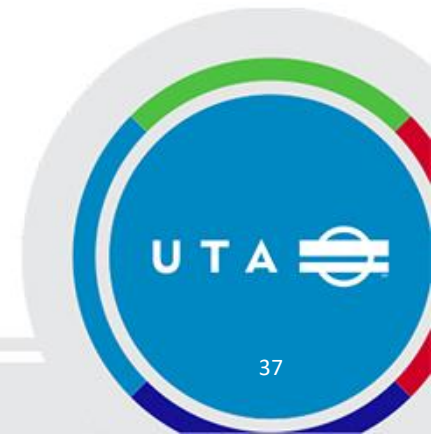
- Description and purpose:
  - Procurement of inventory parts necessary to remanufacture the pantographs on all light rail vehicles
- Total contract:
  - \$611,018.80



# Recommended Action (by acclamation)

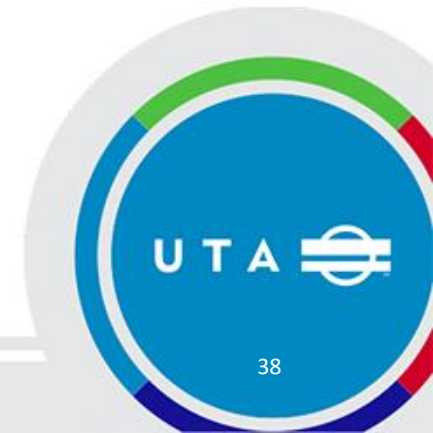
Motion to approve contract:

Inventory Parts for Light Rail Vehicle Pantograph Overhaul (Siemens)



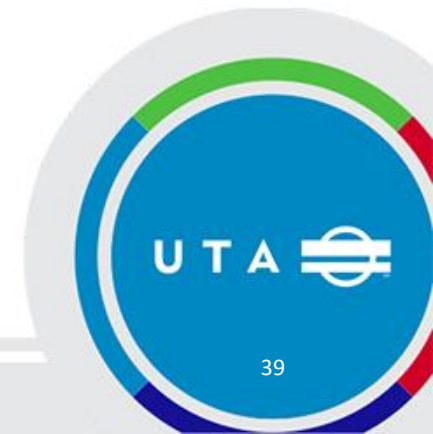
# Contract: Light Rail Coupler Quarter Life Overhaul Parts (Siemens)

- Description and purpose:
  - Procurement of necessary parts for UTA in-house mechanics to perform the quarter life overhaul on the couplers on 77 UTA S70 light rail vehicles
- Total contract:
  - \$669,919



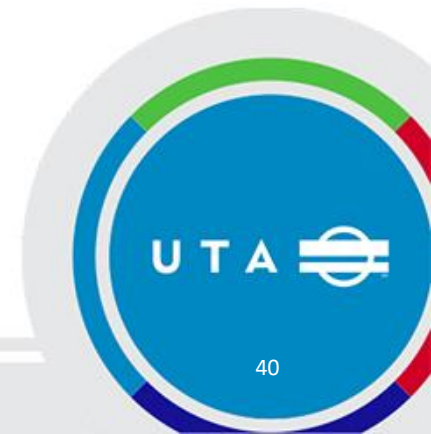
# Recommended Action (by acclamation)

Motion to approve contract:  
Light Rail Coupler Quarter Life Overhaul Parts



# Revenue Contract Amendment: Wheel Truing Services Provided by UTA (Sonoma-Marín Rail Transit District)

- Description and purpose:
  - Revenue contract between UTA and Sonoma-Marín Area Rail Transit District (SMART) for wheel truing services for SMART's light rail fleet
  - Continues provision of services through June 30, 2020
- Total amendment:
  - \$261,100
- Total contract:
  - \$384,113.76





# Recommended Action (by acclamation)

Motion to approve revenue contract amendment:

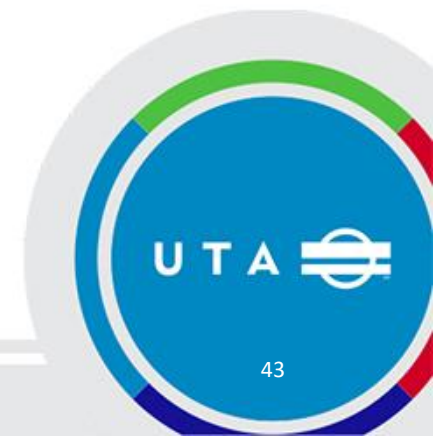
Wheel Truing Services Provided by UTA  
(Sonoma-Marín Rail Transit District)



# Pre-Procurement: Bulk Fuel Purchase

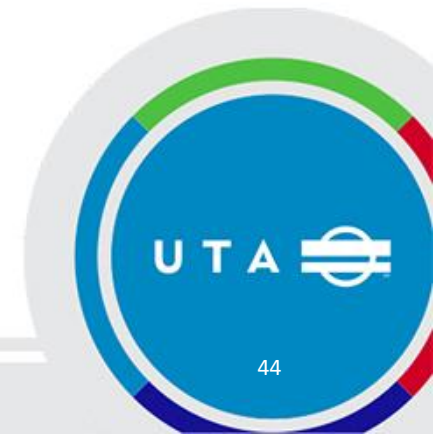


# Service and Fare Approvals



# Complimentary S-Line Service for Sugar House Backyard Bash Event August 31, 2019

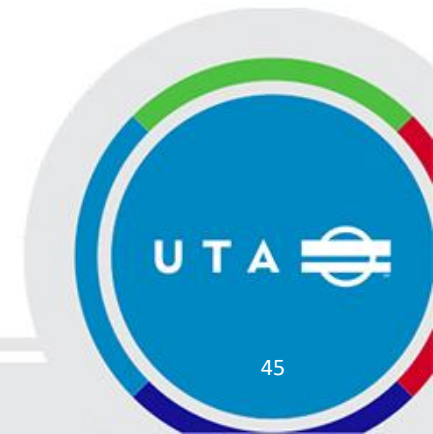
- Description and purpose:
  - Complimentary fare on the S-Line for Sugar House Backyard Bash to minimize local traffic and encourage new ridership
- Benefits to UTA:
  - Sponsorship at the “Sputnik” level, valued at \$2,500 (includes logo on website, logo on event signage, acknowledgement at the event stage throughout the event, two social media spotlights, spotlight on business feature at Sugar House Community Council, and six entries in the Beehive Sports cornhole tournament)
- Estimated value:
  - \$3,888



# Recommended Action (by acclamation)

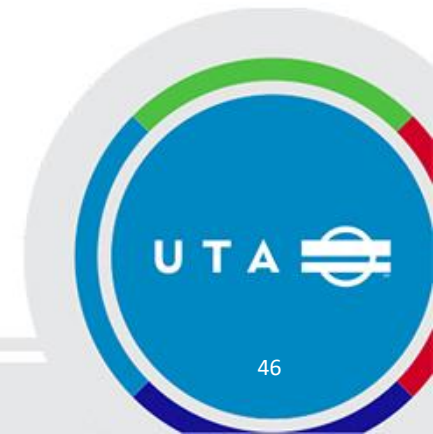
Motion to approve complimentary service:

S-Line Service for Sugar House Backyard Bash Event August 31, 2019



# Complimentary Bus Service for Peach Days September 7, 2019

- Description and purpose:
  - Partnership with Brigham City and Box Elder County to provide shuttle service to more than 3,300 riders during Peach Days
- Estimated value:
  - \$1,980



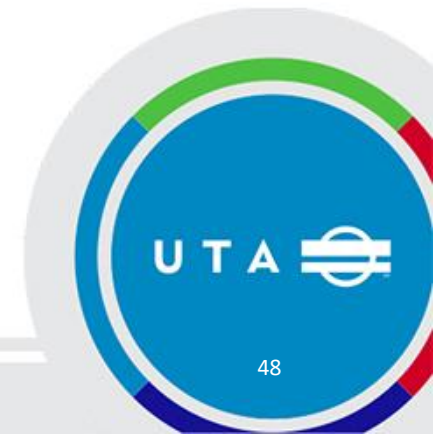
# Recommended Action (by acclamation)

Motion to approve complimentary service:  
Bus Service for Peach Days September 7, 2019



# Sponsored Fare by Salt Lake City for Routes 2, 9, and 21

- Description and purpose:
  - Fare sponsored by Salt Lake City to promote ridership on routes with increased service
  - Number of days for sponsored fare has yet to be determined
- Estimated value:
  - \$5,962/day

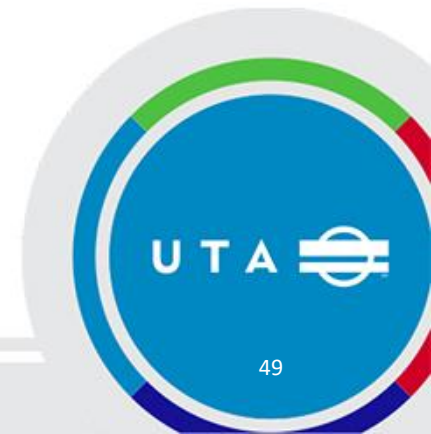




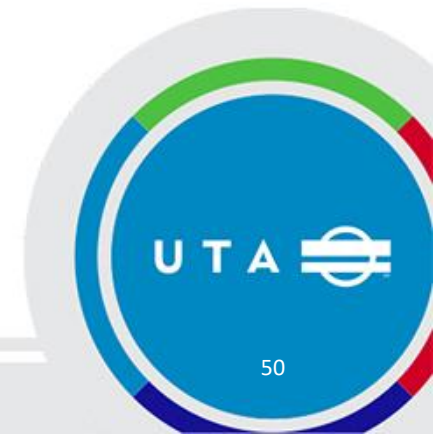
# Recommended Action (by acclamation)

Motion to approve sponsored fare:

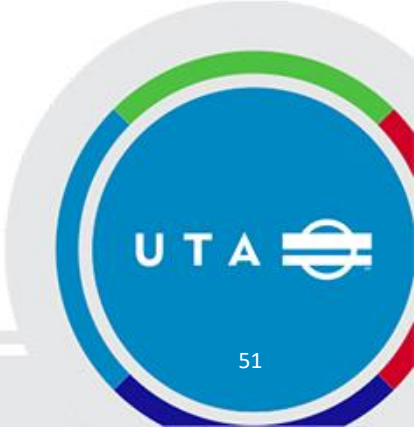
Sponsored Fare by Salt Lake City for Routes 2, 9, and 21



# Discussion Items



# Fourth Amendment of the Authority's 2019 Budget (Operating Reallocation)



# Proposed Budget Reallocations

- Operating
  - From Salt Lake County Service (\$1,110,800) to:
    - Capital Development for a Project Manager position (\$60,300)
    - Innovative Mobility Services for Micro Transit Pilot (\$925,000)
      - Service (\$800,000)
      - Promotional work (\$125,000)
    - Customer Service for two positions and software (\$100,100)
      - Two customer service positions (\$50,100)
      - Support software to provide text/email to customers who want specific route information (\$50,000)
    - Culture and Talent Development (\$25,400) for a Bus Operations Training Support Specialist
  - From Legal to Supply Chain (\$36,000) reducing one position in Legal and adding a Procurement and Contract Specialist in Supply Chain

# 2019 Operating Budget Reallocations

## Operating Expense

Description	Current Budget	Reallocation Amount	Amended Budget
Bus	\$104,572,517		\$104,572,517
Commuter Rail	29,168,782		29,168,782
Light Rail	50,480,000		50,480,000
Paratransit Service	23,085,277		23,085,277
Rideshare/Vanpool	3,541,000		3,541,000
Operations Support	48,576,676	161,500	48,738,176
General & Administrative	34,328,342	889,000	35,217,342
Salt Lake City Service	0		0
Salt Lake County Service	<u>5,479,000</u>	<u>(1,110,800)</u>	<u>4,368,200</u>
Total Operating Expense	<u>\$298,799,594</u>	<u>(\$60,300)</u>	<u>\$298,739,294</u>

# 2019 Operating Budget Reallocations Non-Operating, Debt Service & Total

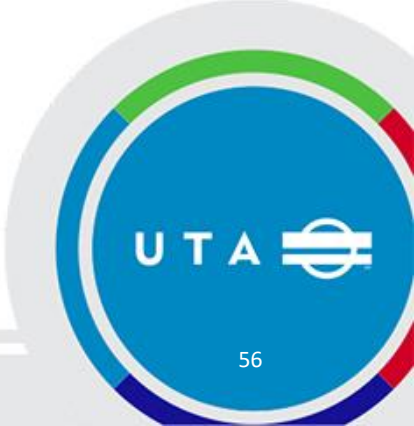
Description	Current Budget	Reallocation Amount	Amended Budget
Total Operating Expense	<u>\$298,799,594</u>	<u>(\$60,300)</u>	<u>\$298,739,294</u>
Non-operating	<u>5,687,737</u>	<u>60,300</u>	<u>5,748,037</u>
Principal and Interest	121,678,000	0	121,678,000
Early Debt Retirement Reserve	23,403,318	0	23,403,318
Contribution to Reserves	<u>1,921,000</u>	<u>0</u>	<u>1,921,000</u>
Total Debt Service	<u>147,002,318</u>	<u>0</u>	<u>147,002,318</u>
Total Operating Budget	<u>\$451,489,649</u>	<u>0</u>	<u>\$451,489,649</u>

# Next Steps

August 28 – Board considers resolution approving  
2019 Budget Amendment No. 4

SM

# Insurance and Risk Management Report





# Board Policy 2.1 – Financial Management

## Section II(F) - Risk Management

- The Executive Director will submit an annual report to the Board of Trustees on the status of the Authority's risk management program.
- The Authority will maintain Public Officials Errors and Omissions Insurance in an amount determined to adequately protect the Authority.
- The Executive Director will, as necessary, procure other insurance to compensate for losses that would adversely affect the Authority.

# Board Policy 2.1 – Risk Management

The Executive Director will submit an annual report to the Board of Trustees on the status of the Authority's risk management program.

**Types of business risk to be evaluated:**

**Strategic Risk**

**Compliance Risk**

**Operational Risk**

**Financial Risk**

**Reputational Risk**

# Board Policy 2.1 – Risk Management

## Risk Management Techniques:

**Avoidance**

**Retention**

**Mitigation**

**Transfer**

**Contractual**

**Financial**

# Board Policy 2.1 – Risk Management

The Authority will maintain Public Officials Errors and Omissions Insurance in an amount determined to adequately protect the Authority.

# Board Policy 2.1 – Risk Management

## Current Coverage:

<b>Insurance Company:</b>	<b>Stratford Insurance Company</b>
<b>AM Best Rating:</b>	<b>A (Excellent), XV (\$2B or greater)</b>
<b>Admitted/Non-Admitted:</b>	<b>Admitted</b>
<b>Policy Term:</b>	<b>9/1/18 to 9/1/19</b>
<b>Coverage:</b>	<b>Primary</b>
<b>Policy Aggregate Limit:</b>	<b>\$5,000,000</b>
<b>Public Entity D&amp;O:</b>	<b>\$5,000,000</b>
<b>Employment Practices:</b>	<b>\$5,000,000</b>
<b>Retention - D&amp;O:</b>	<b>\$100,000</b>
<b>Retention - EPL</b>	<b>\$125,000</b>
<b>Premium:</b>	<b>\$126,694</b>

# Board Policy 2.1 – Risk Management

**Renewal Coverage:**

**Options for renewal:**

**\$1M additional  
defense limit**

**Cost \$11,042**

**Lower Limits from  
\$5M to \$2M**

**Savings TBD**

**With a \$10M  
Umbrella Policy this  
makes sense.**

<b>Insurance Company:</b>	<b>Stratford Insurance Company</b>	
<b>AM Best Rating:</b>	<b>A (Excellent), XV (\$2B or greater)</b>	
<b>Admitted/Non-Admitted:</b>	<b>Admitted</b>	
<b>Policy Term:</b>	<b>9/1/19 to 9/1/20</b>	
<b>Coverage:</b>	<b>Primary</b>	
<b>Policy Aggregate Limit:</b>	<b>\$5,000,000</b>	
<b>Public Entity D&amp;O:</b>	<b>\$5,000,000</b>	
<b>Employment Practices:</b>	<b>\$5,000,000</b>	
<b>Retention - D&amp;O:</b>	<b>\$100,000</b>	
<b>Retention - EPL</b>	<b>\$125,000</b>	
<b>Premium:</b>	<b>\$110,419</b>	<b>Down 13%</b>

# Board Policy 2.1 – Risk Management

The Executive Director will, as necessary, procure other insurance to compensate for losses that would adversely affect the Authority.

**Blanket Excess Liability**  
**Limit: \$10M**

**\$317,467**  
**Up 4%**

**\$37,511**  
**Down 4%**

**\$61,141**  
**Down 9%**

**\$121,461**  
**Down 13%**

<p>Premises Liability \$2M</p> <p>\$2,500 Ded</p>	<p>Police Professional Liability \$2M</p> <p>\$50K Ded</p>	<p>General Liability</p> <p>\$2 M SIR</p>	<p>Auto Liability</p> <p>\$2 M SIR</p>	<p>Public Officials E&amp;O Employment Practices \$5M</p> <p>\$100K Ded</p>
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Excess Rail Liability  
\$75M

Excess Rail Liability  
\$10M

Primary Rail Liability  
\$15M

\$5M SIR

**\$914,737**

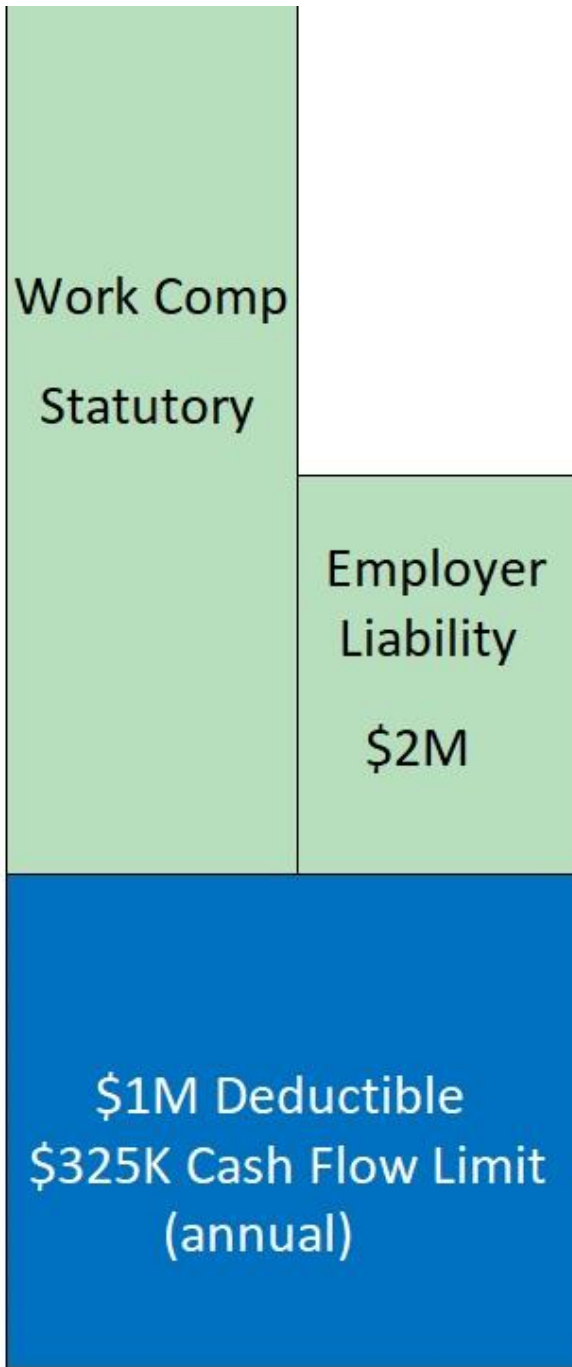
**Down 7%**

**Options for renewal:**

**Lower XS limit by \$5M (keep SIR at \$5M)**

**\$35,000 savings**

**-Explore Stand-alone Terrorism Coverage**



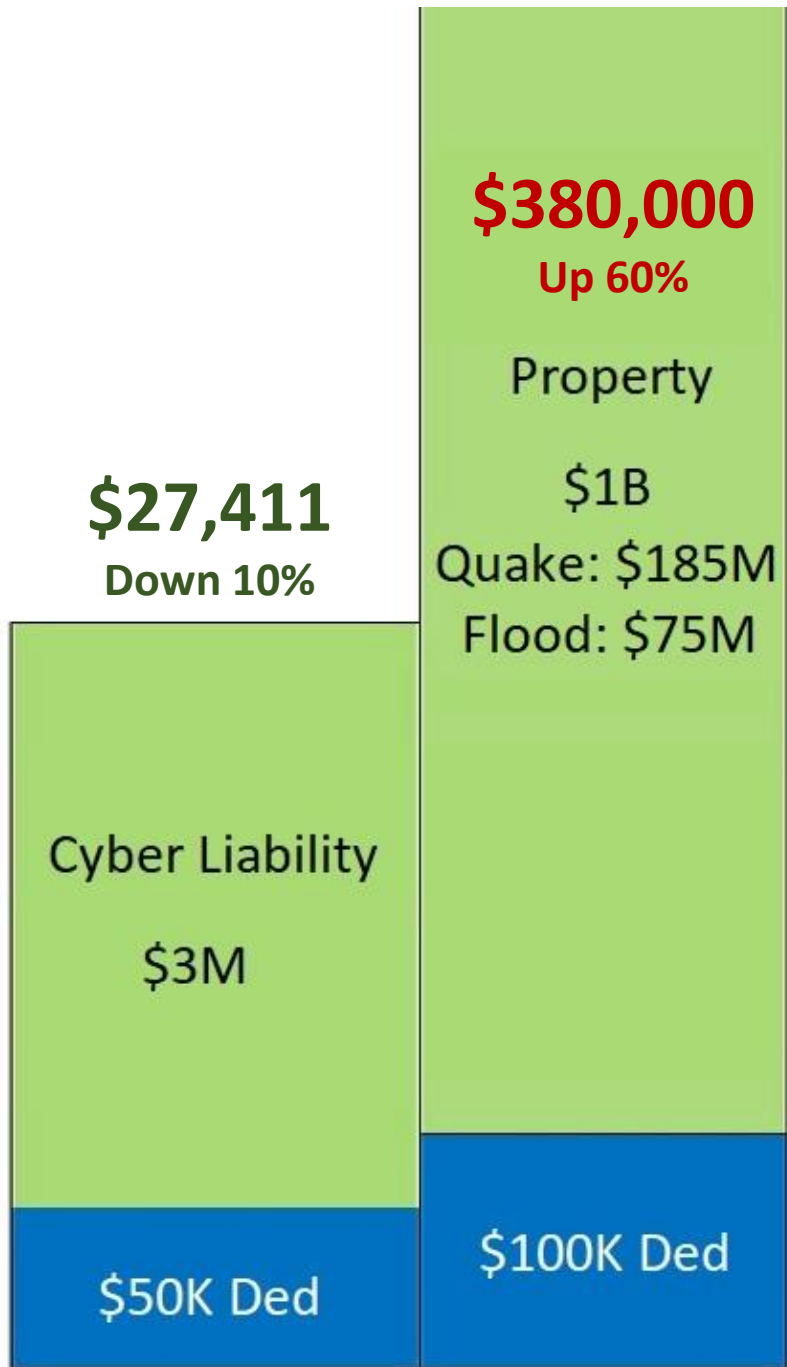
**\$84,668**

**Up 7%**

-This was marketed last year and this insurer was the only one to offer the cash flow limit option.

-Rate was locked for two years so it wasn't marketed this year.

-The increase is the result of increase in payroll.



**Property:**

**Cons**

- incumbent AFM declined renewal; we responded to all their concerns – still declined
- marketed to 8 carriers; 6 declined, 1 would only offer \$100M limits, 1 pending.

**Pros**

- ULGT includes \$2M Cyber Liability
- increased limit from \$255M to \$1B (shared)
- better earthquake
- mostly better sub limits

**\$167,202**  
Up 24%

Excess  
Van Pool

\$2M

**\$15,644**  
No Change

Primary  
Van Pool

\$2M

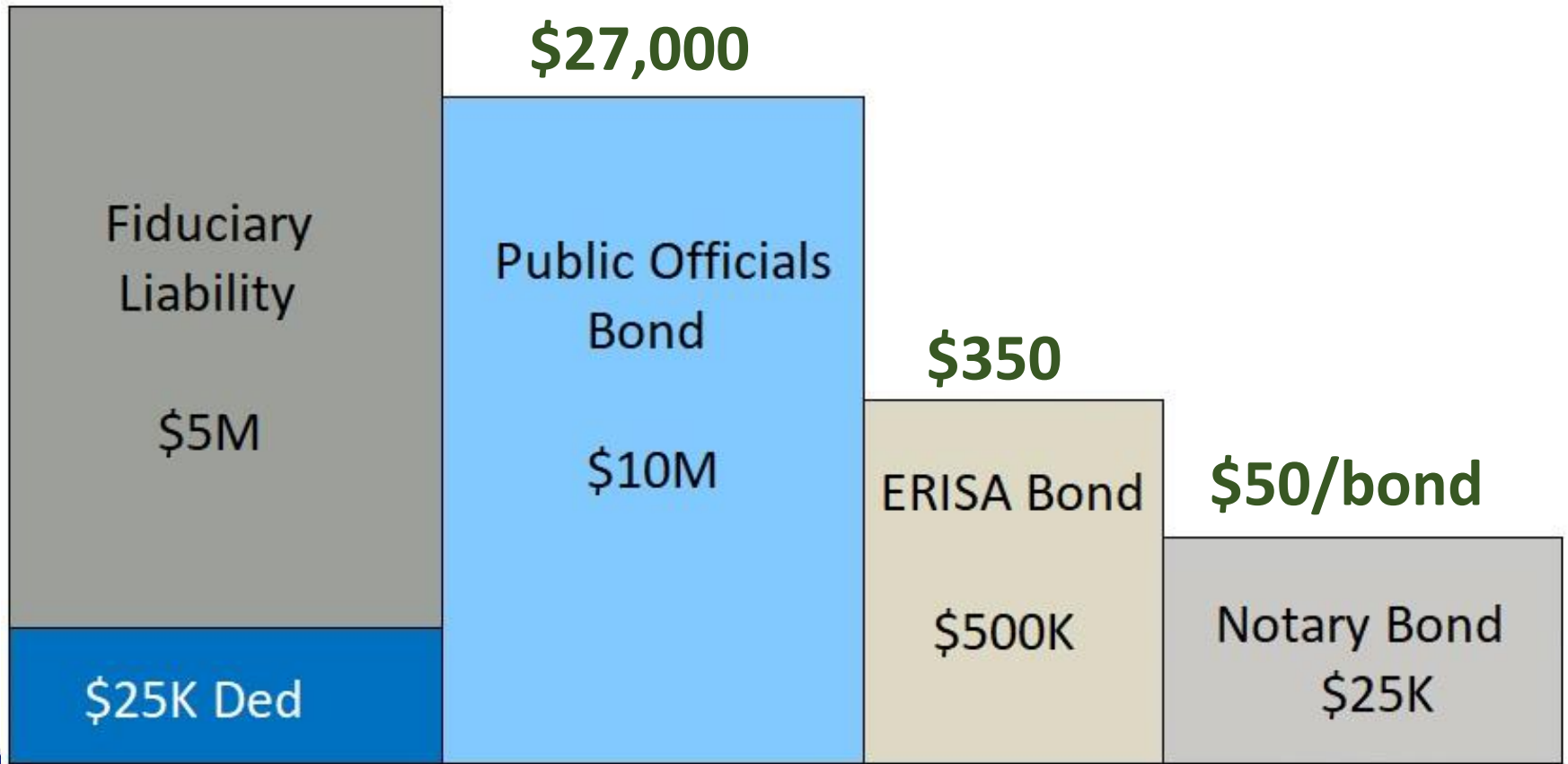
RR  
Protective  
Liability

\$2M/\$6M

**\$847,602**  
Up 22%

**\$19,219**

Down 3%

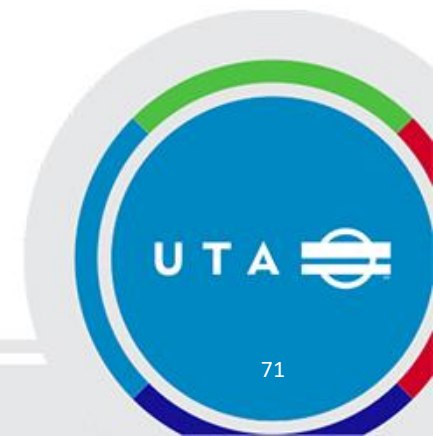


# Premiums – 2018 and 2019

Policy	2018 Premium	2019 Premium	Dollar Change	% Change
Public Officials Errors & Omissions	\$126,694.00	\$110,419.00	(\$16,275.00)	-12.85%
Blanket Excess Liability	\$304,935.00	\$317,467.00	\$12,532.00	4.11%
Public Official Liability	\$126,694.00	\$121,461.00	(\$5,233.00)	-4.13%
Umbrella Liability	\$39,327.00	\$37,511.00	(\$1,816.00)	-4.62%
Law Enforcement Liability	\$67,067.00	\$61,141.00	(\$5,926.00)	-8.84%
Rail Liability	\$984,458.00	\$914,737.00	(\$69,721.00)	-7.08%
Excess Workers Compensation	\$79,971.00	\$84,668.00	\$4,697.00	5.87%
Cyber Liability	\$30,639.00	\$27,411.00	(\$3,228.00)	-10.54%
Property	\$243,684.00	\$380,000.00	\$136,316.00	55.94%
Van Pool	\$790,944.00	\$1,014,804.00	\$223,860.00	28.30%
Railroad Protective	\$15,664.00	\$15,664.00	\$0.00	0.00%
Fiduciary and Bonds	\$46,719.00	\$46,569.00	(\$150.00)	-0.32%
<b>Totals</b>	<b><u>\$2,856,796.00</u></b>	<b><u>\$3,131,852.00</u></b>	<b><u>\$275,056.00</u></b>	<b><u>9.63%</u></b>

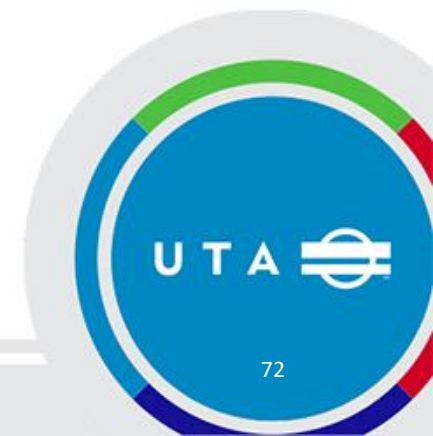
# Other Business

- a. Next meeting: August 28, 2019 at 9:00 a.m.



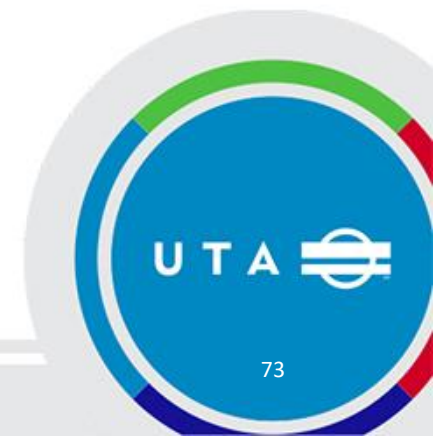
# Closed Session

- a. Strategy session to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares, if public discussion of the transaction would prevent the public body from completing the transaction on the best possible terms





# Closed Session



# Open Session



# Adjourn

