



FY 2017-18 Objectives and Tentative Budget Overview

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Outline

- Driving forces affecting budget
- Revenue and expense trends
- Key initiatives
- Tentative operating and capital budget overview
- Schedule and next steps

Driving Forces

- UTA reset
- Future vision
- True Norths & Strategic Priorities

True Norths/Strategic Plan Alignment

FY2018 tentative budget aligns True North values and Trustees' Strategic Priorities



Budget Trends: Revenue

- Sales tax revenue healthy & growing
 - *Up 13% in 2 years due to Prop 1, strong economy*
 - *Projecting 6% growth for 2018*
- Motor vehicle registrations up
- Passenger revenue flat; at 2016 level

Budget Trends: Expenses

- Expenses up 4.5% over 2017
 - *Main reasons:*
 - *New Prop 1 service in Davis & Weber counties*
 - *Rising costs related to strong economy*
 - *Aggressive effort helping slow rising costs*
 - *Example: Bringing locomotive maintenance in-house; \$100K savings in 2017, \$500K in 2018 and after*

Budget Trends: Bonding/Debt

- Bond issue for capital projects
 - *Anticipated since 2010*
 - *\$88.5 million for capital projects*
 - *Provo-Orem BRT, Airport station, SGR, others*
 - *No bond proceeds used for operating expenses*
- Pay down FrontLines program debt
 - *Incurred for voter-approved expansion*
 - *Adding \$6 million to early debt retirement reserve*
- Benefit from low interest rates & AAA bond rating

Key Initiatives: Customer Experience

- Better customer experience
 - *Mobile ticketing app, UTA GoRide, just launched*
 - *\$1M for improved signage, wayfinding*
 - *\$1.25M for security cameras on the TRAX system*
 - *New service standards soon*
 - *Public outreach on simplified fare system during 2018*



Key Initiatives: Service

- Service improvements
 - *6% service increase in Weber & Davis*
 - *Provo-Orem BRT revenue service begins Aug. 2018*
 - *3% system increase in bus revenue-miles*



Key Initiatives: Partnerships

- Strategic community partnerships
 - *Provo-Orem BRT*
 - *Increase service to Park City*
 - *Continue improving ski service*
 - *Relocating station at SLC Airport*
 - *University partnerships, ticket-as-fare and event sponsorships*



Key Initiatives: Stewardship

- State of Good Repair focus
 - *135 new vehicles – bus, paratransit, vans*
 - *Rail infrastructure & vehicle overhauls*
 - *\$63.5 million in SGR investments*



Key Initiatives: Long-Term Vision

- New Department “Innovative Mobility Solutions”
 - *Create pilot projects – technology and collaboration*
 - *Weber/Davis Voucher and Utah Valley Rides*
 - *All electric buses*
 - *Connected buses*



Key Initiatives: Employee Development

- ‘Maintenance Mentors’

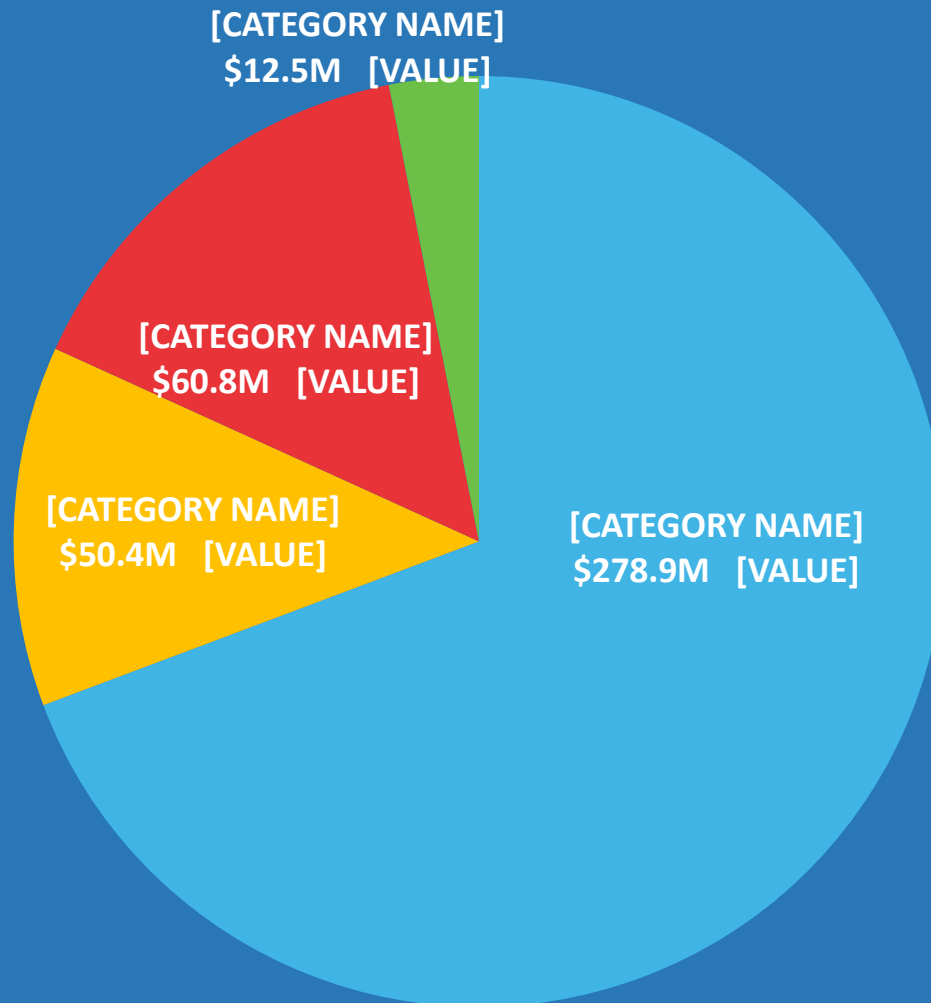
- *Internship program for HS and college students*
- *Address tight labor market*
- *Develop future maintenance employees*



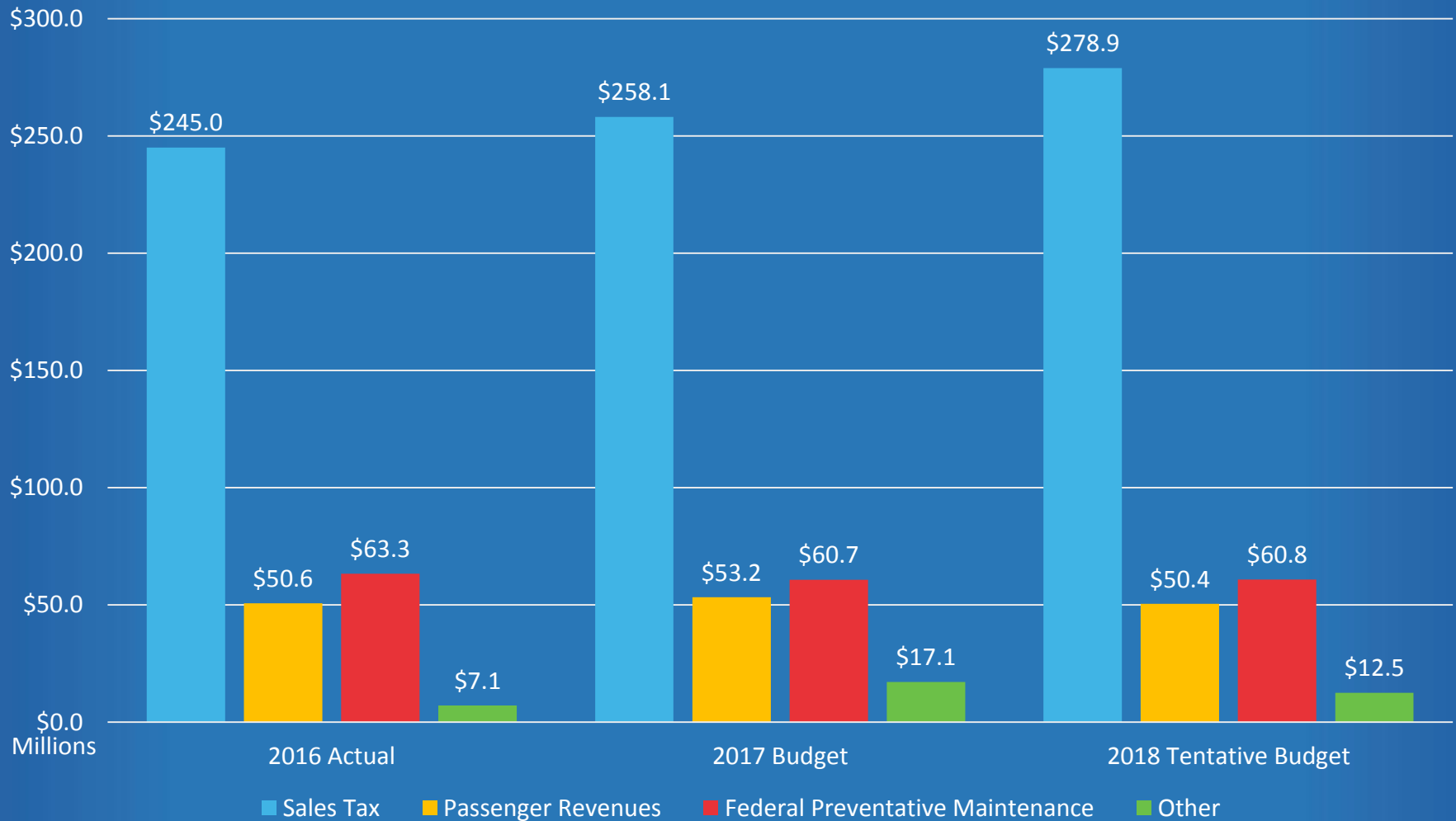
FY 2017-18

Tentative Operating Budget

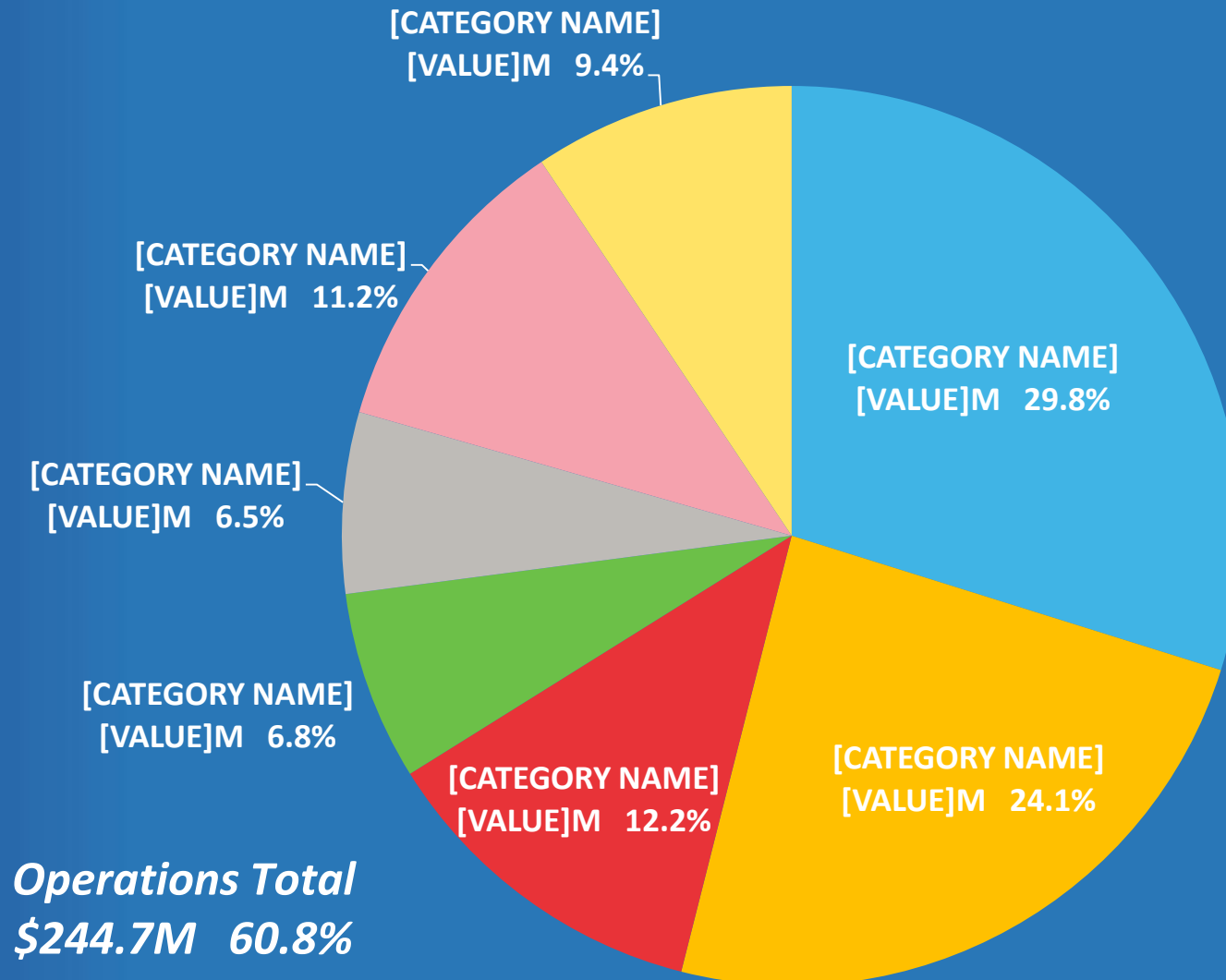
Operating Revenues \$402.6M



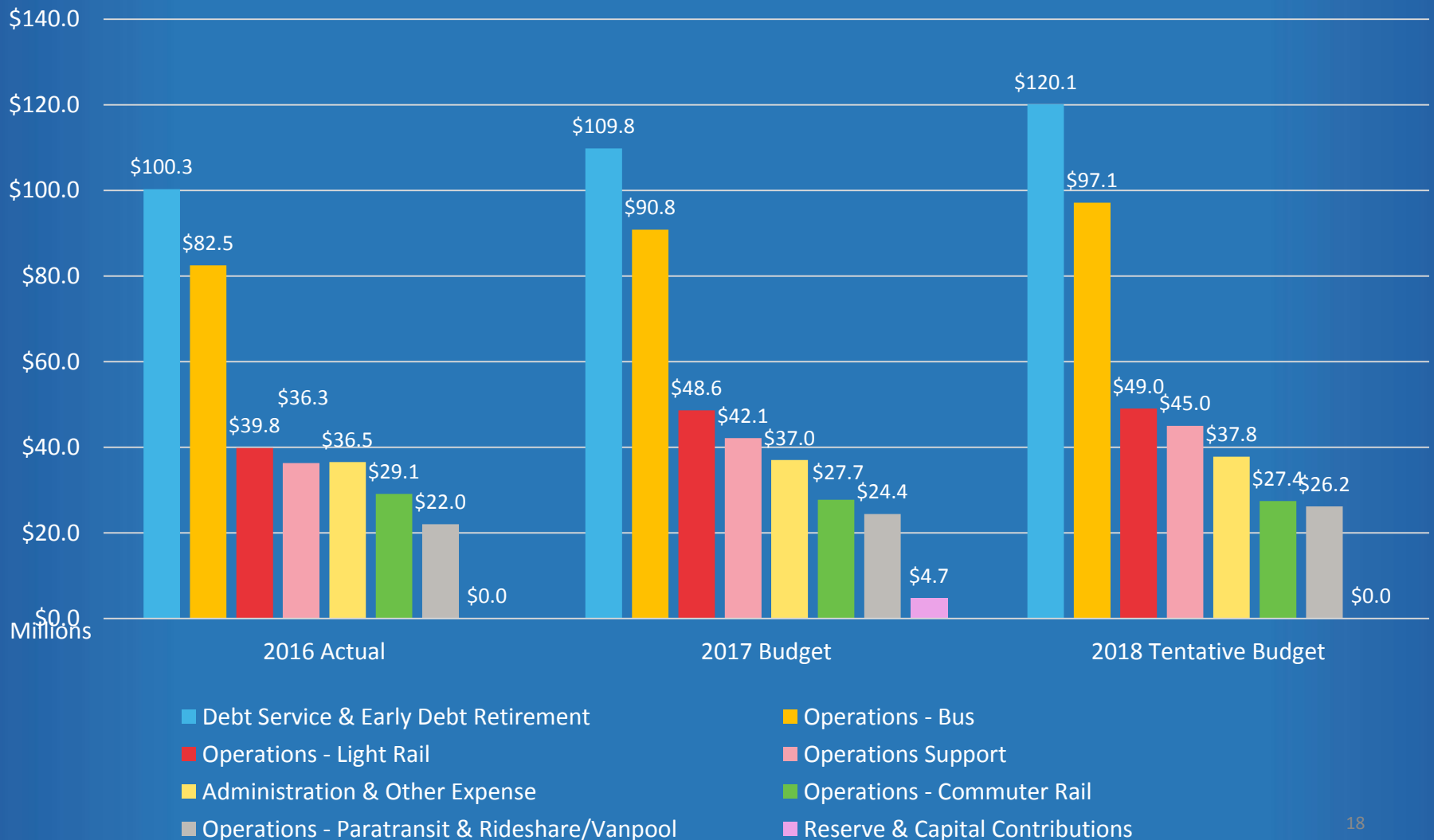
Operating Revenues Trend 2016-18



Operating Expenses \$402.6M



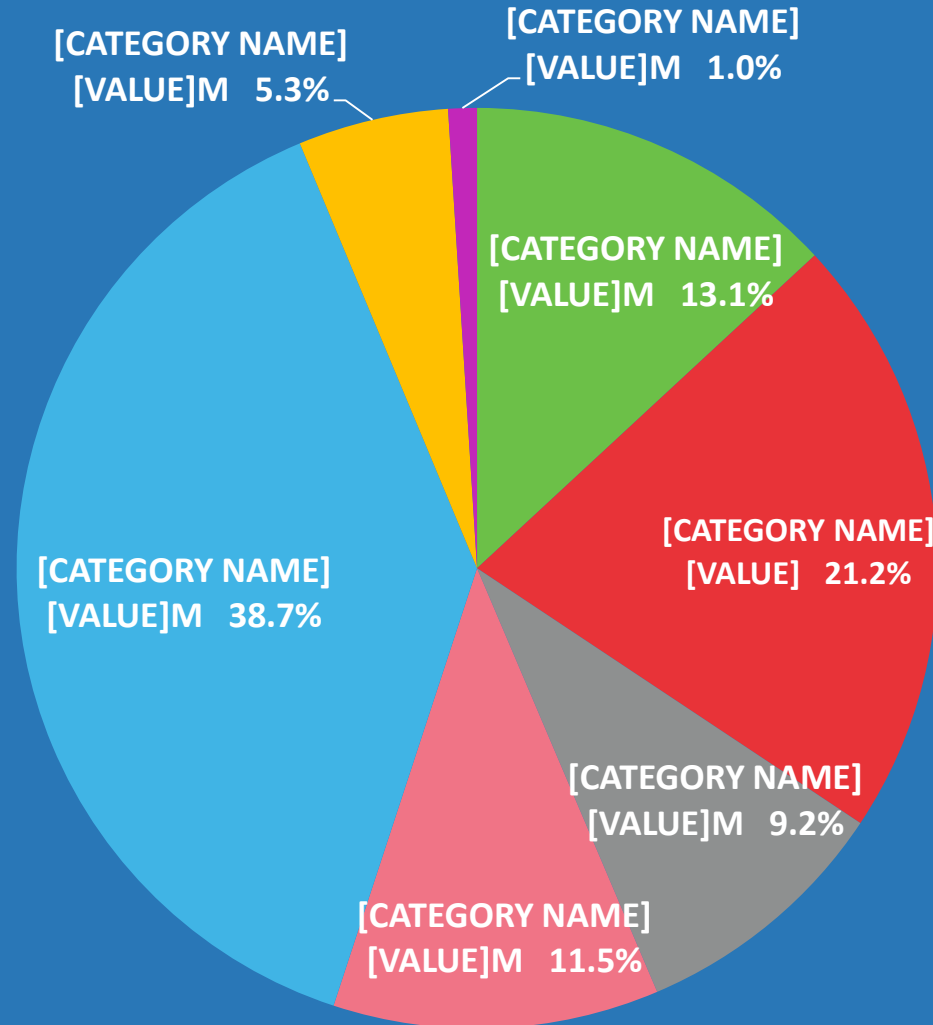
Operating Expenses Trend 2016-18



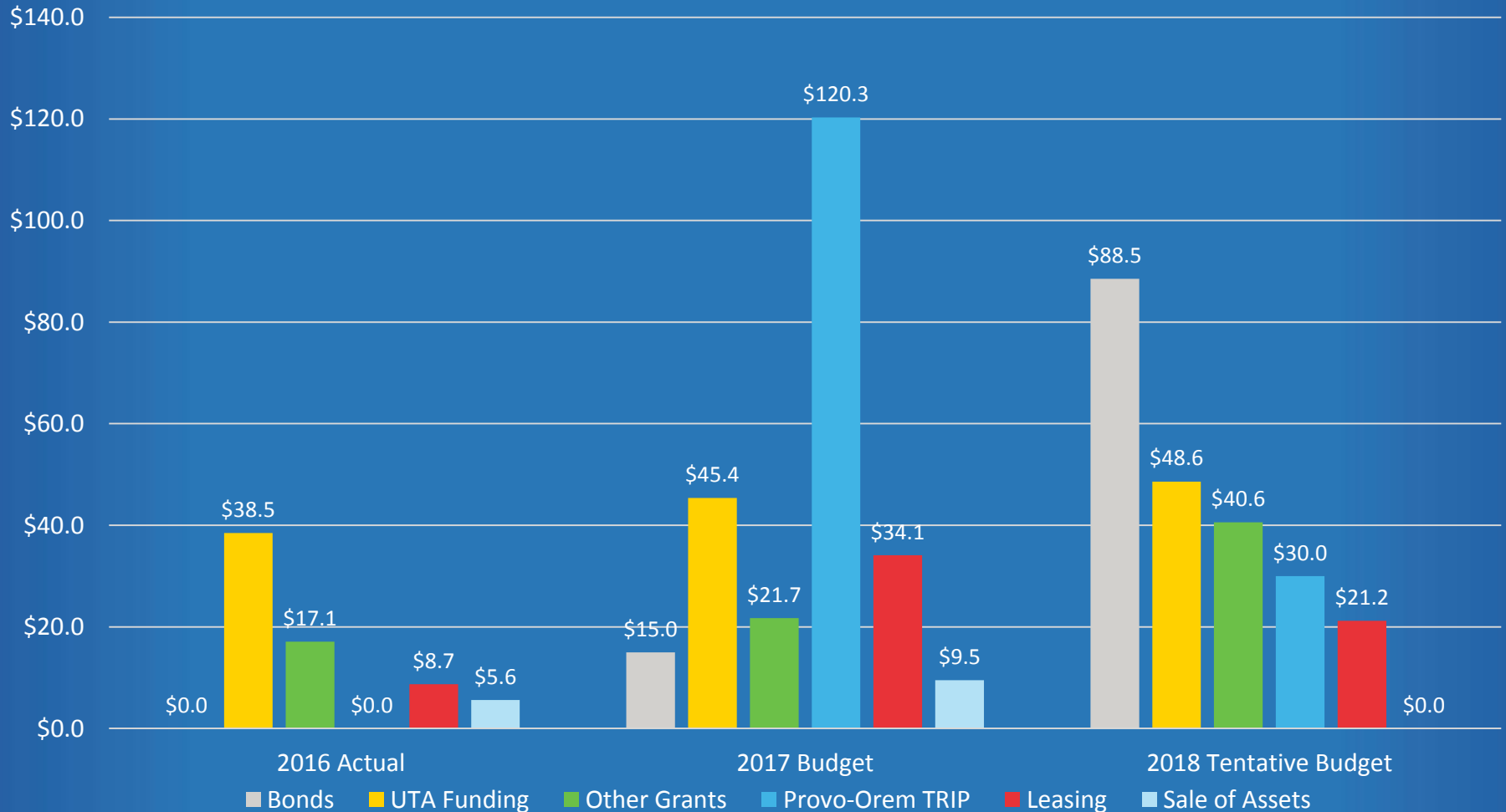
FY 2017-18

Tentative Capital Budget

Capital Revenues \$228.9M



Capital Revenues Trend 2016-18

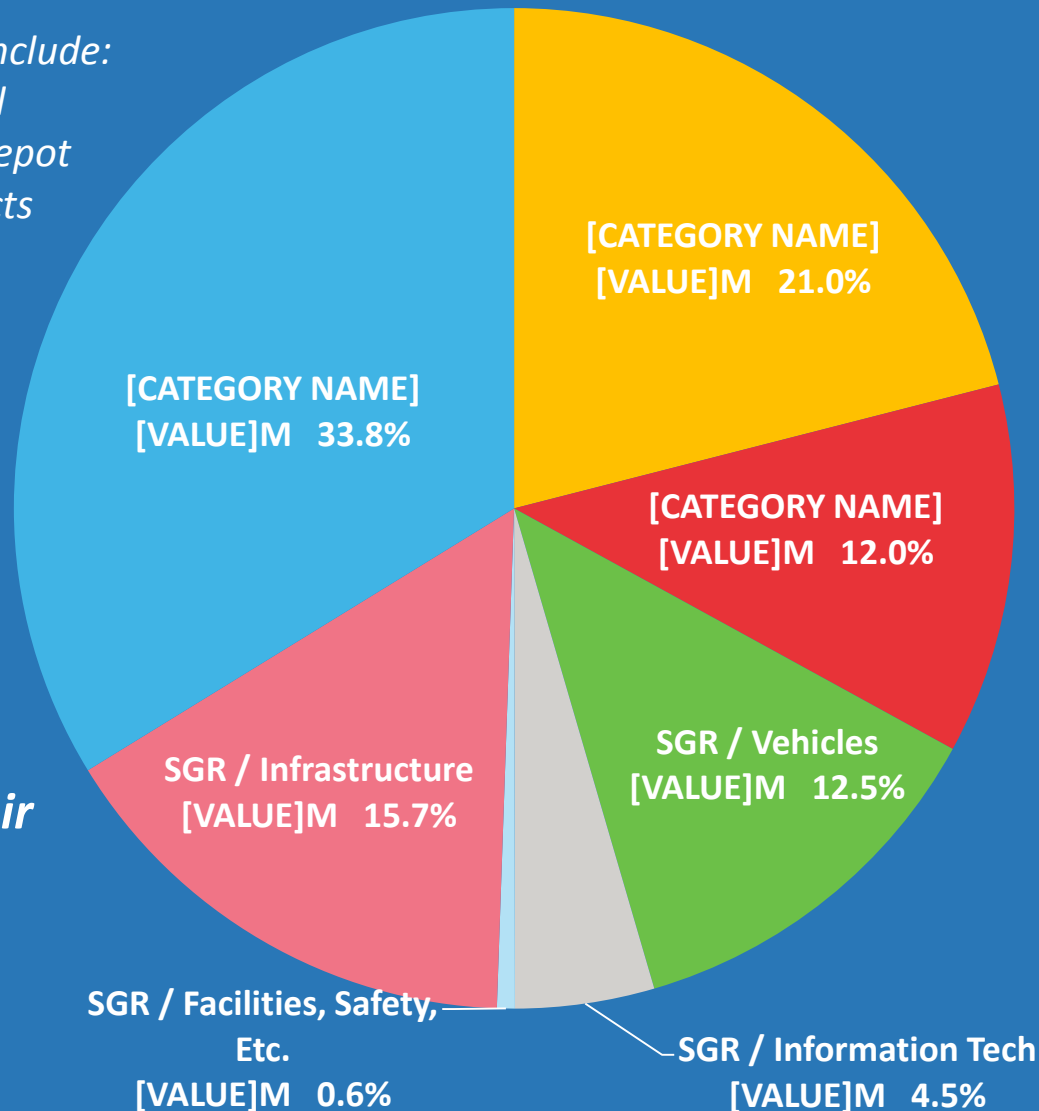


Capital Expenses \$191.3M

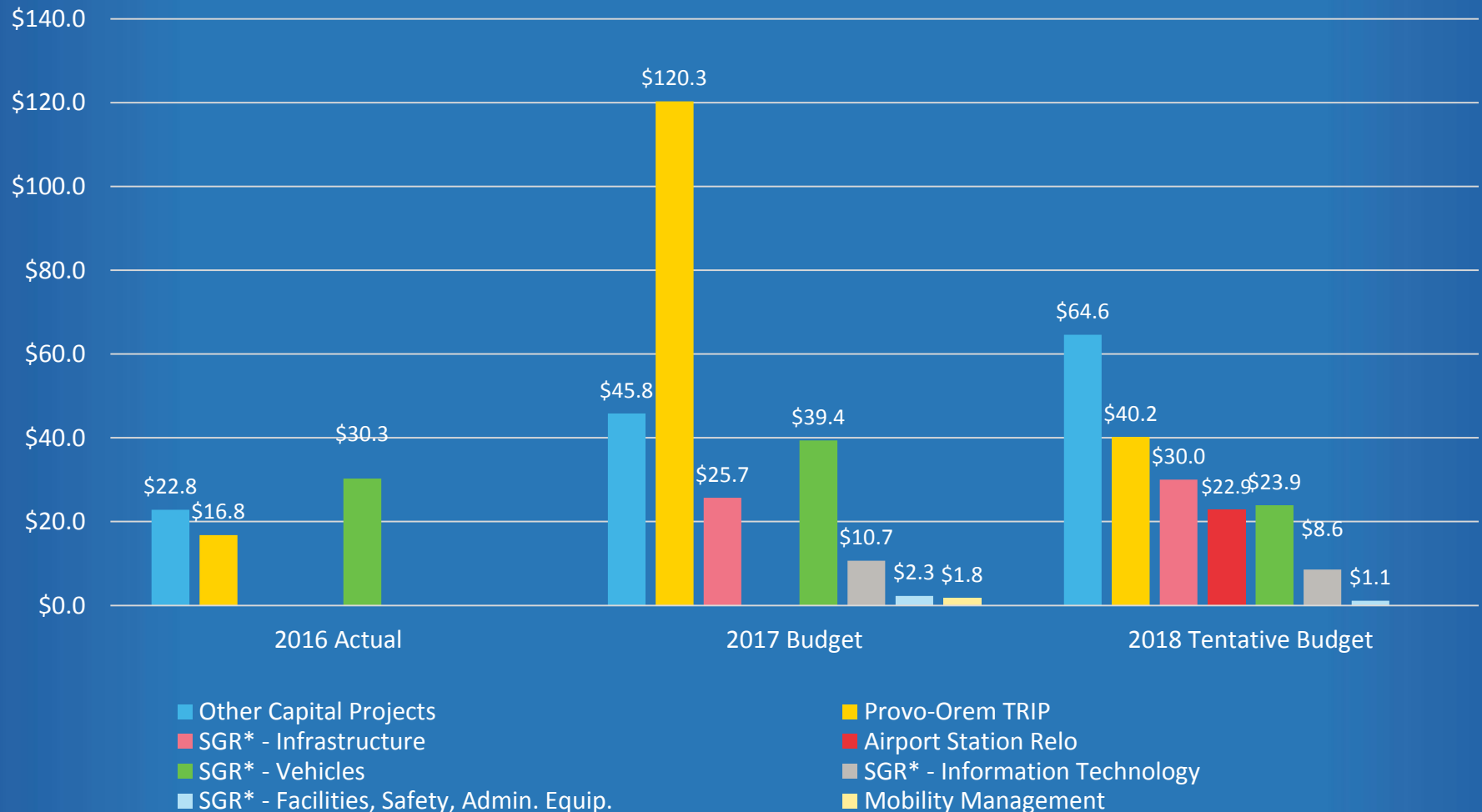
Other Capital Projects include:

- Positive train control
- New Salt Lake bus depot
- First/last mile projects
- South Davis BRT
- S-Line double-track
- Electric bus

**State of Good Repair
Total
\$63.5M 33.2%**



Capital Expenses Trend 2016-18



*SGR = State of Good Repair

Schedule & Next Steps

- Finance & Operations Committee: October 16
 - *Budget overview presentation*
- Board of Trustees Meeting: October 25
 - *Trustees review tentative budget for adoption*
- Public & Stakeholder Comment Period: November 1-30
 - *Tentative Budget sent to local and state officials*
 - *Public hearing on tentative budget - November 15*
 - *Public comment via website, phone, email, mail, etc.*
- Finance & Operations Committee: December 6
 - *Review comment and propose final budget*
- Board of Trustees Meeting: December 13
 - *Trustees adopt final budget*

Summary

- Future-focused budget
- Reducing costs a priority
- Partnerships, innovations to add value
- Strategic initiatives emphasize:
 - *Customer Experience*
 - *Service*
 - *Partnerships*
 - *Stewardship*
 - *Long-term vision*
 - *Employee development*

Thank You

Questions?

