



**Report of the Meeting
of the
Finance & Audit Committee (FAC) of the Utah Transit Authority (UTA)
held at UTA FrontLines Headquarters located at
669 West 200 South, Salt Lake City, Utah
March 19, 2018**

Committee Members Present:

Jeff Acerson, Committee Chair
Cort Ashton

Gina Chamness
Dannie McConkie (by phone)

Committee Members Excused/Not in Attendance: All committee members were present in person or via telephone. Also in attendance was trustee Toby Mileski

FOC committee chair, Jeff Acerson welcomed everyone and called the meeting to order at 2:00 p.m.

1. Approval of January 10, 2018 Audit Committee Meeting Report:

A motion to approve the meeting report was made by Trustee Ashton and seconded by Trustee Chamness. The motion carried by unanimous consent.

2. Financial Reports & Dashboards for Nov, Dec 2017 & Jan 2018

Bob Biles, Vice President of Finance, presented an overview of the reports. One positive aspect of the report included the 2017 Expense Variance by Type graph, showing the warranty recovery for the parts/warranty was \$2.45 million. A motion to accept the financial reports and dashboards and forward to the full Board was made by Trustee Chamness and seconded by Trustee Ashton. The motion carried by unanimous consent.

3. Quarterly Investment Report

Bob Biles presented the investment report for the 4th Quarter of 2017. The report included several investment purchases which were added to the UTA investment portfolio. A motion to move the Quarterly Investment Report to the full board was made by Trustee Ashton and seconded by Trustee Chamness. The motion carried by unanimous consent.

4. Resolution: Approving International Travel

In accordance with Board Executive Limitations policy No. 2.3.1, requiring the Board to approve any international travel of the Authority's employees for Authority business, Jerry Benson, President/ CEO requested their consideration in sending an employee to a conference in July. The employee is being asked to participate in the American Public Transportation Association's (APTA) Sustainability and Multimodal workshop being held in Vancouver, British Columbia in July. It was explained that this was a 3-day conference with expenses estimated at \$2,100. A motion to forward the approval for travel for this employee to the full Board was made by Trustee Chamness and seconded by Trustee Ashton. Motion was carried by unanimous consent.

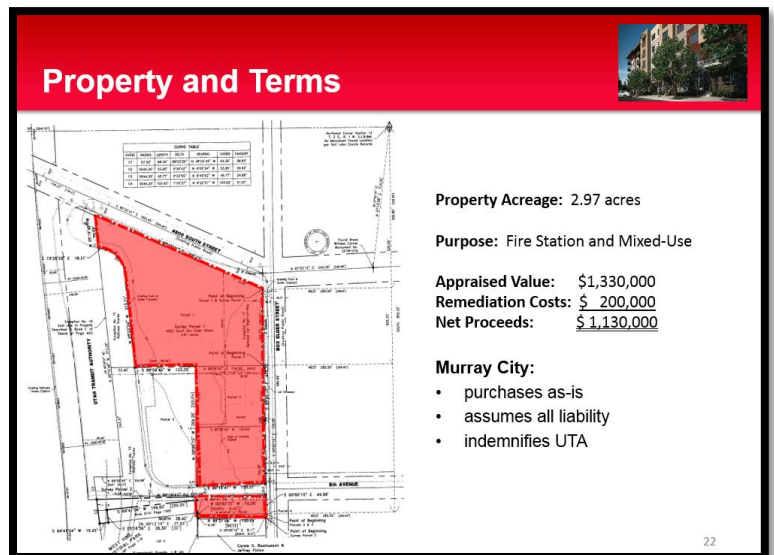
5. Resolution: Approving Sale of 2.97 Acres of Real Property to the Redevelopment Agency of Murray City

The disposition of land has been proposed by Murray City who has proposed developing this 2.97 acres into mixed-use with a fire station. The price is for \$1,130,000. It was explained that there is some contamination of the soil but that the remediation is included in the contract and we have capped our exposure to those potential costs.

Trustees posed a few questions regarding the initial investment, how long we have owned the property and if we were aware of any environmental issues when we purchased the property. Mr. Drake also added that when the property was appraised, that the costs of remediation were unknown and not included in the appraisal performed. He also explained our negotiations with Murray City and our direct-sale to them. The City is willing to take on the additional costs of the remediation. Mr.

Benson also mentioned that some of this same conversation occurred in 2016 when the property was brought to the Board to be designated as Surplus. He noted that the location is not one where we would have transit-oriented or transit-supported usage. The question was also asked by Trustee Ashton as to why we would not perform a Quit Claim Deed and why we are using a Special Warranty Deed. Mr. Drake explained that we prefer to use special warranty deeds over quit claim deeds. On our corridors are where we typically use Quit Claim Deeds.

The remediation cost estimates were presented at between \$230,000 - \$500,000 and Murray City has an escape clause written into the contract. UTA is committing \$200,000 towards the remediation. Trustee McConkie asked whether Senate Bill 136 would have any impacts on this sale. Mr. Bart Simmons, UTA Legal Counsel, stated that he did not believe that there was anything which would change the approach to this sale.



Motion to forward a recommendation for the sale of this land to the full board was made by Trustee Chamness and seconded by Trustee Ashton. Motion carried by unanimous consent.

6. Resolution: Adopting the Internal Audit Charter

Riana de Villiers, explained the purpose of the Internal Audit Charter being presented today and its role in the International Standards for the Professional Practice of Internal Auditing, Standard No. 100. She also presented the two main changes which include the following:

1. More granular breakdown of the audit process
2. Provision for consulting services, seen as a UTA value-added service which will allow us to proactively stay in compliance

Motion to forward adoption of the Internal Audit Charter to the full board was made by Trustee Chamness and seconded by Trustee Ashton. Motion carried by unanimous consent.

7. Internal Audit Services Survey (Informational item)

Riana de Villiers took the opportunity of explaining the survey and outlining the results in this informational item. The survey was performed in order to seek input and areas for improvement within the department. It was anonymous and focused the recipients of the survey on UTA staff which had participated in audits over the past few years. These areas included:

- 1) Professionalism
- 2) Relationship between auditor and auditee
- 3) Quality of Audits
- 4) Communication with auditee

No motion was required.

9. Ogden/Weber BRT Project

Mr. Benson presented this informational item and asked for feedback from the committee about the general direction. He also thanked Trustee Mileski for his advocacy on behalf of this project and UTA. UDOT, Ogden City, Weber County COG all contributed money to do the first-level design and environmental work. UTA is looking forward to a Memorandum of Understanding regarding the funding for the local match for the construction, after that the project can be submitted to FTA for grant consideration and to move into project development. The overall project is estimated at \$79 million.

No motion was required.

10. Other Business

Motion to adjourn made by Trustee Chamness and seconded by Trustee Ashton. The meeting adjourned at 3:11 p.m.

*Report Transcribed by:
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Finance*

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://utah.gov/pmn-admin/notice/edit.html?id=453301> for entire content.

This document along with the digital recording constitute the official minutes of this meeting.