



Operations Committee Minutes **April 13, 2016**

Attending Committee Members: Jeff Hawker Dannie McConkie Jeff Acerson Bob McKinley
Missing Committee Members: Justin Allen
Other Board Members Present: H. David Burton – Arrived 10:57 am
Chris Sloan – Arrived 11:21 pm

Attending Staff: Jerry Benson Robert Biles Clair Fiet Jayme Blakesley
Isaac Clarke Andrea Packer Dave Goeres Remi Barron
Richard Swenson Bruce Cardon Erika Shubin Rebecca Cruz
Brad Armstrong Grey Turner Abe Kololli Cathie Griffiths
Kyle Brimley Dave Filby Chris Morgan Lynze Lenio
Phil Brindle Ron Benson Todd Provost Rick Hanzlik

Visitors: Lee Davidson (SL Tribune)

Committee Chair Jeff Hawker opened the meeting at 10:10 a.m. and appointed Trustee Dannie McConkie as a voting committee member for today's meeting.

Safety First Minute

Dave Goeres, UTA Chief Safety Officer presented the safety message for the month of April - "*Safety Is No Accident – It Must Be Planned*" Mr. Goeres went on to share the following:

- APTA will be in town next week to perform an audit on FrontRunner and provide feedback on any improvements that can be made.
- The FTA had shut down WMATA for a day to perform an inspection as a result of an accident there. UTA has taken the findings of that inspection to perform a proactive internal audit of its practices, to see how we compare and where improvements can be made.

Review of December, January, and February Performance Dashboards

Robert Biles, UTA Vice President of Finance presented.

December

- YTD Sales Taxes of \$227.7 million exceeded the budget of \$221.3 million by \$6.42 million. A 6% increase year over year.
- YTD Diesel Price of \$1.84 per gallon is far below the \$3.30 per gallon that had been budgeted, saving UTA an average of \$1.46 per gallon throughout the year for a total savings of over \$10 million.

February

- YTD Sales Taxes of \$16.1 million are below the budgeted amount of \$17 million.
- YTD Fare Revenue of \$8.7 million exceeds the budget of \$8.4 million by 3.5%.
- YTD Operating Expenses of \$38.3 million are \$3.4 million below the budget of \$41.7 million.
- YTD IPR of \$4.24 exceeds the goal of \$4.18, with fuel savings IPR is \$3.96.
- YTD Diesel Price of \$1.10 per gallon is far below the \$3.30 per gallon that had been budgeted.
- YTD Ridership is down .09% compared to the same period in 2015.
- YTD Debt Service at \$16.2 million is down \$2.6 million compared to the same period in 2015.

Trustee Robert McKinley asked that the dashboard reflect how things compare year over year instead of YTD (i.e. Sales Taxes).

2015 Performance Report

Jerry Benson, UTA Interim President/CEO presented.

- At the request of Chair Hawker, Mr. Benson provided a verbal summary to Trustee Jeff Acerson of how the goal and performance incentive process work and purpose for this presentation.
- Board Goals
 - Ridership
 - Goal: Increase ridership by 3.3% over 2014 actual
 - Results: 2015 ridership was unchanged from 2014
 - UTA 2015 ridership was 46.6 million
 - National ridership decreased 1.30%
 - Investment per Rider
 - Goal: Investment per rider (IPR) of \$4.01
 - Results: Investment per rider was \$3.79
 - IPR includes added service
 - Without credit for fuel savings, IPR was \$4.01
 - Revenue Development
 - Goal: \$13.5 million in non-Small Starts revenue development
 - Results: Over \$21.2 million (157.3%) in non-Small Starts revenue
 - Goal: \$75 million in Small Starts revenue development
 - Results: Over \$4 million (5.4%) in appropriated revenue. Over \$71 million allocated in the President's budget
 - State of Good Repair
 - Goal: Develop dashboard for state of good repair and demonstrate adherence
 - Results: Dashboard was developed, approved by the Planning & Development Committee, and is in use
 - Transit-Oriented Development
 - Goal: Complete three new groundbreakings at UTA transit-oriented development sites
 - Results:
 - Sandy Phase 2 groundbreaking complete
 - Sandy Phase 3 infrastructure underway
 - South Jordan Phase 1 and 2 groundbreaking expected in Q2 of 2016
 - Stakeholder and Customer Relations
 - Goal: Develop, track, and show improvement with three customer satisfaction indicators
 - Results:
 - Completed Net Promoter Score and Customer Satisfaction Survey
 - Established targets and tracked on-time reliability for bus, rail, and paratransit
 - On-time reliability improved for bus, light rail, and paratransit
 - A new measurement for real-time information was developed and implemented to monitor the accuracy of real-time departure predictions on TRAX

- Distance-Based Fare
 - Goal: Make a go/no go decision in distance-based fare by October 31, 2015, and if decision is “go,” launch in January 2016
 - Results: “No go” recommendation offered after extensive public input and analysis
- Customer Focus
 - Reduced bus avoidable accidents to 0.71 per 100,000 miles (0.85 in 2014)
 - Improved 104 bus stops
 - Increased capacity for safe bicycle storage on trains
 - Initiated and deployed fare inspection officers in the system
- Accountability, Transparency & Outreach
 - Proposition 1:
 - Service scenario outreach with more than 8,000 customers
 - Passage 1 in Weber, Davis, and Tooele counties
 - Completed total compensation study
 - Hosted 2015 APTA Rail Conference and International Rail Rodeo
 - Rail rodeo team took the top prize – the Rail Transit Team Achievement Award
 - Launched and facilitated the Community Transit Advisory Committee
 - Started the Light Rail Benchmarking Group in conjunction with the Imperial College of London
 - Participated in the United Way Day of Caring
- Finances & Funding
 - Highlight: Debt Service Reduction (Richard Swenson, UTA Financial Services Manager and Deputy Treasurer presented)
 - Refunded bonds resulting in savings of 9.03% or \$77.7 million (at a rate of 3.2%, down from 5% at the time of refinancing)
 - The Debt Service Reserves & Rate Stabilization Fund balance if left unused will grow to approximately \$100 million by 2021
 - Debt Service: Post-Refunding. A graph was shown that reflected where each portfolio currently stands in comparison to the prior original total/debt service
 - S&P upgrade to A+ rating on subordinate-lien bonds
 - Highlight: Fuel Savings (Bruce Cardon, UTA Commuter Rail General Manager presented)
 - FrontRunner fuel miles per gallon has increased from 0.486 in 2013 to 0.543 in 2015.
 - Decreased idling time
 - Improved operator practices
 - FrontRunner 2016 Month-to-Month Reliability for 2016 has improved from 86.50% in January, to 88.97% in February, and finally to 92.50% in March
 - Operations expenses were \$228.5 million, or 5.1% under budget
 - Improved miles per gallon in all modes, contributing to a savings of over \$600K

- Ridership & Service
 - Added service to twelve bus routes, TRAX, and S-Line Streetcar
 - Depot District CNG fueling facility activated
 - Completion of ten first and last mile projects
 - Substantial progress on Provo-Orem TRIP (Grey Turner, UTA Sr. Program Manager Engineer presented).
 - Apportioned \$71 million in President's 2016 budget
 - Awarded over \$4 million by FTA for engineering, right-of-way, and utility work
 - Environmental assessment approved by FTA
 - Formed joint oversight committee with UTA, UDOT, Provo City, Orem City, MAG, and Utah County
 - 60% design completed on corridor improvements
 - CM/GC contractor selected
 - 90% design completed on Timpanogos bus maintenance facility
 - Ticket-as-fare promotions:
 - University of Utah
 - Ogden concert series
 - Days of '47
 - Implemented a FrontRunner confidential close call reporting system
- Sustainability
 - Awarded bronze sustainability status by APTA
 - Honored with Green Business Award
 - Participated in air quality monitoring (Hestia)
 - Continued design and construction of the federally mandated positive train control system
 - Created a program for the overhaul of the SD-100 and SD-160 light rail vehicles
 - Participated in energy savings projects resulting in an annual savings of \$150,000
- Other Accomplishments
 - Challenged for the Shingo Prize
 - Delivered UTA Way training to all employees
 - Completed locally-preferred alternatives for:
 - Ogden Transit Corridor Project
 - Davis-SLC Connector Project
 - Completed four studies:
 - 3300 South BRT Transit Signal Priority Study
 - Northern Utah County Transit Study
 - Sandy/South Jordan Circulator Study
 - Orem City State Street Master Plan Study
 - Partnered to complete three station area plans for the WFRC Transportation-Land Use Connection Program
 - Mobility Management
 - Launched shared and donated vehicle program
 - Launched Ride Pilot scheduling and dispatch software
 - Launched first phase of One-click transportation information and referral system

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- Upgraded Information Systems
 - OWATS
 - EFC analytics
 - TVM Performance
 - Fleet Management
- Signed the Mountain Accord
- Received the Envision Utah Common Good Award

Chair Hawker expressed deep gratitude to UTA's staff for all of their hard work in 2015.

Mr. Benson asked the committee to consider a decision about the percentage or portion of accomplishment relative to the board goals. Mr. Benson distributed a copy of the 2015 Review of Goal Matrix to each of the committee members for their review and consideration.

Chair Hawker went through each of the goals to get feedback from the attending trustees. The feedback was as follows:

- Trustee Robert McKinley indicated that each goal should be given an all or nothing credit, that no partial credits should be given.
- Trustee Acerson expressed that unexpected items preventing the goal from being met should be weighed in the decision. The staff exceeded in its efforts and therefore he recommended giving 100%.
- Trustee McConkie recommended awarding 100% on all goals because of the efforts by staff to accomplished said goals (even for those that weren't completed at 100%).
- Chair Hawker feels the Board needs to do a better job at defining the goals with staff effort being kept in mind. He went on to recommend an allocation of 55% achievement be given to the Board Executive Committee for approval but feels input from the other Trustees should be considered by the full board.

A motion to recommend allocation by the board of 55% of goal achievement be forwarded to the Board Executive Committee to forward on to the full board for more discussion and potential adjustments, was made by Trustee McKinley. Trustee Hawker seconded the motion. Three trustees voted aye, Trustee McConkie voted nay. Motion carried three to one.

Trustee McKinley requested Mr. Benson provide the board with a written recommendation and supporting information for the board to consider; regarding efforts made by staff on those goals where only partial or no credit for achievement has been given. Mr. Benson committed to doing so.

2016 Vehicle Lease Parameters Resolution

Mr. Swenson presented.

- The 2016 resolution states the following stipulations cannot be exceeded:
 - Amount: \$10,500,000
 - Interest Rate: 3.6%
 - Term: 12 years

- When passing the resolution, Mr. Swenson requested that the following changes also be approved:
 1. Jerry Benson's title has been corrected on page 1 to Interim General Manager
 2. The Interim CFO/President has been added to the list of designated officers on page 3
 3. On page 4, the words "any one of" has been deleted on the fifth line of section 3
- The remainder of the resolution remains the same as it has been approved in years passed

A motion to forward the 2016 Vehicle Lease Parameters Resolution, with the requested changes stated above, on to the Board Executive Committee to forward on to the full Board was made by Trustee McKinley. Trustee Acerson seconded the motion. The motion passed unanimously.

Consent Items

A motion to approve the consent items: December, January, and February Financial Statements and the January 13, 2016 Operations Committee Report, was made by Trustee McKinley. Trustee McConkie seconded the motion. The motion passed unanimously.

FrontRunner Wifi Enhancement Project Status

Kyle Brimley, UTA Manager of Technology Deployment presented.

- History of WiFi on FrontRunner
 - 2008 - 44 miles of free WiFi access
 - Implemented the best technology available
 - Averaged 800 connections per day (Laptops)
 - 2013 - 45 additional miles free WiFi access
 - Personal device explosion (Tablets, Smartphones)
 - Quickly surpassed 5000 + per day
 - It's time to enhance the WiFi
- Objectives:
 - Improved Customer Experience
 - Constant WiFi connection during a trip
 - Improved internet speed
 - System is manageable and maintainable
 - Off the shelf components
 - Bandwidth management enhancements
 - Designed for future
 - Can expand with current technologies
 - Can take advantage of new technologies
- Project Overview
 - 2015
 - March - Technology Research
 - April - Request For Proposal Created (GBS Group was selected)
 - November - Open Procurement
 - 2016
 - January/February - Design Completed RF Radio Study
 - June - First Train Install

- December - System Wide Installs and Project Completion
- Train Design - 2-3 LTE Cellular Carriers
- Train Design Proof of Concept - Augmented by wayside technology

Business Unit Update: Maintenance of Way

Ron Benson, UTA Department General Manager of Rail Systems Infrastructure, Dave Filby, UTA Manager of Right of Way Assets, and Phillip Brindle, UTA Manager of Rail Systems presented.

- What is Maintenance of Way (MOW)?
 - Maintenance of Way is defined as “the upkeep and care of a railroad’s fixed property”
 - Safety is job #1
 - Supports Trax and FrontRunner Operations
 - Works with freight carriers on UTA Tracks
- What is MOW responsible for?
 - Track
 - Structures
 - Right-of-way
 - Catenary
 - Substations
 - Grade crossings
 - Cab signals
 - Signal systems
 - Ticket vending machines (TVM)
- Who is MOW?
 - 101 Employees
 - Staffed 24/7: The rail infrastructure and freight operations continue to operate after UTA operations cease
- MOW Partners
 - FrontRunner Operations
 - TRAX Operations
 - Freight Operators (Savage, Utah Railway, Union Pacific)
 - Capital Development
 - UTA Safety Department
 - Federal Railroad Administration
 - Federal Transit Administration
 - State Safety Oversight (UDOT)
- Key Performance Indicators for light rail and commuter rail
 - MOW related service delays: No more than two delays of more than 10 minutes per month
 - TVM reliability: 95% of all ticket vending machines available for service
 - Inspections of signals, switches and grade crossings per schedule
 - Broken gate response time: Respond to reports of grade crossing issues within 10 minutes on light rail and 20 minutes on commuter rail (avg. two per day)

Trustees McConkie and Acerson asked questions regarding how maintenance is performed on the right-of-ways and how freight carriers use the tracks. Mr. Ron Benson explained the process.

- Track Maintenance
 - 24/7 staff coverage due to maintenance responsibilities and getting time to work on the track when there is no service
 - Majority of work happens on Sundays
- Track Inspections
 - 95 Miles FrontRunner track
 - 91 Miles light rail and street car track
 - 13 Miles freight only track
 - Two light rail and one commuter rail yard
 - Three freight only yards
 - Entire track system inspected twice a week!
- Routine Right of Way Maintenance
 - Weed control of 555 acres
 - Trash removal on right of way
 - Nightly street sweeping of track in downtown area
 - Fencing
- Routine Track Maintenance
 - Welding and track grinding
 - Surfacing of track, regulation and placement of ballast (track rock)
- Emergency Response
 - It all starts with the call from TRAX or FrontRunner control
 - Respond to issues that damage UTA infrastructure that will need to be repaired before we can safely continue operations
- Rail Systems
 - 24/7 staff coverage the system never rests, always operating
 - Maintenance activities are continuously in progress!
- Grade Crossings – point at which the train meets the motoring public
 - 3 Commuter rail gated grade crossings
 - 69 Light rail gated grade crossings
 - Monthly, quarterly and yearly inspections
- Signal Systems – Safely space and present maximum speed to trains
 - 208 signals
 - Monthly inspections
 - 18 locomotives and 30 cab cars with signals in the cabs
 - 60-day and yearly inspections
- Switches – a directional machine
 - 292 switches
 - Monthly, quarterly and yearly inspections
- Substation – Delivers 750v DC power to overhead catenary system
 - 52, 1.5 megawatt and one 3 megawatt substation
 - 1.5 megawatt is = 1200 households average use per hour or 25,000, 60 watt light bulbs

- Monthly and Annual inspections
- Overheat Catenary – Wiring which delivers power to the light rail vehicle
 - 91+ miles of overhead catenary
 - Bi-annual above-ground inspection of entire system
 - Walking monthly inspection
- Ticket Vending Machines
 - 167 machines, maintained 24/7
 - 187,000 operations monthly
- Emergency response
 - Immediate response and evaluation
 - Well-coordinated efforts with UTA partners for quick resolutions
 - Mitigating effects of the emergency on the UTA passengers
- Long-Term Projects
 - Positive Train Control construction and implementation
 - Asset Management program
- The Culture
 - The UTA Way along with the continuous improvement process have created a more engaged, effective work force.
 - Re-bid of Line and Signal Technicians shifts based on their input
 - Implemented a more equitable fleet management process for assigned work vehicles
 - Allowing enhanced input by technicians into their training process

Trustee Acerson asked questions about the MOW track switching trends. Mr. Ron Benson stated the issue is due to the switching issues. He went on to explain that a switch can't be open more than a 1/16" off or the train won't receive a signal. Mr. Benson explained they've found by using a Teflon product instead of graphite, MOW isn't having as many switch issues.

Trustee Acerson asked what the general public can do to help to cut down on the maintenance the MOW department has to do. Mr. Ron Benson stated they can be attentive around grade crossings so they're not taking out grade crossings/arms. Mr. Jerry Benson asked Mr. Ron Benson to create a packet of information for the board members of issues they can talk to their local public about (by county/city) of how the general public can help.

Quarterly Investment Report

Richard Swenson, UTA Financial Services Manager and Deputy Treasurer presented.

- No investments were purchased during the first quarter of 2016
- Six investments were sold in January, 2016:
 - Amount invested = \$37,321,003.19
 - Sale amount = \$37,640,805.18
 - Interest earned = \$18,237.44
 - Total gain = \$212,802.05

Liaison, Conference and External Committee Report

- Nothing to report

Closed Session

- Trustee Acerson made a motion to go into closed session at 12:09 am. Trustee McConkie seconded the motion. Voting was unanimous.
- Trustee Acerson made a motion to re-open the meeting at 12:15 am. Trustee McConkie seconded the motion. Voting was unanimous.

Action Taken Regarding Matters Discussed in Closed Session

- None

Input for July Committee Meeting

- Refine dashboard

Adjourn

Trustee Acerson made a motion to adjourn this meeting at 12:17 pm; Trustee McConkie seconded the motion. Meeting adjourned.

Report Transcribed by:

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