



Minutes of the Four Hundred and Sixth Meeting  
Of the Utah Transit Authority Board of Trustees and Public Hearing for  
Proposed 2008 UTA Budget

The Four Hundred and Sixth meeting of the Board of Trustees of the Utah Transit Authority was held on November 28, 2007, in the Board Room of the Meadowbrook Facility located at 3600 South 700 West, Salt Lake City, Utah.

Members of the Board of Trustees in attendance:

Orrin T. Colby, Jr., President	A. DeMar Mitchell
Robert A. Hunter, Vice President	Frederick W. Oates
Michelle Baguley	Steven K. Randall
Keith Bartholomew	Michael Romero
Necia Christensen	
Terry C. Diehl	Absent: Burtis Bills
Larry Ellertson	Judy Ann Buffmire
Greg Hughes	Gregory M. Simonsen

Also in attendance were Michael Allegra, Acting General Manager and CEO; Bruce Jones, General Counsel; Celeste Burningham, Corporate Office Specialist, as well as interested citizens, UTA staff and media representatives.

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**Welcome** – President Colby called the meeting to order at 2:32 p.m. and welcomed those in attendance. He welcomed the public officials in attendance and the members of the press.

President Colby wanted to make the Board aware that Senator Ed Mayne had passed away and his wife was a previous member of the Board. He stated that there would be a card for the Board Members to sign to send their sympathy to her and the Mayne family.

President Colby reminded those present that before the meeting ended the Board Christmas cards would be available for the Trustees to sign.

President Colby stated that there would be a special public hearing to discuss the proposed 2008 budget. He stated that before that portion of the meeting, the Board would be discussing the potential short fall on revenue in Davis and Weber Counties and the update on TRAX ridership.

**Discussion of Budget Amendment to Reduce Service in Weber and Davis Counties.**

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Jerry Benson stated that his office had been discussing the possibility of a cut in revenue due to Davis and Weber Counties not reassigning the revenue from the cut in the tax on food. He handed out a Service Impact paper. He discussed the loss in revenue in cutting the sales tax on food and the option that the Legislature gave the counties to make up the loss for transit. He discussed the estimated values that could be lost. He stated that UTA has had a good sales tax base for the last several years but that UTA does its planning over a 30 year time frame. Due to this, UTA plans on an increase in sales tax revenue of 5.5% per year, on average. He discussed the history of collection of the sales tax. He stated that the primary issue driving the operational cuts in these counties is equity. UTA has to maintain equity across all counties that it serves and the equity is based on funding. He presented options that could be used to make up for the shortfall in revenue but still minimize the effects. He stated that UTA looks forward to working with the elected officials in these counties to come up with a solution. He stated that UTA knows that thousands will be affected by any of these decisions and wanted to make the Board aware of this so that everyone is aware of the seriousness of this.

President Colby stated that the Board will be adopting a final budget at the December Board Meeting. The information presented here will go to the Planning and Development Committee, along with other suggestions to make modifications to the proposed budget.

Trustee Bartholomew arrived 2:47 p.m.

Discussion took place to make sure that options to correct the reduction in revenue are presented to the Board.

Trustee Hughes and Jerry Benson clarified that the majority of the savings if the cuts in service to those counties happened would be in the reduction of labor.

President Colby stated that the counties have not made a decision on this issue yet so UTA will continue to work with them on this issue.

Bruce Jones stated that he had been in meetings with the two counties and each has been champions for transit and he is hopeful that this issue will be resolved.

Trustee Randall stated his concern with the counties not taking action on this. He stated that it was the Boards understanding when the food sales tax was cut that the counties would use this option of reassignment of this tax to make up the difference for transit. He stated that these two counties are under pressure because they have had increases in taxes elsewhere and he believes that this issue has all be a matter of timing.

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Trustee Hughes stated that, being a member of the House of Representatives for the State of Utah, the legislature wanted to cut the tax on food. He stated that there was concern about UTA and its funding so the legislature gave the counties an option to make up that loss.

Trustee Diehl stated that this is not an increase in taxes it is just an adjustment. He stated that the Board is asking for discussion on this issue because in December they will be adopting a budget for 2008. He stated that everyone should be aware of the ramifications of this reduction and the steps that UTA will take to make up for the loss in revenue.

Discussion took place that this reassignment of sales tax is not an increase and that if it took place now then the public would not feel any difference in the amount of tax they pay. Discussion took place regarding the importance of the funding.

Trustee Diehl stated that the County Commissioners in Davis and Weber should receive an invitation to attend the Planning and Development Committee Meeting next Wednesday at 8:00 a.m.

Commissioner Zogmaister, from Weber County, thanked the Board for the invitation to speak. She stated her disappointment with not receiving the information about the meeting until the night before. She stated that in discussion with the Weber County Commissioners, this is a tax. She stated that for years Weber County's taxes have been going up, even if they have a cut in taxes appraisals go up raising the taxes on property. She stated that the county had looked over the budget document sent from UTA stating that UTA was ahead by \$7 million in tax collected. She stated that the Commissioners understood that they could put this option into effect anytime they would like. She stated that due to these issues there was not great pressure to pass this now. She stated that because the economy was strong UTA was receiving an increase in revenue and they have not received a cut in funding yet. She discussed the concern about the reduction in service options that are being discussed at UTA. She stated that UTA needs to look at what it has before making these changes.

Commissioner Millburn thanked the Board for their time and stated that he would echo the words of Commissioner Zogmaister. He stated that he does appreciate the relationship that Davis County has with UTA but with this issue he has concerns on the communication style and approach. He stated that the late notice of this meeting was just one example. He discussed the time line of the notification of this issue and the delayed responses from the staff at UTA. He stated that this issue has been around for a period of time but it was not addressed early enough. He discussed his frustration with the communication style when it was addressed. He stated that the Davis County wanted to come to an understanding on this issue.

### **Report on TRAX Ridership Counts.**

Trustee Ellertson stated that earlier this year UTA recognized that there were differences between the automatic counting system and the traditional counting system for TRAX ridership. He reported that UTA has been working to understand the problem and evaluate the data in order to get accurate counts. He stated that the Operations and Performance office has been updating the Board on this issue throughout the year. He reported that UTA is at a point to have the internal auditors evaluate the updated counts, giving UTA corrected passenger counts. He stated that UTA is not seeing the huge decrease that was seen at the beginning of the year. He discussed the reason that the traditional counting system was leading UTA to believe that there was a huge decrease in ridership.

President Colby stated that the Planning and Development Committee will be using this report in its discussion about the final budget.

Discussion took place clarifying that the Board would see the corrected number in December and that with the evaluation of the new numbers and areas such as car utilization and the cars in the parking lots there is not a decrease to TRAX ridership.

### **Public Hearing on the Proposed 2008 Budget**

President Colby reported that letters with the budget information had been sent out to elected officials for both city and county in the transit district. He stated that 20 cities and 3 commissioners had responded to the letter. He stated that some of those had a few comments or questions to which UTA staff is preparing responses. He stated that these responses will be given to the Planning and Development Committee.

- Commissioner Millburn stated that Davis County does understand the pressure that UTA is feeling. He stated that this budget issue should have been between the legislature and UTA. He reported that Davis County is also in a tough spot due to the huge tax increases on top of increases in property values and then other government entities increasing their tax percentages. He stated that because of all the increases the public will not view it as a shift but as an increase because they are already feeling the pressure of coming up with the amount being asked now. He stated that the other challenge is that Davis County rejected the increase for transit and corridor preservation. He stated that the residents in Davis County have made it clear they do not want any more taxes. He stated that he would like the chance to get to know the process that UTA follows and welcomes the chance to discuss all the opportunities.

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Trustee Diehl stated that the Board was just made aware of the seriousness of this as well. He stated that the Board did not anticipate the loss of \$4 million because of this. He stated that UTA is not asking for an increase, this is just to maintain the status quo and that UTA believed the counties would pass this reassignment. He reported that the Board is open to looking at any options but wants to make the counties aware that this will be a huge loss in revenue forcing UTA to find the best way to save the money. He stated that he would welcome the chance to sit down with the Commissioners before committee meetings next week to discuss this.

Commissioner Millburn stated that he would be willing to do this but has some hesitation because this is coming so late. He stated that Davis and Weber Counties should have been given more time to deal with this.

- Michael Packard stated his concern with the finance structure that has been used at UTA. He discussed some of the ways that UTA has received funding and that UTA is not using the funds efficiently. He stated that his observations of the system have shown very little ridership which is a weak foundation to be pursuing all the projects UTA is starting. He compared the cost values for UTA and the transportation numbers and stated product is not a good value.

President Colby closed public hearing at 3:31 p.m.

**Resolution of the Board of Trustees of the Utah Transit Authority  
Amending the Vantage Care Retirement Health Savings Program.**

Trustee Ellertson stated that this Resolution is to update the procedures and policies we have pertaining to the retirement plan. He stated this Resolution has no cost for UTA, it is just to keep UTA in line with statutes.

Discussion took place to clarify that this would also give help and flexibility to those serving our country in the military.

Trustee Ellertson made a motion to approve the Resolution as presented.  
Trustee Oates seconded the motion.

The motion passed unanimously with 12 voting members present.

**Resolution of the Board of Trustees of the Utah Transit Authority  
authorizing the issuance and sale of its sales tax and transportation  
revenue bonds in the aggregate principal amount of not to exceed  
\$700,000,000; fixing the maximum aggregate principal amount of such  
bonds, the maximum number of years over which such bonds may mature,  
the maximum interest rates which such bonds may bear, and the  
maximum discount from par at which such bonds may be sold; providing**

**for the publication of a notice of bonds to be issued and the running of a contest period; declaring an intent to reimburse; and related matters.**

Trustee Ellertson stated that this Resolution is before the Board because UTA needs additional funding to keep up with the 2015 plan. He stated this is a Parameters Resolution to start the process of acquiring the bonds necessary. He stated that this Resolution sets the parameters for amount, length and interest rates for the bonds.

Trustee Ellertson made a motion to approve the Resolution as presented. Vice President Hunter seconded the motion.

Discussion took place clarifying that this Resolution did not include any of the ideas of hedging or swaps discussed in the Finance and Operations Committee Meeting this month. It was clarified that the Board would have to approve those types of financial matters separately.

The motion passed unanimously with 12 voting members present.

**Resolution of the Board of Trustees of the Utah Transit Authority Approving the Salt Lake County Interlocal Agreement (Regarding Sales Tax Revenue).**

Trustee Diehl stated that this Resolution is to approve an interlocal agreement with Salt Lake County and that the County had approved this agreement last night. He stated that it authorized the county and UTA to collect the taxes that voters approved.

Trustee Diehl made a motion to approve the Resolution as presented. Trustee Bartholomew seconded the motion.

Discussion took place to clarify that the Super COG had approved this agreement as well as the County.

Trustee Hughes stated that he would support the Resolution but he wanted to make the Board aware that as a legislator he had already heard complaints about this. He stated that the legislature gave local jurisdictions power to use tax money to fund prioritized projects. He reminded the Board that this jurisdiction gave 98% funding to UTA and the TRAX projects which means it takes away from other areas.

President Colby stated that the Super COG also made prioritizations towards roads and highway constructions.

Discussion took place on UTA taking an active role in helping UDOT and other entities to complete projects such as the Mountain View Corridor and the I-80 expansion and to make sure that public transit is part of the solution.

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The motion passed unanimously with 12 voting members present.

**Resolution of the Board of Trustees of the Utah Transit Authority Approving the Utah County Interlocal Agreement (Regarding Sales Tax Revenue).**

Trustee Diehl made a motion to adopt this Resolution as presented. Trustee Ellertson seconded the motion.

President Colby stated that this Resolution for Utah County is similar to the one for Salt Lake County.

The motion passed unanimously with 12 voting members present.

**Resolution of the Board of Trustees of the Utah Transit Authority Approving the Salt Lake County Interlocal Agreement (Regarding the Parley Trail).**

Trustee Diehl stated that this is to approve an interlocal agreement with Salt Lake County for maintenance and construction of a bridge and Parleys Trail.

Mr. Allegra stated that this project is similar to agreements done in the past. He stated that the Resolution states UTA's role and the roles of the communities involved with the project.

Trustee Diehl made a motion to adopt the Resolution. Trustee Christensen seconded the motion.

The motion passed unanimously with 12 voting members present.

**President's Report**

Vice President Hunter stated that when meetings are held with public officials, the Board Members from those areas should be notified so that they can make arrangements to attend.

- President Colby reported that Cache Valley Transit District sent the Board a card thanking the Board for allowing them to attend Octobers Board Meeting and for the support they have received from UTA. He stated that JPAC had expanded to include Cache Valley and the St. George area.
- President Colby reported on the Super COG meeting that took place November 26. He stated that the purpose for the meeting was to determine if the original prioritization that was made for the transit projects needed to be altered. He stated that the meeting reaffirmed that the prioritization would stay the same and that the projects UTA were pursuing would continue. He thanked Michael Allegra and Bruce Jones

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for their comments and presentations that they made during the meeting. Trustee Christensen thanked President Colby for his comments during the meeting as well.

**Manager's Report**

- Mr. Allegra reported that on Friday, November 30 the monthly ride on the FrontRunner would take place. He discussed who was invited to attend and encouraged Board Members to attend if possible.
- Mr. Allegra handed out an Official Launch Ceremony Utah Quarter to Board Members and discussed UTA's role in the launching of the new quarter.
- Mr. Allegra recognized staff for the work they did to prepare for the Super COG meeting.
- Mr. Allegra recognized staff for the completion of the 3<sup>rd</sup> ISO audit.
- Mr. Allegra reported on changes taking place to the ski buses. He stated that improvements have been made for safety and convenience.
- Mr. Allegra reported that he attended the Birkhill Groundbreaking ceremony, just north of the 4500 South TRAX station. He reported that this will be a true transit oriented community which would break new ground on the ECO pass system.

Discussion took place on how UTA monitors the effectiveness of the different pass programs.

President Colby thanked Mr. Allegra for his presentation to the Highway Association. He reported that Mr. Allegra handled it very well.

**General Counsel's Report.**

- Bruce Jones reported on the Notice of Claims and Complaints. He stated that the Claims Department works hard to settle these issues.
- Mr. Jones stated that the Legislature is getting ready to go into session. He stated that he would keep the Board aware of any issues arising from the Legislature.
- Mr. Jones stated that the Super COG met and approved the interlocal agreements that the Board approved today. He stated that this was a big step in the process of collecting the tax money needed to fund the projects.

President Colby thanked Mr. Jones for his hard work in getting these agreements put together and passed. He stated that these interlocal agreements were brought before the Board quickly in order to stay in step with the positive actions taken by the Counties.

**Consent.**

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- Approval of Financial Statements of September 30, 2007. The financial statements were approved by consent.
- Approval of Minutes of Board Meeting of October 26, 2007. The minutes were approved by consent.

Discussion took place on how to respond to those that are participating in the public comment portion of the meeting. Trustee Randall stated his concern with some of the comments that are made are not entirely accurate and that it is being portrayed to the public that they are. Trustee Randall stated that he would like to try and respond to some of the comments so that the public is aware of the entire matter and not just what those making comments want the public to hear.

**Adjournment.**

Trustee Randall made a motion to adjourn. Trustee Baguley seconded the motion. The meeting adjourned at 4:07 p.m.