

Finance & Operations Committee Meeting

Wednesday, September 13th, 2017

10:30 – 12:00 p.m.

Members Present

Jeff Acerson, Chair

Cort Ashton @ 10:55 am

Gina Chamness

Jeff Hawker (excused)

Dannie McConkie

Other Trustees in Attendance: Necia Christensen, Bob McKinley

Others in attendance: Alex Cragun, Troy Bingham, Jeff LaMora, Bruce Cardon, Todd Provost, Richard Swenson, Brad Armstrong, Nichol Bourdeaux, Mailia Lauto'o, Andrea Packer, Jerry Benson, Jayme Blakesley, Riana DeVilliers, Bob Biles, Matt Sibul, Annette Royle

FOC committee chair, Jeff Acerson welcomed everyone and called the meeting to order at 10:31 a.m.

Chair Jeff Acerson yielded the floor to Dave Goeres, UTA Chief Safety, Security & Technology Officer, for a brief safety message.

2. Approval of June 14, 2017 SCRC Meeting Report:

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

3. Review of Financial Reports:

a. May, June & July Financial Reports & Dashboards – Update by Bob Biles

Bob Biles, Vice President of Finance, presented an overview of the reports. This report included a new overview visual which summarized the financial reports. A motion to approve the financial reports was made by Trustee McConkie and seconded by Trustee Ashton. Motion carried by unanimous consent.

Uploaded to Utah.gov: [July Financial Statement Presentation September 13 2017](#)

b. Q2 Investment Report – Update by Bob Biles

In accordance with UTA's Corporate Investment Policy, Mr. Biles presented an overview of the 2nd Quarter Investment Report. The report was included in the electronic packet and a few key numbers were reviewed. . The inclusion of the benchmark is new to this report.

4. 2018 Budget Key Assumptions:

Mr. Biles presented the key assumptions for the upcoming 2018 budget discussions. Items discussed included: economic update, diesel fuel, sales tax trends, board priorities, budget continuous improvement, current key budget assumptions and next steps.

Mr. Biles also reviewed the strategic focus areas identified by the board which have been incorporated into the 2018 Budget Priorities which included: customer experience, strategic partnerships, funding/financing, planning & long-term visioning, and employee development. Sales tax revenue sources were also reviewed, comparing 2016 to 2017 in the specific sources. It was noted that 27 other industries account for 35% of total sales tax revenue in Q1 2017. Bob stated that sales tax revenue growth rates for 2016 and 2017 without Prop 1 are 4.78% and 6.52%, respectively.

The Next Steps were also described which are as follows:

October:

- 1) Tentative 2018 Budget at the Finance & Operations Committee, Executive Committee and Board meeting.
- 2) Begin 30-day public comment period

November:

- 1) Public comment period on Tentative 2018 Budget
- 2) Public hearing on Tentative 2018 Budget

December:

- 1) Final 2018 Budget at Finance & Operations Committee, Executive Committee And Board meeting

A motion to approve the report and forward to the Executive Committee was made by Trustee McConkie and seconded by Trustee Ashton. The motion carried by unanimous consent.

Uploaded to Utah.gov: [Draft Economic Update & 2018 Budget Assumptions vrc](#)

5. Light Rail/Commuter Rail Presentation:

The time was turned over to Todd Provost, Vice President Operations & Capital, who introduced Bruce Cardon, Commuter Rail General Manager and Jeff LaMora, Light Rail General Manager.

Mr. Cardon provided a general overview of FrontRunner which includes the employees, the facilities and the equipment. It was noted that FrontRunner covers 88 miles with 83 owned by UTA and five miles owned by Union Pacific and includes 18 locomotives, 38 bi-level vehicles and 14 refurbished Comet cars. The shop is run 24/7, 365 days a year. Trustees asked questions regarding the length of platforms, number of car trains, the possibility of electronic fuel injection, size of platforms and double-tracking. It was also noted that 17,000 passengers ride daily with peak trips of 480 passengers.

Uploaded to Utah.gov: [FrontRunner Overview 9-17.ppt](#)

Mr. LaMora introduced the Light Rail Business Unit and the intricacies of their system. Light Rail ridership was presented, showing the ridership numbers for each of the rail lines. The week day ridership is 59,900 with Saturday at 36,600 and Sunday at 20,100. There are 117 light rail vehicles with the average vehicle weighing 44 tons. With each vehicle having a 30-year design, it requires preventative maintenance on a regular schedule. This represented 33,000 preventative maintenance inspections in 2016.

Trustees asked questions which included: reducing the wear and tear on rails, details on the S-Line and the 1500 riders on a regular weekday and being able to provide short notice for special events. Mr. LaMora answered these questions and also noted that a large percentage of service includes special events and that we work closely with those venue managers.

Uploaded to Utah.gov: [Light Rail Services 091317 V2.ppt](#)

6. Informational Items:

a. Annual Property Report

The report was included in the meeting packet provided to the trustees last week and was given for information only with no presentation being shared. Mr. Biles offered to answer any questions trustees might have at their convenience.

Presentation: [Real Estate Board Report Summary 8-29-17.ppt](#) was included in the E-Packet for this meeting

7. Other Business

a. Liaison, Conference & External Committee Reports

Trustee Christensen provided a brief update on the Pension Committee. She shared that there had been changes in mortality and earnings assumptions based on both actuarially and managers' recommendations.

b. Next Committee Meeting

The meeting is scheduled for October 11, 2017 at 10:30 a.m.

The meeting adjourned at 12:05 p.m.

Report Transcribed by: Rebecca O. Cruz
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