



Utah Transit Authority's Management Response to the 2014 Performance Audit

September 17, 2014

Audit Quotes



- “UTA provides many valuable services to the community and was recently recognized as the best large transit system in the country by the American Public Transportation Association.”
- “UTA market share more than doubled from 1993 to 2012.”
- “...in 2013, local bus revenue miles increased over 800,000 miles from 2012.”
- “We are impressed with the many innovative programs UTA staff use to try to increase ridership without reducing fare revenue.”
- “We understand that transit-oriented development (TOD) is a relatively new function at UTA and some process refinement is to be expected.”

Executive Summary



- The UTA Board of Trustees and management agree with and have adopted all recommendations made in the Performance Audit, including:
 - Five recommendations regarding development projects
 - Three recommendations regarding compensation
 - Two recommendations regarding financial conditions
 - Four recommendations regarding passenger data collection and customer focus

UTA Board and Appointing Authorities



Gregory H. Hughes

Board Chair

Municipalities within Salt Lake County, and municipalities of Grantsville and Tooele in Tooele County



H. David Burton

Board Vice Chair

Governor of the State of Utah



Christopher R. Bleak

Committee Chair, Finance and Operations

Municipalities within Utah County



Charles G. Henderson

Committee Chair, Planning and Development

Salt Lake County



Robert A. Hunter

Committee Chair, Stakeholder Relations

Municipalities within Weber County and municipalities of Brigham, Perry and Willard in Box Elder County



Justin Allen

President of the Senate



Keith Bartholomew

Salt Lake City



Necia Christensen

Municipalities within Salt Lake County, and municipalities of Grantsville and Tooele in Tooele County



Larry E. Ellertson

Municipalities within Utah County



Jeff Hawker

Municipalities within Salt Lake County, and municipalities of Grantsville and Tooele in Tooele County



Dannie R. McConkie

Utah Transportation Commission



Robert McKinley

Municipalities within Salt Lake County, and municipalities of Grantsville and Tooele in Tooele County



P. Bret Millburn

Municipalities within Davis County



Michael E. Romero

Municipalities within Salt Lake County, and municipalities of Grantsville and Tooele in Tooele County



Chris Sloan

Municipalities and unincorporated areas within the district that are located within a county that is not annexed into the UTA district



Troy K. Walker

Speaker of the House

Response to Chapter II: Development Projects

- UTA assisted the state, county, and city in getting eBay to locate in Draper.
- The Draper Station helped in bringing 1,800 high-paying jobs to the state.
- UTA's procurement for the Draper parking structure was in compliance with UTA's policies and procedures.
- Structured parking uses less land in valuable high-density transit-oriented developments.
- The Draper Park-and-Ride lot is the most cost-effective on the FrontRunner South project.



Response to Chapter III: Compensation

- The UTA Board of Trustees closely oversees performance compensation.
- Transparency is very important to UTA's Board of Trustees and management.
- UTA uses a performance program that is aligned with its strategy, vision and mission in order to achieve organizational results.
- The compensation program is designed to maximize UTA's performance ultimately producing savings and efficiencies for the taxpayer.
 - UTA's capital overhead is a third of the national average.
 - UTA's operating overhead is 25% below the national average.

Response to Chapter III: Compensation



- The Board has directed that total compensation be reviewed as part of the 2014 compensation study.
- UTA follows a methodical process in comparing jobs to the labor market.
- Peak performance program has changed as UTA transitions from a major capital to an operational focus (smaller risk).
 - Reduced scale
 - All administrative employees included
 - Reduced executive program by 75%

Response to Chapter IV: Financial Conditions

- UTA has resources to operate and maintain its existing system.
- UTA is unique in having a 30-year financial plan.
- UTA regularly reviews its long-term financial forecasts and makes appropriate adjustments.
- UTA's Board of Trustees is diligent in managing debt.
- UTA has established multiple long-term reserves that are 26% of the 2014 operating budget (\$85.2 million).
- UTA debt service is 1/3 of total revenue.

Response to Chapter IV: Financial Conditions



- Total service miles have increased by almost 25% over the last two years.
- On-time reliability of the bus system improved from 80% to 92% between 2008 and 2014.
- UTA is working very closely with UDOT, WFRC, MAG, and all cities and counties.
- UTA understands that bus ridership is paramount to mobility along the Wasatch Front.

Response to Chapter V: Data Collection and Customer Focus



- The Board of Trustees guides the fare policy and structure.
- Market-based fare strategies are considered a best practice in the transit industry.
- UTA's fares and pass programs are equitable and consistent with respect to pricing and discounts.
- Multiple discounts are available to riders based on frequency of use and eligibility.

Conclusions



Photo courtesy of County Lemonade via Flickr.

- UTA has a culture of continuous improvement and is constantly improving its operation and business practices.
- UTA has implemented all of the Performance Audit recommendations.
- UTA has significantly increased service.
- UTA is financially stable.
- UTA's compensation follows transit industry best practices.
- UTA is working to simplify fares to maximize overall revenue and efficiency.
- UTA has formed a transit-oriented development department, reporting directly to the President/CEO.