

# Utah Transit Authority Reforms & Path Forward

Robert W. McKinley  
UTA Board Chair



# UTA Reforms and Path Forward



## UTA Reforms & Path Forward

### Phase One: Foundational Reforms (2014-2015)

#### Board Composition and Departmental Shifts

- ✓ Named H. David Burton as board chair
- ✓ Separated legal and transit-oriented development (TOD) functions
- ✓ Adopted a policy requiring management to establish an internal, multi-disciplinary team to review proposed TOD development and operating agreements
- ✓ Required independent review and board approval of TOD agreements
- ✓ Separated the general counsel and president of government relations positions

#### Compensation and Benefits

- ✓ Conducted a comprehensive review of total compensation
- ✓ Reset market-based pay comparisons to focus on transit, government and non-profit entities
- ✓ Reduced the benefits/retirement program and overall compensation for newly hired executives
- ✓ Restructured incentive program to a maximum of 4 percent of annual pay or \$7,500, whichever is less; no executive bonuses in 2016 and 2017
- ✓ Eliminated new executive employment contracts

#### Travel

- ✓ Updated travel approval process for all employees
- ✓ Open meeting board approval required for all international travel

#### Revised Long-Term Financial Plan

- ✓ Included asset management needs in long-term financial plan to ensure infrastructure is maintained in a state of good repair; committing to \$1.8 billion in long-term needs by 2040

### Phase Two: Overhaul of Policies, Procedures and Personnel (2015)

#### New Ethics Policies and Goal Setting

- ✓ Required financial disclosures for all board members and senior staff
- ✓ Independent review of potential conflicts for all board members and senior staff
- ✓ 2016 UTA board goals with public trust and accountability as No. 1 priority

#### Personnel Changes and Additions

- ✓ Two new board vice-chairs are named
- ✓ New general counsel named
- ✓ Initiated national search for a new president & CEO
- ✓ Initiated search for new government relations officer

#### Internal Audit

- ✓ New chief internal auditor named
- ✓ New board audit committee formed
- ✓ Completed comprehensive risk assessment

#### Stakeholder Engagement

- ✓ Community Transit Advisory Committee (CTAC) formed, with broad level of engagement and input to UTA policies and programs
- ✓ Extensive outreach on fare policy, service plans for Prop 1 and service standards
- ✓ Enhanced use of Open UTA online forum and social media to increase input from riders and stakeholders
- ✓ Engaged in multiple surveys and focus groups with the public

#### Service Additions

- ✓ Added permanent service to 15 routes in August, mostly on bus, using fuel cost savings and agency efficiencies

### Phase Three: Ongoing Transparency and Agency Culture (2016 Onward)

#### Transparency and Accountability

- ✓ UTA performance metrics posted on website (ridership and reliability)
- ✓ Begin Prop. 1 transit implementation in Davis, Weber and Tooele Counties including stakeholder engagement of final plans with clear dashboard of progress
- Establish a baseline measure of public trust through survey tools that engage with riders, opinion leaders and policymakers about UTA's future
- Overhaul and simplify fare structure using public engagement and input
- Implement a joint oversight process with municipal and agency partners for major projects

#### Organizational Restructuring

- Develop a more strategic, targeted approach for external federal, state and local government relations
- New UTA internal government relations team
- Hire government relations officer
- President/CEO selection and engagement with stakeholders
- Internal audit staff hiring

#### Proactive Communications

- ✓ Increased direct presence of UTA leadership with local and state elected officials
- ✓ Proactively communicate with the public through multiple channels such as social media, community partners and news media
- Increase information shared with the public about how UTA resources are invested, services offered and the impact of transit
- Enhance public dialog by increasing stakeholder and rider input in the decision-making process
- Develop a transit bill of rights



# UTA Reforms and Path Forward: Phase One



- ## Foundational Reforms: Complete
- Board composition and departmental shifts
    - Transit-oriented development
    - General counsel
    - Government relations
  - Compensation and benefits
  - Travel
  - Revised long-term financial plan



# UTA Reforms and Path Forward: Phase Two



## Overhaul of Policies, Procedures, and Personnel: Complete

- New ethics policies and goal setting
- Personnel changes and additions
- Internal audit
- Stakeholder engagement
- Service additions



# UTA Reforms and Path Forward: Phase Three



## Ongoing Transparency and Agency Culture: In Process

- Transparency and accountability
- Organizational restructuring
- Proactive communications
- Defined commitment to riders



# Examples of Reforms in Action

## Transit-Oriented Development

Implemented new screening process that requires board approval and independent financial, audit, and legal review

Reviewed all active TOD projects; called back property not yet developed

In review of active TOD project, identified and removed investors who had previously served on UTA Board of Trustees

In process of developing a formal TOD Policy

## Compensation & Benefits

Conducted a comprehensive review of total compensation

Reset market-based pay comparisons to focus on transit, government and non-profit entities

Reduced the benefits/retirement program and overall compensation for newly hired executives

No executive bonuses since 2015

Eliminated new executive employment contracts; voided contracts of past executives

## International Travel

Updated travel approval process for all employees

Open meeting board approval now required for all international travel

Only one trip since 2015—safety peer review (paid for by another transit agency) in Vancouver, Canada

## Internal Audit

Hired all new audit staff

Established a risk-based Audit Plan for 2016

Internal audit team has completed more than 50% of the Audit Plan per IAA standards

As an example, the first audit report found Family Medical Leave Act not administered consistently

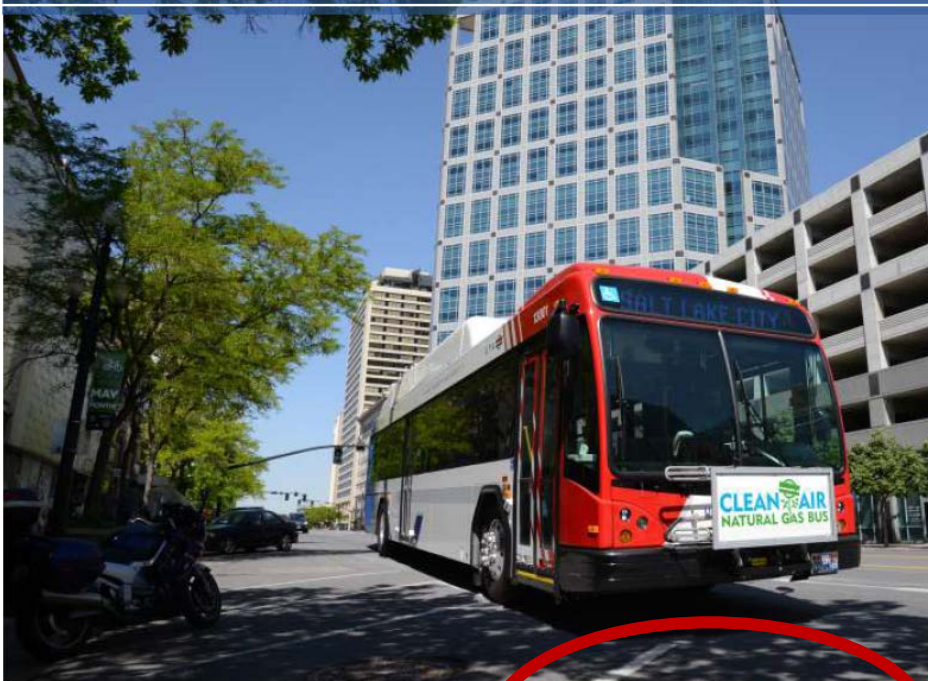
UTA is in process of amending its FMLA policies, training managers, and adding controls.



# You Can Depend on UTA



## UTA Reforms & Path Forward



[www.rideuta.com](http://www.rideuta.com)  
RIDE-UTA (743-3882)

UTA   
Trust • Service • Transparency • People  
*You Can Depend on UTA*



# Utah Transit Authority Governance Structure

Jayme L. Blakesley  
General Counsel



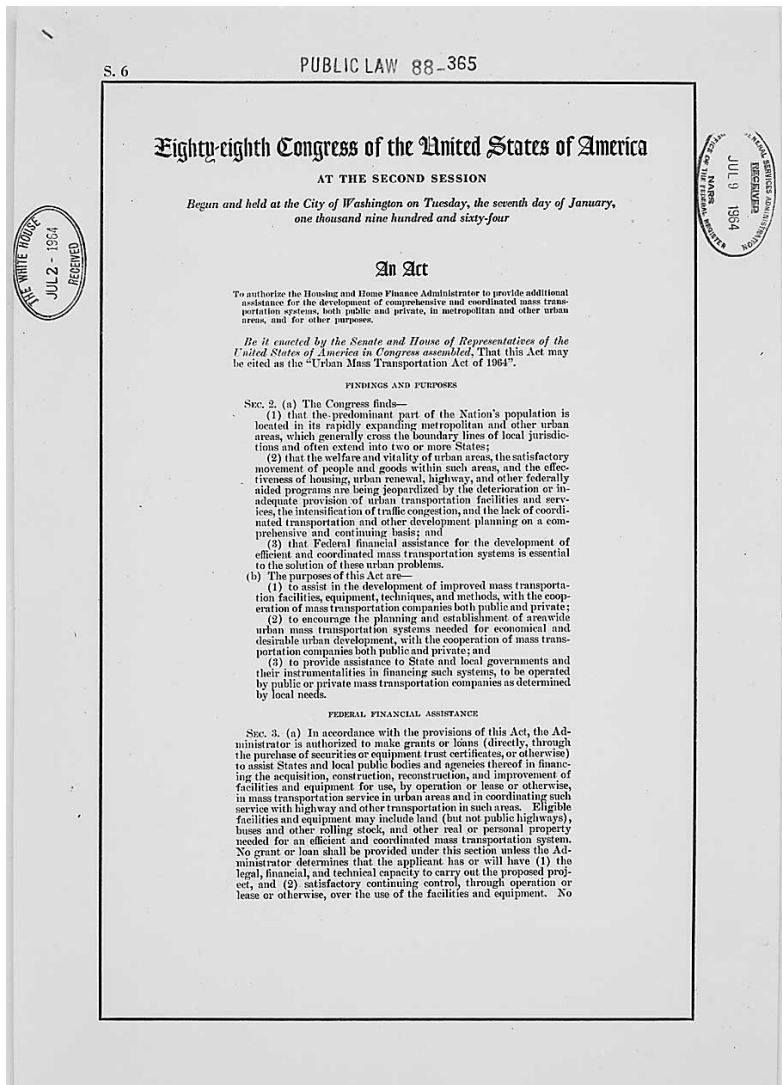


# Outline

- History of the Utah Transit Authority
- UTA Governance Structure
- Membership of UTA Board of Trustees
- Statutory Powers and Responsibilities
- Fiduciary and Ethical Obligations
- Compare to Transit Boards Nationally



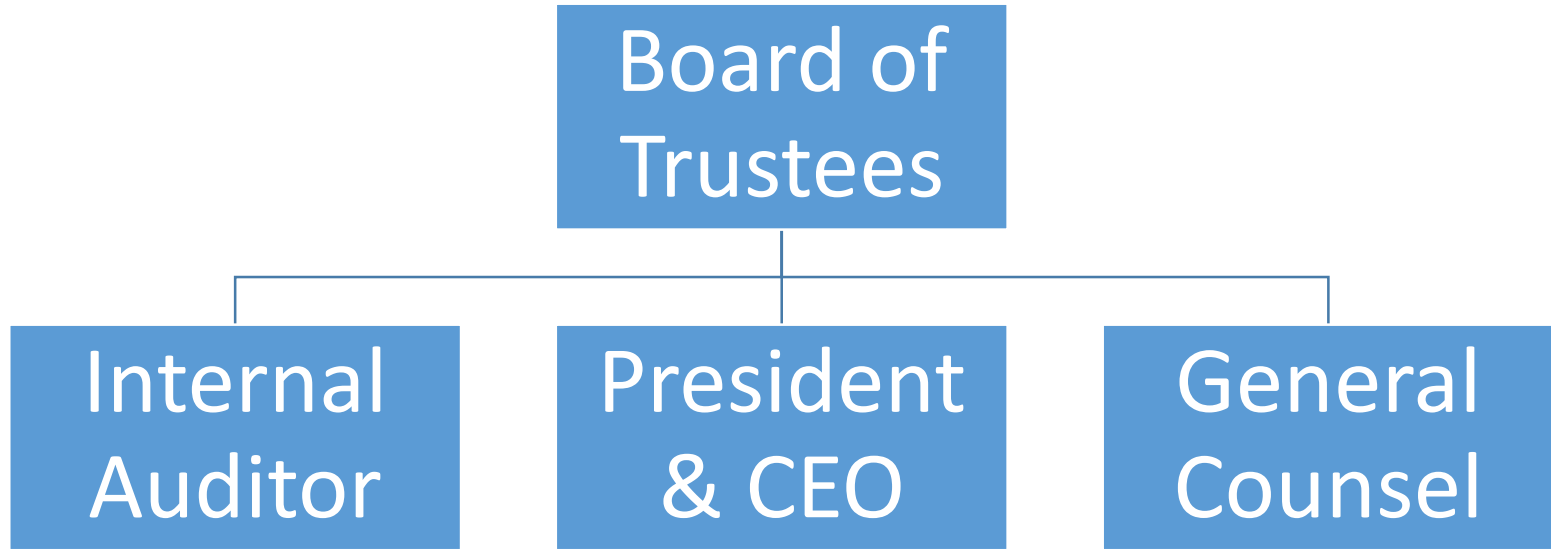
# History of the Utah Transit Authority



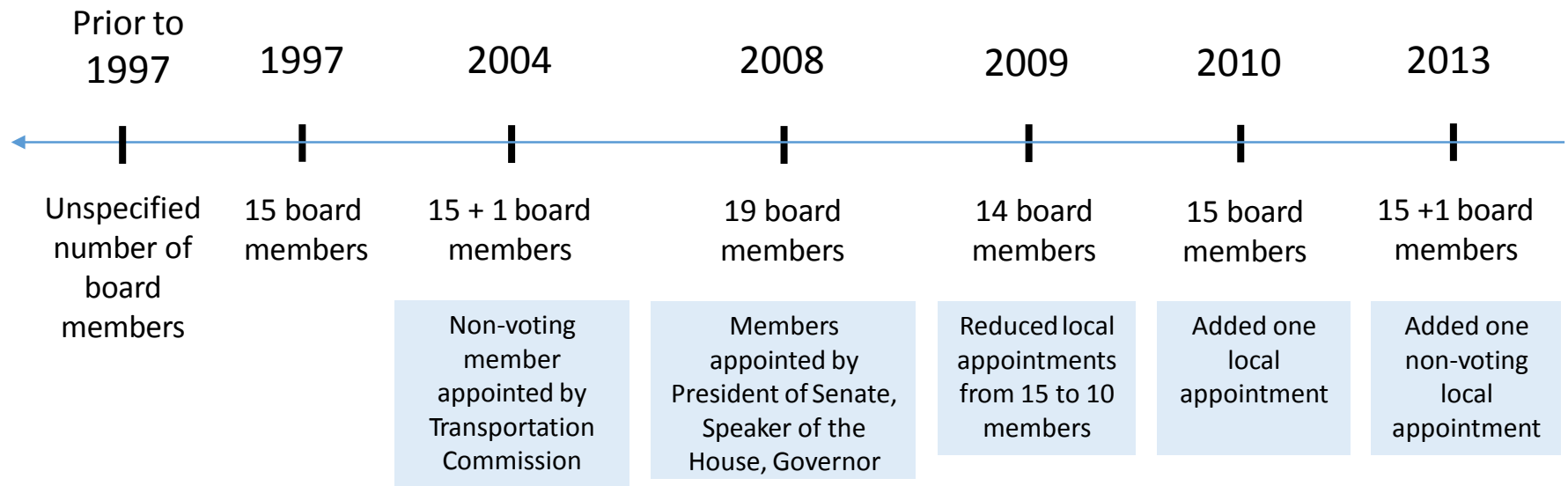
- 1914 Utah Light and Traction Company Incorporated
- 1944 Salt Lake City Lines purchases and decommissions the Utah Light & Traction Company
- 1953 Several private bus companies unite to form a single transit authority
- 1964 U.S. Congress passes Urban Mass Transit Act
- 1969 Utah State Legislature passed the Utah Public Transit District Act



# UTA Governance Structure



# History of UTA Board Governance



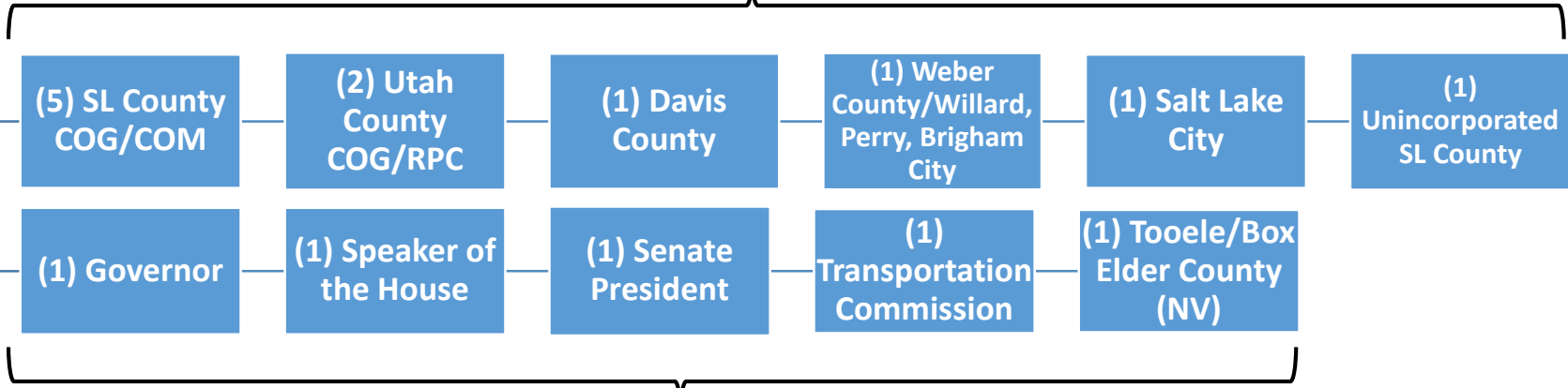
- The statutory composition of the UTA Board has changed over the years
- Until 1997, all Board members were appointed by locally-elected officials, with appointments based on population
- From 1997 through 2004, all Board members were appointed by locally-elected officials, with appointments based both on population and transit sales tax collected
- In 2004, the Legislature included a Board member appointment by the Transportation Commission; and in 2008 added appointments by State leaders (President of the Senate, Speaker of the House, Governor)



# Membership of UTA Board of Trustees

Appointments by "Formula" of Population and/or Sales Tax (11 Total)

16 Member Board



Appointments by Political Body (5 Total)



# UTA Board Statutory Powers and Responsibilities

- Appoint and fix the salaries of UTA officers
- Adopt bylaws
- Enter into contracts
- Retain employees and agents, and prescribe duties, compensation and terms of the same
- Determine the transit facilities to be acquired and/or constructed, and supervise and regulate the same
- Determine and fix rates, fares, charges, etc.
- Control the investment of UTA funds, including retirement funds and programs
- Make and pass necessary ordinances, resolutions and orders
- Delegate to district officers the exercise of duties
- Exercise any other power and perform any function as would ordinarily be completed by a political subdivision and as necessary to accomplish the purposes of the district



# UTA Board Fiduciary & Ethical Obligations

## –Duty of Care

- Skill
- Diligence
- Good faith

## –Duty of Loyalty

- Act in best interest of UTA
- Prohibits conflicts of interest

## –Duty of Confidentiality

- Protect and not disclose confidential, private, or protected information

## –Public Officers and Employees Ethics Act

## –Voluntary Disclosures

- Annual disclosure of financial, contractual, or organizational interests
- Independent review by Internal Auditor and General Counsel



# What can we learn from transit boards nationwide?

Board member selection process

Number of board members

Meeting/Committee Structure

National best practices





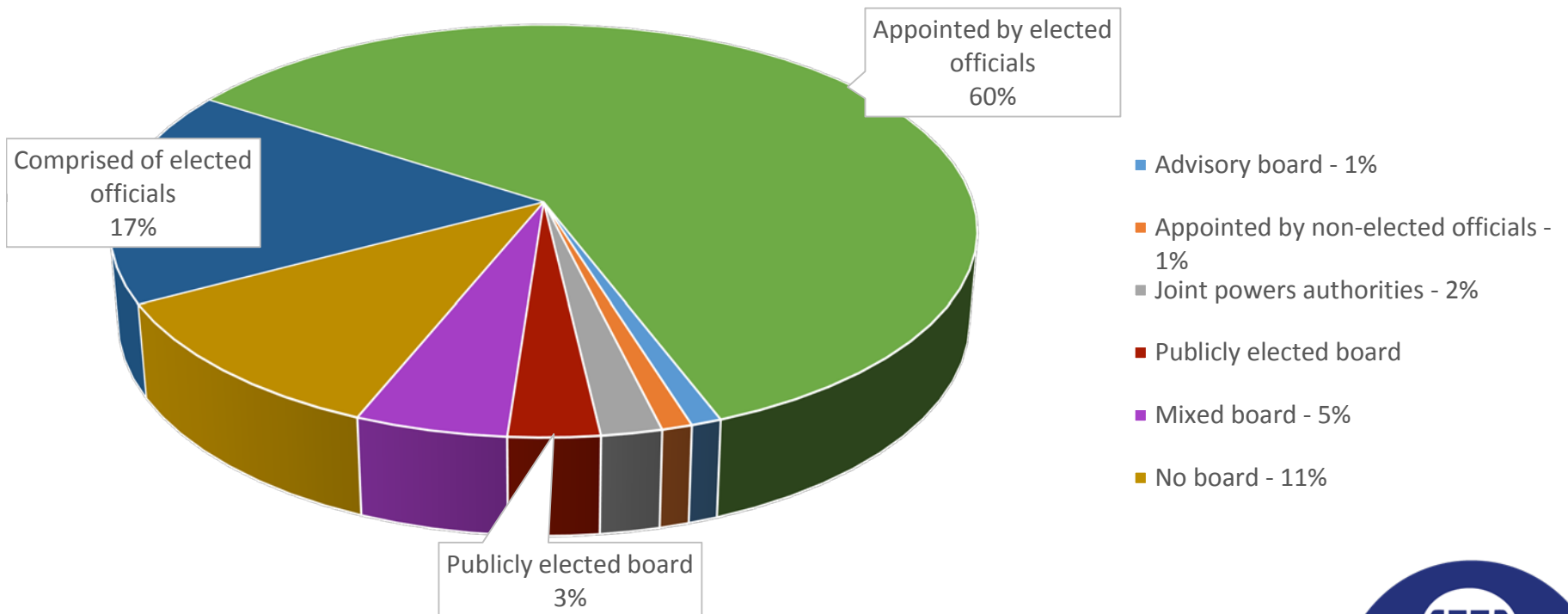
# Varieties of Transit Board Member Selection Processes

Selection Process	Description
Appointment by elected officials	Board members are appointed by a local or state elected official or entity, usually the executive (governor or mayor) or a legislative body (legislature, county commission, or city council).
Appointment by non-elected officials	Non-elected officials, such as a county transportation agency, appoint citizen representatives to the board.
Joint powers authorities	Joint powers authorities are regional boards where elected officials appoint members to represent jurisdictions within the transit system service area.
Comprised of elected officials	Elected official entities, such as a city council or county commission also serve on the transit board as part of their elected official duties.
Publicly elected boards	Board members are elected through general public elections usually held every four years.
Mixed boards	Mixed boards comprise a combination of elected officials and citizen representatives.
Advisory boards	A transportation advisory board is a citizen board with no governing powers.
No board	Some transit agencies operate wholly within a single jurisdiction (state, county, or city) and are controlled by the government of the same.

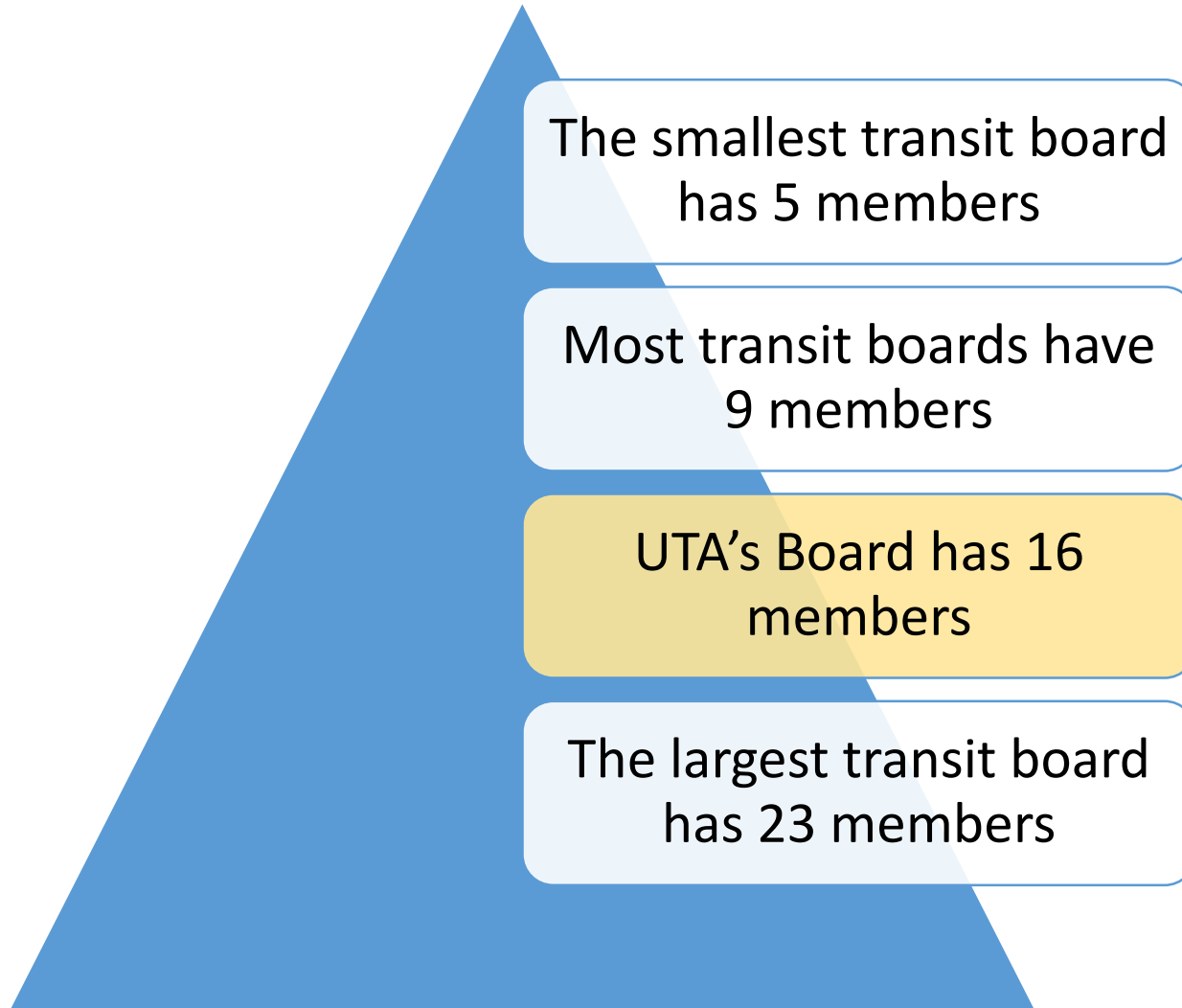


# Transit Board Member Selection Process Nationwide

## Board Member Selection



# Transit Board Size Nationwide



# Board Size

Larger Board

- More viewpoints
- More representative of service area
- Slower pace
- Less power per member
- Communication can be difficult to manage
- More willing to yield authority

- Fewer viewpoints
- Less representative of service area
- Quicker pace
- More power per member
- Communication easier to manage
- Less willing to yield authority

Smaller Board



# Ongoing Review of UTA Board Meeting Structure

Spring 2016

- All decision-making authority transferred from committees to the full board
- Public comment online and before action at all board meetings
- Board Chair asks staff to prepare a report on board governance and committee structure

Summer  
2016

- With exception of executive committee, no committee meetings held pending review of board structure
- Staff holds one-on-one meetings with board members to discuss board governance and committee structure

Fall 2016

- Report on board governance and committee structure to be published for public comment
- Decision regarding committee structure planned for public comment and board action



# Transit Board Best Practices

## Balanced

- Care should be taken to ensure that board membership is balanced along several dimensions: geography, age, gender, race, disability status, and employment background.

## Committed

- Membership should be based on the potential member's interest in public transit, support of the system's mission, values and vision, and commitment to carry out the duties and responsibilities of a board member.

## Accountable

- Board members should perform duties responsibly and hold themselves and officers accountable. They should report regularly to their appointing authority.



# UTA Update

Jerry Benson | President/CEO  
September 2016



# Professional Philosophy

- Listening and clearly communicating
- Creating consensus direction
- Organizing people and resources (culture of excellence)
- Accountability



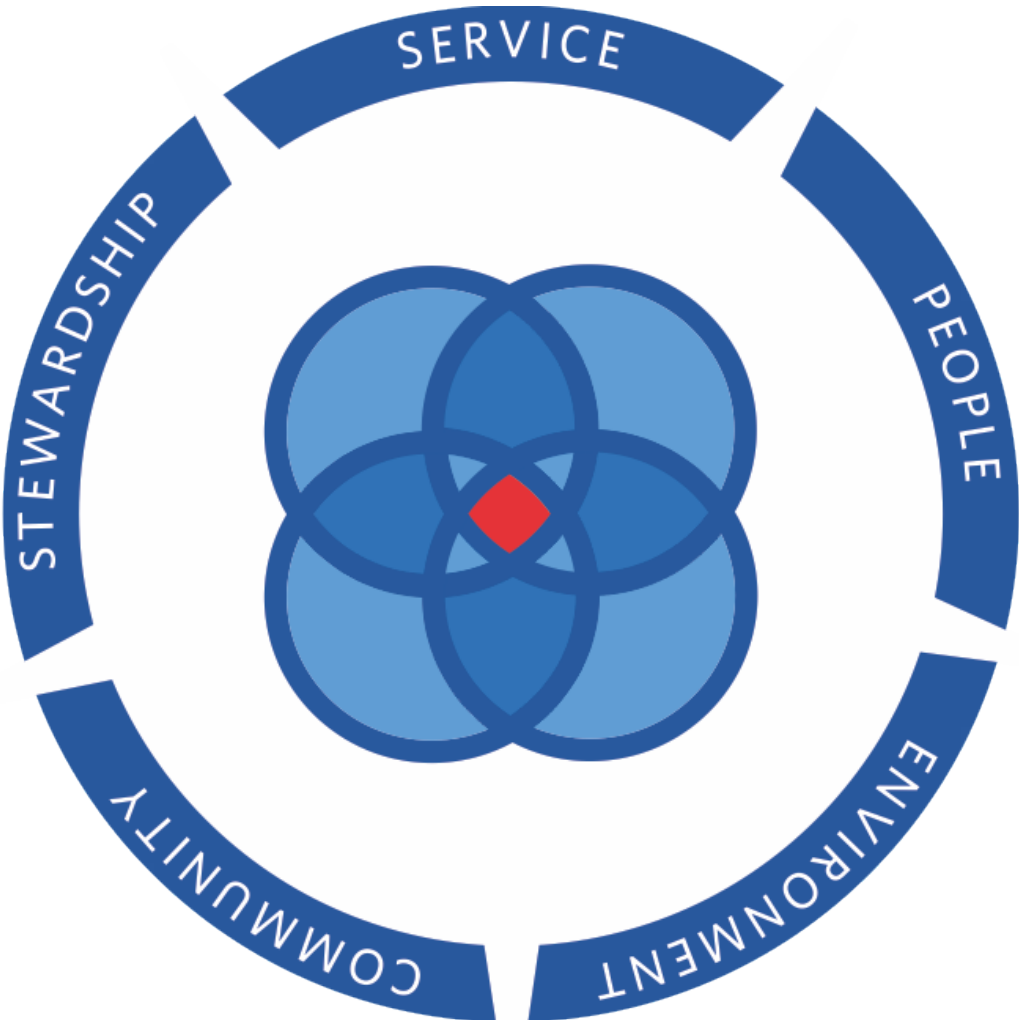


# President/CEO Priorities

- Listening tour
- 2017 budget and service plan
- State of UTA
- Vision



# UTA True Norths



# Thank you.

Jerry Benson | President/CEO

