Utah Department of Transportation

Base Budget and Performance Overview

June 20, 2017
Carlos Braceras, P.E., Executive Director
Shane Marshall, P.E., Deputy Director
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Transportation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support Services</td>
<td>$32,092,100</td>
</tr>
<tr>
<td>Engineering Services</td>
<td>21,937,500</td>
</tr>
<tr>
<td>Operations</td>
<td>143,934,000</td>
</tr>
<tr>
<td>Region Mgmt</td>
<td>24,669,200</td>
</tr>
<tr>
<td>Equipment Mgmt</td>
<td>1,639,700</td>
</tr>
<tr>
<td><strong>Construction Mgmt</strong></td>
<td><strong>122,929,500</strong></td>
</tr>
<tr>
<td>B &amp; C Roads</td>
<td>180,387,400</td>
</tr>
<tr>
<td>Safe Sidewalk</td>
<td>500,000</td>
</tr>
<tr>
<td>TIF of 2005</td>
<td>27,588,100</td>
</tr>
<tr>
<td>*Transfer Out</td>
<td>11,920,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$567,598,400</strong></td>
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</tbody>
</table>

- $120,000 Internal Performance Audits
- $200,000 Learning & Development
- $300,000 Surplus Property Identification
- $200,000 Surplus Property Descriptions
- $6,000,000 Equipment
- $102,000 Feature Inventory
Internal Performance Audits

- Third-party auditing of UDOT performance
  - Funding decreased in 2004 from $120,000 to $64,500
- Continue outsourcing some performance audits
- **Amount:** Increase to $120,000 (ongoing)

- **Success:** Complete performance audits as prioritized by the commission using internal and contracted resources, as appropriate.
Learning and Development

- Update and create training programs
- New onboarding focused on updated job duties and activities
- **Amount:** $200,000 (ongoing)

- **Success:** Update onboarding and training for key areas and define a plan to update for the entire organization.
Property Inventory
Identify properties

• Comprehensive property inventory
  – Consistency of documentation and central database
  – Update from paper files and multiple databases
  – Identify water rights
  – Evaluation for surplus status and sold back into private ownership

• Amount: $300,000 (ongoing)

• Success: Gather property information into a central database, and establish cost to maintain database.
Generate descriptions for all surplus properties
  – For marketing and sell
  – Sell only excess property
  – Sales go back into Transportation Fund

Amount: $200,000 (ongoing)

Success: Create legal descriptions for all existing surplus properties and stay current with descriptions for new surplus properties.
• **Increased demands and aging fleet**
  – Over 500 trucks in fleet ($250,000 cost new)

• **Completed study of fleet lifecycle cost optimization**
  – Current turn over age of 16 years.
  – Most cost effective age is 9 years.

• **Increase resources for maintenance and repair**

• **Amount:** $6,000,000 (ongoing)

• **Success:** Maintain fleet within ideal ranges strategic maintenance schedule to reduce maintenance costs.
Aging Fleet: Lifecycle Cost Model

Recommended replacement age

UDOT’s current situation
• Increase maintenance base budget
• Additions to highway system
  – (Code 1 Projects) Not from projects funded by Transportation Investment Fund
• Amount: $102,000 (ongoing)
• Success: Maintain and preserve added roadway assets as part of statewide system.
FY 2018
Lane Mile Increase
Performance Measures

Zero Fatalities, Optimize Mobility, Preserve Infrastructure
UDOT Turnover Rates FY 2013-2017

- Turnover Rate
- Employee Category
- 2013: 3.59%, 9.28%, 1.91%, 2.27%, 3.65%, 3.61%, 4.22%, 21.05%, 5.31%, 2.86%, 7.92%, 5.32%, 4.37%, 21.28%, 5.37%, 0.67%, 7.35%, 5.27%, 2.48%, 11.97%, 3.87%, 2.52%, 5.69%, 3.46%
- 2014: 4.22%, 11.97%, 3.87%, 2.52%, 5.69%, 3.46%
- 2015: 4.37%, 11.97%, 3.87%, 2.52%, 5.69%, 3.46%
- 2016: 2.48%, 11.97%, 3.87%, 2.52%, 5.69%, 3.46%
- 2017: 5.27%, 11.97%, 3.87%, 2.52%, 5.69%, 3.46%

- Turnover Rates:
  - All Employees (minus TT): 3.59%, 4.37%, 3.51%
  - TT1: 21.05%, 21.28%, 9.28%
  - TT2: 11.97%, 11.97%, 6.04%
  - TT3: 11.97%, 11.97%, 6.04%
  - All TT: 7.92%, 7.35%, 7.91%
  - All Employees: 5.32%, 5.27%, 4.84%
Budget Reassessment
Zero Base Budget
## Estimated Bond Issuance

<table>
<thead>
<tr>
<th>Series</th>
<th>Term (Years)</th>
<th>Proceeds</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>15</td>
<td>$47,000,000</td>
<td>$15,324,019</td>
</tr>
<tr>
<td>2018</td>
<td>14.5</td>
<td>$180,000,000</td>
<td>$63,613,896</td>
</tr>
<tr>
<td>2019</td>
<td>14.5</td>
<td>$310,000,000</td>
<td>$112,543,438</td>
</tr>
<tr>
<td>2020</td>
<td>14.5</td>
<td>$360,000,000</td>
<td>$132,751,271</td>
</tr>
<tr>
<td>2021</td>
<td>14.5</td>
<td>$209,000,000</td>
<td>$78,372,750</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$1,106,000,000</strong></td>
<td><strong>$402,605,374</strong></td>
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</table>

*Estimated debt schedule provided by Zions Public Finance Inc.*
<table>
<thead>
<tr>
<th>Year</th>
<th>With $90M Annual Leave</th>
<th>Reduce Bonding</th>
<th>Without $90M Annual Leave</th>
<th>Reduce Bonding</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>50%</td>
<td></td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>52%</td>
<td>$97M</td>
<td>50%</td>
<td>$7M</td>
</tr>
<tr>
<td>FY2020</td>
<td>52%</td>
<td>$123M</td>
<td>51%</td>
<td>$33M</td>
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<tr>
<td>FY2021</td>
<td>48%</td>
<td></td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>FY2022</td>
<td>40%</td>
<td></td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>FY2023</td>
<td>32%</td>
<td></td>
<td>31%</td>
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</table>
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