



Working Session of the  
**Finance & Audit Committee**

of the Board of Trustees of the Utah Transit Authority  
**Wednesday, May 9, 2018, 10:30 – 12:00 p.m.**  
Frontlines Headquarters, Golden Spike Rooms, 669 West 200 South, Salt Lake City

*Jeff Acerson, Committee Chair*

Cort Ashton

Dannie McConkie

Gina Chamness

**Agenda**

- |     |  |                   |
|-----|--|-------------------|
| 1.  | Safety First Minute  | Dave Goeres       |
| 2.  | Item(s) for Consent  | Jeff Acerson      |
|     | a. <a href="#"><u>Approval of March 19, 2018 Finance &amp; Audit Meeting Report</u></a>  |                   |
|     | b. <a href="#"><u>Approval of April 11, 2018 Finance &amp; Audit Meeting Report</u></a>  |                   |
|     | c. <a href="#"><u>Approval of April 17, 2018 Finance &amp; Audit Meeting Report</u></a>  |                   |
| 3.  | <a href="#"><u>February &amp; March Financial Reports &amp; Dashboards</u></a>   | Jeff Acerson      |
| 4.  | <a href="#"><u>Q1 2018 Quarterly Investment Report</u></a>   | Bob Biles         |
| 5.  | Contracting & Expenditure Authority  | Bob Biles         |
| 6.  | <a href="#"><u>Revenue Service Vehicle Lease</u></a>   | Bob Biles         |
| 7.  | <a href="#"><u>Disposition of Surplus Property</u></a>   | Paul Drake        |
| 8.  | <a href="#"><u>Pension Plan Amendments</u></a>   | Necia Christensen |
| 9.  | Update Ogden/Weber BRT   | Mary DeLoretto    |
| 10. | Closed Session   |                   |
|     | a. Discussion of the Purchase, Exchange, Lease or Sale of Real Property when Public Discussion would Prevent the Authority from Completing the Transaction on the Best Possible Terms. |                   |
|     | b. Strategy Session to Discuss the Character, Professional Competence, Physical or Mental Health of an Individual.   |                   |
|     | c. Strategy Session to Discuss Collective Bargaining.  |                   |
|     | d. Strategy Session to Discuss Pending or Reasonably Imminent Litigation.  |                   |

11. Action Taken Regarding Matters Discussed in Closed Session

12. Other Business

Jeff Acerson

13. Adjourn

Jeff Acerson

**Public Comment:** Members of the public are invited to provide comment during the general comment period at UTA’s Board of Trustee meetings, or prior to any action on a board resolution at those meetings. Comment may be provided in person or online through [www.rideuta.com](http://www.rideuta.com). Additionally, public comment may be taken at committee meetings at the discretion of the committee chair. In order to be considerate of time and the agenda, comments are limited to 2 minutes per individual, or 5 minutes for a spokesperson designated to represent a group.

**Special Accommodation:** Information related to this meeting is available in alternate format upon request by contacting [callredge@rideuta.com](mailto:callredge@rideuta.com) or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.

**As adults, we spend nearly one third of our week at work, making the office just an extension of our homes. You wouldn't let a stranger tailgate into your home; please don't let them tailgate into the office either.**



**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
Action Agenda Item Coversheet

<b>DATE:</b>	<b>May 9, 2018</b>
<b>CONTACT PERSON:</b>	<b>Rebecca Cruz, Board of Trustees Support Manager</b>
<b>SUBJECT:</b>	<b>Approval of March 19, 2018 Finance &amp; Audit Meeting Report</b>
<b>BACKGROUND:</b>	The minutes have been distributed to the committee members and any revisions or changes will be incorporated.
<b>PREFERRED ALTERNATIVE:</b>	Approval
<b>LEGAL REVIEW:</b>	N/A
<b>EXHIBITS:</b>	1) 03-19-18 FAC Mtg Report - OPEN



**Report of the Meeting  
of the  
Finance & Audit Committee (FAC) of the Utah Transit Authority (UTA)  
held at UTA FrontLines Headquarters located at  
669 West 200 South, Salt Lake City, Utah  
March 19, 2018**

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**Committee Members Present:**

Jeff Acerson, Committee Chair  
Cort Ashton

Gina Chamness  
Dannie McConkie (by phone)

**Committee Members Excused/Not in Attendance:** All committee members were present in person or via telephone. Also in attendance was trustee Toby Mileski

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**FOC committee chair,** Jeff Acerson welcomed everyone and called the meeting to order at 2:00 p.m.

**1. Approval of January 10, 2018 Audit Committee Meeting Report:**

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

**2. Financial Reports & Dashboards for Nov, Dec 2017 & Jan 2018**

Bob Biles, Vice President of Finance, presented an overview of the reports. One positive aspect of the report included the 2017 Expense Variance by Type graph, showing the warranty recovery for the parts/warranty was \$2.45 million. A motion to accept the financial reports and dashboards and forward to the full Board was made by Trustee Chamness and seconded by Trustee Ashton. The motion carried by unanimous consent.

**3. Quarterly Investment Report**

Bob Biles presented the investment report for the 4<sup>th</sup> Quarter of 2017. The report included several investment purchases which were added to the UTA investment portfolio. A motion to move the Quarterly Investment Report to the full board was made by Trustee Ashton and seconded by Trustee Chamness. The motion carried by unanimous consent.

#### 4. Resolution: Approving International Travel

In accordance with Board Executive Limitations policy No. 2.3.1, requiring the Board to approve any international travel of the Authority's employees for Authority business, Jerry Benson, President/ CEO requested their consideration in sending an employee to a conference in July. The employee is being asked to participate in the American Public Transportation Association's (APTA) Sustainability and Multimodal workshop being held in Vancouver, British Columbia in July. It was explained that this was a 3-day conference with expenses estimated at \$2,100. A motion to forward the approval for travel for this employee to the full Board was made by Trustee Chamness and seconded by Trustee Ashton. Motion was carried by unanimous consent.

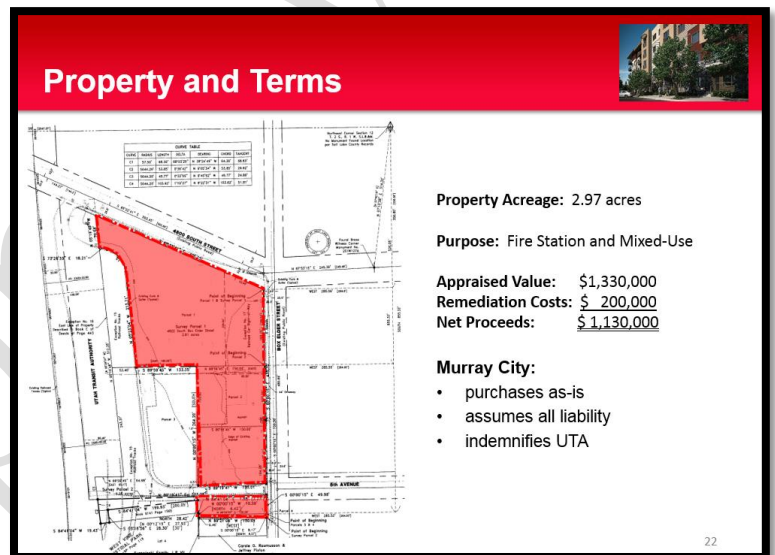
#### 5. Resolution: Approving Sale of 2.97 Acres of Real Property to the Redevelopment Agency of Murray City

The disposition of land has been proposed by Murray City who has proposed developing this 2.97 acres into mixed-use with a fire station. The price is for \$1,130,000. It was explained that there is some contamination of the soil but that the remediation is included in the contract and we have capped our exposure to those potential costs.

Trustees posed a few questions regarding the initial investment, how long we have owned the property and if we were aware of any environmental issues when we purchased the property. Mr. Drake also added that when the property was appraised, that the costs of remediation were unknown and not included in the appraisal performed. He also explained our negotiations with Murray City and our direct-sale to them. The City is willing to take on the additional costs of the remediation. Mr.

Benson also mentioned that some of this same conversation occurred in 2016 when the property was brought to the Board to be designated as Surplus. He noted that the location is not one where we would have transit-oriented or transit-supported usage. The question was also asked by Trustee Ashton as to why we would not perform a Quit Claim Deed and why we are using a Special Warranty Deed. Mr. Drake explained that we prefer to use special warranty deeds over quit claim deeds. On our corridors are where we typically use Quit Claim Deeds.

The remediation cost estimates were presented at between \$230,000 - \$500,000 and Murray City has an escape clause written into the contract. UTA is committing \$200,000 towards the remediation. Trustee McConkie asked whether Senate Bill 136 would have any impacts on this sale. Mr. Bart Simmons, UTA Legal Counsel, stated that he did not believe that there was anything which would change the approach to this sale.



Motion to forward a recommendation for the sale of this land to the full board was made by Trustee Chamness and seconded by Trustee Ashton. Motion carried by unanimous consent.

#### **6. Resolution: Adopting the Internal Audit Charter**

Riana de Villiers, explained the purpose of the Internal Audit Charter being presented today and its role in the International Standards for the Professional Practice of Internal Auditing, Standard No. 100. She also presented the two main changes which include the following:

1. More granular breakdown of the audit process
2. Provision for consulting services, seen as a UTA value-added service which will allow us to proactively stay in compliance

Motion to forward adoption of the Internal Audit Charter to the full board was made by Trustee Chamness and seconded by Trustee Ashton. Motion carried by unanimous consent.

#### **7. Internal Audit Services Survey (Informational item)**

Riana de Villiers took the opportunity of explaining the survey and outlining the results in this informational item. The survey was performed in order to seek input and areas for improvement within the department. It was anonymous and focused the recipients of the survey on UTA staff which had participated in audits over the past few years. These areas included:

- 1) Professionalism
- 2) Relationship between auditor and auditee
- 3) Quality of Audits
- 4) Communication with auditee

No motion was required.

#### **9. Ogden/Weber BRT Project**

Mr. Benson presented this informational item and asked for feedback from the committee about the general direction. He also thanked Trustee Mileski for his advocacy on behalf of this project and UTA. UDOT, Ogden City, Weber County COG all contributed money to do the first-level design and environmental work. UTA is looking forward to a Memorandum of Understanding regarding the funding for the local match for the construction, after that the project can be submitted to FTA for grant consideration and to move into project development. The overall project is estimated at \$79 million.

No motion was required.

#### **10. Other Business**

Motion to adjourn made by Trustee Chamness and seconded by Trustee Ashton. The meeting adjourned at 3:11 p.m.

*Report Transcribed by:  
Teri Black  
Senior Office Specialist  
Finance*

*This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://utah.gov/pmn-admin/notice/edit.html?id=453301> for entire content.*

*This document along with the digital recording constitute the official minutes of this meeting.*

Unapproved



**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
Action Agenda Item Coversheet

<b>DATE:</b>	<b>May 9, 2018</b>
<b>CONTACT PERSON:</b>	<b>Rebecca Cruz, Board of Trustees Support Manager</b>
<b>SUBJECT:</b>	<b>Approval of April 11, 2018 Finance &amp; Audit Meeting Report</b>
<b>BACKGROUND:</b>	The minutes have been distributed to the committee members and any revisions or changes will be incorporated.
<b>PREFERRED ALTERNATIVE:</b>	Approval
<b>LEGAL REVIEW:</b>	N/A
<b>EXHIBITS:</b>	1) 04-11-18 FAC Mtg Report - OPEN



**Report of the Meeting  
of the  
Finance & Audit Committee (FAC) of the Utah Transit Authority (UTA)  
held at UTA FrontLines Headquarters located at  
669 West 200 South, Salt Lake City, Utah  
April 11, 2018**

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**Committee Members Present:**

Jeff Acerson, Committee Chair  
Cort Ashton

Gina Chamness  
Dannie McConkie

**Committee Members Excused/Not in Attendance:** All committee members were present in person or via telephone.

Also attending were members of UTA staff.

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**Welcome and Call to Order.** Chair Acerson welcomed attendees and called the meeting to order at 1:32 p.m. with four voting committee members present.

**Safety Minute.** Chair Acerson yielded the floor to Kent Muhlestein, UTA Safety Administrator, for a brief safety message.

**Closed Session.** Chair Acerson indicated there was a matter to be discussed in closed session relative to the character, professional competence, physical, or mental health of an individual. A motion to move into closed session was made by Trustee McConkie and seconded by Trustee Chamness. The motion carried by unanimous consent and the FAC moved into closed session at 1:35 p.m. All UTA Staff with the exception of Annette Royle, Jerry Benson, Kim Ulibarri and Jayme Blakesley were asked to leave the room. A recording of the meeting discussion was made.

**Open Session.** A motion to return to open session was made by Trustee Ashton and seconded by Trustee McConkie. The motion carried by unanimous consent and the FAC returned to open session at 2:30 p.m.

**Action Taken Regarding Matters Discussed in Closed Session.** No action was taken regarding matters discussed in closed session.

**Other Business.** No other business was discussed.

Chair Acerson stated the next FAC meeting would be on April 17, 2018, at 11:00 a.m.

**Adjournment.** The meeting was adjourned at 2:33 p.m. by motion.

Transcribed by Cathie Griffiths  
Assistant to the President/CEO  
Utah Transit Authority  
[cgriffiths@rideuta.com](mailto:cgriffiths@rideuta.com)  
801.237.1945

*This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://www.utah.gov/pmn/sitemap/notice/457479.html> for entire content.*

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**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
Action Agenda Item Coversheet

<b>DATE:</b>	<b>May 9, 2018</b>
<b>CONTACT PERSON:</b>	<b>Rebecca Cruz</b> , Board of Trustees Support Manager
<b>SUBJECT:</b>	<b>Approval of April 17, 2018 Finance &amp; Audit Meeting Report</b>
<b>BACKGROUND:</b>	The minutes have been distributed to the committee members and any revisions or changes will be incorporated.
<b>PREFERRED ALTERNATIVE:</b>	Approval
<b>LEGAL REVIEW:</b>	N/A
<b>EXHIBITS:</b>	1) 04-17-18 FAC Mtg Report - OPEN



**Report of the Meeting  
of the  
Finance & Audit Committee (FAC) of the Utah Transit Authority (UTA)  
held at UTA FrontLines Headquarters located at  
669 West 200 South, Salt Lake City, Utah  
April 17, 2018**

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**Committee Members Present:**

Jeff Acerson, Committee Chair  
Cort Ashton

Gina Chamness  
Dannie McConkie

**Committee Members Excused/Not in Attendance:** All committee members were present in person or via telephone.

Also attending were members of UTA staff.

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**Welcome and Call to Order.** Chair Acerson welcomed attendees and called the meeting to order at 11:07 a.m. with three voting committee members present.

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

Trustee Chamness joined the meeting at 11:12 a.m.

**Contracting and Expenditure Authority.** Robert Biles, UTA Vice President of Finance, explained provisions in legislation (Senate Bill 136, or SB136) requiring changes to UTA's contracting and expenditure approval process. He reviewed a proposed resolution for the board outlining a short-term approach for managing contracts and expenditures to align UTA practices to be in compliance with SB136. The short-term period covered by the resolution is defined as May 8-May 23, 2018.

Discussion ensued during which questions were posed by the board and answered by staff.

A motion to forward the contracting and expenditure item to the board agenda was made by Trustee Chamness and seconded by Trustee Ashton. The motion carried by unanimous consent.

**Closed Session.** Chair Acerson indicated there were matters to be discussed in closed session relative to potential litigation and the character, professional competence, physical, or mental health of an individual. A motion to move into closed session was made by Trustee McConkie and seconded by Trustee Ashton. The motion carried by unanimous consent and the FAC moved into closed session at 11:40 a.m.

**Open Session.** A motion to return to open session was made by Trustee Ashton and seconded by Trustee McConkie. The motion carried by unanimous consent and the FAC returned to open session at 12:40 p.m.

**Action Taken Regarding Matters Discussed in Closed Session.** No action was taken regarding matters discussed in closed session.

**Other Business.** No other business was discussed.

**Adjournment.** The meeting was adjourned at 12:41 p.m. by motion.

Transcribed by Cathie Griffiths  
Assistant to the President/CEO  
Utah Transit Authority  
[cgriffiths@rideuta.com](mailto:cgriffiths@rideuta.com)  
801.237.1945

*This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://www.utah.gov/pmn/sitemap/notice/458633.html> for entire content.*

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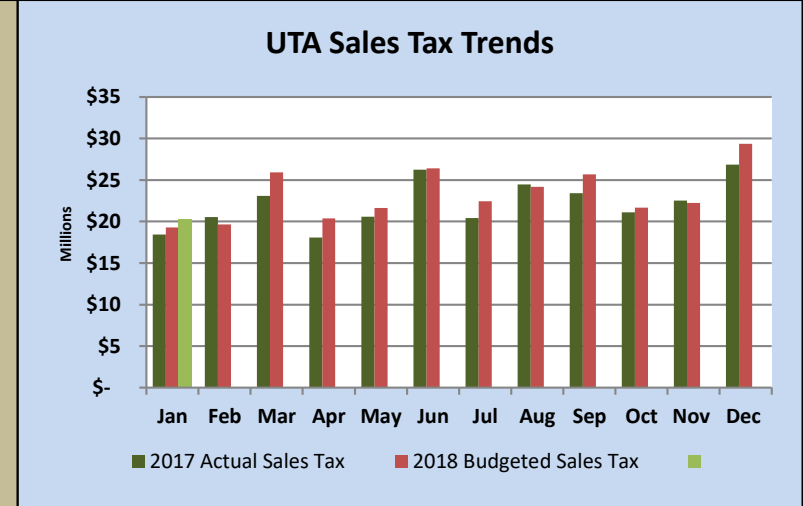
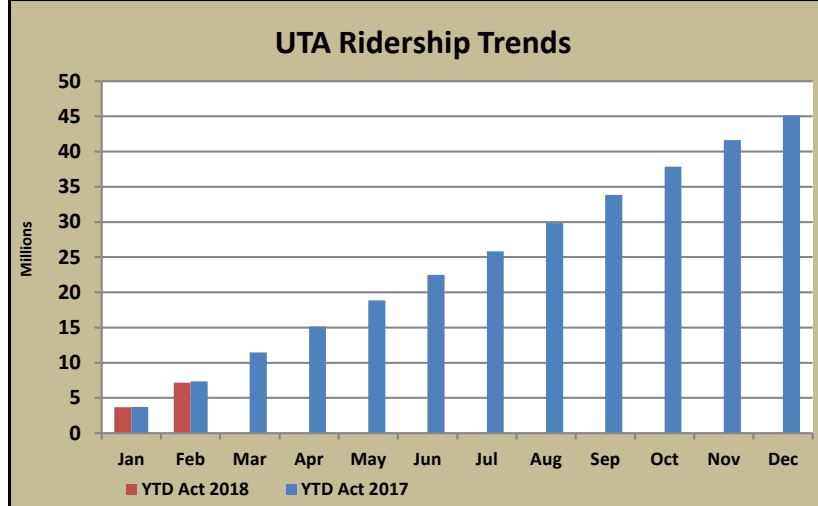
**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
**Agenda Item Coversheet**

<b>DATE:</b>	<b>May 9, 2018</b>
<b>CONTACT PERSON:</b>	<b>Robert Biles, VP of Finance</b>
<b>SUBJECT:</b>	<b>Financial Reports &amp; Dashboards for February and March, 2018</b>
<b>BACKGROUND:</b>	In accordance with Board direction, staff prepares and presents monthly financial statements to the Board for their review.
<b>PREFERRED ALTERNATIVE:</b>	<ul style="list-style-type: none"><li>• Approve as presented</li></ul>
<b>LEGAL REVIEW</b>	N/A
<b>EXHIBITS:</b>	<ol style="list-style-type: none"><li>1. Dashboard: February 2018</li><li>2. Monthly Financial Report: February 2018</li><li>3. Dashboard: March 2018</li><li>4. Monthly Financial Report: March 2018</li></ol>

# Utah Transit Authority

## Board Dashboard: February 28, 2018

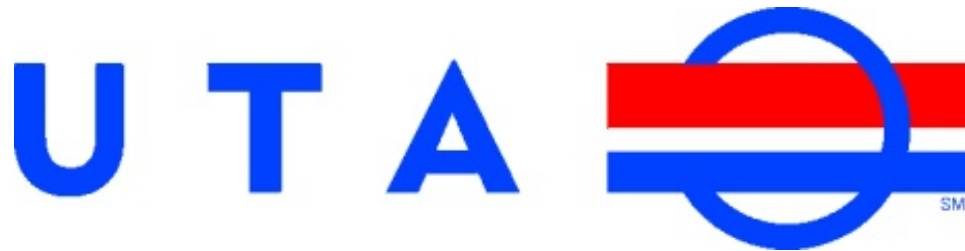
Financial Metrics			Fav/ (Unfav)				Fav/ (Unfav)			
	Feb Actual	Feb Budget		%	YTD Actual	YTD Budget		%		
Sales Tax (January '18 mm \$)	\$ 20.3	\$ 19.3	\$ 1.00	5.2%	\$ 20.3	\$ 19.3	\$ 1.00	5.2%		
Fare Revenue (mm)	\$ 4.5	\$ 4.1	\$ 0.47	11.4%	\$ 8.6	\$ 7.8	\$ 0.80	10.2%		
Operating Exp (mm)	\$ 19.5	\$ 22.6	\$ 3.11	13.8%	\$ 42.6	\$ 45.7	\$ 3.15	6.9%		
Investment Per Rider (IPR)	\$ 4.60	\$ 5.13	\$ 0.53	10.3%	\$ 4.74	\$ 5.13	\$ 0.39	7.6%		
IPR adj for fuel savings	\$ 4.56	\$ 5.13	\$ 0.57	11.1%	\$ 4.89	\$ 5.13	\$ 0.24	4.7%		
UTA Diesel Price (\$/gal)	\$ 2.01	\$ 2.20	\$ 0.19	8.7%	\$ 2.04	\$ 2.20	\$ 0.16	7.3%		
Operating Metrics	Feb Actual	Feb-17	F/ (UF)	%	YTD Actual	YTD 2017	F/ (UF)	%		
Ridership (mm)	3.46	3.63	(0.2)	-4.5%	7.17	7.37	(0.2)	-2.8%		
Alternative Fuels	\$/gal	Revenue Development (m\$)			YTD Actual					
CNG Price (Bus Diesel Equiv rt)	\$ 1.27				\$ 5.02					
Debt Service	Feb Actual	Feb-17	Var	%	YTD Actual	YTD 2017	Var	%		
Debt Service (net mm)	\$ 8.96	\$ 8.94	\$ (0.02)	-0.2%	\$ 17.79	\$ 17.89	\$ 0.10	0.6%		





**Utah Transit Authority**  
**Financial Statement**  
(Unaudited)

February 28, 2018



	2018 YTD ACTUAL	2018 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Sales Tax	\$ 38,712,835	\$ 38,949,675	\$ (236,840)	-1%
2 Passenger Revenue	\$ 8,615,630	\$ 7,815,998	799,632	10%
3 Other Revenue	\$ 11,711,004	\$ 12,288,500	(577,496)	-5%
4 <b>Total Revenue</b>	<b>59,039,469</b>	<b>59,054,173</b>	<b>(14,704)</b>	<b>0%</b>
5 Net Operating Expenses	(42,574,111)	(45,723,001)	3,148,890	7%
<b>Net Operating Income (Loss)</b>	<b>16,465,358</b>	<b>13,331,172</b>	<b>3,134,186</b>	<b>24%</b>
6 Debt Service	17,793,903	17,682,171	(111,732)	-1%
7 Other Non-Operating Expenses	705,891	917,500	211,609	23%
8 Sale of Assets	(3,912,340)	-	3,912,340	
9 <b>Contribution to Capital Reserves</b>	<b>\$ 1,877,904</b>	<b>\$ (5,268,499)</b>	<b>\$ 7,146,403</b>	
10 Bond Debt Service - Series 2007A CAB	43,070			
11 Amortization	(264,462)			
12 Depreciation	23,311,432			
13 <b>Total Non-cash Items</b>	<b>\$ 23,090,040</b>			

2017 GOALS

RIDERSHIP

2017 Actual	February 2018	February 2017	Difference	2018 YTD	2017 YTD	Difference
14 45,119,780	3,461,458	3,625,342	-163,884	7,159,879	7,371,753	-211,874

REVENUE DEVELOPMENT

15 Federal/Local/Regional	YTD	\$ 5,022,618
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OPERATING INVESTMENT PER RIDER 2017 Budgeted IPR is \$5.13

	IPR		IPR (less diesel savings)
16 Net Operating Expense	\$ 42,574,111	Net Operating Expense	\$ 42,574,111
17 Less: Passenger Revenue	- (8,615,630)	Less: Passenger Revenue	- (8,615,630)
18		Plus: Diesel Savings	+ 1,065,098
19 Subtotal	33,958,481	Subtotal	35,023,579
20 Divided by: Ridership	÷ 7,159,879	Divided by: Ridership	÷ 7,159,879
21 Investment per Rider	\$ 4.74	Investment per Rider	\$ 4.89

SUMMARY FINANCIAL DATA  
(UNAUDITED)

EXHIBIT 1-2

As of February 28, 2018

BALANCE SHEET

	<u>2/28/2018</u>	<u>2/28/2017</u>
<b>CURRENT ASSETS</b>		
1 Cash	\$ 19,653,877	\$ 9,903,231
2 Investments (Unrestricted)	49,550,795	20,312,237
3 Investments (Restricted)	126,962,536	197,993,159
4 Receivables	47,643,339	51,760,413
5 Receivables - Federal Grants	18,881,110	11,067,563
6 Inventories	33,740,167	29,313,723
7 Prepaid Expenses	2,440,206	2,885,011
8 <b>TOTAL CURRENT ASSETS</b>	<b>\$ 298,872,030</b>	<b>\$ 323,235,337</b>
9 Property, Plant & Equipment (Net)	3,046,703,628	3,108,171,721
10 Other Assets	133,996,229	126,519,486
11 <b>TOTAL ASSETS</b>	<b>\$ 3,479,571,887</b>	<b>\$ 3,557,926,544</b>
12 Current Liabilities	\$ 28,146,317	\$ 28,225,578
13 Other Liabilities	248,468,591	231,360,777
14 Net Pension Liability	101,705,388	112,925,121
15 Outstanding Debt	2,138,293,575	2,126,802,972
16 Equity	962,958,016	1,058,612,096
17 <b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 3,479,571,887</b>	<b>\$ 3,557,926,544</b>

RESTRICTED AND DESIGNATED CASH AND CASH EQUIVALENTS RECONCILIATION

<b>RESTRICTED RESERVES</b>		
18 Debt Service Reserves	36,940,962	42,924,874
19 2015A Sub Interest Reserves		2,990,218
20 Debt Service Interest Payable	21,509,043	17,899,659
21 Risk Contingency	7,556,701	7,444,906
22 Box Elder County ROW (sales tax)	6,359,998	5,459,173
23 Mountain Accord	149,754	250,718
24 Joint Insurance Trust	3,894,919	3,256,602
25 UT County Bond Proceeds	19,155,777	49,967,498
26 Amounts held in escrow	31,395,382	9,253,008
27 <b>TOTAL RESTRICTED RESERVES</b>	<b>\$ 126,962,536</b>	<b>\$ 139,446,658</b>
<b>DESIGNATED OPERATING RESERVES</b>		
28 Service Stabilization Reserve	\$ 13,916,046	\$ 13,525,550
29 Fuel Reserve	1,915,000	1,915,000
30 Parts Reserve	3,000,000	3,000,000
31 Operating Reserve	25,976,619	25,247,693
32 Early Debt Retirement Reserve	17,699,386	14,858,258
33 <b>TOTAL DESIGNATED OPERATING RESERVES</b>	<b>\$ 62,507,051</b>	<b>\$ 58,546,501</b>
34 <b>TOTAL RESTRICTED AND DESIGNATED CASH AND EQUIVALENTS</b>	<b>\$ 189,469,587</b>	<b>\$ 197,993,159</b>

SUMMARY FINANCIAL DATA  
(UNAUDITED)

EXHIBIT 1-3

As of February 28, 2018

REVENUE & EXPENSES

	ACTUAL Feb-18	ACTUAL Feb-17	YTD 2018	YTD 2017
<b>REVENUE</b>				
1 Passenger Revenue	\$ 4,549,613	\$ 4,005,183	\$ 8,615,630	\$ 8,265,483
2 Advertising Revenue	200,000	195,833	400,000	391,666
3 Investment Revenue	143,163	139,177	687,899	323,392
4 Sales Tax	19,126,969	17,528,000	38,712,835	34,889,000
5 Other Revenue	94,021	293,361	292,554	541,197
6 Fed Operations/Preventative Maint.	3,984,813	4,136,010	10,330,551	9,039,365
7 <b>TOTAL REVENUE</b>	<b>\$ 28,098,579</b>	<b>\$ 26,297,564</b>	<b>\$ 59,039,469</b>	<b>\$ 53,450,103</b>
<b>OPERATING EXPENSE</b>				
8 Bus Service	\$ 6,780,057	\$ 6,894,012	\$ 14,945,357	\$ 14,241,609
9 Commuter Rail	1,070,989	1,892,921	3,486,074	3,484,228
10 Light Rail	2,933,318	2,427,897	6,183,512	5,285,931
11 Maintenance of Way	1,388,487	1,339,145	2,570,208	2,677,556
12 Paratransit Service	1,706,891	1,570,102	3,350,670	3,209,817
13 RideShare/Van Pool Services	131,948	215,211	324,897	426,954
14 Operations Support	3,238,212	3,575,515	7,184,723	7,225,530
15 Administration	2,230,213	2,119,412	4,528,670	4,247,635
16 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 19,480,115</b>	<b>\$ 20,034,215</b>	<b>\$ 42,574,111</b>	<b>\$ 40,799,260</b>
17 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 8,618,464</b>	<b>\$ 6,263,349</b>	<b>\$ 16,465,358</b>	<b>\$ 12,650,843</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
18 Planning & Development	\$ 327,234	\$ 345,374	\$ 705,891	\$ 765,978
19 Major Investment Studies	-	-	-	-
20 Offsetting Investment Studies	-	-	-	-
21 Bond Principal	766,667	729,167	1,531,334	1,458,334
22 Bond Interest	7,676,713	7,164,293	15,232,653	14,328,586
23 Bond Funded Interest - 2015A Sub	-	795,271	-	1,590,542
24 Bond Cost of Issuance/Fees	-	-	-	500
25 Lease Cost	514,896	247,348	1,029,916	516,049
26 Sale of Assets	(2,994,412)	5,024	(3,912,340)	(2,168,537)
27 <b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ 6,291,098</b>	<b>\$ 9,286,477</b>	<b>\$ 14,587,454</b>	<b>\$ 16,491,452</b>
28 <b>CONTRIBUTION TO CAPITAL RESERVES</b>	<b>\$ 2,327,366</b>	<b>\$ (3,023,128)</b>	<b>\$ 1,877,904</b>	<b>\$ (3,840,609)</b>
<b>OTHER EXPENSES (NON-CASH)</b>				
29 Bond Debt Service - Series 2007A CAB	\$ 16,667	\$ 15,859	\$ 33,334	\$ 31,718
30 Bond Premium/Discount Amortization	(826,518)	(1,321,256)	(1,766,912)	(2,642,513)
31 Bond Refunding Cost Amortization	683,649	685,192	1,367,298	1,370,384
32 Future Revenue Cost Amortization	67,576	67,576	135,152	135,152
33 Depreciation	11,372,769	12,560,000	23,311,432	25,120,000
34 <b>NET OTHER EXPENSES (NON-CASH)</b>	<b>\$ 11,314,143</b>	<b>\$ 12,007,371</b>	<b>\$ 23,080,304</b>	<b>\$ 24,014,741</b>

CURRENT MONTH

	ACTUAL Feb-18	BUDGET Feb-18	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>				
1 Passenger Revenue	\$ 4,549,613	\$ 4,084,503	\$ 465,110	11%
2 Advertising Revenue	200,000	200,000	-	0%
3 Investment Revenue	143,163	311,000	(167,837)	-54%
4 Sales Tax	19,126,969	19,666,790	(539,821)	-3%
5 Other Revenue	94,021	564,333	(470,312)	-83%
6 Fed Operations/Preventative Maint.	3,984,813	5,068,917	(1,084,104)	-21%
7 <b>TOTAL REVENUE</b>	<b>\$ 28,098,579</b>	<b>\$ 29,895,543</b>	<b>\$ (1,796,964)</b>	<b>-6%</b>
<b>OPERATING EXPENSE</b>				
8 Bus Service	\$ 6,780,057	\$ 7,863,139	\$ 1,083,081	14%
9 Commuter Rail	1,070,989	1,832,516	761,527	42%
10 Light Rail	2,933,318	2,925,900	(7,418)	0%
11 Maintenance of Way	1,388,487	1,350,637	(37,850)	-3%
12 Paratransit Service	1,706,891	1,897,773	190,882	10%
13 RideShare/Van Pool Services	131,948	267,071	135,123	51%
14 Operations Support	3,238,212	3,737,696	499,484	13%
15 Administration	2,230,213	2,712,603	482,390	18%
16 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 19,480,115</b>	<b>\$ 22,587,335</b>	<b>\$ 3,107,219</b>	<b>14%</b>
17 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 8,618,464</b>	<b>\$ 7,308,208</b>	<b>\$ 1,310,256</b>	<b>18%</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
18 Planning & Development	\$ 327,234	\$ 458,750	\$ 131,516	29%
19 Major Investment Studies	-	-	-	
20 Offsetting Investment Studies	-	-	-	
21 Bond Principal	766,667	764,667	(2,000)	0%
22 Bond Interest	7,676,713	7,555,940	(120,773)	-2%
23 Bond Funded Interest - 2015A Sub	-	-	-	
24 Bond Cost of Issuance/Fees	-	5,458	5,458	100%
25 Lease Cost	514,896	515,020	124	0%
26 Sale of Assets	(2,994,412)	-	2,994,412	
27 <b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ 6,291,098</b>	<b>\$ 9,299,835</b>	<b>\$ 3,008,737</b>	<b>32%</b>
28 <b>CONTRIBUTION TO CAPITAL RESERVES</b>	<b>\$ 2,327,366</b>	<b>\$ (1,991,627)</b>	<b>\$ 4,318,993</b>	<b>217%</b>
<b>OTHER EXPENSES (NON-CASH)</b>				
29 Bond Debt Service - Series 2007A CAB	\$ 16,667			
30 Bond Premium/Discount Amortization	(826,518)			
31 Bond Refunding Cost Amortization	683,649			
32 Future Revenue Cost Amortization	67,576			
33 Depreciation	11,372,769			
34 <b>NET OTHER EXPENSES (NON-CASH)</b>	<b>\$ 11,314,143</b>			

BUDGET TO ACTUAL REPORT  
(UNAUDITED)

EXHIBIT 1-5

As of February 28, 2018

YEAR TO DATE

	ACTUAL Feb-18	BUDGET Feb-18	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>				
1 Passenger Revenue	\$ 8,615,630	\$ 7,815,998	\$ 799,632	10%
2 Advertising Revenue	400,000	400,000	-	0%
3 Investment Revenue	687,899	622,000	65,899	11%
4 Sales Tax	38,712,835	38,949,675	(236,840)	-1%
5 Other Revenue	292,554	1,128,667	(836,112)	-74%
6 Fed Operations/Preventative Maint.	10,330,551	10,137,833	192,718	2%
7 <b>TOTAL REVENUE</b>	<b>\$ 59,039,469</b>	<b>\$ 59,054,173</b>	<b>\$ (14,704)</b>	<b>0%</b>
<b>OPERATING EXPENSE</b>				
8 Bus Service	\$ 14,945,357	\$ 15,989,972	\$ 1,044,615	7%
9 Commuter Rail	3,486,074	3,763,437	277,363	7%
10 Light Rail	6,183,512	5,855,737	(327,775)	-6%
11 Maintenance of Way	2,570,208	2,851,379	281,171	10%
12 Paratransit Service	3,350,670	3,815,273	464,603	12%
13 RideShare/Van Pool Services	324,897	534,571	209,674	39%
14 Operations Support	7,184,723	7,500,529	315,806	4%
15 Administration	4,528,670	5,412,103	883,433	16%
16 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 42,574,111</b>	<b>\$ 45,723,001</b>	<b>\$ 3,148,890</b>	<b>7%</b>
17 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 16,465,358</b>	<b>\$ 13,331,172</b>	<b>\$ 3,134,186</b>	<b>24%</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
18 Planning & Development	\$ 705,891	\$ 917,500	\$ 211,609	23%
19 Major Investment Studies	-	-	-	
20 Offsetting Investment Studies	-	-	-	
21 Bond Principal	1,531,334	1,529,334	(2,000)	0%
22 Bond Interest	15,232,653	15,111,880	(120,773)	-1%
23 Bond Funded Interest - 2015A Sub	-	-	-	
24 Bond Cost of Issuance/Fees	-	10,917	10,917	100%
25 Lease Cost	1,029,916	1,030,040	124	0%
26 Sale of Assets	(3,912,340)	-	3,912,340	
27 <b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ 14,587,454</b>	<b>\$ 18,599,671</b>	<b>\$ 4,012,217</b>	<b>22%</b>
28 <b>CONTRIBUTION TO CAPITAL RESERVES</b>	<b>\$ 1,877,904</b>	<b>\$ (5,268,499)</b>	<b>\$ 7,146,403</b>	<b>136%</b>
<b>OTHER EXPENSES (NON-CASH)</b>				
29 Bond Debt Service - Series 2007A CAB	\$ 33,334			
30 Bond Premium/Discount Amortization	(1,766,912)			
31 Bond Refunding Cost Amortization	1,367,298			
32 Future Revenue Cost Amortization	135,152			
33 Depreciation	23,311,432			
34 <b>NET OTHER EXPENSES (NON-CASH)</b>	<b>\$ 23,080,304</b>			

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	2018 ACTUAL	ANNUAL BUDGET	PERCENT
<b>EXPENSES</b>			
1 REVENUE AND NON-REVENUE VEHICLES	\$ 615,615	\$ 23,516,922	2.6%
2 INFORMATION TECHNOLOGY	224,027	8,594,818	2.6%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	21,252	1,035,796	2.1%
4 CAPITAL PROJECTS	32,063	41,057,292	0.1%
5 PROVO OREM BRT	917,937	40,227,000	2.3%
6 AIRPORT STATION RELOCATION	7,733	22,901,499	0.0%
7 STATE OF GOOD REPAIR	767,371	29,674,141	2.6%
8 PROP 1 PROJECTS	64,365	11,067,067	0.6%
9 TIGER (INCLUDING PROP#1 TIGER)	16,399	13,104,294	0.1%
10 TOTAL	<u>\$ 2,666,762</u>	<u>\$ 191,178,829</u>	1.4%
<b>REVENUES</b>			
14 GRANT	\$ 7,466	\$ 26,114,493	0.0%
16 PROVO-OREM TRIP	917,937	30,000,000	3.1%
17 LEASES (PAID TO DATE)	-	21,163,045	0.0%
18 BONDS	-	50,877,399	0.0%
19 LOCAL PARTNERS	-	14,318,487	0.0%
15 TRANSFER FROM OPERATING (PROP 1)	64,365	3,997,323	0.0%
20 UTA FUNDING	1,676,994	44,708,082	3.8%
21 TOTAL	<u>\$ 2,666,762</u>	<u>\$ 191,178,829</u>	1.4%

As of February 28, 2018

**BY SERVICE**

	CURRENT MONTH		YEAR TO DATE	
	Feb-18	Feb-17	2018	2017
<b>UTA</b>				
Fully Allocated Costs	20,476,387	20,034,215	42,574,111	40,799,261
Passenger Farebox Revenue	4,549,613	4,005,183	8,615,630	8,265,484
Passengers	3,461,458	3,625,342	7,160,177	7,371,753
Farebox Recovery Ratio	22.2%	20.0%	20.2%	20.3%
Actual Investment per Rider	\$4.60	\$4.42	\$4.74	\$4.41
GOAL Investment per Rider				
<b>BUS SERVICE</b>				
Fully Allocated Costs	9,802,204	9,403,649	20,073,214	19,281,139
Passenger Farebox Revenue	1,869,117	1,660,818	3,583,185	3,327,303
Passengers	1,524,935	1,613,300	3,161,040	3,238,928
Farebox Recovery Ratio	19.1%	17.7%	17.9%	17.3%
Actual Investment per Rider	\$5.20	\$4.80	\$5.22	\$4.93
<b>LIGHT RAIL SERVICE</b>				
Fully Allocated Costs	5,925,397	5,383,348	12,258,897	11,239,155
Passenger Farebox Revenue	1,607,015	1,307,158	2,967,691	2,620,276
Passengers	1,388,800	1,460,515	2,869,198	2,994,875
Farebox Recovery Ratio	27.1%	24.3%	24.2%	23.3%
Actual Investment per Rider	\$3.11	\$2.79	\$3.24	\$2.88
<b>COMMUTER RAIL SERVICE</b>				
Fully Allocated Costs	2,590,028	3,129,455	5,886,163	5,973,778
Passenger Farebox Revenue	452,045	422,132	933,688	881,551
Passengers	374,038	373,178	789,427	775,179
Farebox Recovery Ratio	17.5%	13.5%	15.9%	14.8%
Actual Investment per Rider	\$5.72	\$7.25	\$6.27	\$6.57
<b>PARATRANSIT</b>				
Fully Allocated Costs	1,852,947	1,729,149	3,669,524	3,526,926
Passenger Farebox Revenue	306,128	271,450	479,383	756,510
Passengers	64,341	65,701	133,956	136,819
Farebox Recovery Ratio	16.5%	15.7%	13.1%	21.4%
Actual Investment per Rider	\$24.04	\$22.19	\$23.81	\$20.25
<b>RIDESHARE</b>				
Fully Allocated Costs	305,811	388,614	686,313	778,262
Passenger Farebox Revenue	315,308	343,625	651,682	679,843
Passengers	109,344	112,648	206,556	225,951
Farebox Recovery Ratio	103.1%	88.4%	95.0%	87.4%
Actual Investment per Rider	(\$0.09)	\$0.40	\$0.17	\$0.44



As of February 28, 2018

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Feb-18	Feb-17	2018	2017
<b>FULLY ALLOCATED COSTS</b>				
Bus Service	\$9,802,204	\$9,403,649	\$20,073,214	\$19,281,139
Light Rail Service	\$5,925,397	\$5,383,348	\$12,258,897	\$11,239,155
Commuter Rail Service	\$2,590,028	\$3,129,455	\$5,886,163	\$5,973,778
Paratransit	\$1,852,947	\$1,729,149	\$3,669,524	\$3,526,926
Rideshare	\$305,811	\$388,614	\$686,313	\$778,262
<b>UTA</b>	<b>\$20,476,387</b>	<b>\$20,034,215</b>	<b>\$42,574,111</b>	<b>\$40,799,260</b>
<b>PASSENGER FAREBOX REVENUE</b>				
Bus Service	\$1,869,117	\$1,660,818	\$3,583,185	\$3,327,303
Light Rail Service	\$1,607,015	\$1,307,158	\$2,967,691	\$2,620,276
Commuter Rail Service	\$452,045	\$422,132	\$933,688	\$881,551
Paratransit	\$306,128	\$271,450	\$479,383	\$756,510
Rideshare	\$315,308	\$343,625	\$651,682	\$679,843
<b>UTA</b>	<b>\$4,549,613</b>	<b>\$4,005,183</b>	<b>\$8,615,630</b>	<b>\$8,265,483</b>
<b>PASSENGERS</b>				
Bus Service	1,524,935	1,613,300	3,161,040	3,238,928
Light Rail Service	1,388,800	1,460,515	2,869,198	2,994,875
Commuter Rail Service	374,038	373,178	789,427	775,179
Paratransit	64,341	65,701	133,956	136,819
Rideshare	109,344	112,648	206,556	225,951
<b>UTA</b>	<b>3,461,458</b>	<b>3,625,342</b>	<b>7,160,177</b>	<b>7,371,752</b>
<b>FAREBOX RECOVERY RATIO</b>				
Bus Service	19.1%	17.7%	17.9%	17.3%
Light Rail Service	27.1%	24.3%	24.2%	23.3%
Commuter Rail Service	17.5%	13.5%	15.9%	14.8%
Paratransit	16.5%	15.7%	13.1%	21.4%
Rideshare	103.1%	88.4%	95.0%	87.4%
<b>UTA</b>	<b>22.2%</b>	<b>20.0%</b>	<b>20.2%</b>	<b>20.3%</b>
<b>ACTUAL INVESTMENT PER RIDER</b>				
Bus Service	\$5.20	\$4.80	\$5.22	\$4.93
Light Rail Service	\$3.11	\$2.79	\$3.24	\$2.88
Commuter Rail Service	\$5.72	\$7.25	\$6.27	\$6.57
Paratransit	\$24.04	\$22.19	\$23.81	\$20.25
Rideshare	(\$0.09)	\$0.40	\$0.17	\$0.44
<b>UTA</b>	<b>\$4.60</b>	<b>\$4.42</b>	<b>\$4.74</b>	<b>\$4.41</b>

SUMMARY OF ACCOUNTS RECEIVABLE  
(UNAUDITED)

EXHIBIT 1-9

As of February 28, 2018

Classification	Total	Current	31-60 Days	61-90 Days	90-120 Days	Over 120 Days
1 Federal Government <sup>1</sup>	\$ 18,881,110	\$ 18,881,110				
2 Local Contributions <sup>2</sup>	38,712,834	38,712,251				583
3 Pass Sales	447,902	369,961	5,114	12,829	12,845	47,153
4 Property Management	69,074	38,203	16,317	2,668	-	11,886
5 Vanpool/Rideshare	22,186	23,780	(515)	1,428	(697)	(1,810)
6 Product Sales and Development	2,941,569	2,608,745	139,589	8,550	2,565	182,120
7 Railway Worker Protection	1,800					1,800
8 Capital Development Agreements	1,247,822	-	1,000,443			247,379
9 Mobility Management	-		-			
10 Paratransit	11,250	11,250				-
11 Other <sup>3</sup>	4,188,902	4,188,902				
12 Total	<b>\$ 66,524,449</b>	<b>\$ 64,834,202</b>	<b>\$ 1,160,948</b>	<b>\$ 25,475</b>	<b>\$ 14,713</b>	<b>\$ 489,111</b>

Percentage Due by Aging

13 Federal Government <sup>1</sup>	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14 Local Contributions <sup>2</sup>	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15 Pass Sales	82.6%	1.1%	2.9%	2.9%	10.5%	
16 Property Management	55.3%	23.6%	3.9%	0.0%	17.2%	
17 Vanpool/Rideshare	107.2%	-2.3%	6.4%	-3.1%	-8.2%	
18 Product Sales and Development	88.7%	4.7%	0.3%	0.1%	6.2%	
19 Railway Worker Protection	0.0%	0.0%	0.0%	0.0%	100.0%	
20 Capital Development Agreements	0.0%	80.2%	0.0%	0.0%	19.8%	
21 Mobility Management						
22 Paratransit	100.0%	0.0%	0.0%	0.0%	0.0%	
23 Other	100.0%	0.0%	0.0%	0.0%	0.0%	
24 Total	<b>97.5%</b>	<b>1.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.7%</b>	

<sup>1</sup> Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

<sup>2</sup> Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

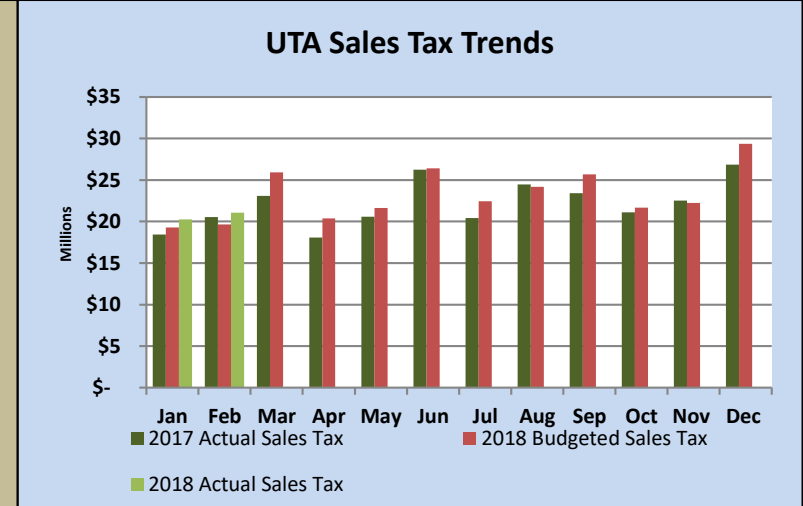
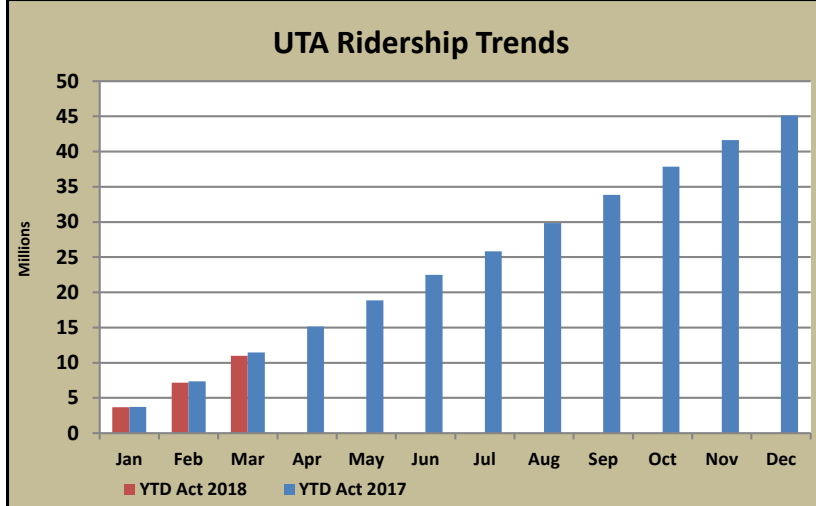
<sup>3</sup> OCIP escrow, fuel tax credit, warranty parts out for repair

Note:

# Utah Transit Authority

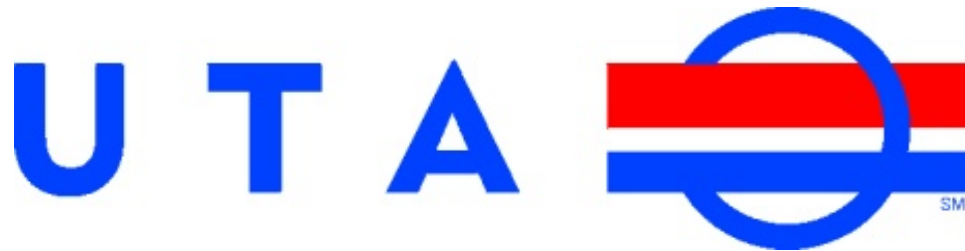
Board Dashboard: March 31, 2018

Financial Metrics	Mar Actual	Mar Budget	Fav/ (Unfav)	%	YTD Actual	YTD Budget	Fav/ (Unfav)	%
	Sales Tax (February '18 mm \$)	\$ 21.1	\$ 19.7	\$ 1.42	7.2%	\$ 41.3	\$ 38.9	\$ 2.39
Fare Revenue (mm)	\$ 4.0	\$ 3.8	\$ 0.14	3.8%	\$ 12.6	\$ 11.6	\$ 0.94	8.1%
Operating Exp (mm)	\$ 23.4	\$ 23.1	\$ (0.30)	-1.3%	\$ 66.0	\$ 68.8	\$ 2.85	4.1%
Investment Per Rider (IPR)	\$ 5.06	\$ 5.13	\$ 0.07	1.4%	\$ 4.86	\$ 5.13	\$ 0.27	5.3%
IPR adj for fuel savings	\$ 5.10	\$ 5.13	\$ 0.03	0.6%	\$ 4.95	\$ 5.13	\$ 0.18	3.5%
UTA Diesel Price (\$/gal)	\$ 2.05	\$ 2.20	\$ 0.15	6.9%	\$ 2.04	\$ 2.20	\$ 0.16	7.2%
Operating Metrics	Mar Actual	Mar-17	F/ (UF)	%	YTD Actual	YTD 2017	F/ (UF)	%
Ridership (mm)	3.82	4.11	(0.3)	-7.1%	10.98	11.48	(0.5)	-4.3%
Alternative Fuels	\$/gal	Revenue Development (m\$)			YTD Actual			
CNG Price (Bus Diesel Equiv rt)	\$ 1.28				\$ 5.16			
Debt Service	Mar Actual	Mar-17	Var	%	YTD Actual	YTD 2017	Var	%
Debt Service (net mm)	\$ 9.79	\$ 8.81	\$ (0.97)	-11.1%	\$ 27.58	\$ 26.70	\$ (0.87)	-3.3%



**Utah Transit Authority**  
**Financial Statement**  
(Unaudited)

March 31, 2018



	2018 YTD ACTUAL	2018 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Sales Tax	\$ 65,855,213	\$ 64,873,997	\$ 981,216	2%
2 Passenger Revenue	\$ 12,566,520	\$ 11,622,034	944,486	8%
3 Other Revenue	\$ 17,399,666	\$ 18,432,750	(1,033,084)	-6%
4 <b>Total Revenue</b>	<b>95,821,399</b>	<b>94,928,781</b>	<b>892,618</b>	<b>1%</b>
5 Net Operating Expenses	(65,972,724)	(68,822,528)	2,849,804	4%
<b>Net Operating Income (Loss)</b>	<b>29,848,675</b>	<b>26,106,253</b>	<b>3,742,422</b>	<b>14%</b>
6 Debt Service	27,579,254	26,523,256	(1,055,998)	-4%
7 Other Non-Operating Expenses	1,016,535	1,376,250	359,715	26%
8 Sale of Assets	(3,768,553)	-	3,768,553	
9 <b>Contribution to Capital Reserves</b>	<b>\$ 5,021,439</b>	<b>\$ (1,793,253)</b>	<b>\$ 6,814,692</b>	
10 Bond Debt Service - Series 2007A CAB	69,070			
11 Amortization	(784,307)			
12 Depreciation	34,784,389			
13 <b>Total Non-cash Items</b>	<b>\$ 34,069,152</b>			

2017 GOALS

RIDERSHIP

2017 Actual	March 2018	March 2017	Difference	2018 YTD	2017 YTD	Difference
14 45,119,780	3,816,985	4,106,515	-289,530	10,982,140	11,478,267	-496,127

REVENUE DEVELOPMENT

15 Federal/Local/Regional	YTD \$ 5,161,263
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OPERATING INVESTMENT PER RIDER 2017 Budgeted IPR is \$5.13

	IPR		IPR (less diesel savings)
16 Net Operating Expense	\$ 65,972,724	Net Operating Expense	\$ 65,972,724
17 Less: Passenger Revenue	(12,566,520)	Less: Passenger Revenue	(12,566,520)
18		Plus: Diesel Savings	945,432
19 Subtotal	53,406,204	Subtotal	54,351,636
20 Divided by: Ridership	÷ 10,982,140	Divided by: Ridership	÷ 10,982,140
21 Investment per Rider	\$ 4.86	Investment per Rider	\$ 4.95

SUMMARY FINANCIAL DATA  
(UNAUDITED)

EXHIBIT 1-2

As of March 31, 2018

BALANCE SHEET

	3/31/2018	3/31/2017
<b>CURRENT ASSETS</b>		
1 Cash	\$ 9,340,774	\$ 9,492,957
2 Investments (Unrestricted)	78,732,902	16,543,719
3 Investments (Restricted)	186,384,594	198,721,294
4 Receivables	53,534,628	59,514,899
5 Receivables - Federal Grants	17,174,952	14,972,104
6 Inventories	33,996,454	28,886,510
7 Prepaid Expenses	1,378,075	1,919,342
<b>8 TOTAL CURRENT ASSETS</b>	<b>\$ 380,542,379</b>	<b>\$ 330,050,826</b>
9 Property, Plant & Equipment (Net)	3,046,353,194	3,066,554,905
10 Other Assets	147,879,409	125,839,662
<b>11 TOTAL ASSETS</b>	<b>\$ 3,574,774,982</b>	<b>\$ 3,522,445,393</b>
12 Current Liabilities	\$ 21,965,592	\$ 20,958,011
13 Other Liabilities	280,189,785	237,046,869
14 Net Pension Liability	100,876,554	112,925,121
15 Outstanding Debt	2,214,859,080	2,126,802,972
16 Equity	956,883,971	1,024,712,419
<b>17 TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 3,574,774,982</b>	<b>\$ 3,522,445,393</b>

RESTRICTED AND DESIGNATED CASH AND CASH EQUIVALENTS RECONCILIATION

<b>RESTRICTED RESERVES</b>		
18 Debt Service Reserves	36,174,524	40,025,937
19 2015A Sub Interest Reserves		2,242,664
20 2018 Bond Proceeds	59,928,106	
21 Debt Service Interest Payable	28,984,205	27,573,863
22 Risk Contingency	7,569,731	7,452,631
23 Box Elder County ROW (sales tax)	6,359,998	5,459,173
24 Mountain Accord	149,735	250,708
25 Joint Insurance Trust	3,894,919	3,256,602
26 UT County Bond Proceeds	11,927,995	49,503,046
27 Amounts held in escrow	31,395,381	4,410,169
<b>28 TOTAL RESTRICTED RESERVES</b>	<b>\$ 186,384,594</b>	<b>\$ 140,174,793</b>
<b>DESIGNATED OPERATING RESERVES</b>		
29 Service Stabilization Reserve	\$ 13,916,046	\$ 13,525,550
30 Fuel Reserve	1,915,000	1,915,000
31 Parts Reserve	3,000,000	3,000,000
32 Operating Reserve	25,976,619	25,247,693
33 Early Debt Retirement Reserve	25,120,649	14,858,258
<b>34 TOTAL DESIGNATED OPERATING RESERVES</b>	<b>\$ 69,928,314</b>	<b>\$ 58,546,501</b>
<b>35 TOTAL RESTRICTED AND DESIGNATED CASH AND EQUIVALENTS</b>	<b>\$ 256,312,908</b>	<b>\$ 198,721,294</b>

SUMMARY FINANCIAL DATA  
(UNAUDITED)

EXHIBIT 1-3

As of March 31, 2018

REVENUE & EXPENSES

	ACTUAL Mar-18	ACTUAL Mar-17	YTD 2018	YTD 2017
<b>REVENUE</b>				
1 Passenger Revenue	\$ 3,950,890	\$ 4,438,297	\$ 12,566,520	\$ 12,703,780
2 Advertising Revenue	200,000	195,833	600,000	587,499
3 Investment Revenue	172,112	114,998	860,011	438,390
4 Sales Tax	27,142,378	26,163,036	65,855,213	61,052,036
5 Other Revenue	155,547	262,524	448,101	803,721
6 Fed Operations/Preventative Maint.	5,161,003	4,911,567	15,491,554	13,950,932
7 <b>TOTAL REVENUE</b>	<b>\$ 36,781,930</b>	<b>\$ 36,086,255</b>	<b>\$ 95,821,399</b>	<b>\$ 89,536,358</b>
<b>OPERATING EXPENSE</b>				
8 Bus Service	\$ 8,055,150	\$ 7,953,339	\$ 23,000,507	\$ 22,194,948
9 Commuter Rail	2,015,728	1,964,778	5,501,802	5,449,306
10 Light Rail	3,499,396	2,302,080	9,682,908	7,588,011
11 Maintenance of Way	1,352,071	1,263,052	3,922,279	3,940,608
12 Paratransit Service	1,763,558	1,831,047	5,114,228	5,040,864
13 RideShare/Van Pool Services	258,874	230,089	583,771	657,043
14 Operations Support	3,905,073	3,606,898	11,089,796	10,832,428
15 Administration	2,548,763	2,593,466	7,077,433	6,841,101
16 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 23,398,613</b>	<b>\$ 21,744,749</b>	<b>\$ 65,972,724</b>	<b>\$ 62,544,309</b>
17 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 13,383,317</b>	<b>\$ 14,341,506</b>	<b>\$ 29,848,675</b>	<b>\$ 26,992,049</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
18 Planning & Development	\$ 310,644	\$ 414,672	\$ 1,016,535	\$ 1,180,650
19 Major Investment Studies	-	-	-	-
20 Offsetting Investment Studies	-	-	-	-
21 Bond Principal	766,667	729,167	2,298,001	2,187,501
22 Bond Interest	7,443,304	6,979,590	22,675,957	21,308,176
23 Bond Funded Interest - 2015A Sub	-	795,271	-	2,385,813
24 Bond Cost of Issuance/Fees	1,060,484	16,600	1,060,484	17,100
25 Lease Cost	514,896	290,036	1,544,812	806,085
26 Sale of Assets	143,787	(190,692)	(3,768,553)	(2,359,229)
27 <b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ 10,239,782</b>	<b>\$ 9,034,644</b>	<b>\$ 24,827,236</b>	<b>\$ 25,526,096</b>
28 <b>CONTRIBUTION TO CAPITAL RESERVES</b>	<b>\$ 3,143,535</b>	<b>\$ 5,306,862</b>	<b>\$ 5,021,439</b>	<b>\$ 1,465,953</b>
<b>OTHER EXPENSES (NON-CASH)</b>				
29 Bond Debt Service - Series 2007A CAB	\$ 35,736	\$ 15,859	\$ 69,070	\$ 47,577
30 Bond Premium/Discount Amortization	(1,271,070)	(1,321,256)	(3,037,982)	(3,963,769)
31 Bond Refunding Cost Amortization	683,649	685,192	2,050,947	2,055,576
32 Future Revenue Cost Amortization	67,576	67,576	202,728	202,728
33 Depreciation	11,472,957	12,560,000	34,784,389	37,680,000
34 <b>NET OTHER EXPENSES (NON-CASH)</b>	<b>\$ 10,988,848</b>	<b>\$ 12,007,371</b>	<b>\$ 34,069,152</b>	<b>\$ 36,022,112</b>

CURRENT MONTH

	ACTUAL Mar-18	BUDGET Mar-18	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>				
1 Passenger Revenue	\$ 3,950,890	\$ 3,806,036	\$ 144,854	4%
2 Advertising Revenue	200,000	200,000	-	0%
3 Investment Revenue	172,112	311,000	(138,888)	-45%
4 Sales Tax	27,142,378	25,924,322	1,218,056	5%
5 Other Revenue	155,547	564,333	(408,786)	-72%
6 Fed Operations/Preventative Maint.	5,161,003	5,068,917	92,086	2%
7 <b>TOTAL REVENUE</b>	<b>\$ 36,781,930</b>	<b>\$ 35,874,608</b>	<b>\$ 907,322</b>	<b>3%</b>
<b>OPERATING EXPENSE</b>				
8 Bus Service	\$ 8,055,150	\$ 8,123,913	\$ 68,763	1%
9 Commuter Rail	2,015,728	1,937,811	(77,917)	-4%
10 Light Rail	3,499,396	2,930,209	(569,187)	-19%
11 Maintenance of Way	1,352,071	1,483,369	131,298	9%
12 Paratransit Service	1,763,558	1,907,392	143,834	8%
13 RideShare/Van Pool Services	258,874	267,535	8,661	3%
14 Operations Support	3,905,073	3,751,169	(153,904)	-4%
15 Administration	2,548,763	2,698,129	149,366	6%
16 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 23,398,613</b>	<b>\$ 23,099,527</b>	<b>\$ (299,086)</b>	<b>-1%</b>
17 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 13,383,317</b>	<b>\$ 12,775,081</b>	<b>\$ 608,236</b>	<b>5%</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
18 Planning & Development	\$ 310,644	\$ 458,750	\$ 148,106	32%
19 Major Investment Studies	-	-	-	
20 Offsetting Investment Studies	-	-	-	
21 Bond Principal	766,667	764,667	(2,000)	0%
22 Bond Interest	7,443,304	7,555,940	112,636	1%
23 Bond Funded Interest - 2015A Sub	-	-	-	
24 Bond Cost of Issuance/Fees	1,060,484	5,458	(1,055,026)	-19329%
25 Lease Cost	514,896	515,020	124	0%
26 Sale of Assets	143,787	-	(143,787)	
27 <b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ 10,239,782</b>	<b>\$ 9,299,835</b>	<b>\$ (939,947)</b>	<b>-10%</b>
28 <b>CONTRIBUTION TO CAPITAL RESERVES</b>	<b>\$ 3,143,535</b>	<b>\$ 3,475,246</b>	<b>\$ (331,711)</b>	<b>10%</b>
<b>OTHER EXPENSES (NON-CASH)</b>				
29 Bond Debt Service - Series 2007A CAB	\$ 35,736			
30 Bond Premium/Discount Amortization	(1,271,070)			
31 Bond Refunding Cost Amortization	683,649			
32 Future Revenue Cost Amortization	67,576			
33 Depreciation	11,472,957			
34 <b>NET OTHER EXPENSES (NON-CASH)</b>	<b>\$ 10,988,848</b>			



BUDGET TO ACTUAL REPORT  
(UNAUDITED)

EXHIBIT 1-5

As of March 31, 2018

YEAR TO DATE

	ACTUAL Mar-18	BUDGET Mar-18	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>				
1 Passenger Revenue	\$ 12,566,520	\$ 11,622,034	\$ 944,486	8%
2 Advertising Revenue	600,000	600,000	-	0%
3 Investment Revenue	860,011	933,000	(72,989)	-8%
4 Sales Tax	65,855,213	64,873,997	981,216	2%
5 Other Revenue	448,101	1,693,000	(1,244,899)	-74%
6 Fed Operations/Preventative Maint.	15,491,554	15,206,750	284,804	2%
7 <b>TOTAL REVENUE</b>	<b>\$ 95,821,399</b>	<b>\$ 94,928,781</b>	<b>\$ 892,618</b>	<b>1%</b>
<b>OPERATING EXPENSE</b>				
8 Bus Service	\$ 23,000,507	\$ 24,113,885	\$ 1,113,378	5%
9 Commuter Rail	5,501,802	5,701,248	199,446	3%
10 Light Rail	9,682,908	8,785,946	(896,962)	-10%
11 Maintenance of Way	3,922,279	4,334,748	412,469	10%
12 Paratransit Service	5,114,228	5,722,665	608,437	11%
13 RideShare/Van Pool Services	583,771	802,106	218,335	27%
14 Operations Support	11,089,796	11,251,698	161,902	1%
15 Administration	7,077,433	8,110,232	1,032,799	13%
16 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 65,972,724</b>	<b>\$ 68,822,528</b>	<b>\$ 2,849,804</b>	<b>4%</b>
17 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 29,848,675</b>	<b>\$ 26,106,253</b>	<b>\$ 3,742,422</b>	<b>14%</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
18 Planning & Development	\$ 1,016,535	\$ 1,376,250	\$ 359,715	26%
19 Major Investment Studies	-	-	-	
20 Offsetting Investment Studies	-	-	-	
21 Bond Principal	2,298,001	2,294,001	(4,000)	0%
22 Bond Interest	22,675,957	22,667,820	(8,137)	0%
23 Bond Funded Interest - 2015A Sub	-	-	-	
24 Bond Cost of Issuance/Fees	1,060,484	16,375	(1,044,109)	-6376%
25 Lease Cost	1,544,812	1,545,060	248	0%
26 Sale of Assets	(3,768,553)	-	3,768,553	
27 <b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ 24,827,236</b>	<b>\$ 27,899,506</b>	<b>\$ 3,072,270</b>	<b>11%</b>
28 <b>CONTRIBUTION TO CAPITAL RESERVES</b>	<b>\$ 5,021,439</b>	<b>\$ (1,793,253)</b>	<b>\$ 6,814,692</b>	<b>380%</b>
<b>OTHER EXPENSES (NON-CASH)</b>				
29 Bond Debt Service - Series 2007A CAB	\$ 69,070			
30 Bond Premium/Discount Amortization	(3,037,982)			
31 Bond Refunding Cost Amortization	2,050,947			
32 Future Revenue Cost Amortization	202,728			
33 Depreciation	34,784,389			
34 <b>NET OTHER EXPENSES (NON-CASH)</b>	<b>\$ 34,069,152</b>			

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	2018 ACTUAL	ANNUAL BUDGET	PERCENT
<b>EXPENSES</b>			
1 REVENUE AND NON-REVENUE VEHICLES	\$ 6,504,754	\$ 23,516,922	27.7%
2 INFORMATION TECHNOLOGY	314,094	8,594,818	3.7%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	115,713	1,035,796	11.2%
4 CAPITAL PROJECTS	136,522	41,057,292	0.3%
5 PROVO OREM BRT	4,229,309	40,227,000	10.5%
6 AIRPORT STATION RELOCATION	363,722	22,901,499	1.6%
7 STATE OF GOOD REPAIR	1,505,334	29,674,141	5.1%
8 PROP 1 PROJECTS	527,311	11,067,067	4.8%
9 TIGER (INCLUDING PROP#1 TIGER)	77,134	13,104,294	0.6%
10 TOTAL	<u>\$ 13,773,892</u>	<u>\$ 191,178,829</u>	7.2%
<b>REVENUES</b>			
14 GRANT	\$ 237,399	\$ 26,114,493	0.9%
16 PROVO-OREM TRIP	4,229,309	30,000,000	14.1%
17 LEASES (PAID TO DATE)	6,240,910	21,163,045	29.5%
18 BONDS	-	50,877,399	0.0%
19 LOCAL PARTNERS	-	14,318,487	0.0%
15 TRANSFER FROM OPERATING (PROP 1)	527,311	3,997,323	0.0%
20 UTA FUNDING	2,538,963	44,708,082	5.7%
21 TOTAL	<u>\$ 13,773,892</u>	<u>\$ 191,178,829</u>	7.2%

As of March 31, 2018

**BY SERVICE**

	CURRENT MONTH		YEAR TO DATE	
	Mar-18	Mar-17	2018	2017
<b>UTA</b>				
Fully Allocated Costs	23,398,613	21,744,949	65,972,724	62,544,210
Passenger Farebox Revenue	3,950,891	4,438,297	12,566,520	12,703,781
Passengers	3,816,985	4,106,515	10,982,140	11,478,268
Farebox Recovery Ratio	16.9%	20.4%	19.0%	20.3%
Actual Investment per Rider	\$5.10	\$4.21	\$4.86	\$4.34
GOAL Investment per Rider				
<b>BUS SERVICE</b>				
Fully Allocated Costs	10,888,836	10,674,136	30,962,050	29,955,274
Passenger Farebox Revenue	1,525,801	1,466,216	5,108,987	4,793,520
Passengers	1,658,400	1,803,443	4,819,439	5,042,371
Farebox Recovery Ratio	14.0%	13.7%	16.5%	16.0%
Actual Investment per Rider	\$5.65	\$5.11	\$5.36	\$4.99
<b>LIGHT RAIL SERVICE</b>				
Fully Allocated Costs	6,808,501	5,381,964	19,067,398	16,621,119
Passenger Farebox Revenue	1,296,847	1,497,833	4,264,538	4,118,109
Passengers	1,567,294	1,683,536	4,436,492	4,678,411
Farebox Recovery Ratio	19.0%	27.8%	22.4%	24.8%
Actual Investment per Rider	\$3.52	\$2.31	\$3.34	\$2.67
<b>COMMUTER RAIL SERVICE</b>				
Fully Allocated Costs	3,304,906	3,265,023	9,191,069	9,238,801
Passenger Farebox Revenue	427,403	451,823	1,361,092	1,333,374
Passengers	417,700	435,620	1,207,127	1,210,799
Farebox Recovery Ratio	12.9%	13.8%	14.8%	14.4%
Actual Investment per Rider	\$6.89	\$6.46	\$6.49	\$6.53
<b>PARATRANSIT</b>				
Fully Allocated Costs	1,941,881	1,999,305	5,611,405	5,526,231
Passenger Farebox Revenue	372,142	693,267	851,525	1,449,777
Passengers	74,187	77,754	213,121	214,573
Farebox Recovery Ratio	19.2%	34.7%	15.2%	26.2%
Actual Investment per Rider	\$21.16	\$16.80	\$22.33	\$19.00
<b>RIDESHARE</b>				
Fully Allocated Costs	454,489	424,520	1,140,802	1,202,782
Passenger Farebox Revenue	328,696	329,157	980,378	1,009,000
Passengers	99,404	106,162	305,960	332,113
Farebox Recovery Ratio	72.3%	77.5%	85.9%	83.9%
Actual Investment per Rider	\$1.27	\$0.90	\$0.52	\$0.58

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Mar-18	Mar-17	2018	2017
<b>FULLY ALLOCATED COSTS</b>				
Bus Service	\$10,888,836	\$10,674,136	\$30,962,050	\$29,955,274
Light Rail Service	\$6,808,501	\$5,381,964	\$19,067,398	\$16,621,119
Commuter Rail Service	\$3,304,906	\$3,265,023	\$9,191,069	\$9,238,801
Paratransit	\$1,941,881	\$1,999,305	\$5,611,405	\$5,526,231
Rideshare	\$454,489	\$424,520	\$1,140,802	\$1,202,782
<b>UTA</b>	<b>\$23,398,613</b>	<b>\$21,744,949</b>	<b>\$65,972,724</b>	<b>\$62,544,209</b>
<b>PASSENGER FAREBOX REVENUE</b>				
Bus Service	\$1,525,801	\$1,466,216	\$5,108,987	\$4,793,520
Light Rail Service	\$1,296,847	\$1,497,833	\$4,264,538	\$4,118,109
Commuter Rail Service	\$427,403	\$451,823	\$1,361,092	\$1,333,374
Paratransit	\$372,142	\$693,267	\$851,525	\$1,449,777
Rideshare	\$328,696	\$329,157	\$980,378	\$1,009,000
<b>UTA</b>	<b>\$3,950,891</b>	<b>\$4,438,297</b>	<b>\$12,566,520</b>	<b>\$12,703,780</b>
<b>PASSENGERS</b>				
Bus Service	1,658,400	1,803,443	4,819,439	5,042,371
Light Rail Service	1,567,294	1,683,536	4,436,492	4,678,411
Commuter Rail Service	417,700	435,620	1,207,127	1,210,799
Paratransit	74,187	77,754	213,121	214,573
Rideshare	99,404	106,162	305,960	332,113
<b>UTA</b>	<b>3,816,985</b>	<b>4,106,515</b>	<b>10,982,140</b>	<b>11,478,267</b>
<b>FAREBOX RECOVERY RATIO</b>				
Bus Service	14.0%	13.7%	16.5%	16.0%
Light Rail Service	19.0%	27.8%	22.4%	24.8%
Commuter Rail Service	12.9%	13.8%	14.8%	14.4%
Paratransit	19.2%	34.7%	15.2%	26.2%
Rideshare	72.3%	77.5%	85.9%	83.9%
<b>UTA</b>	<b>16.9%</b>	<b>20.4%</b>	<b>19.0%</b>	<b>20.3%</b>
<b>ACTUAL INVESTMENT PER RIDER</b>				
Bus Service	\$5.65	\$5.11	\$5.36	\$4.99
Light Rail Service	\$3.52	\$2.31	\$3.34	\$2.67
Commuter Rail Service	\$6.89	\$6.46	\$6.49	\$6.53
Paratransit	\$21.16	\$16.80	\$22.33	\$19.00
Rideshare	\$1.27	\$0.90	\$0.52	\$0.58
<b>UTA</b>	<b>\$5.10</b>	<b>\$4.21</b>	<b>\$4.86</b>	<b>\$4.34</b>

SUMMARY OF ACCOUNTS RECEIVABLE  
(UNAUDITED)

EXHIBIT 1-9

As of March 31, 2018

Classification	Total	Current	31-60 Days	61-90 Days	90-120 Days	Over 120 Days
1 Federal Government <sup>1</sup>	\$ 17,174,952	\$ 17,174,952				
2 Local Contributions <sup>2</sup>	48,571,875	48,571,292				583
3 Pass Sales	393,046	371,771	(57,621)	2,479	8,443	67,974
4 Property Management	71,812	70,622	1,190	-	-	-
5 Vanpool/Rideshare	9,630	25,726	(23,023)	(566)	1,739	5,754
6 Product Sales and Development	856,956	550,144	245,254	11,756	433	49,369
7 Railway Worker Protection	1,800					1,800
8 Capital Development Agreements	1,545,322	297,500	-	1,000,443		247,379
9 Mobility Management	-	-	-			
10 Paratransit	11,250	11,250				-
11 Other <sup>3</sup>	2,072,937	2,072,937				
12 <b>Total</b>	<b>\$ 70,709,580</b>	<b>\$ 69,146,194</b>	<b>\$ 165,800</b>	<b>\$ 1,014,112</b>	<b>\$ 10,615</b>	<b>\$ 372,859</b>

Percentage Due by Aging

13 Federal Government <sup>1</sup>	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14 Local Contributions <sup>2</sup>	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15 Pass Sales	94.6%	-14.7%	0.6%	2.1%	17.3%	
16 Property Management	98.3%	1.7%	0.0%	0.0%	0.0%	
17 Vanpool/Rideshare	267.1%	-239.1%	-5.9%	18.1%	59.8%	
18 Product Sales and Development	64.2%	28.6%	1.4%	0.1%	5.8%	
19 Railway Worker Protection	0.0%	0.0%	0.0%	0.0%	100.0%	
20 Capital Development Agreements	19.3%	0.0%	64.7%	0.0%	16.0%	
21 Mobility Management						
22 Paratransit	100.0%	0.0%	0.0%	0.0%	0.0%	
23 Other	100.0%	0.0%	0.0%	0.0%	0.0%	
24 <b>Total</b>	<b>97.8%</b>	<b>0.2%</b>	<b>1.4%</b>	<b>0.0%</b>	<b>0.5%</b>	

<sup>1</sup> Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

<sup>2</sup> Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

<sup>3</sup> OCIP escrow, fuel tax credit, warranty parts out for repair

Note:

**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
**Agenda Item Coversheet**

<b>DATE:</b>	<b>May 8, 2018</b>
<b>CONTACT PERSON:</b>	<b>Bob Biles/Richard Swenson</b>
<b>SUBJECT:</b>	<b>Quarterly Investment Report</b>
<b>BACKGROUND:</b>	<p>Pursuant to UTA’s Corporate Investment Policy, the Treasurer is required to provide a quarterly investment report to the Finance &amp; Operations Committee, which acts as the designated Investment Committee.</p> <p>This presents the investment report for the 1<sup>st</sup> quarter of 2018, which provides a list of the investments in the March 31, 2018 portfolio as well as investments which were purchased and sold during the first quarter.</p> <p>Zion’s Wealth Advisors (formerly Contango) continues to manage a separate portfolio of investments totaling \$25,954,173.90 at quarter end, with maturities of three years or less, and yields to maturity (net of fees) for the months of January, February, and March of 1.808%, 1.980%, and 2.037%, respectively.</p> <p>All other available cash is invested with the State of Utah investment pool (PTIF), which earned yields of 1.705%, 1.839%, and 2.002%, for January, February, and March, respectively.</p> <p>Also included is information on the benchmark rate, stated in the Investment Policy Statement as the highest of the 3 Month T Bill rate or the Fed Funds rate. The Benchmark for January, February, and March was 1.450%, 1.656%, and 1.706%, respectively.</p>
<b>PREFERRED ALTERNATIVE:</b>	Review and receive the Report.
<b>LEGAL REVIEW:</b>	N/A
<b>EXHIBITS:</b>	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> Quarter 2018 - Investment Report</li> </ul>

# Utah Transit Authority

## Investment Portfolio

March 31, 2018

Investment	CUSIP	Amount Invested	Purchase Date	Maturity	Yield to Maturity	Annual Earnings
FHLB 2.000%	313380GJ0	\$ 5,015,494.44	9/25/2017	9/9/2022	1.953%	\$ 97,861
FHLB 2.000%	313380GJ0	\$ 5,011,255.56	9/29/2017	9/9/2022	1.976%	\$ 98,892
FHLB 2.000%	313380GJ0	\$ 5,011,405.56	9/29/2017	9/9/2022	1.975%	\$ 98,863
FHLB 2.000%	313380GJ0	\$ 5,008,311.11	10/10/2017	9/9/2022	2.001%	\$ 100,167
FAMCA 1.800%	3132X0WX5	\$ 4,952,250.00	10/11/2017	8/26/2022	2.051%	\$ 102,670
FFCB 2.08%	3133EHM91	\$ 4,992,900.00	11/1/2017	11/1/2022	2.110%	\$ 105,623
FHLB 2.030%	3130ACS96	\$ 4,982,373.61	11/14/2017	11/7/2022	2.113%	\$ 105,774
FFCB 2.08%	3133EHM91	\$ 4,987,466.67	11/22/2017	11/1/2022	2.110%	\$ 105,623
		<b>\$ 39,961,456.95</b>				

Zions Capital Advisors	\$ 25,954,173.90	2.037%	\$ 528,687
Public Treasurer's Investment Fund	\$ 65,925,001.97	2.002%	\$ 1,319,819
<b>Total Investments</b>	<b>\$ 131,840,632.82</b>	<b>2.021%</b>	<b>\$ 2,663,978</b>

### Rates as of Last Trading Day of

	January	February	March
Zions Capital Advisors	1.808%	1.980%	2.037%
Public Treasurer's Investment Fund	1.705%	1.839%	2.002%
Benchmark Return*	1.450%	1.656%	1.706%

\*Benchmark Return is the highest of either the 3 Month T Bill rate or the Fed Funds rate.

### Investments Purchased

January 1 to March 31, 2018

Investment	CUSIP	Amount Invested	Purchase Date	Maturity	Yield to Maturity	Annual Earnings
No purchases this quarter						

### Investments Sold

January 1 to March 31, 2018

Investment	CUSIP	Amount Invested	Date Sold	Sale Amount	Interest Earned	Gain
No sales this quarter						

**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
**Agenda Item Coversheet**

<b>DATE:</b>	<b>May 9, 2018</b>
<b>CONTACT PERSON:</b>	<b>Robert K. Biles, Chief Financial Officer, Treasurer</b> <b>Richard C. Swenson, Deputy Treasurer</b>
<b>SUBJECT:</b>	<b>Resolution R2018-05-XX Authorizing the Financing of Certain Equipment Through Lease-Purchase Agreements</b>

<b>BACKGROUND:</b>	<p>The 2018 budget anticipated the acquisition of 145 revenue service vehicles at a total cost of \$30,833,067. The vehicle type, number of vehicles, and budgeted amounts are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4F81BD; color: white;"> <th>Vehicle Type</th> <th>Number</th> <th>Budget</th> </tr> </thead> <tbody> <tr> <td><b>Replacement buses</b></td> <td style="text-align: center;">29</td> <td style="text-align: right;">\$15,450,761</td> </tr> <tr> <td><b>Trolleys</b></td> <td style="text-align: center;">2</td> <td style="text-align: right;">1,195,000</td> </tr> <tr> <td><b>Mt. Ogden Expansion Buses</b></td> <td style="text-align: center;">5</td> <td style="text-align: right;">2,647,645</td> </tr> <tr> <td><b>Electric Buses</b></td> <td style="text-align: center;">5</td> <td style="text-align: right;">6,318,500</td> </tr> <tr> <td><b>Replacement Paratransit van</b></td> <td style="text-align: center;">29</td> <td style="text-align: right;">2,856,000</td> </tr> <tr> <td><b>Replacement vanpool vans</b></td> <td style="text-align: center;"><u>75</u></td> <td style="text-align: right;"><u>2,365,161</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><u>145</u></td> <td style="text-align: right;"><u>\$30,833,067</u></td> </tr> </tbody> </table> <p>The 2018 budget also anticipated several sources of funding which could be used to pay for these vehicles. These sources are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4F81BD; color: white;"> <th>Source of Funding</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td><b>Grants</b></td> <td style="text-align: right;">\$8,275,893</td> </tr> <tr> <td><b>UTA</b></td> <td style="text-align: right;">1,122,729</td> </tr> <tr> <td><b>Local Partners</b></td> <td style="text-align: right;">271,400</td> </tr> <tr> <td><b>Leases</b></td> <td style="text-align: right;"><u>21,163,045</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><u>\$30,833,067</u></td> </tr> </tbody> </table> <p>Subsequent to adoption of the 2018 budget, in coordination with Weber Area Council of Governments, the Prop 1 priority in Weber County</p>	Vehicle Type	Number	Budget	<b>Replacement buses</b>	29	\$15,450,761	<b>Trolleys</b>	2	1,195,000	<b>Mt. Ogden Expansion Buses</b>	5	2,647,645	<b>Electric Buses</b>	5	6,318,500	<b>Replacement Paratransit van</b>	29	2,856,000	<b>Replacement vanpool vans</b>	<u>75</u>	<u>2,365,161</u>	<b>Total</b>	<u>145</u>	<u>\$30,833,067</u>	Source of Funding	Amount	<b>Grants</b>	\$8,275,893	<b>UTA</b>	1,122,729	<b>Local Partners</b>	271,400	<b>Leases</b>	<u>21,163,045</u>	<b>Total</b>	<u>\$30,833,067</u>
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	<p>changed from expanded bus service to bus rapid transit (BRT) capital investment. As a result, UTA decided to eliminate acquisition of the five Mt. Ogden expansion buses (\$2,647,645) and reallocate those funds to the BRT project. As these were to be lease financed, the resolution provides an authorization of \$18,515,400 rather than the original budget amount.</p> <p>Resolution 2018-05-xx authorizes two of the three designated officers (the Treasurer, Deputy Treasurer, and Executive Director) to 1) select the lessor and 2) approve the principal amounts, interest rates, terms, description of equipment, and other pricing terms if the lease-purchase agreements fall with the following parameters:</p> <ul style="list-style-type: none"> <li>• Amount           \$18,515,400 or less</li> <li>• Term:             12 years or less</li> <li>• Interest Rate:  4.5% or less</li> </ul> <p>Although the resolution authorizes an amount of \$18,515,400, the Treasurer and Deputy Treasurer will determine the amount needed before seeking lease financing.</p> <p>Gilmore &amp; Bell, legal counsel, has provided the attached resolution and form of the lease-purchase agreement.</p>
<p><b>PREFERRED ALTERNATIVE:</b></p>	<ul style="list-style-type: none"> <li>• Approve as presented and forward to the Board of Trustees</li> </ul>
<p><b>EXHIBITS:</b></p>	<ol style="list-style-type: none"> <li>a. R2018-05-XX Parameters Resolution</li> <li>b. Equipment Lease - Purchase Agreement</li> </ol>

Salt Lake City, Utah

May 23, 2018

The Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”) met in regular session originating from the UTA Frontline Headquarters, 669 West 200 South, in Salt Lake City, Utah, on May 23, 2018 at the hour of 1:30 p.m., with the following members of the Board being present:

Gregory S. Bell	Chair
Jeff Acerson	Member
Cort Ashton	Member
Gina Chamness	Member
Necia Christensen	Member
Alex Cragun	Member
Karen Cronin	Member
Babs De Lay	Member
Charles G. Henderson	Member
Daniel R. McConkie	Member
Robert McKinley	Member
Toby Mileski	Member
Bret Milburn	Member
Troy K. Walker	Member

Also present:

Steve Meyer	Interim Executive Director
Robert K. Biles	Vice President of Finance/ Secretary/Treasurer
Lisa Bohman	Managing Attorney

Absent: Jeff Hawker

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, there was presented to the Board a Certificate of Compliance with Open Meeting Law with respect to this meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_, was adopted by the following vote:

AYE:

NAY:

ABSTAIN:

The resolution was then signed by the Chair of the Board and recorded by the Secretary of the Board in the official records of the Utah Transit Authority. The resolution is as follows:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY (THE "AUTHORITY") AUTHORIZING THE FINANCING OF CERTAIN EQUIPMENT FOR THE AUTHORITY THROUGH ONE OR MORE EQUIPMENT LEASE-PURCHASE AGREEMENTS AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING CERTAIN OFFICIALS OF THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE LEASE-PURCHASE AGREEMENTS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH DOCUMENTS AND THIS RESOLUTION; AND RELATED MATTERS.

Resolution No. R2018-\_\_\_\_\_

May 23, 2018

WHEREAS, pursuant to the provisions of the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended (the "Act"), the Board of Trustees (the "Board") of the Utah Transit Authority (the "Authority"), has authority to enter into lease agreements to provide for the financing of certain equipment; and

WHEREAS, in order to finance the acquisition and installation of certain vehicles, equipment and other capital costs to be used by the Authority for the benefit of its public transit system (the "Project"), the Board finds and determines that it is necessary and in the best interests of the Authority to authorize the appropriate officials of the Authority to, from time to time, enter into Equipment Lease-Purchase Agreements (each a "Lease-Purchase Agreement"); and

WHEREAS, there has been presented to the Board at this meeting a form of the Lease-Purchase Agreement; and

WHEREAS, in order to allow the Authority flexibility in timing the execution of the Lease-Purchase Agreements and to minimize costs to the Authority, the Board desires to grant to any two of the Treasurer, the Deputy Treasurer and the Executive Director of the Authority (each a "Designated Officer") the authority to, from time to time: (a) select the lessor for the Lease-Purchase Agreement; and (b) approve the principal amounts, interest rates, terms, description of equipment, and other pricing terms; and to authorize any two of the Designated Officers to execute a finalized version of each Lease-Purchase Agreement; and

WHEREAS, the Board desires to authorize and approve the finalization and use of the Lease-Purchase Agreement, and to authorize and approve all actions to be taken by the Authority in connection with the execution of the above documents and the financing of the Project.

NOW, THEREFORE, it is hereby resolved by the Board of Trustees of the Utah Transit Authority, as follows:

Section 1. Terms defined in the foregoing recitals shall have the same meaning when used in the body of this Resolution.

Section 2. For the purpose of providing funds to be used for the financing of the Project, the Board hereby authorizes any two of the Designated Officers of the Authority to, from time to time, enter into Lease-Purchase Agreements all within the parameters set forth in Section 4 hereof. The execution of the Lease-Purchase Agreements shall be subject to the final advice of counsel for the Authority.

Section 3. The form of Lease-Purchase Agreement substantially as presented to this meeting and attached hereto as Exhibit B is hereby authorized, approved and confirmed. All terms and provisions of the Lease-Purchase Agreement are hereby incorporated in this Resolution. The Designated Officers of the Authority are hereby authorized to approve the final terms for each Lease-Purchase Agreement and any two of the Designated Officers may execute and deliver the Lease-Purchase Agreement in substantially the same form and with substantially the same content as the form of the Lease-Purchase Agreement presented at this meeting for and on behalf of the Authority with final terms as may be established for the Lease-Purchase Agreement within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 5 hereof. Any two of the Designated Officers of the Authority are hereby authorized to specify and agree as to the final principal amounts, interest rates, terms, description of equipment, and other pricing terms with respect to the Lease-Purchase Agreement for and on behalf of the Authority and any changes thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution, with such approval to be conclusively established by the execution of the Lease-Purchase Agreement by two of the Designated Officers.

Section 4. In order to finance the Project, the Board hereby finds and determines that it is in the best interests of the Authority and residents within the Authority, for the Authority to, from time to time, enter into lease arrangements with substantially the provisions of the Lease-Purchase Agreement, with an aggregate principal amount not more than \$18,515,400, to bear interest at an interest rate of not to exceed 4.50% per annum, to include a term not to exceed 12 years, and to be sold with a discount from par of not to exceed 2%, as shall be approved by any two of the Designated Officers, all within the Parameters set forth herein. Any two of the Designated Officers may approve and execute Lease-Purchase Agreements, within the parameters described herein, from time to time, at any time during the two years following adoption of this Resolution.

Section 5. Any of the Designated Officers are authorized to make any alterations, changes or additions to the Lease-Purchase Agreement or any other document herein authorized and approved which may be necessary to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States or to the agreement with the lessor.

Section 6. Any of the Designated Officers are hereby authorized and directed to execute and deliver for and on behalf of the Board and the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 7. On January 4, 2018, the Treasurer/Vice President of Finance signed on behalf of the Authority, an intention and reasonable expectation of the Authority to use proceeds of tax-exempt Lease-Purchase Agreements to reimburse itself for expenditures for costs of the Project. The Lease-Purchase Agreements are to be executed and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The Board hereby ratifies this prior reimbursement intent.

Section 8. Any of the Designated Officers are hereby authorized to take all action necessary or reasonably required by the Lease-Purchase Agreements to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 9. As permitted by Section 17B-1-102(3) of the Utah Code, the Board hereby elects to not treat the Lease Purchase Agreements as a bond for purposes of Utah Code Title 11, Chapter 14, Local Government Bonding Act or Title 11, Chapter 27, Utah Refunding Bond Act.

Section 10. As provided in Utah Code Section 17B-2a-803.1, the Board is in the process of implementing, over time, a name change for the Authority to Transit District Utah. In the event that the name change is implemented by the Board prior to the execution of the Lease-Purchase Agreements, the Authority shall enter into the Lease-Purchase Agreements under the name Transit District Utah.

Section 11. If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

Section 12. All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 13. This Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 23<sup>rd</sup> day of May, 2018.

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the Agenda, the meeting was adjourned.

---

Chair

ATTEST:

---

Secretary/Treasurer

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 23<sup>rd</sup> day of May, 2018.

---

Chair

ATTEST:

---

Secretary/Treasurer

APPROVED AS TO FORM:

---

Legal Counsel



EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH  
OPEN MEETING LAW

I, Robert K. Biles, the undersigned Secretary/Treasurer of the Board of Trustees (the "Board") of the Utah Transit Authority (the "Authority"), do hereby certify, according to the records of the Authority in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, not less than twenty-four (24) hours public notice of the agenda, date, time and place of the May 23, 2018, public meeting held by the Board was given as follows:

(a) by causing a Notice, in the form attached hereto as Schedule B to be posted at the Authority's principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) by causing a copy of such Notice, in the form attached hereto as Schedule B to be delivered at least twenty-four (24) hours prior to the convening of the meeting to the persons, newspapers (at least one of which is a newspaper of general circulation within the Authority), and media representatives shown on Schedule B attached hereto, as well as to those requesting such notices; and

(c) by causing a copy of such Notice to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2018 Annual Meeting Schedule for the Board (attached hereto as Schedule C) was given specifying the date, time and place of the regular meetings of the Board to be held during the year, by causing said Notice to be (i) posted in December 2017 at the principal office of the Authority, (ii) provided to local media correspondents, or to newspapers of general circulation within the geographic jurisdiction of the Authority, at least once during the calendar year 2018, and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 23<sup>rd</sup> day of May, 2018.

---

Secretary/Treasurer

(SEAL)

SCHEDULE B

NOTICE AND AGENDA OF THE MAY 23, 2018 MEETING

SCHEDULE C

2018 ANNUAL MEETING NOTICE

EXHIBIT B

EQUIPMENT LEASE-PURCHASE AGREEMENT

[See Transcript Document No. \_\_\_]

# EQUIPMENT LEASE-PURCHASE AGREEMENT

(2018 – 4 Year)

This Equipment Lease-Purchase Agreement dated as of \_\_\_\_\_, 2018, together with all amendments or supplements thereto (collectively, the “Lease”) by and between \_\_\_\_\_, a corporation organized under the laws of State of \_\_\_\_\_ (“Lessor”), and the Utah Transit Authority (the “Lessee”), a public transit district existing under the laws of the State of Utah:

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

## ARTICLE I

### DEMISING CLAUSE; TITLE; SECURITY

Section 1.1 Agreement to Lease. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the Equipment (defined below), to have and to hold for the Term (defined below) of this Lease.

Section 1.2 Title. During the Term of this Lease, title to the Equipment will be transferred to, vested and held in the name of, Lessee, subject to retransfer to Lessor as provided in Section 3.4 and further subject to Lessee’s right to exercise the Option provided in Article V hereof. Upon termination of this Lease pursuant to Sections 3.3(a) or 3.3(c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessee, who by this Lease appoints Lessor its irrevocable attorney in fact solely for the purpose of taking such action as is necessary to so transfer title to the Equipment to Lessor. Lessor at all times will have reasonable access to the Equipment during regular business hours for the purpose of inspection, alteration, and repair.

Section 1.3 Security. To secure the payment of all of Lessee’s obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in (i) the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment, (ii) any moneys and investments held from time to time in the Escrow Account and (iii) any and all proceeds of the foregoing. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or advisable to establish and maintain its security interest in the Equipment. Under the laws of the State of Utah, such pledge and assignment and security interest is automatically perfected as provided in Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Equipment.

This Lease does not create any pledge of or lien on the revenues of the Lessee, including without limitation, the revenues pledged to any of its bonds, notes or other indebtedness and nothing in this Lease shall be construed to limit the ability of the Lessee

to issue bonds, notes or other indebtedness secured by its revenues or any of its assets other than a lien on the Equipment.

## ARTICLE II

### DEFINITIONS

In addition to the terms defined in Article I hereof, the terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

“Acquisition Amount” means \$\_\_\_\_\_. The Acquisition Amount represented by the Lessee to be sufficient, together with other funds (if any) that are legally available, for the purpose to acquire and install the Equipment.

“Code” means the Internal Revenue Code of 1986 as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“Commencement Date” shall mean the date when Lessee’s obligation to make payments commences hereunder and shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“Equipment” shall mean the property which Lessor is leasing to Lessee described generally in Appendix A attached hereto and as may be more fully described in each draw under the Escrow Agreement.

“Escrow Account” means the fund established and held by the Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agent” means the Escrow Agent identified in the Escrow Agreement, and its successor and assigns.

“Escrow Agreement” means an Escrow and Account Control Agreement (2018 – 4 Year) in form and substance acceptable to and executed by Lessee, Lessor and the Escrow Agent, pursuant to which the Escrow Account is established and administered.

“Event of Taxability” has the meaning assigned in Section 6.1(h).

“Option Purchase Price” shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V and attached Appendix B.

“Original Term” shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

“Renewal Terms” shall mean all of the additional periods of one year (coextensive with Lessee’s fiscal year) for which this Lease shall be effective in the absence of a termination of the Lease as provided in Article III.

“Rental Payments” means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

“Taxable Rate” means the interest rate then in effect divided by \_\_\_\_\_%.

“Tax Certificate” means the Tax Certificate to be executed by the Lessee in connection with this Lease, and attached thereto as Appendix E.

“Tax-Exempt Rental Payments” means Rental Payments related to this Lease, the interest portion of which is excludable from gross income for federal income tax purposes.

“Term” or “Term of this Lease” shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

“Vendor” shall mean the manufacturer of the Equipment and the manufacturer’s agent or dealer from whom Lessee purchased the Equipment.

### ARTICLE III

#### LEASE TERM

Section 3.1 Commencement. The Term of this Lease shall commence as of the Commencement Date.

Section 3.2 Duration of Lease; Nonappropriation; Nonsubstitution. The Term of this Lease will continue until midnight on the last day of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be automatically extended for successive additional periods of one year coextensive with Lessee’s fiscal year as set forth in Appendix B (the “Renewal Terms”), unless this Lease is terminated as hereinafter provided.

The parties understand that as long as Lessee has sufficient appropriated funds to make the Rental Payments hereunder, Lessee will keep this Lease in effect through all Renewal Terms and make all payments required herein or Lessee will exercise its option under Article V to purchase the Equipment. Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Leased Equipment which is the subject of this Lease to carry out and give effect to the public purposes of Lessee. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment (an “Event of Nonappropriation”) for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect; provided, however, that a failure to give such written notice shall not constitute an event of default, result in any liability on the part of the Lessee or otherwise affect the termination of this Lease as set forth hereinabove.

If this Lease is terminated by Lessee due to an Event of Nonappropriation, the Lessee agrees not to purchase, lease or rent personal property to perform the same function or functions as those performed by the Equipment for a period of one hundred eighty (180) days succeeding such termination; provided, however, that these restrictions shall not be applicable if illegal or unenforceable under Utah law (as to which no opinion is expressed by Lessee or Lessee's counsel).

Section 3.3 Termination. This Lease will terminate upon the earliest to occur of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease wherein an Event of Nonappropriation has occurred resulting in a lack of funds to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein; or
- (d) upon the payment of all rental payments and all other amounts due hereunder.

Section 3.4 Return of Equipment Upon Termination. Upon termination of this Lease pursuant to Section 3.3(a) or (c), Lessee shall return the Equipment, freight and insurance prepaid, at Lessee's expense to a location designated by the Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof. In the event that Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession and the Rental Payments through the earlier of (i) actual repossession by Lessors or (ii) 30 days from the date of termination of this Lease. Lessee's obligations under the provisions of this Section are subject to and payable solely from funds appropriated for such purpose.

Section 3.5 Delivery and Installation. Delivery and Installation specifics for the Equipment shall be performed in a reasonable and customary manner.

Section 3.6 Draw Down of Funds into Escrow Account. Upon closing of this Lease, the Lessor shall deposit \$\_\_\_\_\_ into the Escrow Account.

Section 3.7 Acceptance Certificate. Upon delivery of all of the Equipment for use by the Lessee, the Lessee shall deliver the Acceptance Certificate in substantially the form of Appendix D hereto.



## ARTICLE IV

### RENTAL PAYMENTS

Section 4.1 Amount. Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms the Rental Payments on the dates and in the amounts set forth in Appendix B. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at Lessor's address set forth in Section 11.4 or to such other person or entity or at such other place as Lessor may from time to time designate by at least thirty (30) days advance written notice to Lessee.

Section 4.2 Portion of Rental Payments Attributable to Interest. The portion of each Rental Payment which is paid as and is representative of interest is set forth in Appendix B.

Section 4.3 No Right to Withhold. Notwithstanding any dispute between Lessee, Lessor, or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction. The obligation of Lessee to pay Rental Payments hereunder during the Original Term and any Renewal Term is absolute and unconditional and shall not be abated for any reason, subject to the right of the Lessee to terminate this lease at the conclusion of the Original Term or any Renewal Term due to an Event of Nonappropriation.

Section 4.4 Rental Payments to Constitute a Current Obligation of the Lessee. The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee within the meaning of any provision of the laws of the State of Utah or any section of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general credit of the Lessee or any revenues or assets of Lessee to the payment of the Rental Payments, or the interest thereon, and this Lease shall not obligate the Lessee to apply any other money to the Rental Payments or any interest thereon.

## ARTICLE V

### PURCHASE OF EQUIPMENT

Section 5.1 Option Purchase Price. Lessee shall have the option (the "Option") to purchase the Equipment from Lessor at a price equal to the Option Purchase Price (as set forth on Appendix B), plus accrued and unpaid interest (if any) and any rental payments due on the date of purchase.

Section 5.2 Manner of Exercise of Option. To exercise the Option, Lessee must deliver to Lessor written notice specifying the date on which the related Equipment is to be purchased, which notice must be delivered to Lessor at least thirty (30) days prior to the date of purchase specified therein. At the closing of the Option and upon payment of the Option Purchase Price, Lessor will deliver to Lessee all documents necessary to clear and release any related lien, encumbrance or security interest created by or arising through Lessor or this Lease

Section 5.3 Conditions of Exercise of Option. Lessee may purchase the Equipment pursuant to the Option only if Lessee is not in default in the payment of Rental Payments, in accordance with the provisions of this Lease (or has remedied any defaults).

Section 5.4 Termination Purchase. Upon the expiration of the Term of the Lease as stated in Section 3.3(d) and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased all of the Equipment (without the payment of additional sums and without any notice required by Section 5.2) and shall be vested with all rights and title to all of the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section 5.4, it shall deliver to Lessee the documents specified in Section 5.2.

## ARTICLE VI

### REPRESENTATIONS, COVENANTS, AND WARRANTIES OF LESSEE AND LESSOR

Section 6.1 Representations, Covenants and Warranties of Lessee. Lessee represents, covenants, and warrants as follows:

(a) Lessee is a public transit district, duly organized and existing under the Constitution and laws of the State of Utah.

(b) Lessee is authorized by the Constitution and laws of the State of Utah to enter into this Lease and to effect all of Lessee's obligations hereunder. To the knowledge of the undersigned, there is no litigation or other proceeding challenging in any way Lessee's authority to execute this Lease and perform its obligations hereunder. To the knowledge of the undersigned, the execution and delivery of this Lease by Lessee and the performance of Lessee's obligations hereunder does not conflict with or constitute a breach of or default under, (with or without notice or lapse of time), any other instrument to which Lessee is a part.

(c) All procedures and requirements, including any public bidding requirements, required to be met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease have been met and all Rental Payments and other payment obligations will be paid out of funds legally available for such purpose.

(d) The letter attached to this Lease as Appendix C is a true opinion of Lessee's counsel.

(e) Lessee will use and service the Equipment in accordance with Vendor's written instructions, if any, provided to Lessee.

(f) During the Term of this Lease, the Lessee shall comply with the Tax Certificate, if any, and the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

(g) Equipment related to Tax-Exempt Rental Payments shall be used solely by Lessee (except as otherwise permitted by the Code) and shall not be subject to any direct or indirect private business use or to make any loans.

(h) Lessee agrees that it will not take any action that would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes. Upon the occurrence of an Event of Taxability with respect to this Lease, the interest component of Rental Payments under such Lease and any charge on Rental Payments or other amounts payable based on the interest rate described herein shall have accrued and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in Lessor receiving the interest component at the Taxable Rate. For purposes of this Section, "Event of Taxability" means the circumstance of the interest component of any Rental Payment paid or payable pursuant to this Lease becoming includible for federal income tax purposes in Lessor's gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of Lessee. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; or (c) receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rental Payment under this Lease has become includable in the gross income of Lessor for

federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest component of any Rental Payment is deemed includable in the gross income of the owner thereof for federal income tax purposes.

(i) With relation to Tax-Exempt Rental Payments, this Lease constitutes neither (i) a private activity bond, as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”) nor (ii) an arbitrage bond, as defined in Section 148 of the Code.

(j) For Tax-Exempt Rental Payments, the obligations of Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(k) With relation to Tax-Exempt Rental Payments, in compliance with Section 149(e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038-G or 8038-GC, as appropriate (form attached as Appendix F).

(l) The Lessee covenants and certifies to and for the benefit of the Lessor that no use will be made of any of the proceeds of the issuance and sale of the Lease or any funds or accounts of the Lessee which may be deemed to be available proceeds of the Lease, pursuant to Section 148 of the Code, and applicable Treasury Regulations (promulgated or proposed) thereunder, which use, if it had been reasonably expected on the date of issuance of the Lease, would have caused the Lease to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Lessee obligates itself to comply throughout the term of the Lease with the requirements of Section 148 of the Code and the Treasury Regulations proposed or promulgated thereunder as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. [The Lessee further represents and covenants that, with the exception of [two] leases similar to this Lease entered into by Lessee and Lessor simultaneous with the execution of this Lease, no federal tax exempt bonds or other federal tax exempt evidences of indebtedness of the Lessee have been or will be issued, sold or delivered pursuant to a common plan of finance with this Lease within a period beginning 15 days prior to the pricing of the Lease and ending 15 days following the delivery of the Lease. Additional representations and covenants of the Lessee with respect to matters governed by the Code and Treasury Regulations relating to the Tax-Exempt Rental Payments, including without limitation Treasury Regulations Sections 1.148-1 through 1.148-11, Section 1.149 and Sections 1.150-1 and 1.150-2, will be set forth in the Tax Certificate attached hereto.]

(m) With relation to Tax-Exempt Rental Payments, no portion of the proceeds of this Lease will be used to refund any other obligation.

(n) With relation to Tax-Exempt Rental Payments, except for capital expenditures (i) contemplated by the Declaration of Official Intent attached hereto

as Appendix G and (ii) paid after the date of the Declaration of Official Intent (or within 60 days prior to the date thereof), no proceeds of this Lease will be used to reimburse amounts expended prior to the closing date described herein.

(o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.

(p) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations.

(q) The Lessee shall have available for the Lessor's inspection a copy of its audited financial statements within two hundred (200) days of its fiscal year end, unless due to circumstances reasonably outside of its control said statements cannot be completed within two hundred (200) days. In such event, unless reasonably agreed to otherwise by Lessor, audited financial statements shall be made available within two-hundred-twenty (220) days of its fiscal year end.

(r) Lessee has not directly or indirectly caused to be created any lien or encumbrance on the Equipment except the security interest granted in Section 1.3 of this Lease.

Section 6.2 Representations, Covenants and Warranties of Lessor. Lessor represents, covenants, and warrants as follows:

(i) During the Term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor or through Lessor, except upon the occurrence of the events described in Section 3.3 (a) and (c) of this Lease.

(ii) Lessee has ordered the Equipment and Lessor shall lease the same to Lessee as herein provided, Lessor's role being the facilitation of the financing of the Equipment for the Lessee. FOR PURPOSE OF THIS LEASE AND OF ANY PURCHASE OF THE EQUIPMENT EFFECTED UNDER THIS LEASE, LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT IN ANY RESPECT, AND ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED. LESSOR WILL NOT BE

LIABLE TO LESSEE FOR ANY LIABILITY, LOSS, OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY INADEQUACY, DEFICIENCY, OR DEFECT IN THE EQUIPMENT, OR BY ANY USE OF THE EQUIPMENT, WHATSOEVER. Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and authorizes Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee's expense.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default Defined. The following shall be "events of default" under this Lease and the terms "Event of Default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder within fifteen (15) days of the time specified herein; and

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 20 days (10 days in the case of a failure to comply with Section 10.2 hereof) after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, or (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding.

(d) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order,

judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to an Event of Nonappropriation; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof and Section 10.2 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State of Utah or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

Section 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

(a) With or without terminating this Lease, retake possession of the Equipment or by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee’s expense, promptly return the Equipment to Lessor in the manner set forth in Section 3.4 hereof and Lessor may sell, lease or otherwise dispose of the Equipment;

(b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Lease or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account;

(c) Terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Rental Payments due hereunder; and

(d) With or without terminating this Lease, declare all Rental Payments due during the Original Term or Renewal Term in effect on the date of the default to be immediately due and payable whereupon such Rental Payments shall be due and payable, but solely from legally available funds appropriated for such purpose.

Any amount realized upon a sale, lease or other disposition of the Equipment or from the exercise of any other remedies hereunder shall be applied as follows:

First: To pay all reasonable expenses of the repossession and/or disposition of the Equipment;

Second: To the payment of all principal (using for this purpose the Option Purchase Price) and interest (accrued to the date of payment) owing Lessor hereunder, and

Third: Any excess shall be returned to Lessee as an overpayment of rent hereunder.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

Section 7.4 No Deficiency Judgment. Anything in this Lease to the contrary notwithstanding, the remedies of Lessor hereunder shall be limited to repossession and disposal of the Equipment and no judgment for any deficiency or any other amounts owing hereunder shall be entered against Lessee except with respect to the Rental Payments due during the Original Term or Renewal Term in effect on the date of the default, but then solely from legally available funds appropriated for such purpose.

Section 7.5 Waiver of Certain Damages. With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

## ARTICLE VIII

### PAYMENT OF TAXES, FEES, PERMITS, AND UTILITY SERVICES

Section 8.1 Interpretation. This Lease for all purposes will be treated as a net lease.

Section 8.2 Taxes and Fees. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition, except any federal or state income taxes payable by Lessor on such rental or earnings. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

Section 8.3 Permits. Lessee will obtain all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.



Section 8.4 Utilities. Lessee will pay all charges for fuel, water, steam, electricity, light, heat, power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the Term of this Lease. There will be no abatement of rent on account of the interruption of any such services.

## ARTICLE IX

### USE, REPAIRS, ALTERATIONS, AND LIENS

Section 9.1 Use; Personal Property. Lessee has not (or, as applicable, will not) install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property notwithstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 9.2 Repairs. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed, damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 Alterations. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such miscellaneous equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease, restores the Equipment to its function and manner of operation in existence prior to the installation of such miscellaneous equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous equipment which may be removed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 Liens. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

## ARTICLE X

### INDEMNIFICATION, INSURANCE, AND DAMAGE TO OR DESTRUCTION OF THE EQUIPMENT

Section 10.1 Indemnification. Lessee shall, to the extent permitted by law, indemnify and hold Lessor harmless from and against any and all claims, liabilities, damages and expenses, including reasonable attorneys' fees, to the extent caused by Lessee's negligence in the use, operation, ownership or possession of the Equipment, including claims for property damage, personal injury or wrongful death, and excluding any claims, liabilities, damages and expenses arising out of the negligent acts or omissions of Lessor. Lessee is a governmental entity under the Governmental Immunity Act of Utah (the "Act"). Nothing in this Agreement may be construed as a waiver of any rights or defenses otherwise applicable to Lessee pursuant to the Act. Indemnification is limited to the amounts established in Section 63G-7-604 of the Act.

Section 10.2 Insurance. Lessee shall, at its sole discretion, either self-insure or maintain at all times during the Lease Term comprehensive general liability and property damage insurance with respect to the Lessee's operation or possession of the Equipment. The comprehensive general liability insurance limits shall be not less than the maximum limits for judgments provided for under the Governmental Immunity Act of Utah as set forth in Utah Code Ann. 63G-7-101 et seq, or any successor act, (such limits to be automatically increased as the related limits provided by State law are increased). In no event will the property insurance limits be less than the replacement cost with equipment of like kind and quality. Lessee shall furnish to Lessor a certificate of insurance or, if Lessee has self-insured, a letter or certificate regarding such self-insurance to be sent to \_\_\_\_\_.

Section 10.3 Damage to or Destruction of the Equipment. If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent of insurance proceeds (including self-insurance) and legally available funds repair or replace (at the Lessee's sole discretion), the same at Lessee's cost within a reasonable time after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the Equipment is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement or if sufficient amounts are not available, such proceeds will be paid to Lessor to the extent of the then remaining principal balance of the related Rental Payments

of this Lease plus accrued interest to the date of payment. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage.

## ARTICLE XI

### MISCELLANEOUS

Section 11.1 Assignment and Sublease by Lessee. Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment or the title thereto such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

Section 11.2 Assignment by Lessor. The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) written notice of any such assignment, transfer or other disposition is given to Lessee at least ten (10) days prior thereto (except that any assignment of this Lease at the time of execution thereof may be made by written notice at the time of execution); and (2) prior to any such assignment, transfer or other disposition, the name, address and the Federal Tax I.D. number of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease. Lessor shall pay all costs of such transfer and shall be responsible for notice to Lessee and provision to Lessee of the name, address and Federal Tax I.D. number of the assignee. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

Section 11.3 Lessor's Right to Perform for Lessee. If Lessee fails to make any payment or fails to satisfy any representations, covenant, warranty, or obligation under this Lease, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation on Lessee's behalf, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon at a rate of the interest rate then in effect on this Lease plus 5% or the maximum amount permitted by law, whichever is less, will be deemed to be additional rent payable by Lessee on Lessor's demand.

Section 11.4 Addresses. All notices to be given under this Lease will be made in writing and mailed by registered or certified mail, return receipt requested, (a) if to Lessee, at the Utah Transit Authority, 669 West 200 South, Salt Lake City, Utah 84101, Attention: Treasurer, and if to Lessor, at \_\_\_\_\_, until either Lessee or Lessor gives written notice to the other specifying a different address.

Section 11.5 Manner of Payment. All payments by Lessee to Lessor hereunder will be made by check or fed wire transfer, or by other manner mutually acceptable to Lessor and Lessee.

Section 11.6 Nonwaiver. No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation may be waived except by the written consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 Severance Clause. Any provision in this Lease which is prohibited by law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 Amendments. This Lease may be amended only by a written document signed by Lessor and Lessee.

Section 11.10 Inurement. Subject to the restrictions in Sections 11.1 and 11.2 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 Governing Law. This Lease is governed by the laws of the State of Utah, without giving effect to any choice of laws rules.

Section 11.12 Prevailing Party. In the event an action or other proceeding is filed with respect to the rights and obligations of the parties to this Lease, any judgment rendered in such action or proceeding shall, to the extent permitted by law, include a sum for attorney's fees in favor of the prevailing party.

Section 11.13 Offset. Rental Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment.

Section 11.14 Interest. If any Rental Payment or other amount payable hereunder is not paid within 15 days of its due date, Lessee shall pay to Lessor, solely from and to the extent of legally available funds appropriated for such purpose, an administrative late

charge of 5% of the amount not timely paid or the maximum amount permitted by law, whichever is less.

Section 11.15 Nature of this Agreement. Lessor and Lessee agree that it is their intention that, (a) for federal income tax purposes, the interest of Lessor in the Equipment is as a secured party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and (b) Lessor neither has nor will have any equity in the Equipment.

EXECUTED as of this \_\_\_\_\_, 2018.

LESSEE:  
UTAH TRANSIT AUTHORITY

By: \_\_\_\_\_  
Name: Robert K. Biles  
Title: Treasurer and VP Finance

By: \_\_\_\_\_  
Name: Richard C. Swenson  
Title: Deputy Treasurer

LESSOR:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPENDIX A

<b>Description of Equipment:</b>
<b>Closing Date:</b> _____, 2018
<b>Commencement Date:</b> _____, 2018
<b>Principal Amount:</b> \$ _____
<b>Interest Rate or Rates:</b> _____%
<b>Prepayment Options:</b>
The lease is subject to prepayment in whole or in part at the option of the Lessee on _____, or on any date thereafter, at the price of 100% of the remaining principal balance of the lease, as shown on <u>Appendix B</u> hereto.
<b>Acquisition Period:</b> _____ (___) months from Commencement Date.

APPENDIX B

Rental Payments  
(4 Year Lease Term)



APPENDIX C

OPINION OF LESSEE'S COUNSEL

Date:

To:

Gentlemen:

As counsel for the Utah Transit Authority (the "Lessee"), I have examined duly executed originals of the three Equipment Lease-Purchase Agreements (collectively, the "Lease"), each dated \_\_\_\_\_, 2018, between the Lessee and \_\_\_\_\_ (the "Lessor"), and the proceedings taken by Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a public transit district legally existing under the laws of the State of Utah.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditors' rights generally.
5. The Lease is in accordance with and does not violate the usury statutes of the State of Utah, if any.
6. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

\_\_\_\_\_  
Attorney for Lessee

APPENDIX D

ACCEPTANCE CERTIFICATE

To: \_\_\_\_\_

Reference is made to the Equipment Lease-Purchase Agreement (2018 - 4 Year) between the undersigned Utah Transit Authority (the "Lessee") and \_\_\_\_\_ (the "Lessor"), dated \_\_\_\_\_, 2018 (the "Lease") and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. [The serial or vehicle identification number for each item of Equipment which is set forth on Appendix A to the Lease is correct.]

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

DATE:

LESSEE:  
UTAH TRANSIT AUTHORITY

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Witness

APPENDIX E  
TAX CERTIFICATE

APPENDIX F

FORM 8038-G

APPENDIX G

DECLARATION OF OFFICIAL INTENT

(See Authorizing Resolution)

APPENDIX H

ESCROW AGREEMENT

**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
**Agenda Item Coversheet**

<b>DATE:</b>	<b>May 9, 2018</b>
<b>CONTACT PERSON:</b>	<b>Paul Drake, Sr. Manager – Real Estate and TOD</b>
<b>SUBJECT:</b>	<b>Resolution Designating Excess Properties as Surplus and Authorizing the Sale of Single-Family Residential Property</b>
<b>BACKGROUND:</b>	<p>The Agency owns properties that are no longer needed for transit purposes and are not suitable for Transit-Oriented Development. Municipalities are interested in these properties' productive use and reintroduction to the tax rolls.</p> <p>The first such property, a single-family residence, was purchased with the aid of federal funds, and the FTA has requested that the Agency surplus and dispose of the property; the second property has remained vacant since its purchase during the construction of the West Valley TRAX line, with no future intended use; and the third property is an existing transfer facility that will be abandoned after the completion of the Utah County BRT project.</p> <p>As these properties are all valued greater than \$200,000, staff requests board approval to surplus the properties and solicit public bids. In the case of the single-family residence, as the nature of home sales does not accommodate extended timeframes for additional review, staff requests board approval to negotiate final sale of the property subject to receiving an acceptable offer equal to or greater than appraised value. In the case of the other two properties, staff will present the terms of the highest and best offers to the board for final approval prior to disposition.</p>
<b>PREFERRED ALTERNATIVE:</b>	Approve as proposed.
<b>LEGAL REVIEW:</b>	Legal has reviewed the transaction
<b>EXHIBITS:</b>	1) Resolution - Approving the reclassification of listed properties to Surplus and the sale of the single-family residence

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
UTAH TRANSIT AUTHORITY TO CONDITIONALLY:  
(1) DECLARE PROPERTY AS SURPLUS;  
(2) SET CONDITIONS FOR CONVEYANCE OF PROPERTY; AND  
(3) DESCRIBE PARAMETERS FOR PURCHASE AND SALE AGREEMENT**

No. R2018-05-XX

May 23, 2018

WHEREAS, the Utah Transit Authority (the "Authority") is a public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Public Transit District Act;

WHEREAS, the Authority owns real property located at 2240 South 1040 West in West Valley City, Utah ("West Valley Property") that was purchased for the construction of the West Valley TRAX line and is no longer needed for transit use; and

WHEREAS, the Authority owns real property located at 1145 South 750 East in Orem City ("Utah County Property") that will no longer be needed for a transit use following the completion of the Utah County Bus Rapid Transit project; and

WHEREAS, the Authority owns a single-family residence located at 8397 South Spaulding Court in West Jordan City ("West Jordan Property") that was purchased with the aid of federal funds, and the Federal Transit Administration has requested that the Authority dispose of it because it is no longer needed for transit use; and

WHEREAS, municipalities are interested in these properties' productive use and the Authority values relationships with the cities and counties that are a part of the Authority; and

WHEREAS, the Authority desires to solicit public bids for the West Valley and Utah County Properties; and

WHEREAS, the Authority desires to dispose of the West Jordan Property through public sale in the residential market, which does not accommodate an extended timeframe for the review of offers.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Utah Transit Authority:

1. That the Board authorizes the Executive Director to surplus the West Jordan Property, the West Valley Property, and the Utah County Property.
2. That the Board authorizes the Executive Director to solicit public bids for the West Valley and Utah County Properties and to present the best and highest offers to the Board for approval prior to disposition.



3. That the Board authorizes the Executive Director to enter into a Purchase and Sale Agreement for the West Jordan Property subject to receiving an offer equal to or greater than the appraised value of the Property and to thereafter dispose of the West Jordan Property.
4. That the Board hereby ratifies any and all actions taken by the Executive Director and staff in furtherance of and effectuating the intent of this Resolution.
5. That the corporate seal be attached hereto.

APPROVED AND ADOPTED this 23<sup>rd</sup> day of May 2018.

---

Greg Bell, Chair  
Board of Trustees

ATTEST:

---

Robert K. Biles, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 23<sup>rd</sup> day of May, 2018.

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Greg Bell, Chair  
Board of Trustees

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Robert K. Biles, Secretary/Treasurer

Approved As To Form:

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Legal Counsel

**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES**  
**Agenda Item Coversheet**

<b>DATE:</b>	<b>May 9, 2018</b>
<b>CONTACT PERSON:</b>	<b>Necia Christensen</b> , Pension Committee Chair Nancy Malecker, Director of Total Rewards
<b>SUBJECT:</b>	<b>Pension Plan Amendments</b>
<b>BACKGROUND:</b>	<p>The Pension Committee with responsibility to oversee the Pension plan of the Authority, conducts a semi-annual review of investments.</p> <p>Based on the information presented by Cambridge Associates, LLC (UTA’s investment advisor) and Milliman Inc. (UTA’s actuarial consultant) the resolution attached better aligns the Plan’s assumption earning rate with the current outlook for future investment forecasts.</p>
<b>PREFERRED ALTERNATIVE:</b>	Approve as presented
<b>LEGAL REVIEW:</b>	PLEASE INDICATE IF THIS HAS BEEN REVIEWED
<b>EXHIBITS:</b>	<ul style="list-style-type: none"> <li>• R2018-05-XX Second Amendment to the UTA Employee Retirement Plan &amp; Trust Agreement</li> <li>• Pension Plan Amendment</li> </ul>

**RESOLUTION OF THE BOARD OF TRUSTEES AUTHORIZING THE SECOND  
AMENDMENT TO THE UTAH TRANSIT AUTHORITY EMPLOYEE RETIREMENT  
PLAN AND TRUST AGREEMENT**

No. R2018-05-XX

May 23, 2018

WHEREAS, the Utah Transit Authority (the "Authority") is a public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities-Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, effective January 1, 2013 the Authority restated the Utah Transit Authority Employee Retirement Plan and Trust Agreement (the "Plan"), which Plan has been amended by an Amendment dated September 23, 2015; and

WHEREAS, the Pension Committee, which oversees the Plan, has recommended an adjustment to the Plan's earning assumption rate from 7.25% to 7.0% based on information delivered to the Committee by Cambridge Associates, LLC, UTA's investment advisor, and Milliman Inc., UTA's actuarial consultant, in order to better align the Plan's assumption earning rate with the current outlook for future investment forecasts; and

WHEREAS, based on that recommendation, the Board of Trustees ("Board") desires to amend the Plan to adjust the Plan's earnings assumption rate from 7.25% to 7.0% for benefit determinations from and after January 1, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Utah Transit Authority:

1. That the Board hereby adopts the Second Amendment to Utah Transit Authority Employee Retirement Plan and Trust Agreement as set forth in Exhibit A.
2. That the Board hereby ratifies any and all actions taken by Authority management and staff in furtherance of and effectuating the intent of this Resolution.
3. That the corporate seal shall be affixed hereto.

APPROVED AND ADOPTED this 23<sup>rd</sup> day of May 2018.

---

Greg Bell, Chair

Board of Trustees

ATTEST:

---

Robert K. Biles, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 23<sup>rd</sup> day of May, 2018.

\_\_\_\_\_  
Greg Bell, Chair  
Board of Trustees

\_\_\_\_\_  
Robert K. Biles, Secretary/Treasurer

Approved As To Form:

\_\_\_\_\_  
Legal Counsel

## Exhibit A

**SECOND AMENDMENT  
TO  
UTAH TRANSIT AUTHORITY EMPLOYEE RETIREMENT PLAN  
AND TRUST AGREEMENT**

(as restated January 1, 2013)

This Second Amendment to the UTAH TRANSIT AUTHORITY EMPLOYEE RETIREMENT PLAN AND TRUST AGREEMENT is entered into this 23rd day of May, 2018

WHEREAS, effective January 1, 2013, Utah Transit Authority restated the Utah Transit Authority Employee Retirement Plan and Trust Agreement (the “Plan”); and

NOW, THEREFORE, the Plan is hereby amended as follows:

1 Effective January 1, 2018, Appendix C to the Plan is amended to read as set forth in “Appendix C” attached to this Amendment.

IN WITNESS WHEREOF, the Utah Transit Authority has made and executed this Second Amendment on the day and year first above written.

UTAH TRANSIT AUTHORITY

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Chair  
Board of Trustees

APPROVED AS TO FORM:

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UTA Legal Counsel

**Appendix C**  
Actuarial Equivalence Under Section 1.02

1. For benefit determinations from January 1, 2003 to February 28, 2007:



- (a) The “applicable mortality table” is the 1983 Group Annuity Mortality Table (Unisex), weighted 50% male and 50% female; and
  - (b) The “applicable interest rate” is based on the Actuarial Funding Valuation Rate. The "Actuarial Funding Valuation Rate" is seven percent (7%).
2. For benefit determinations from March 1, 2007 to June 30, 2015:
- (a) The “applicable mortality table” is the 1994 Group Annuity Mortality Table (Unisex), weighted 50% male and 50% female; and
  - (b) The “applicable interest rate” is based on the Actuarial Funding Valuation Rate. The "Actuarial Funding Valuation Rate" is seven and one-half percent (7.5%).
3. For benefit determinations from July 1, 2015 to December 31, 2017:
- (a) The “applicable mortality table” is the RP-2014 Blue Collar with the MP-2014 Projection Scale; and
  - (b) The “applicable interest rate” is seven and one-quarter percent (7.25%).
4. For benefit determinations from and after January 1, 2018:
- a) The “applicable mortality table” is the RP-2014 Blue Collar with the MP-2014 Projection Scale; and
  - b) The “applicable interest rate” is seven percent (7.0%).