

## **UTA BENEFITS FROM A TALENTED, MOTIVATED WORKFORCE**

On April 13, *The Salt Lake Tribune* published an article titled, “UTA doubled execs’ bonuses last year,” and on April 17, an editorial titled, “Not justified.” The Utah Transit Authority Board of Trustees would like to clarify what is being accomplished with its performance-based compensation program.

UTA’s performance-based compensation program is designed to encourage efficiency and productivity. Compensation is based on transit industry standards, and in general, is at or below the national average. The program helps UTA attract and retain talented transit professionals, since extensive experience is required to build and operate a multi-modal system such as ours. Other agencies in Utah that receive public funding have similar performance-based compensation programs, and UTA’s is not the largest one. It is a very minor part of UTA’s overall budget – less than one percent – and it is subject to the achievement of annual goals established by the board.

The UTA Board of Trustees did not double the performance-based compensation earnings for executives last year, and the group received less than 10 percent of the established funding pool. The program was restored last year after being cut by 50 percent the previous year due to the economic downturn. Also, 389 employees participated in the performance-based compensation program, an increase of 51 employees from the previous year. This was due to a larger workforce put in place to service the many miles of new rail lines, additional bus service and record number of riders.

UTA has delivered excellent results in recent years, and 2013 was no exception. The agency finished building more than 70 miles of rail two years ahead of schedule and \$300 million under budget. Administrative overhead on the entire \$2.5 billion FrontLines 2015 program was less than 10 percent, compared to an industry average of 30 percent. On the operations side, administrative overhead is just 12 percent, compared to an industry average of about 16 percent.

The UTA Board of Trustees is proud the agency finished 2013 \$6.7 million under budget and produced \$2.2 million in increased efficiencies. The performance-based compensation program helped the agency achieve such savings, which were used to put more buses and trains into service, while increasing hours and miles by 2.6 percent. Total ridership grew 3.1 percent for a total of 44 million trips, an agency record.

In addition, since January the UTA Board of Trustees has been in the process of adjusting the performance-based compensation program. Changes will include a provision requiring board approval of all earnings greater than \$8,000. The board is confident this effort will increase transparency and accountability and will help alleviate concerns about how taxpayer money is spent at UTA on compensation. Additionally, the board will be extending the program to include all administrative employees, not just management. This is an effort to further promote an agency-wide culture of exceptional performance

and encourage employees to go above and beyond their normal duties to help the agency become even more efficient and achieve its goals.

The UTA Board of Trustees, which is comprised of local and state elected officials, community leaders and senior business executives, is proud of the agency and its accomplishments. Through hard work and careful financial management, the Wasatch Front has a great transit system that provides residents with transportation options and helps Utah maintain its economic vibrancy, improve air quality and take advantage of future growth opportunities.

*Gregory H. Hughes and H. David Burton respectively serve as the chair and vice-chair on the UTA Board of Trustees.*