



**Missoula Urban Transportation District
Finance Committee Meeting Minutes
February 22, 2024**

APPROVED

MEMBERS PRESENT

Sebastian Strauss
Jason Wiener

MEMBERS ABSENT

STAFF

Corey Aldridge, General Manager
Allison Segal, Finance Manager
Jasmine Blumenbach, Accountant
Colin Woodrow, Director of Projects,
Planning, Procurement & IT
Frank Kuhl, Contract Specialist
Teddy Mierze, Accountant

Call to Order and Roll Call

Strauss called the meeting to order at 11:07 a.m. and asked for roll call with introductions of the new staff, Teddy Mierze, accountant and Frank Kuhl, contracts specialist.

Changes or Additions to the Agenda

None

Public Comment on Items Not on the Agenda

None

Strauss emphasized the need to avoid violating open meeting laws in email communications. Aldridge added that, according to MUTD's attorney, if the board members reply to all parties, including staff, then it doesn't constitute a discussion between board members that could be construed as a meeting.

Action Items

4.1 – January 25, 2024, Draft Meeting Minutes – Wiener motioned to approve the minutes, Strauss seconded it and the motion carried.

4.2 December 2023 Financial Statements – Strauss thanked Segal for her detailed responses regarding his questions about the lease obligations and pass through claims. Wiener asked if the amount listed for the gym memberships was the total cost. Blumenbach explained that it was the total costs for the 32 employees who signed up for gym memberships and certain gyms discount the annual fee if it is pre-paid for the year. Strauss pointed out that lag metrics in tracking health program benefits will improve based on lead metrics. He stated that MUTD is in a good position overall.

Wiener asked how the personnel budget gets reconciled considering MUTD is not at full capacity. Segal responded that the budget is always projected at full staffing and the budget will even out at year end. She has constructed a workbook to forecast six-month actuals to the original budget. Most departments are on track to be under budget for this fiscal year. Strauss asked if the six-month review was a new process and Aldridge added that Segal has been very proactive. Segal said the budget will not be the same year after year, but the six-month check sets a good metric. Strauss motioned to approve the December financial statements, Wiener seconded and the motion carried unanimously.

Discussion Items

5.1 FY2025 Proforma Assumptions – Segal stated that the proforma and assumptions are for operations funding only because capital is dependent on timing. The assumptions are based on revenues and base operating expenditures. For FY24, the approved budget is presented but the property tax revenues came in close to one million dollars higher and the TIF disbursement of almost half a million dollars from the City of Missoula MRA are not included. At the end of FY24, after considering operating expenses, there will be a forty-two thousand dollars surplus based on the current budget. As presented on the proforma, property taxes will increase three percent every year.

Wiener asked if the county reported where the funds are invested. Aldridge replied that the county provides it upon request. Strauss said it's safe to assume there is a reasonable rate of return. Wiener asked if a three percent property tax increase is historical? Segal replied that three percent is a conservative projection. Strauss said MUTD's biggest revenue source is property taxes which makes it the most sensitive figure in the proforma. He said it was important to plan for a **conservative, yet most likely, scenario that still provides** time to react. Wiener explained that a portion of the property tax revenue, the original levy that preceded the two voter-approved levies, will grow no faster than half the rate of inflation; revenue from the two-voter approved levies could grow, barring changes in the state law, with the value of a countywide mill.

Strauss said if it is really unlikely that the property tax increase will ever be as low as three percent, then that assumption level should not be used in the proforma. Segal will review historical values and propose a projected property tax increase in the first proforma. Strauss observed that staffing and growth will be limited until the new facility is open. Aldridge responded that staffing is adequate for current needs that will increase with the move to the new facility.

Takeaways from the review are higher property tax forecasting that needs to tie to inflation and splitting out personnel cost growth by staff growth and projected compensation rate increases.

Adjournment

The meeting was adjourned at 11:50 a.m.

Submitted by Darlene Craven