



**Missoula Urban Transportation District
Finance Committee Meeting Minutes
April 25, 2024**

APPROVED

MEMBERS PRESENT

Sebastian Strauss
Jason Wiener
Sam Oliver

MEMBERS ABSENT

STAFF

Jen Sweten, Interim General Manager
Allison Segal, Finance Manager
Jasmine Blumenbach, Accountant
Teddy Mierze, Accountant

Call to Order and Roll Call

Wiener called the meeting to order at 11:04 a.m. and asked for roll call.

Changes or Additions to the Agenda

None

Public Comment on Items Not on the Agenda

None

11:06 a.m. – Strauss joined the meeting.

Action Items

4.1 – March 28, 2024, Draft Meeting Minutes – Strauss moved to approve the March meeting minutes as revised. Wiener seconded the motion and it passed unanimously.

4.2 February 2024 Financial Statements – Wiener asked why the drug testing company was two years behind in invoicing. Segal replied that invoices have been requested but historically the vendor did not produce timely invoices. The company is the only provider in town and the pandemic caused paperwork loss and backlogs but the invoicing has stabilized now.

Strauss asked if the 5307 funds draw would show up in the next financial statement. Segal responded that it would be included in two months (April statement) and the balance will arrive by year end. Strauss motioned to approve the February financial statements, Wiener seconded and the motion carried unanimously.

Discussion Items

5.1 FY2025 Budget Calendar Progress Check In – Segal said she and the management team had worked to develop a workable that budget based on the proforma to avoid overextending in

the future. The legal contract with the City of Missoula was increased but there's been no response from the County of Missoula staff about the investment income. Once an increased amount for the benefits is established, the medical levy can be calculated. She also anticipates receiving the property insurance renewal quote. Other items that will require adjusting the budget are capital projects and the BRT initiative.

Strauss said the assumption is that the benefits costs will increase approximately ten percent and asked if the remaining thirty percent is related to the medical levy. Segal confirmed that the medical levy hasn't been factored in yet because that amount is still an unknown. The FY24 budget was built differently than the FY25 budget but the medical levy will reduce the line item for benefits. The focus has been completing the expenditures accurately. Wiener observed that while benefits don't represent a huge part of the compensation budgets, a forty percent increase represents a substantial portion. Segal said the forty percent is not a true number given that the FY24 budget showed the medical levy as a negative amount and the benefits were not budgeted correctly in FY24, resulting higher benefits expenses.

Strauss observed the numbers in the budget called for seventy-five operators. Segal advised that the number is based on turnover and overlap between exiting operators and those in training. Wiener asked what was budgeted in FY24. Blumenbach responded it was about seventy. Strauss asked if that was necessary. Segal said the number could be changed to seventy without causing a budget overage.

Wiener asked about the partial year electricity increase. Sweten explained that new buses expected in August will increase charging costs. Segal said the budget would need to be adjusted to show reduced fuel expenses and increased charging costs.

Strauss asked whether engine rebuilding was a new budget item or had it appeared in the FY24 budget. Sweten explained two diesel buses will require engine replacement and the budget item is a placeholder to maintain the buses until the electric buses come in August.

Wiener noted that MUTD anticipates roughly \$150,000 of revenue over expenses. Segal confirmed, stating that many budget items are still in flux, including the investment income that the County has not yet provided. Strauss recommended putting an amount of two or three percent as a return on the cash balance.

Wiener said that because the legislature has capped the growth of permanent levies at half the rate of inflation, thousands of dollars of future revenue could be at risk. Strauss asked if there were legal requirements for how long a proforma's timeframe is. Segal said the proforma followed the capital plan and reserve budget seven-year timeframe. The capital plan is always changing based on awarded grants. Strauss it would be useful to understand anticipated big ticket item costs and the impacts of the anticipated facility loan over the longer term. Segal replied the loan was factored in for 2031. While there are a lot of unknowns, it is vital to make sure operations is not over-extended by keeping three to five months of funding always on hand. The year end will provide actual funding available. Overall, the proforma is going in the right direction.

Adjournment

The meeting was adjourned at 11:58 a.m.

Submitted by Darlene Craven