



**Missoula Urban Transportation District
Board of Directors Meeting Minutes
May 23, 2024**

APPROVED

MEMBERS PRESENT

Jason Wiener
Sam Oliver
Sebastian Strauss
Amy Cilimburg
Jesse Dodson

MEMBERS ABSENT

Don MacArthur

STAFF PRESENT

Jen Sweten
Colin Woodrow
Allison Segal
Heather Halter
Olga Kreimer
Darlene Craven
Spencer Starke
Dan Stone
Teddy Mierze
Frank Kuhl

Guests

John Havrilla, Wendel Companies
Alan Bronec, Cushing Terrell
Chris Osterhoudt, Wendel Companies

Call to Order and Roll Call

12:02 p.m. – Dodson called the meeting to order and asked for a roll call.

Changes or Additions to the Agenda

Halter said she will provide a financial update because that section was not covered in the general manager's report.

Public Comment on Items Not on the Agenda

None.

4.1 General Manager's Report – Sweten mentioned the need for brevity given the full agenda.

Administrative Services – Halter advised that the next training class is June 10 with five pending new trainees, some of whom already have their CDLs. Planning for the annual safety and appreciation party is underway. Standard operating procedures are being developed for the human resources (HR) and financial departments as part of the HR's goal to go paperless by July 1. Maintenance contract negotiations continue and will be complete by July 1.

Finance – Segal has been closing out federal awards and training Blumenbach on award management. The retirement funds transition from Delaware Funds by Macquarie to Mutual of

America is progressing but it could be as late as September before the funds are completely transferred.

Operations/Maintenance – Sweten said the maintenance department is exploring alternatives to using glass in the bus shelters. The agency is working with the Missoula Fire Department to train staff on thermal event protocols. Sweten reported she attended the APTA mobility conference in Portland, Oregon and was elected to the Montana Transit Association boards for another term. She is continuing to meet with community stakeholders for continuity and to keep communication with those community organizations open. There is a lot of public support and appreciation for MUTD's role in the community.

Projects/Planning/Procurement/IT – Woodrow said the land acquisition has made some progress and the subcommittee has approved a new letter of intent that will go out once the figures are finalized. A closing on the land could occur around October provided the Federal Transportation Administration (FTA) approves the purchase. Dodson advised that the acquisition subcommittee is cautiously optimistic about all parties approving the acquisition plan.

A&E – Woodrow reminded the board members they had asked the design team to explore restroom non-gendered alternatives in the new building. Montana codes do not allow for this type of restroom without applying for a variance. Non-gendered toilet rooms take less square footage, but the drainage has to be separate, and the required floor-to-ceiling partitions are expensive. The non-gendered, single-use options result in a lower restroom count, less space and an increased cost. In addition, there are some privacy and legal implications. Cilimburg asked if there would still be three single-use rooms with toilets and showers if the gendered rooms are built. Woodrow replied they would. The board advised consulting with MacArthur regarding the bathroom design.

Woodrow mentioned that since Hazelton-Boyle had resigned her position on the board, a third person on the subcommittee choosing the construction manager at risk (CMAR) was needed. Strauss asked to be included on the subcommittee.

Electrification – Woodrow said the required testing on the trolley has not gone well so delivery will be delayed until February 2025. Two chargers will be installed in the lean to this summer and Cushing Terrell will oversee the installation. Four new Gillig buses will be delivered in July. MUTD is contracting with the Center for Transportation and the Environment (CTE) to facilitate the acquisitions based on their excellent work on low-no grant applications.

IT – The enterprise resource planning (ERP) conversion project is on hold and negotiations with Panorama, the consultant working on the ERP project, will continue based on the scope change. Woodrow commended Jason Blodgett, the IT specialist, for keeping the IT processes and projects moving forward and noted an IT technician was requested in the FY25 budget.

Strategic Planning – Woodrow noted that Kreimer is contributing to the engagement process and Spencer Starke is taking the lead in clarifying the path with the Missoula Metropolitan Planning Organization (MPO). Modeling around major changes (the new facility and the bus rapid transit (BRT) project are the primary focus. The July planning committee meeting will be a working session with Nelson\Nygaard discussing prioritization and the agency's future network. In addition, the planning committee is working with Jordan Hess on a transit to trails project creating a pilot program for shuttling hikers to key trailheads.

Transform Brooks RAISE continues to push toward key considerations for how the buses will run: center running, bi-directional or in lane given the rights-of-way issue. Nelson\Nygaard is creating the stops modeling and locking in the southern terminus. The Veterans Administration (VA) bus stop should be in operation by December based on VA approval.

Wiener asked when the public engagement portion of the long-range transportation plan (LRTP) will take place. Woodrow responded it is scheduled for early fall.

Communications – The marketing audit with Six Pony Hitch is going well and Kreimer expects to present the results at the June board meeting. The upcoming plan will be modular and flexible for accommodating agency changes. As the Windfall contract is expiring at the end of June, transferring the accumulated materials from the last eight years is a substantial undertaking. Kreimer is developing partnerships on a potential bus wrap project. The strategic planning public participation plan, featuring multiple engagement phases, is almost finalized. The goal is to leverage other groups' existing plans and engagement efforts collaboratively.

MUTD will participate in Pride weekend events that include the parade, a block party and a roller disco. Missoula in Motion has scheduled a workplace breakfast on June 18 that will provide an opportunity for public engagement. It is important to convey that there are multiple planning processes working together to assemble a comprehensive plan.

Kreimer mentioned an upcoming pre-school class visit to Shakespeare Street. Auditing and updating the paratransit materials continues. MUTD staff recently earned second place in the Missoula in Motion commuter challenge.

Sweten told the board she met with U.S. Secretary of Transportation Pete Buttigieg during his recent visit to Missoula and she was impressed that he knew about MUTD's electrification efforts.

Woodrow added that a fifteen percent design from Wendel and the CMAR contract will be presented at the July board meeting.

5.1 April 25, 2024, Board of Directors Meeting Minutes – Cilimburg motioned to approve the minutes, Oliver seconded, and it passed unanimously.

5.2 April 15, 2024, Board of Directors Special Meeting Minutes – Oliver motioned to approve the minutes, Cilimburg seconded, and it passed unanimously.

5.3 April 18, 2024, Board of Directors Special Meeting Minutes – Oliver motioned to approve, Cilimburg seconded, and it passed unanimously.

5.4 MOAB Microgrid Concept and Design – Woodrow introduced the guests to explain details about the microgrid concept. Bronec said the first step is to conduct a concept design feasibility study that models building loads and the charging to optimize battery storage and backup generators for the facility. The study will also explore financial options and tax credits. Cushing Terrell is working with Missoula Electric Cooperative (MEC) to structure the microgrid. The renewable energy component is a supplemental service that may not be cost effective based on the study results.

Cilimburg said the challenge is designing something that is not going to be built for a few years and adapting to a rapidly changing energy system. It is important to give the design teams enough information to move forward while staying flexible enough to take advantage of technological

advances. She is convinced the talented people working on the microgrid option can find an innovative solution. Bronec said that while Missoula has pretty reliable power now, the electrification movement will decrease the power grid's reliability. Designing a scalable infrastructure that plugs into different distributed energy resources is the challenge. Havrilla added that the feasibility study will review sensitivities to the drivers, including economic factors. Cilimburg said it was key to having good working relationships between the involved parties. Strauss was in favor of the study and asked for an appropriate sensitivity study that explored rate cases and potential alternate technologies.

Bronec reviewed the first phase entailing a feasibility study and conceptual design analyzing multiple different options from different rate tariffs to the different distributed energy resources. Each option will include an economic proforma and a payback period accounting for available rebates. Osterhoudt said the initial feasibility study would be included in the fifteen percent design set for July. The comprehensive report would be included in the thirty percent deliverable projected for September. Wiener motioned to approve the initial \$20,000 feasibility concept study, Cilimburg seconded, and it passed unanimously.

12:59 p.m. – The guests left the meeting.

5.5 March 2024 Financials – Strauss advised that overall expenses are ten percent below budget because a number of larger expenses were pushed into FY2025 and revenues are expected to continue being higher than projected. Oliver motioned to accept the March 2024 financials as presented, Strauss seconded, and it passed unanimously.

5.6 FY25 Permissive Medical Levy – Dodson opened the public hearing at 1:00 p.m. Segal said MUTD can request a levy to offset the increased health insurance and benefits costs to avoid using general operating funds. It is a separate line item on the property tax evaluation and \$655,396 is calculated for this year. Dodson closed the public hearing at 1:01 p.m. Cilimburg motioned to approve the medical levy, Dodson seconded, and it passed unanimously.

5.7 Application for Missoula County Community Assistance Fund – Segal explained that the board must approve the Missoula County community assistance fund application. The application is for paratransit and shuttle van services and staffing half of a full-time employee's wages, benefits and taxes. No match is required. Dodson motioned to approve submitting the application, Oliver seconded, and the motion passed unanimously.

5.8 FY25 Draft Budget and Proforma Review – Segal said the FY2025 budget shows \$17,585,000 in revenue and \$17 million in expenditures, much of which is labor costs. Insurance went up twenty-five percent and electricity continue to be a big expenditure as well. This budget allows for \$400,000 to be moved into reserves. She pointed out that the asphalt project could be moved to FY2025 and the insurance number isn't a solid one yet.

Property taxes account for sixty-nine percent of MUTD's revenues, representing an approximate six percent increase. The large increase in transit funding is for paratransit. TransADE funding is increasing from \$264,000 to \$479,000. This year's budget increased thirteen percent over last year.

MUTD is labor intensive, with a higher operator and staff compensation contributing to the \$17,182,000 in expenditures. Benefits costs increased twenty-two percent over last year and the commercial liability insurance increased twenty-five percent.

Capital projects are projected to be \$369,000 depending on whether the asphalt project happens in FY24 or FY25. The transfer center renovation project moved from FY24 to FY25 and now includes three engine and transmission rebuilds. The buses delivering this summer will incur additional electricity charges. Fixed route operations will increase eight percent over FY24. Fuel and lubricants costs will increase at least twenty percent in FY25. FY25 maintenance expenses show a twenty-eight percent increase, due to staffing increases and materials costs. The transfer center budget increased due to scheduled projects moving to FY25, resulting in a \$165,000 budget.

Administrative expenditure is at \$2.8 million reflecting a layered compensation plan, representing an eighteen percent increase over FY24.

Wiener pointed out that the property tax revenues will not increase as much, and it is likely the investment revenues will decrease due to drawing down the reserves that are earning interest. Though the FY25 budget won't be affected, going forward, how mill levies will perform over time is uncertain.

Segal showed the proforma and said adjustments would be made based on lofty capital goals and it is projected outward to 2031 when repayment on the new facility loan starts. The goal is to ensure there are sufficient operating fund reserves. Wiener said the proforma has been valuable in understanding opportunities and threats in anticipating cash flow and expenses in the future. Strauss said that substantial resources such as grants would be required to do other projects aside from the new facility.

Wiener motioned to table the FY25 budget and proforma until the June board meeting, Dodson seconded and it passed unanimously.

1:34 – The meeting was adjourned.