



**Missoula Urban Transportation District
Finance Committee Meeting Minutes
May 23, 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
Darlene Craven, Executive Assistant

Call to Order and Roll Call

Strauss called the meeting to order at 11:02 a.m. and asked for roll call.

Changes or Additions to the Agenda

None

Public Comment on Items Not on the Agenda

None

Action Items

4.1 – April 25, 2024, Draft Meeting Minutes – Strauss moved to approve the May meeting minutes, Oliver seconded the motion and it passed unanimously.

4.2 March 2024 Financial Statements – Segal reviewed the statements, noting that overall, the agency is ten percent under budget. Strauss asked if additional expenses at year end would offset the ten percent margin. Property tax revenues received total \$6.7 million so far. Contributing to the under-budget figures are capital purchases that will not be made in FY24. However, compensation in some departments will be over budget due unforeseen situations such as the general manager’s payout. Strauss asked whether the last quarter of FY24 would close the under-budget margin and by how much. Segal confirmed that the year would close out at approximately \$1.2 million under budget. Oliver motioned to recommend approval of the March statements, Strauss seconded the motion and passed unanimously.

Discussion Items

5.1 FY2025 Draft Budget Review – Segal said she has not received any investment revenue figures from Missoula County yet, nor are there final figures for the insurance renewal. The automobile policy increased twenty-five percent which may need to be adjusted in the budget.

The anticipated asphalt project has not been scheduled yet so it may have to go back into the FY25 budget. Bus wraps were moved to the maintenance budget instead of the marketing budget.

Strauss asked why the marketing budget went up thirty percent and if the bus wraps included in the marketing contract. Segal explained that the expiring contract was under market value and the increase represents a realistic contract value. The bus wraps are not included in the new marketing contract value and will be a separate line item. Based on the recent marketing audit, the amount quoted in the budget is a placeholder.

Strauss asked about discrepancies in the budgeted versus actual benefits figures. Segal responded that the differences stem from the coverage types (non-represented employees or full family coverage). In addition, one position was budgeted to a certain general ledger code, but it actually got charged to a different one. General rates for retirement accounts have increased. FY25 is budgeted for 122 employees, three more than FY24 and benefits expenses have increased twenty-two percent overall.

Wiener asked about the proportion of coverage between employees and dependents. Blumenbach responded that for non-represented employees, the agency pays seventy percent of the family coverage, and sixty percent for the represented staff. The agency pays one hundred percent of the single employee's healthcare.

Wiener asked about other discrepancies that could be construed as discrimination. Sweten said that non-represented staff has slightly better benefits, but vacation and sick leave accruals are equal.

Wiener wanted more information on the three separate revenue streams from the investment pool. Segal replied that there are three different accounts in the investment pool, but she has not found any other information as the County staff continues to be non-responsive.

Wiener asked what kind of information is required for the drivers' insurance. Sweten said the increase is due to an industry-wide increase in new operators causing a higher claim rate. Though the agency's claim rate is pretty low. Wiener expressed concern about how the insurance agency uses the data. Sweten responded the insurance agency is prohibited from selling the data it collects.

5.2 – FY2025 Draft Proforma Review – Strauss expressed concern about the effects of the TIFIA loan MUTD will have to start paying once the new facility is built. He specifically asked how the facility capital reserves, and fleet reserves show as negative in 2028. Segal explained that the figures represent projected placeholders because there are capital projects that have not been awarded yet and potential capital improvements are contingent on those awards. Sweten added that the figures represent a roadmap for funding projects like the bus rapid transit initiative or renovating the transfer center. Segal said that the seven-year projection is required per the reserves policy and it is difficult to plan and gauge the projects that will be a priority going forward. The potential expenditures are defined under a "not awarded" category to reflect they are not funded. Strauss suggested depicting two separate columns as an "awarded" and a "non-awarded" path for perspective on how the overall numbers are affected.

Strauss asked whether the \$200 thousand showing as administrative capital expense for the enterprise resource program in FY25 was amortized or becomes an operating expense. Segal replied that it is potentially an operating expense, but it may need to be paid out of the reserves. She reinforced many uncertainties will affect the anticipated annual three percent inflation

increase. Strauss pointed out that while there's been a substantial staff increase, there has not been a commensurate service increase that may not look good to the voters. The three percent inflation rate may not be realistic.

Segal reviewed upcoming FY25 capital expenditures and events: the electric trolley will arrive in the fall, new paratransit vehicles are expected, a new shop truck and the land for the new facility will be purchased, design for that building is ongoing, and new charging equipment will be installed.

Segal will assemble two separate proformas depicting committed funds and capital expenditures on one sheet and uncommitted items on the second sheet.

11:49 a.m. – The meeting was adjourned.

Adjournment

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

Submitted by Darlene Craven