



**Missoula Urban Transportation District
Board of Directors Meeting Minutes
June 27, 2024**

APPROVED

MEMBERS PRESENT

Jason Wiener
Don MacArthur
Sebastian Strauss
Amy Cilimburg

MEMBERS ABSENT

Sam Oliver
Jesse Dodson

STAFF PRESENT

Jen Sweten
Colin Woodrow
Allison Segal
Heather Halter
Olga Kreimer
Darlene Craven
Garin Wally
Frank Kuhl

Guests

Jami Sindelar, New Meadows Subdivision Representative
Travis Mateer, Journalist

Call to Order and Roll Call

12:04 p.m. – MacArthur called the meeting to order and asked for a roll call.

Changes or Additions to the Agenda

None.

Public Comment on Items Not on the Agenda

MacArthur asked the guests to introduce themselves. Sindelar presented a petition to the board requesting that the New Meadows subdivision be removed from the district property tax rolls because MUTD did not service that area. Though there is no bus or paratransit service along Mullan Road, the average taxes are \$300 annually. She is working with legislative representatives to resolve ambiguities and inequities in the code regarding urban transportation districts and other issues associated with mil levies affecting property taxes for special districts. MacArthur asked if the petition had been previously shared with MUTD staff. Sindelar replied in the negative. MacArthur assured Sindelar that MUTD staff would review the petition and provide a timely response.

Mateer said the zero fare policy was a mistake because it extended the range in which riders could potentially cause trouble. He asked about a “trespass list” for keeping the general bus riding public safe.

12:19 p.m. – The guests left the meeting.

4.1 General Manager's Report

Communications – Kreimer advised that the audit report presented at this meeting would help formulate the strategic communications plan. Because the current advertising/marketing contract with Windfall is expiring at the end of June, some marketing communications services and programs will be brought in-house and some will be performed by contractors. Kreimer commended Jason Blodgett, MUTD's IT specialist regarding the smooth website transition.

Takeaways from participating in the recent PRIDE weekend activities were higher efficiency and stronger connection between the community and MUTD. MUTD hosted a breakfast with Missoula in Motion where participants learned about electrification and toured the facility. Efforts to promote Route 4 as a viable option to the UDASH shuttle for river floaters are ongoing. Phase one of the strategic planning public engagement outreach has been pinpointing specific groups (climate concerns, housing/food insecurity, economic development and children and families). Kreimer has been collaborating with the Missoula Metropolitan Planning Organization (MPO) and other city departments on public outreach efforts and events to avoid overlap.

Projects/Planning/Procurement/IT – Woodrow advised that the land purchase subcommittee has reached reasonable and amenable consensus with the landowners on the purchase and sale and infrastructure agreements that will be presented to the board at the July board meeting. However, the landowners will not sign the purchase agreement until the City of Missoula executes the Grant Creek redevelopment agreement. That has been delayed due to challenges getting the project on the city council's agenda. Woodrow confirmed that once the MUTD board approves the agreements, the FTA will need to review and approve the land valuation and the infrastructure agreement. Wiener asked for confirmation that the expenditures associated with the purchase align with the FY2025 budget the board is approving at the meeting. Woodrow confirmed those figures were included in the FY2025 budget as presented to the board.

Woodrow said the Wendel architecture and engineering (A&E) team is approaching fifteen percent design, including renderings of the facade. A zero net energy study and energy modeling have also been started. Five candidates for the construction manager at risk (CMAR) will be interviewed on July 9, 2024. The ABB chargers have arrived, and it was necessary to execute contracts with Liberty Electric and Cushing Terrell to get the electrical component ready for the four buses due to arrive from Gillig in late August.

Woodrow also mentioned the contract with the Center for Transportation and the Environment (CTE) that was included in the board packet. CTE will be instrumental in assisting with the charge management and the challenges resulting from the Proterra bankruptcy. There is no support for the current software so selecting infrastructure will be a key consideration going forward as well as choosing financially stable vendors.

Woodrow confirmed that a simulator can be installed in the new facility. The Narcan machine has arrived, improvements have been made to the current facility including a check-in kiosk. Planning for work-from-home equipment continues, and approval for additional staff (IT and human resources) has been requested. The staff is reviewing the contract with Univision (MUTD's internet provider) to determine whether it makes financial sense to bring more activities in-house with another IT person. Though MUTD is currently ranked as Univision's lowest service pricing tier, the staff is negotiating for "half" tier pricing.

Woodrow said MUTD had recently met with the Mountain Line (Flagstaff, Arizona) staff that was very productive for both teams. The Arizona Mountain Line has achieved more on the technical

side, while MUTD has achieved more on the electrification side. Mountain Line Flagstaff has implemented bus rapid transit (BRT) and on demand.

Though strategic planning is a little behind, phase one community outreach and engagement continues. A petition for annexation has been submitted as well the petition to withdraw submitted at the board meeting. The July planning committee meeting will be entirely dedicated to strategic planning. The bus stop designs have been standardized and MUTD is waiting for the city to formally adopt the design. Curb striping that was not included in the previous contract and warranty work will be done. A new bus stop master plan is in the works.

The BRT project has yet to make crucial decisions regarding the southern terminus, how the BRT will run and what route it will take. Those decisions implicate several contracts under deadline, the long-range transportation plan and MUTD's strategic plan. Wiener about MUTD's issues versus the other stakeholders' priorities. Woodrow responded that deciding the southern terminus location where buses can be charged plays a key role in the BRT plan. The city is contemplating purchasing land south of Southgate Mall that represents a great location for a southern transfer center. Woodrow has been working with the mayor's office and the public works department to include MTUD as part of the grant. How and where the BRT runs is key for future planning. The staff believes side running is feasible and more cost-effective for running electric buses in a BRT mode. Sweten said the BRT project team decided on side running and the Missoula Redevelopment Agency is focused on making it possible to run the BRT on Brooks Street. Wiener mentioned that center running would be more permeable. Woodrow pointed out that rights-of-way acquisitions would make the center running more costly than side running. Wiener expressed concern about the board's commitment to the stakeholder group's decisions before MUTD was able to negotiate its position. MacArthur said the planning committee and the full board will need to have an in-depth discussion on the BRT questions. Woodrow said once the planning study is completed, it usually takes about eight years to activate a BRT system. A thorough discussion could be set up for a planning committee meeting.

Strauss asked if MUTD is using the transit application to gauge bus stop conditions. Kreimer affirmed that MUTD is using the same pop ups and Craven confirmed that the survey popped up when she rode the bus.

Administrative Services – Four new drivers are currently in training and the next class is in September. Operator numbers are up again, and the maintenance contract was sent to the union for review and vote. Updating policies and creating standard operating procedures (SOPs) continues. The mentor and job share programs are on hold.

Finance – The FY2024 5307 operating draw has been completed and the 5307 operating funds application has been submitted. The FY2025 budget has been submitted to the board for approval. Segal reviewed the fixed assets, capital projects and works in progress based on the FY2023 audit to prepare for the FY2024 audit in January 2025.

Wiener asked for details about the maintenance contract. Segal replied that the first year calls for an eight percent increase, followed by a 4½ percent increase and then a 3½ percent increase. The pension matches the operators' contract, and the health reimbursement allowance was increased. Halter confirmed the new figures are incorporated into the FY2025 budget.

Operations/Maintenance – Sweten said the asphalt repairs have been completed and the entire facility will be sealed during the first week of July. The maintenance team prepared the lean-to for electrification that is being installed now. Two technicians are going to inspect the new buses due

to arrive in at the end of the month at the Gillig plant in California. MUTD received two cutaway buses funded from FY2021 and FY2023 and three minivans are expected this summer. MUTD hosted a Transportation Safety Institute trainers' class. Sweten said it is less expensive to host the training that send a team to another city. The new trainer has started and the safety officer is coordinating CPR training with the Missoula Fire Department. Sweten was asked to serve as the 5307 representative on the Montana Department of Transportation's Capital Assistance Review Committee. She and Elizabeth Wehling recently attended the Community Transportation Association of America expo in Florida. MUTD was a finalist for a system of the year award but did not win. Sweten gave two presentations at the expo – one covering diversity/equity/inclusion and the other about implementing zero fare.

5.1 May 23, 2024, Board of Directors Meeting Minutes – Cilimburg motioned to approve the minutes, Wiener seconded, and it passed unanimously.

5.2 April 2024 Financial Statements – Strauss said expenses are about ten percent below budget while revenue is projected to post at seventeen percent above budget or about \$2 million. Some of the surplus is attributable to capital projects that were pushed to FY2025. Strauss moved to approve the April 2024 financial statements as presented, Wiener seconded, and the motion passed unanimously.

5.3 FY2025 Budget Presentation – Wiener made a motion to remove the FY2025 budget from being tabled and place it before the board for approval. Cilimburg seconded the motion and it passed unanimously. Wiener asked to review the changes made resulting from discussion at the May board meeting. Segal said the Missoula County investment administrator clarified how best to project the investment income it is reflected in the budget. Federal planning funds were decreased due to an increased allocation from MDT. Additional adjustments were made due to final figures in the maintenance contract.

Segal explained that MDT allocation decreased from \$181,000 to \$109,000. The marketing contract was increased to add bus wraps and bus maintenance was increased as well. The investment income increase will supplement the year end addition to the reserve fund. She emphasized that the budget is contingent on projected property taxes and investment income increases. Revenues are \$18 million coming from property taxes and labor payroll (including benefits) account for the bulk of the FY2025 expenditures. Budgeted increases from last year include additional staff and the new marketing contract. Segal explained that marketing costs could be reduced by breaking out the contract into multiple vendors. Future new facility debt servicing is reflected in both the budget and the proforma. Wiener expressed his approval of the budget because it is based on firmly grounded assumptions while the proforma feeds off the budget to allow for a long-term vision of the future. Key assumptions include a three percent investment return and six percent on the mill levy value that impacts property taxes. The county recommended a conservative three percent property tax increase that is reflected in the proforma. Wiener observed that if several percentage points reduce the property tax revenue, there would still be an increase in net position. Even though the cash position will change, zero revenue over expenses would be all right because there is \$8 million in unrestricted cash and \$2 million in the operating reserve fund.

MacArthur said MUTD has to find the balance between leveraging the surplus funds to deliver outstanding service and staffing the necessary administrative personnel to run the service well. He views the board's role as a guide to spend the funds wisely and wants to focus on providing more service sooner. It's important to use the money now to do more rather than hold onto it for an unknown future. Cilimburg added that delivering more services and increasing ridership should

be a priority over hiring more administrative staff. She asked if surplus funds go into the reserve fund. Sweten replied the board votes on where to allocate funds once the fiscal year ends. MacArthur asked what part of the surplus will go into the reserve funds. Segal responded that the amount represents the additional property taxes that will be billed in August. Because the FY2024 budget stated a more conservative property tax revenue figure, the amount is higher than expected. MacArthur asked if an additional million dollars would be allocated to the reserve fund and Segal confirmed.

Strauss noted the organization has grown considerably without commensurate growth in bus service. While he expects the staffing to level off, a commensurate service increase would quickly impact the pro forma projections. MacArthur asked if there was a way to compare staffing to other agencies. Sweten responded that Mountain Line Flagstaff has four IT technicians and Halter added that human resources and administrative services are combined. MacArthur asked to see some kind of statistic that reflects how the number of miles dictated the number of staff it takes to deliver those miles as a benchmark.

Cilimburg suggested that the budget be voted on provided the board was ready. Wiener summarized the budget as a seventeen percent increase in revenue against a twelve percent increase in expenses. MacArthur advised the staff to be mindful of operating the agency in an economic manner. Strauss moved to accept the FY2025 budget as presented. Wiener seconded the motion and it passed unanimously.

5.4 Liberty Electric Charger Installation Estimation – Woodrow explained that it was necessary to commission Liberty Electric to install the two new chargers and six dispensers in the lean to because the equipment arrived earlier than expected. The contract with Liberty was for \$187,258 and based on Liberty’s schedule, was signed before the board could approve it. Wiener motioned to approve the contract and Cilimburg seconded it. Strauss asked how waiting for the board’s approval would have negatively impacted the installation. He explained that the public has now been deprived of their right to participate or be informed about the decision. Woodrow responded that the four new buses, also due to arrive ahead of schedule, cannot go into service until the charging equipment is installed. MacArthur confirmed that the board was aware of this scope of work based on the grant application but advised that this is a one-off occurrence and cautioned the staff to avoid these circumstances going forward. Sweten added that the amount was committed in the grant application and the chargers arrived earlier than expected. Strauss asked the staff to consider worst case scenarios in its future reporting. Cilimburg suggested exploring how to handle immediate board approvals at a future meeting. The motion passed unanimously.

5.5 CTE Contract – Woodrow explained that the contract with CTE covers three primary tasks: charging infrastructure analysis, technical advising on the new facility and developing a dashboard for key performance indicators for better understanding as MUTD expands and grows its fleet. The analysis will provide a view of how to transition to the new facility while accommodating growth at the current one. CTE will develop the dashboard and provide monthly reporting while training staff for transferring the reporting in house. Ultimately, the reporting should cover operations, planning, public relations and communications. The total cost is \$167,200 and is part of the \$10.9 million FY2022 award. It will be paid out of a local match component of a bus facilities reserve fund. Cilimburg motioned to approve the contract, Strauss seconded it and the motion passed unanimously.

Kreimer introduced Spider McKnight, principal at Six Pony Hitch, the agency hired to conduct a marketing audit due to the marketing contract expiring at the end of June. McKnight explained the

goal was to design a communications plan that is flexible and nimble enough to adapt to changes within the organization. The biggest issue is ADA compliance on the website and in printed materials. Another point is building a marketing communications team because much of the necessary work is too much for one person. The audit focused on how to resolve the disconnect between people liking the bus and using the bus. Also, establishing a marketing program where MUTD retains ownership and controls the budget and the messaging is another goal. Wiener asked what the results of focusing on increasing choice ridership were. Kreimer said while establishing predominant reasons why people ride has been difficult, ridership has increased. Wiener then asked whether any marketing strategies over the past few years have performed well or failed to perform. MacArthur stated that the board wants to know where to invest resources to increase ridership. McKnight responded that social media has the highest impact because marketing is becoming more about relationships and common experiences. Based on the concept of building community through like experiences, she encouraged Kreimer to continue focusing on forging partnerships with organizations in making it easier to ride the bus. She noted that social change can influence the target market that believes in the sustainability of public transit but does not use bus service.

McKnight also suggested making paratransit more accessible and readable. Communications is the most important element of any marketing strategy. Cilimburg asked how MUTD finds its target audience because it is difficult to balance between focus and inclusivity. McKnight responded that the agency needs to keep existing riders happy first, then focus on those considering riding for the first time. MacArthur said the community building aspect is multifaceted so a simple message that targets one audience does not work. Kreimer pointed out that applying the same core ideas in customizing messaging to each audience has been the practice. McKnight noted that connection and community are MUTD's core ideas, but the benefits of riding are missing from the messaging. The idea is to set an expectation how the rider engages with Mountain Line and be consistent in delivering on the expectation. MacArthur asked for a description of what Mountain Line should evoke. McKnight responded that the target audience should take ownership of Mountain Line and be excited and proud about that ownership. Kreimer said getting riders excited about what Mountain Line is doing as a cultural touchpoint has been the main focus over the last year. Events and sponsorships contribute to those efforts.

McKnight added that addressing barriers to riding is another strategy. For instance, videos showing steps and tips for riding the bus would make it less scary. A huge part of the branding should revolve around being a support system for the public. Wiener pointed out the conflict of MUTD being supported by people who don't ride the bus, not those who ride the bus.

Kreimer said the next step is to develop a communications plan over July and August and ensuring ADA compliance as McKnight suggested. MacArthur said MUTD needs to be creative in following up on the zero fare and mil levy successes. McKnight said the agency is poised to do some really great positioning and Kreimer has some creative ideas. She added that the more relationships MUTD builds, the more opportunities to be a part of the Missoula community will benefit the agency.

2:12 p.m. – The meeting was adjourned.