



**Missoula Urban Transportation District
Finance Committee Meeting Minutes
June 27, 2024**

APPROVED

MEMBERS PRESENT

Sebastian Strauss
Jason Wiener

MEMBERS ABSENT

Sam Oliver

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 May 23, 2024, Draft Meeting Minutes – Wiener moved to approve the May meeting minutes, Strauss seconded the motion and it passed unanimously.

4.2 April 2024 Financial Statements – Segal related that operating expenses are ten percent less than budget and maintenance is fifteen percent less than budget resulting from anticipated larger capital expenditures not occurring in FY2024 and that will carry through the end of the fiscal year. Operating revenues are seventeen percent over budget due to higher property tax revenues that will carry through to year end as well.

Segal explained that the investment income stems from an investment pool that earns interest annually, but MUTD does not choose where the investment funds are allocated. The county chief financial officer with whom she spoke advised using a conservative three percent increase in calculating the proforma. Strauss agreed that three percent would be helpful in projecting future revenues.

Strauss asked why revenue from selling the existing facility does not show in the budget. Sweten explained that the sale revenues are not reflected because there are so many unknowns. Segal added that the building may not be sold, but that an exchange may happen instead. Sweten said there may be a land trade with the city to expand the transfer center downtown to accommodate

the bus rapid transit line. Putting an item in the proforma at five years out would be the best way to address it. Strauss suggested monitoring the situation as well as other future capital improvements. Segal suggested including it in the anticipated capital improvement plan five years out. Segal will add it as another line of revenue.

Segal said reviewing the reserves at the end of FY2024 would provide an accurate cash total given that many more capital projects will hit in July and August (FY2025). The relevant comparison is the last year at this time, MUTD had \$8.8 million in unrestricted cash and there is currently \$7.4 million on hand, though the operating reserve is at roughly the same level. The statement timing doesn't reflect the last 5307 operating award and there also will be additional property taxes from the Tax Increment Remittance from the Missoula Redevelopment Agency.

Strauss requested to see a line chart showing the reserve balance by month throughout the year. He also asked that a discussion about the reserve funds and their function be added to the July finance committee meeting.

Wiener asked when expenses are applied to a reserve balance instead of the unrestricted cash balance. Segal replied that funds are drawn intentionally and specifically to accommodate the required match to the 5307 operating funds. CMAQ matching funds are drawn as well as fleet matching funds that are used for capital projects. Using the reserves requires an expenditure threshold and are used for larger capital projects, but for projects in the \$30 thousand to \$40 thousand range, operating funds are used. Sweten added that the board will dictate how the FY2025 reserves should be used. Segal said the four buses expected in August will be paid for by drawing on the reserve funds. The proforma shows that the funds have been allocated for specific projects which will take the reserve funds down to \$3.2 million at the end of FY2025. The fleet reserve fund will need to be replenished in FY2026 as will the operating reserve funds in FY2027.

Strauss asked for a forecast about year-end gains and Segal responded that it is possible there could be up to \$2 million under budget if the revenues come in but it is hard to project.

Wiener asked to see what kind of contribution needs to show to bring up operating reserve funds at the end of FY2024 to \$5 million. Segal said the forecast does not show capital contributions and suggested updating the proforma at the end of the audit in January to know exactly how the capital funds are being used. True numbers are difficult to within the year because capital is a moving piece. Segal said the finance committee should review the proforma after the audit in January. Moving funds and the reserves will also be discussed at the August meeting. Strauss observed that cash flow management will be much more critical in the coming years.

Strauss asked if it was accurate to state that MUTD will finish FY2024 with a \$2 million surplus at the board of directors meeting. Segal noted that some of the surplus was due to capital projects being moved to FY2025. Strauss observed that organizational growth affecting the proforma would level off in FY2025. Sweten said that three full-time employees will be hired in FY2025 which should stabilize staff needs going forward.

Strauss moved to recommend to the board to accept the April 2024 financial statements. Wiener seconded the motion and it passed unanimously. In addition, he would advise the board that the finance committee supports the budget and proforma as presented.

11:46 a.m. – The meeting was adjourned.
Submitted by Darlene Craven