



**Missoula Urban Transportation District
Finance Committee Meeting Minutes
April 24, 2025**

APPROVED

MEMBERS PRESENT

Sebastian Strauss
Jason Wiener
Eva Rocke
Lisa Sheppard

MEMBERS ABSENT

STAFF

Jordan Hess, General Manager
Allison Segal, Finance Manager
Jasmine Blumenbach, Accountant
Teddy Mierze, Accountant
Darlene Craven, Executive Assistant
Heather Halter, Dir. of Admin. Services
Colin Woodrow, Dir. Capital Projects

Call to Order and Roll Call

12:01 p.m. – Wiener called the meeting to order and asked for roll call.

Changes or Additions to the Agenda

Public Comment on Items Not on the Agenda

None

Action Items

3.1 March 27, 2025, Finance Committee Meeting Minutes – Sheppard moved to approve the minutes, Strauss seconded and the motion carried unanimously.

3.2 February 2025 Financial Statements – Segal reported the compensation budget is approximately \$1 million under budget for the year but the operator pool is now fully staffed at 72. Previously hovering at 40%, operator turnover is now posting at around 23% over the last year. Halter explained that a portion of the current vacancies can be attributed to employees on unpaid leave. Hess noted that vacancy savings allowances had been added to the FY26 draft budget based on feedback from the committee.

Wiener remarked that maintenance is under budget as well. Segal said this was attributed to some items costing less than what was budgeted. In addition, the new buses will require additional insurance and that cost is still unknown.

Wiener asked if the overall revenue forecast would end up slightly ahead at the end of the year. Segal responded that the agency was able to draw on the federal assistance earlier than expected

so the timing of draws would be adjusted in the draft budget for FY26. Wiener observed that the forecasted property tax revenue is the only item posting under what was budgeted. Segal reported the county wouldn't be able to review property tax revenues until May. Wiener suggested Hess follow up with the county to establish timely reporting and responsiveness.

Strauss asked for the status on the federal funding for the new buses. Hess said the grant has not been obligated yet and he had reached out to Senator Daines' office for assistance. The messaging from the Federal Transportation Administration indicates positive movement in obligating the funds. Gillig will not send invoices (with net 30-day terms) until the agency accepts the new buses. Segal said paying the invoices and requesting the reimbursement funds could be done concurrently should the award be obligated.

Sheppard asked if the agency had any knowledge of delayed reimbursement due to added review processes. Hess said he had not seen any messages about delays.

Wiener asked how the financial statements aligned with the forecasted pro forma. Segal replied that the pro forma had been adjusted to reflect a \$1.4M positive variance at the end of FY25. Strauss moved to put the financial statements report on the May board meeting agenda. Sheppard seconded and the motion passed unanimously.

4.1 Agency Activity Report – Hess reported that the anticipated service launch set for summer 2025 will be delayed until January 2026. To launch the new routes, signal lights are needed at Craig and Wyoming streets and the city has to rebid the project that came in way over the engineer's estimate. Woodrow explained the project needs to be put out to bid for stop construction and the market is not currently optimal. The FTA requires ADA compliance for all new stops which could result in higher than estimated costs.

Hess explained that the staff is exploring how to provide direct service to a greater portion of the district based on the recently passed House Bill 764 that defines direct transportation services. The bill will take effect on October 1 so the planning committee will need to determine costs estimates pros and cons and the spectrum of service needed.

Hess reported that the agency had received another petition for removal from the district that will be presented to the full board in May, likely at a specially scheduled meeting. The legislature is also considering an interim study bill on public transportation that the agency will be exited to participate in should the bill pass.

Strauss asked for the status on the land mobile use radios that the board approved. Woodrow reported that the city has space for the equipment on Mount Sentinel and Waterworks hill.

The roof raising project will start in mid-May. The contractor on the Grant Creek realignment project received a notice to proceed with a 180-day timeline, after which the agency should get a certified letter of map revision that is needed to proceed with the land purchase for the new facility. The administrative settlement package is ready for submitting to the FTA. It is unlikely that much infrastructure work beyond grading will be done this fall which changes financing needs.

Wiener asked for the next step in moving forward with the new facility project and the associated costs. Hess replied that the staff is drafting a request for proposals for a municipal financial advisor that should be submitted for approval at the June board meeting. Woodrow added that the LEED certification requires a commissioning agent and the staff is collaborating with the Center for Technology and the Environmental on drafting that RFP. In addition, the agency continues to

coordinate the electrification portion with the Missoula Electric Cooperative and it appears the new facility will require less power than originally planned. Though the electrical component represents a considerable cost. The goal is to provide enough information for the board to be comfortable with the obligations, the financing and how the new facility meets long-term goals. Wiener asked if the off-site improvements would be out for bid by September. Woodrow answered that spring 2026 is a more realistic timeline. Wiener wanted to know if the current contractor could provide a guaranteed maximum price based on the 60% design which will include cost estimates. Hess replied that likely would not happen until the contractor provides construction documents.

5.1 FY26 Draft Budget and Pro Forma Review – Segal explained that the staff developed the budget based on individual departmental needs that rolls into a final budget which also ties to the pro forma. Property taxes are configured using a conservative 3% increase over last year. The unknown is how many subdivisions will ask for removal from the district based on the new legislation. Hess stated if the El Mar and lower Miller Creek subdivisions were de-annexed, the agency could lose about \$600,000 in property tax revenue. Based on the legislation, Hess said the tax estimates in the budget would be refined. Segal said the presented budget would reflect a slight property tax increase and federal operating assistance will not be increased at this time. Planning funds are still to be determined, and the paratransit apportionment could increase pending state budget authority. Overall revenue is budgeted at \$17.9 million.

Based on the committee's feedback, Segal said the six positions were budgeted for half time, saving about \$285,000 equally distributed throughout the year. Strauss asked about the change in payroll taxes and these would be reevaluated prior to the budget presentation. Blumenbach replied that the agency's workers' compensation rates decreased and employee benefits increased 10%.

Segal explained how items in the budget break down by division while flowing through between the departments. Wiener asked about new requests in the budget. Hess replied there are no new ongoing programmatic increases, though the budget does include one-time expenses such as an economic impact analysis and staff training. Segal said compensation will be finalized for the June adoption and budget items that are currently underutilized have been decreased. Commercial insurance has increased but will change as old buses are deleted from the policy and new buses are added. Wiener asked if the total energy input costs matched the same number of revenue hours. Segal advised the amounts are similar.

Hess said new bus stop signs will be the most expensive part of the agency's brand refresh but also add accessibility and clarity to the riders.

Strauss requested tracking of dollars per revenue hour over time for both paratransit and fixed route. Hess pointed out that the required National Transit Database reporting included costs per hour. Strauss suggested configuring a quarterly update to check how costs are trending. Wiener asked if key profit indicators came out of the NTD report. Hess said the report did show service-related, performance-based metrics. The staff is developing a state-of-the-system report as well.

Segal advised that the paratransit budget will be similar to the previous year. Wiener observed that there is not a firm number on how overall paratransit operations expenses scale to the number of rides requested.

Segal also reviewed changes to the maintenance budget, including a potential decrease due to one-time projects in FY25 and increases in travel and training. Hess said the professional and technical services budget could increase based on needing private counsel and potential changes

to the current arrangement for legal representation from the city. Segal pointed out other increases for memberships, subscriptions and service contracts and confirmed the timeline for presenting the budget for approval at the June board meeting.

Adjournment

1:31 p.m. – Wiener adjourned the meeting.

Submitted by Darlene Craven, Board Clerk