

# MISSOULA URBAN TRANSPORTATION DISTRICT

## Board of Directors Meeting Minutes

October 23, 2025

### APPROVED

**Members Present:** Don MacArthur, Jason Weiner, Lisa Sheppard, Sebastian Strauss, Amy Cilimburg, Eva Rocke

**Members Absent:** Sam Oliver

**Staff Present:** Jordan Hess, Colin Woodrow, Allison Segal, Heather Halter, Frank Kuhl, Spencer Starke, Garin Wally

**Guests:** Derek Hitt, Teamsters Local No. 2 Business Agent; Don Groves, Teamsters Local No. 2 Shop Steward; Steve Scharff, Baker Tilly Municipal Advisors

### 1.0 Call to Order and Roll Call

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

### 2.0 Public Comment

None.

### 3.0 Approval of Minutes & Financial Statements

#### 3.1 Minutes of the September 24, 2025, Special Board of Directors Meeting

Hess mentioned clerical errors showing that Rocke and Kreimer were present at the meeting. The minutes would be changed to reflect they were not present. Strauss moved to approve the minutes, MacArthur seconded the motion, and it passed unanimously.

#### 3.2 Minutes of the September 25, 2025, Board of Directors Meeting

Wiener moved to approve the minutes, MacArthur seconded the motion, and it passed unanimously.

### 3.3 July 2025 Financial Statements

Wiener moved to accept the financial statements as presented and Strauss seconded and the motion passed unanimously.

## 4.0 Reports and Presentations

### 4.1 Agency Activity Report

Hess reported that the hearing regarding the video recording policy was continued until November 12. Once the court approves the agency's practices and procedures, a new policy will be presented to the board.

Three candidates for the director of operations have been chosen for site visits. The goal is to present an offer before Thanksgiving. Jason Blodget has been promoted to IT systems administrator and Segal has been promoted to finance director.

Woodrow explained that there has been no word about the low-no grant application given the shutdown. The Hometown trolley that the board approved purchasing in August 2023 cannot pass the required testing. As a result, the maintenance foreman will be inspecting an electric trolley with Volvo components as a replacement.

The staff will present a draft bus stop improvement plan by year end. The new automatic passenger counting software transition is progressing. The requests for proposals for charging and fleet management are being posted this week, and contracts should be presented at the December board meeting. The land mobile use radio system is undergoing final scoping.

Wiener asked if the agency had been impacted by the New Flyer recall. Hess responded that the issues had been resolved by a technician who happened to be onsite when the recall was issued.

MacArthur requested that the agency thoroughly analyze the city's new zoning framework with respect to where the framework interacts with the transit system. Woodrow said his team is drafting a memo regarding that matter.

### 4.2 Ridership Report

Wally presented the figures for the end of the fiscal year (June 2025) as follows:

- Average weekday rides numbered 4,187 passengers and 2,46 on the weekends.
- Daily paratransit rides average about 237.
- Fixed route ridership is up 13% from Fiscal Year 2024.

MacArthur asked if paratransit service ran when fixed-route service did not. Hess replied paratransit is only available during fixed-route service hours. Wally noted that ridership has increased to 81% of pre-pandemic numbers. Strauss requested data that reflects the mode-split over time and, separately, ridership relative to Missoula's population growth. He also wants to see data as to how many rides a 35-passenger bus can provide in a revenue hour. Starke pointed out that the infill area is well served and Routes 1 and 2 intersect with the highest density.

Ellis joined the meeting at 12:38 p.m.

Starke joined the meeting at 12:40 p.m.

## **5.0 Regular Business**

### **5.1 Transfer Center Construction Update**

Woodrow reported that permitting is underway for the project that includes converting the kitchen space to office space, and installing a dedicated staff restroom and IT equipment space. The renovation also includes a larger, more functional employee breakroom, a small kitchenette, a meeting space, as well as new seating and flooring. The staff will submit a contract with the general contractor at the November board meeting for approval. The biggest challenge will be minimizing the disruption, installing portable restrooms and ensuring proper messaging regarding the construction.

### **5.2 Montana Department of Transportation Contracts for Six Paratransit Vehicles**

Segal explained there are two separate contracts (2023 and 2024 state/federal funds) for delivering the vans in November and December. Hess advised that the agency is disposing of six old Dodge Caravans that the new vans will replace. The agency will purchase electric vehicles in the future. Wiener moved to authorize the CEO and general manager to sign capital contracts #114041 and #114042 with MDT for procuring six 9-passenger ADA extended vans for a total of \$739,750. MacArthur seconded the motion, and it passed unanimously.

### **5.3 New Facility Financing Updates**

Hess explained that the discussion should set up decisions the board needs to make in the coming months for financing the new facility. The financial advisor and bond counsel have developed two debt capacity scenarios focusing on revenue bonds. Scharff said the capacity analysis is based on conservative assumptions within the pro forma and on the financing side and demonstrates the debt capacity to fund the both the new facility and shared infrastructure projects. The proposed term is 20 years at 5.5% assuming tax exempt financing. In both scenarios, there is a funding gap to close in order to fully construct the projects.

Scharff advised that a debt service coverage ratio above 1.5 times is crucial for maintaining a good credit rating and maximizing financing capacity. A lower coverage ratio could limit future borrowing potential, while the higher ratio might allow for increased borrowing. The discussion also touched on the implications of coverage ratios on interest rates and market acceptance.

Scharff outlined the financial implications of constructing the new facility, estimating net revenues to be around \$3 million before its launch, declining to \$1.5 million afterward. The conversation shifted to the effects of Route 14 and 15 expansions, indicating that these expansions could reduce debt capacity from \$13.2 million to approximately \$8.1 million. Concerns were raised about the complexities of financing and the potential need for new revenue to fund the planned expansions.

Concerns were expressed regarding the project's overall financial viability, noting that the current estimates suggest a funding shortfall. Potential solutions were outlined, such as phasing the project and exploring the sale of land parcels, while questions were raised about the timeline for bids and how they would affect funding decisions.

The critical timeline for the FTA grant was outlined, stressing the importance of submitting a scope change by November to avoid losing the available funding. Concerns were raised about maintaining flexibility in the budget to accommodate potential bid fluctuations. The group acknowledged the necessity of making timely decisions to secure the \$39 million awarded in 2023. Hess stated that the staff is preparing a memorandum for presenting at the November planning committee meeting that will detail options for closing the funding gap. Those options may include pledging future 5339 state funds allocations and phasing the build, including the shared infrastructure. MacArthur expressed concern about the budget exceeding available funds over time. Woodrow said it was possible to shrink the budget through shrinking the scope, though that would change the overall project function.

Segal said the most urgent timeline is the FTA grant relating to lapsing funds and building the award with the scope change that needs FTA approval. The scope change needs to be submitted in November.

Kuhl joined the meeting at 1:00 p.m.

Amy Cilimburg joined the meeting at 1:08 p.m.

#### **5.4 Solar Array Design Contract Amendment**

Kuhl explained that it was necessary to add scope to the architecture and engineering contract for designing the solar array that will qualify for LEED certification. Strauss moved to authorize the CEO and general manager to execute the additional scope amendment enabling Cushing Terrell to design the solar array for obtaining a LEED certification. The motion passed unanimously.

#### **5.5 Route 15 IMEG Contract Amendment**

Starke explained that the staff is seeking to add stop planning to the contract approved in August 2025 for Route 15. Wiener moved to approve the contract amendment, MacArthur seconded it and the motion passed unanimously.

#### **5.6 Closed Session – CEO & General Manager Contract Renewal**

All staff exited the meeting and Strauss closed the meeting at 1:44 p.m. to discuss the CEO and general manager's annual contract renewal.

#### **6.0 Adjournment**

Strauss adjourned the meeting at 3:09 p.m.

Submitted by Darlene Craven, Board Clerk