

MISSOULA URBAN TRANSPORTATION DISTRICT

Board of Directors Finance Committee Meeting Minutes

October 23, 2025

APPROVED

Committee Members Present: Jason Wiener, Lisa Sheppard, Sebastian Strauss

Committee Members Absent: None

Board Members Present: None

Staff Present: Jordan Hess, Colin Woodrow, Allison Segal, Jasmine Blumenbach, Teddy Mierze

Guests: Steve Scharff, Baker Tilly

1.0 Call to Order and Roll Call

11:03 a.m. Wiener called the meeting to order and asked for roll call.

2.0 Public Comment

None.

3.0 Approval of Minutes & Financial Statements

3.1 September 25, 2025, Finance Committee Meeting Minutes

Segal explained that current revenue has not yet been posted and federal operating assistance is still pending FTA approval. However, operating expenses are still ten percent under budget. Strauss moved to approve the minutes, Sheppard seconded the motion and it passed unanimously.

3.3 July 2025 Financial Statements

Wiener moved to recommend that the board approve the July 2025 financial statements as presented. Sheppard seconded the motion and it passed unanimously.

4.0 Reports and Presentations

4.1 New Facility Financing Update

Hess said the staff and consultants had completed a thorough financial analysis resulting in two different debt capacity scenarios. Scharff said the pro forma had been updated to reflect legislative changes to the tax revenue projections though overall the approach is still a conservative one. The idea is to isolate potential financial scenarios that avoid expenditures outpacing revenues. Strauss noted that the new facility requires more, making it less efficient to operate.

The consistency of interest income estimates was questioned considering anticipated cash balance reductions, while it was indicated that further analysis is needed on cash flow assumptions, particularly regarding fleet maintenance and expansion options. The discussion highlighted the relationship between operating costs, debt service coverage, and the potential impact of small changes in operating balances on debt capacity.

The meeting highlighted that while mortgage rates are decreasing, a rate of 5.5% is being estimated for revenue bond financing. The discussion included the effects of operating costs on financing capacity, indicating that an increase in operating costs could lead to a reduction in available funds for projects such as route expansion. It was also mentioned that there are differences between public sales and direct placements in terms of costs and rates.

The conversation centered around the effects of taxable value changes on the district's levy capabilities, and Hess highlighted the importance of understanding how de-annexation might influence revenue. It was noted that the Department of Revenue treats newly taxable value as a unique category, complicating the arithmetic of taxable value adjustments. Concerns were raised about the revenue protection related to Route 15 and the petitions for removal in that area, indicating that its financial impact is relatively minor.

The difficulties in moving forward with a special district approach were highlighted due to administrative complexities. Questions were raised about the necessary changes to the shared infrastructure agreement and the financing process. The discussion emphasized the importance of timing for funding and the potential need to split financing between the taxable and non-taxable portions of the project to cover essential costs.

Strauss noted the timeline regarding the revenue bonds and Scharff clarified that the issuance would take about three to four months from inception to closing. It was stressed that there is a need to obligate funds with the FTA, which requires a scope change and budget adjustments, and it was indicated that TIFIA financing may not align with the infrastructure needs and requires a substantial amount of cash up front. Segal stated the most urgent need is to get the project funds obligated with a scope change that the FTA must approve.

5.0 Adjournment

Wiener adjourned the meeting at 11:54 a.m.