

MISSOULA URBAN TRANSPORTATION DISTRICT

Board of Directors Meeting Minutes

March 26, 2026

APPROVED

Members Present: Lisa Sheppard, Sebastian Strauss, Sam Oliver, Amy Cilimburg

Members Absent: Don MacArthur, Jason Wiener, Eva Rocke

Staff Present: Jordan Hess, Colin Woodrow, Allison Segal, Olga Kreimer, Hoyle McCallum, Frank Kuhl, Spencer Starke, Garin Wally, Jason Blodgett

Guests: Don Groves, Teamsters Local No. 2 Shop Steward; Steve Scharff, Baker Tilly; Dan Semmons, Dorsey Whitney; Evan Smith, ETA Transit

1.0 Call to Order and Roll Call

12:01 p.m. Sheppard 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 February 26, 2026, Board of Directors Meeting Minutes

Cilimburg moved to approve the minutes, Oliver seconded the motion, and it passed unanimously.

3.2 December 2025 and January 2026 Financial Statements

Sheppard moved to recommend that the board approve the December 2025 and January 2026 financial statements. Oliver seconded the motion and it passed unanimously.

4.0 Reports and Presentations

4.1 Agency Activity Report

Hess reported that the staff has been focusing on the guaranteed maximum price adjustments and contract amendments with respect to the new facility. He recently met with congressional representatives and Federal Transit Administration staff to confirm the award. Sen. Daines' staff is circulating a letter of support that should include a letter from Gov. Gianforte. He added that though the staff is cautiously optimistic, many projects across the country are delayed due to unprecedented federal review. Strauss asked if the award was subject to a statutory deadline. Hess responded that though the award must be obligated by the end of the federal fiscal year in September and the FTA requests materials by March 31 to allow for the 6-month period to build awards. He added that the Mountain Line in Arizona had followed a similar process (congressional support and other outreach) and had recently received its requested funding. Hess suggested that the board should approve the GMP and contract amendment with the construction manager at risk at a special board meeting in April.

Hess advised that a professional fellow from the Young Southeast Asian Leaders Initiative, Alistina XX, from the country of Timor-Leste would be visiting the agency over a 4-week period to learn about pedestrian safety and multi-modal transportation.

Cilimburg asked about the public funding issue currently under discussion at the county. Hess advised there is a new county jurisdictional advisory committee formed to focus on property taxes and tax increment financing. The matter will be discussed at a future planning committee meeting.

Woodrow said the annexation to the city is proceeding and will be presented to the city council on April 13. The new facility will be located on Bull Trout Drive. A request for proposals for an independent inspector is targeted for presenting at the April board meeting. The simulator will be installed at the training center in early April and the staff will get training throughout the month. The bike trailer for the transit to trails shuttle is arriving in early May. Bus stop signs will be updated to include a QR code that will provide real time information and will be presented to the board at the May meeting. Work on the upcoming service changes continues.

McCallum reported that an accident involving another vehicle that ran a red light and hit the Mountain Line vehicle, seriously injured the driver. The driver was hospitalized briefly and that bus sustained significant damage.

Segal said the staff submitted the information requested for the FTA triennial audit on February 27, 2026. The FTA audit team is expected onsite in late July. Transit Employee Appreciation week activities included a mayoral proclamation, food and raffle activities.

Kreimer reported that rider-facing documentation will be updated to emphasize accessibility and contemporary best practices. A campaign to educate the public about using transit incorporating mobility-focused sponsorships is also in development.

4.2 Transfer Center Construction Update

Kuhl reported that the transfer center lobby was closed for completing the flooring, technology wiring and painting. The lobby should be ready for re-opening in early April and the staff is tentatively planning for a small ceremony to open the facility.

4.3 Ridership Report

Wally stated the following statistics from the last quarter of 2025: 273,000 fixed-route boardings; 94,000 passenger miles; demand-response served 24,000 passenger trips covering 87,000 passenger miles. Paratransit ridership posted a 19% year-over-year increase with 489 users riding at least one time. 21,000 requests were completed.

The top 25 paratransit users accounted for 4,141 trip requests. Shuttle van service revealed that ridership is low – 60 users completing 929 requests resulting in 42% of the users account for 84% of the shuttle van rides.

Fixed-route ridership decreased 12% for the quarter and remains below the pre-COVID baseline. Because notable decreases occurred on specific routes, Strauss expressed the need to more fully understand the causes of overall ridership changes. Wally said paratransit is an access benefit that is a high-cost service. Hess said the staff would research possible causes as to why the commingled/multiple-rider trips decreased. Wally confirmed that fixed-route ridership is in line with peer systems while paratransit is an outlier and suggested the zero-fare policy could be a contributing factor. Other possible causes could be milder weather, shelter closures, bicycling and university ridership.

Hess highlighted the automatic passenger count as a contributing factor to the lower numbers as this was the last report utilizing the legacy counting software that was unreliable and inaccurate. Strauss asked if it was possible to measure capacity against actual rides. He is concerned that the larger buses are under utilized and the decreased ridership will continue.

5.0 Regular Business

5.1 Resolution 26-03 Petition for Removal

Wally displayed the map showing where the subject properties were located, mostly off Mullan Road. Cilimburg moved to approve the resolution, Strauss seconded the motion and it passed unanimously. A resident said he appreciated understanding the process and recognized that removal from the property tax rolls represented a revenue loss for the agency.

5.2 Land Mobile Use Radio Additional Equipment Purchase

Blodgett said it was necessary to supplement the approved purchase by \$2,916 and reallocate \$35,651 of the approved funds for additional equipment to install the land mobile radio system. Strauss asked about the adjustments and Segal answered that the warranty period can only be 7 years instead of the 10 years stated in the contract. Woodrow said a memorandum of agreement had been drafted and submitted to the city but there is verbal agreement. Sheppard moved to approve the motion, Oliver seconded the motion and it passed unanimously.

5.3 Server Purchase Ratification

Blodgett explained that the chief executive officer and general manager had signed a purchase order totaling \$31,529.32 on March 18, 2026, to secure server flash storage to avoid further price escalation and finalize video storage for vehicle footage. Woodrow mentioned that the staff had started a policy review regarding video storage with an emphasis on meeting legal requirements and keeping to the necessary minimum. Strauss urged the staff to be cautious about keeping unnecessary footage.

Sheppard moved to ratify the purchase order, Cilimborg seconded the motion and it passed unanimously.

5.4 ITS Vendor Contract Authorization

Kuhl reported that the staff had chosen ETA Transit for the intelligent transportation system upgrade out of six proposals and two rounds of interviews. Strauss wanted to know the expected savings from upgrading the system. Smith pointed out that the system upgrade could replace the current APC software when contract timing permits. Woodrow said the significant savings hinged on using ETA versus the other vendors because it fulfilled the agency's needs. Blodgett said the system would integrate well with third-party products. McCallum suggested there could be future efficiency gains as well. Strauss moved to approve the purchase, Cilimborg seconded and the motion passed unanimously.

5.5 Graphic Design and Marketing Contract Amendment

Kreimer presented in-progress design work for route maps, bus stop placards and vehicle graphics tied to a July service launch. The current marketing vendor, Six Pony Hitch, quoted a contract amendment adding an additional \$15,000 for the upgrades. In addition, the proposal also requests an additional \$40,000 in optional extensions that would be funded within the communications budget. Strauss said that a discussion about an in-house marketing team might be warranted and Cilimborg observed that any efforts should focus on attracting more riders. Sheppard moved to approve the contract extension with Six Pony Hitch, Strauss seconded and the motion passed unanimously.

5.6 Recreation Shuttle Service & Budget Presentation

Hess said last year's pilot program had been successful and well received. Starke reviewed the run dates, weekend operations hours, vehicles used, positive operator and rider feedback, partner support and the need to collect accurate passenger count data. The pilot program cost \$16,953 and included training, hitch equipment, trailer delivery and marketing. The full season estimate is roughly \$36,000 and includes operations, trailer purchase, reduced marketing expenses and route option constraints. The proposed season will run from early May to late October. Launch depends on trailer delivery and adequate public notice. Strauss asked about sponsorships and enticing tourists to use the shuttle and transit system instead of renting a car. Woodrow said that Hess and the staff were pursuing private sponsorships with local tourism promotion organizations to offset the operating costs.

5.7 New Facility Financing Update

Segal advised that the GMP from the CMAR had been incorporated into the pro forma. Semmens introduced himself as a replacement for Courtney Ellis who recently left Dorsey Whitney. Scharff advised that the pro forma reflected a rate of 1.5 times the coverage level for debt service that depicts overall net revenue compared to debt service payment under the recommended 20-year bond structure. He also showed the impact of bond closing timing in shifting cash into fiscal year 2027 and the role of reserve funds for bond security. A direct bank placement to preserve financing flexibility is recommended because it avoids public market constraints. Public sales attract broad underwriters and commonly include long pre-payment restrictions. Maintaining pre-payment flexibility is vital to managing project contingency draw and preserving the federal loan option. Bank financing generally allows for lower upfront costs, lighter administrative processes. In addition, a local partner relationship offers operational support and commitment over the loan life. The trade off is slightly higher interest rates and avoiding issuance fees by borrowing less. Strauss asked if retaining ownership of the package could be

a negotiated term. Scharff allowed that some flexibility in term setting was possible, but the expectation is that the bank is a long-term partner. Other disclosure expectations for bank financing are less stringent and are often limited to providing audits unless additional metrics are requested.

Scharff said banks often commit rates until the bond is closed to reduce exposure, but the current geopolitical volatility increases day-to-day rate swings. If coverage metrics deteriorate, repayment risks such as legislative changes to property taxes are a concern.

This plan-of-finance execution is tied to receiving the FTA award so proceeding with bonding too far ahead of receiving award confirmation may avoid difficulties unwinding commitments. The 16-week window after FTA approval is a comfortable timeframe for project cash flow. Scharff recommends that the staff should consider initiating low-risk preparatory actions such as drafting resolutions or lining up lenders to condense timelines if needed.

Sheppard left the meeting at 2:01 p.m.

6.0 Adjournment

Strauss adjourned the meeting at 2:06 p.m.