

MISSOULA URBAN TRANSPORTATION DISTRICT

Board of Directors Special Meeting Minutes

March 11, 2026

APPROVED

Members Present: Don MacArthur, Eva Rocke, Lisa Sheppard

Members Absent: Jason Wiener, Sebastian Strauss, Sam Oliver, Amy Cilimburg

Staff Present: Jordan Hess, Colin Woodrow, Allison Segal, Hoyle McCallum, Spencer Starke

Guests: Steve Scharff & Will Duden, Baker Tilly; Eric Reiber, Quality Construction; Ron Reekes & Jeana Stright, Wendel Companies; Kyle Druyvestein, DJ&A

1.0 Call to Order and Roll Call

9:33 a.m. Sheppard called the meeting to order and asked for a roll call.

2.0 Public Comment

None.

3.0 Reports and Presentations

Hess advised that the purpose of the meeting is to conduct a thorough review of the guaranteed maximum price for constructing the next facility and address questions and concerns before the GMP is presented for approval at the next board meeting. Though the GMO reflects a similar value to the financing package, the risk analysis piece represents a new element that requires consideration. In addition, a contract amendment to the construction manager at risk contract is required to keep the project moving forward. Federal Transit Administration funding also requires discussion.

3.1 New Facility Guaranteed Maximum Price

Reiber reported the GMP is \$46,395,810 that includes solar and risk insurance items previously listed as owner-carried expenses. Broad regional outreach garnered 176 bid proposals across various subcontracted elements of the project. Response were split roughly half between packaged solicitations and direct subcontractor quotes. Woodrow stated that 59% of the bids came from western Montana

businesses. He cautioned keeping the preliminary subcontractor list confidential as the bids had not yet been awarded. Quality will continue CMAR activities while the contract amendment is being finalized.

MacArthur asked for more detail about the self-performed tasks Quality will undertake. Reiber responded that about 80% of the concrete package will be subcontracted. MacArthur expressed concern about insufficient workforce and then asked who is controlling the contingency funds and how that was addressed in the contract. Reiber answered that the contingency belongs with the CMAR and the \$2.4 million represents about 6% of the total price. Stright added that the agency, as the owner, will carry its own contingency balance that Segal verified was 10% or \$3.9 million. Any unused contingency funds in either budget will revert to the agency.

MacArthur asked if the expected percentage of change orders is figured at 3%. Reekes stated the team is confident with that number.

3.2 Financial Overview Sources & Uses

Segal reported that the staff, working with the financial advisors, has identified approximately \$72.6 million in potential funding sources. Federal government support consisting of the competitive awarded and allocated funds stands at \$41.6 million. The facility reserve is approximately \$12.5 million and may be used to reduce debt. Similar to previous estimates, the projected debt is around \$10 million. Unrestricted cash allocated for the shared infrastructure portion is about \$8.3 million. Once the award is finalized, many line items will be consolidated into land, construction and a future award for furniture and fixtures. The vehicle charging infrastructure was removed from the FTA-funded portion of the project and will be funded locally.

MacArthur asked if the \$12 million facility reserve represented what is currently available as a total spend down. Segal answered that the reserve is \$13 million. A more in-dept conversation is needed to hone in on the contingency piece versus the amount of debt and whether the facility reserve funds will be used to reduce the debt.

Woodrow added that the city building department is reviewing the shared-infrastructure grant and permit applications and should be approved in June. The new facility will be located on Bull Trout Drive.

MacArthur asked if the cash flow would keep increasing. Segal replied that the unrestricted cash fund would continue to increase based on pro forma projections. Scharff added that the pro forma suggests that the unrestricted cash is not going to diminish.

3.3 Risk Analysis

Duden explained that Baker Tilly had been retained to identify project risks, review contract term viability and track negotiated contract changes. MacArthur asked if the contract was from the American Institute of Architects or a customized form. Woodrow responded that the contract is not an AIA form and the city attorney and Quality are coordinating the drafting. The primary concerns are change order mechanisms, contingency usage and FTA fund reporting requirements. MacArthur requested a copy of the contract to assess risks to the board. He also asked who will sign the contract and when that signing is scheduled. Woodrow said the board must approve the contract at the March 26 board meeting. Segal will present a comprehensive financing overview at the March 26 finance committee meeting and invited all board members to attend so they can understand the risks, timing and debt.

Rocke asked how the removed properties affected the tax base. Hess responded that when properties are removed from paying the urban transportation district taxes, taxes on the remaining properties will increase slightly. Segal added that the taxes are assessed based on the previous year's levy.

3.4 Timeline Review

Hess reported that his recent trip to Washington, D.C., gave him confidence about securing the federal funds awarded to the agency in 2023. A joint letter from the entire Montana delegation requesting the department of transportation to release the funds was requested. Sen. Daines' staff has agreed to coordinate finalizing the letter. There is a sense of urgency regarding the award given the bid pricing deadline. MacArthur asked if the project would continue regardless of whether the funds are released. Hess said two approvals are needed – the GMP itself that would trigger a notice to proceed and the contract amendment with the CMAR. He stressed that the board would be not be requested to obligate funds that were not available. Segal pointed out that there is a billion dollars of awarded but unallocated funds and several levels of approval are needed to build the award. Woodrow said the best path forward in a worst-case scenario would be to finalize the GMP and start the site work. Reiber noted that even though Quality advised all bidders of the 60-day price hold, the steel package is the most price and time sensitive portion.

MacArthur said the permit review process should be ongoing. Stright said that now there is a street name, the annexation can be approved that will trigger a building permit approval. Woodrow added that the city staff has been very responsive. To keep the project moving ahead, local funds can be allocated to the site work package to ensure that cost escalation does not impact the project. Hess reiterated that the DOT officials provided excellent guidance for getting the necessary approvals.

4.0 Adjournment

Sheppard adjourned the meeting at 11:27 a.m.