



MCOG Budget Workshop

May 2, 2022

Funding Sources in Annual Budget 2

Transportation Development Act (TDA)

- Local Transportation Funds (LTF) – countywide sales tax
- State Transit Assistance (STA) – fuel taxes

Local & State Planning Funds: LTF and

- STIP Planning, Programming & Monitoring (PPM)
- Rural Planning Assistance (RPA)
- Active Transportation Program (ATP)
- Regional Early Action Planning (REAP) for Housing

Federal Funds

- Surface Transportation Block Grant (STBG, aka RSTP)
- CARES & CRRSAA - Coronavirus Relief

Funding Sources – More Info

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MENDOCINO COUNCIL OF GOVERNMENTS
2022/23 Budget
Explanatory Notes on Funding Sources
4/19/2022

“Explanatory Notes on Funding Sources” in agenda packet

LTF – Local Transportation Fund

- Generated from quarter-cent sales tax on all sales countywide. Fund estimate provided by County Auditor–Controller. Allocated by Regional Transportation Planning Agencies (RTPAs).
- Governed by the Transportation Development Act (TDA).
- Transportation planning and public transit systems are supported by these revenues according to TDA.
- Notable since 2020/21 are online sales tax revenues, of which a formula share is received from a state pool.

LTF Reserve Fund

- Allowed under TDA, Section 6655, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at minimum five percent of County Auditor–Controller’s LTF estimate.
- Surplus allocated through annual budget process.
- To be used *“for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation.”*
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to meet the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTF Reserve policy: releasing two years of surplus for allocation between \$100,000 and \$200,000, then a shortfall of \$65,000, a surplus of \$71,000, and for 2019/20 (from 2017/18 revenue) a record surplus of \$375,694. Audited surplus from 2020/21 is 754,417, a new record, for allocations in 2022/23.
- With no maximum by policy, in 2021/22 ten percent was reserved; the 2022/23 proposal is 15 percent.

STA – State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators – MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10 – 2015/16 during the Recession, again waived for the pandemic.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that *“rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, we’d instead reduce the operator’s operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified.”* –from SB 508, Chapter 715, preamble
- State Controller provides fund estimates—“Preliminary” in January, “Revised” after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG’s fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings, as is the case this year.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000; two years ago in the range of \$500,000,000 with support of SB 1. During the pandemic, fuel tax revenues dropped 20%. Preliminary estimate for 2022/23 is \$668,476.

Capital Reserve Fund

- Created and controlled by MCOG as allowed by Transportation Development Act (TDA), Section 6644.
- Contributions from LTF and STA.
- Open to Mendocino Transit Authority and Senior Centers for projects in MTA’s Five-Year Capital Program.

Highlights of This Year’s Budget

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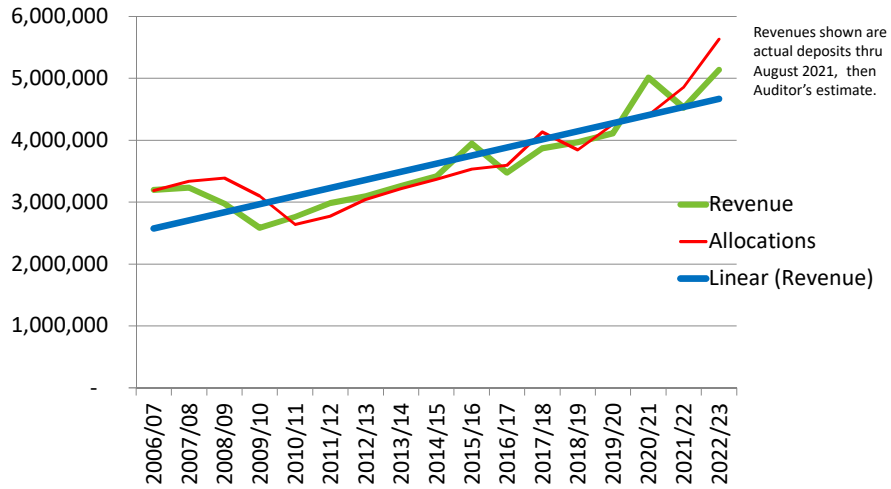
REVENUES:

- Local Transportation Fund (LTF) sales tax revenue estimated by County Auditor sets new record of \$5.1M
- State Transit Assistance (STA) from gas taxes is increasing
- Planning funds are stable
- Transit funds are up overall, while keeping more LTF in Reserve

ALLOCATIONS:

- MTA and Senior Centers get 14.4% LTF increase of \$585,439
- STA for MTA claim increases 78% or \$512,154
- Unmet Transit Needs claimed at \$300K to restore services

LTF Revenues & Allocations - Trend 7



LTF Revenues FYTD 2021/22 8

LTF budget compared to actual receipts July through February - 8 months, accrual basis:

	<u>BUDGET</u>	<u>ACTUAL</u>
Auditor's FY Estimate	\$ 4,525,780	
Budget FYTD	3,017,187	\$ 3,376,466
Surplus FYTD		359,279 (7.9%)
4 mos. remaining	1,508,593	1,149,314 need
 Auditor's FYE estimate	 \$ 566,800 (12.5%) surplus	

STA Revenues & Allocations

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FY	Prelim. Estimate	Revised Estimate	Estimate difference	Allocation to MTA	Balance
2020/21	834,637	492,043 *	(342,594)	834,637	163,120 audited
2021/22	653,365	791,000	137,635	655,221	298,899
2022/23	868,476			1,167,375	0

* Actual 2020/21 revenue = 647,948

Source = fuel taxes

LTF Reserve Policy since 1999

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Last Audited FY:
Any excess LTF
revenue over
Budget is added to
Reserve

Current FY:
Prepare next year's
Budget, set Reserve
balance

Next FY:
Any excess over
Reserve balance is
allocated in Budget
/shortfall is covered
by Reserve

LTF Allocation Priorities

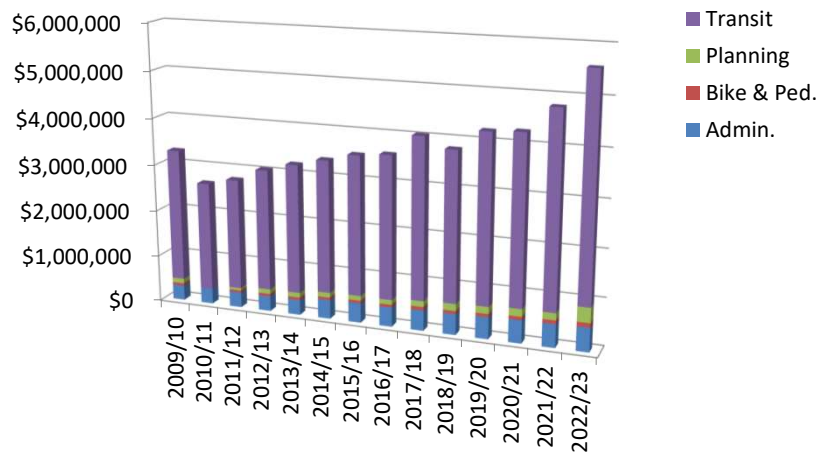
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Consistent with TDA:

- Administration
- 2% Bicycle & Pedestrian (opt.)
- Planning Program
- Transit – MTA
 - Operations
 - Senior Center Contracts
 - Capital Reserve – 5 Year Plan
 - Unmet Transit Needs
 - Transit Planning

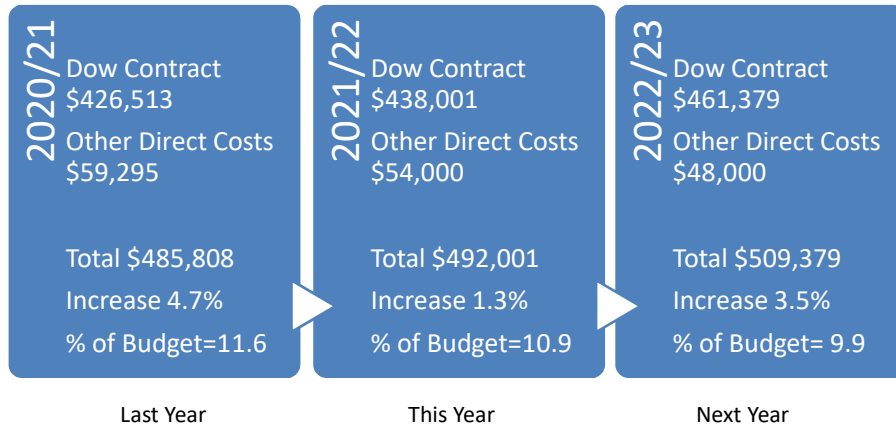
LTF Allocations - Trend

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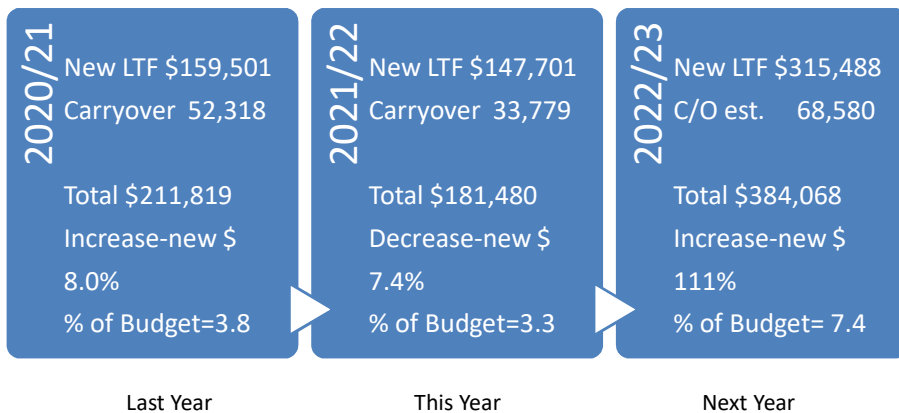
LTF Allocations – Admin.

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LTF Allocations – Planning

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All Allocations – Planning

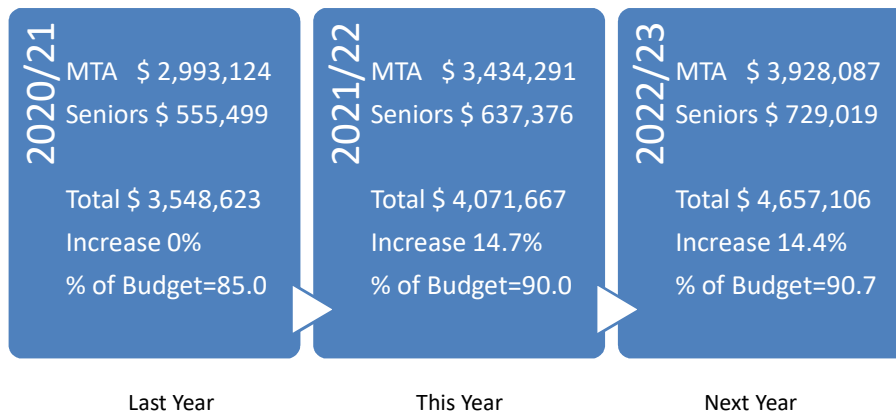
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Draft FY 2022/23 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergovt'l Coordination	MCOG	State RPA	137,000
2	Planning Mgmt. & General Coordination	MCOG	LTF	108,800
4	Sustainable Transportation Planning – c/o	MCOG	LTF	20,000
5	Mobility Solutions – Feasibility Study Rural Areas	MCOG	State Grant, LTF	185,000
6	Combined Special Studies	MCDOT	State RPA	60,000
7	Planning, Programming & Monitoring	MCOG	State PPM, RPA	112,250
12	Truck Route Study--New	Ukiah	State PPM	45,000
13	Central Business District Parking Evaluation--New	Fort Bragg	LTF	57,062
14	Training – carryover	MCOG	LTF	20,000
15	Local Street Assessment/Roadway Agrmt. – c/o	Pt. Arena	State PPM	53,750
16	Multi-Modal Transportation Planning	MCOG	State RPA	45,000
18	Geographic Information System Activities	MCOG	State RPA	5,000
20	Grant Development & Assistance	MCOG	State RPA	47,736
	<i>PROJECT RESERVE</i>	MCOG	LTF	150,000
	TOTAL			1,046,598

LTF Allocations – Transit

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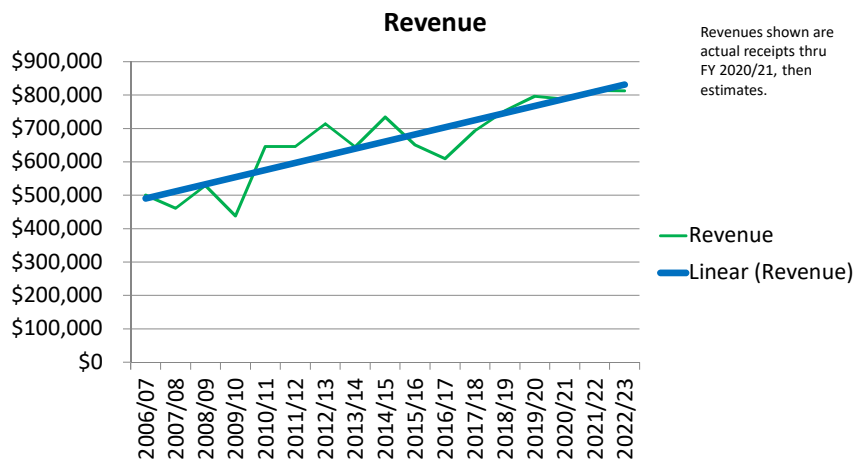
State Funding from SB I

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- Planning Grants
 - Sustainable Communities (competitive)
- Active Transportation Program (ATP)
 - Covelo SR 162 Corridor Multi-Purpose Trail
 - Re-applying for Gualala Downtown Streetscape
 - Competitive program, tends to be oversubscribed
- State of Good Repair – transit
 - Formula funds, MCOG approves MTA project list

STBG Revenues – Trend

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STBG Allocation Priorities

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MCOG Policy for Surface Transportation Block Grant Program, Section 182.6(d)(1):

- Partnership Funding Program
- Regional Mgr. & Local Assistance – Project Delivery
- County & Cities Projects – by formula (about 75% of total)

2022/23 STBG = **\$812,939**

What's Not in the Budget

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- Regional/State Transportation Improvement Program (RTIP, STIP)
 - Capital programming, no cash flow
- Service Authority for Freeway Emergencies (Mendocino SAFE)
 - Motorist Aid Call Box System
 - Separate annual budgets

Budget Adoption FY 2022/23

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- **Recommendations:**
 - Staff – Admin & Planning
 - Executive Committee – Feb. 28
 - Technical Advisory Committee – Feb. 16
 - Transit Productivity Committee – April 13
 - SSTAC pending

- **Adopt Budget June 6, 2022**
- **Can amend during Fiscal Year**

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Questions?

Thank You!

Presentation by:
Janet Orth, Deputy Director & CFO

Mendocino Council of Governments
525 S. Main St., Suite B, Ukiah, CA 95482
orthj@dow-associates.com
www.mendocinocog.org

Credits:
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