

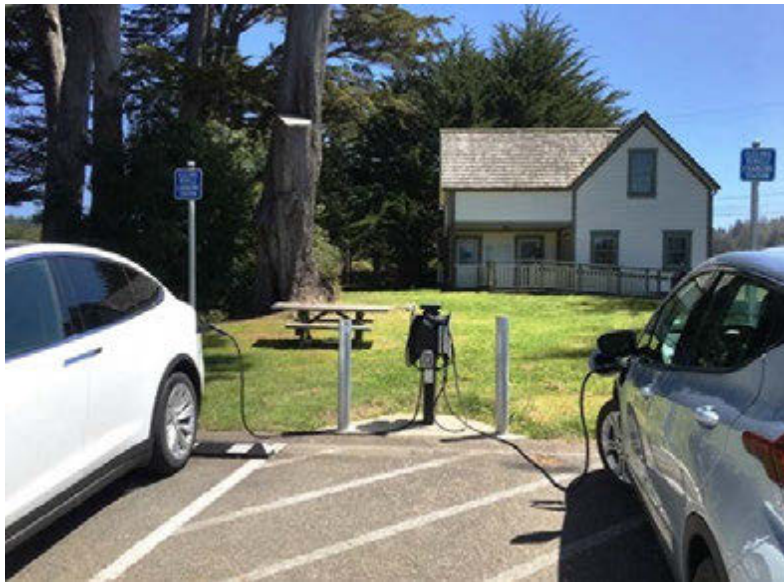


MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2019/20

BUDGET



June 3, 2019



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2019/20

BUDGET

Prepared by

Janet M. Orth
MCOG Deputy Director & CFO

Submitted to

MCOG Board of Directors

June 3, 2019

Cover Photo:

Electric vehicle charging station installed 2018
Point Cabrillo Light Station State Historic Park
By J. Orth April 21, 2019

Contents

Executive Director's Introduction

Summary of Regional Transportation Planning Agency Budget - Fiscal Year 2019/20

Budget Summary – Supplemental Format with FY 2018/19 Comparison

Explanatory Notes on Funding Sources

MCOG's Transportation Development Act (TDA) Budget Calendar

Resolutions:

- I. **#M2019-02 – "Allocating Fiscal Year 2019/20 Funds and 2018/19 Carryover Funds for Administration, Bicycle & Pedestrian Facilities, Planning and Reserves"**
 - **Exhibit A** – MCOG Administration Budget
 - **Exhibit B** – Final Planning Overall Work Program - Summary of Funding Sources
 - **Exhibit C** – Dow & Associates Administration & Fiscal Services
 - **Exhibit D** – Davey-Bates Consulting Planning Services

- II. **#M2019-03 – "Finding That There Are Unmet Transit Needs That Are Reasonable To Meet for Fiscal Year 2019/20"**
 - **Exhibit A** – MCOG's "Unmet Transit Needs" and "Reasonable to Meet" Process
 - **Exhibit B** – Unmet Transit Needs Testimony
 - **Exhibit C** – MTA's Unmet Transit Needs Analysis
 - **Exhibit D** – Transit Productivity Committee Meeting Minute Order of May 21, 2019

- III. **#M2019-04 – "Allocating Fiscal Year 2019/20 Local Transportation Funds, State Transit Assistance, and FY 2018/19 Carryover Capital Reserve Funds to Mendocino Transit Authority"**
 - **Exhibit A** – Mendocino Transit Authority's FY 2019/20 Claim for Funds

- IV. **#M2019-05 – "Allocating Regional Surface Transportation Program Funds for Fiscal Year 2019/20 MCOG Partnership Funding Program, Local Assistance, and Distribution By Formula To Member Agencies"**

Appendices:

A - MCOG Budget Workshop Presentation of May 6, 2019

B - MCOG Fiscal Audit for the Year Ended June 30, 2018: Management's Discussion & Analysis



MENDOCINO COUNCIL OF GOVERNMENTS

367 North State Street~Ukiah~California~95482
www.mendocinocog.org

NEPHELE BARRETT, EXECUTIVE DIRECTOR

Administration: Suite 206
(707) 463-1859
Transportation Planning: Suite 204
(707) 234-3434

May 28, 2019

To: MCOG Board of Directors

From: Nephele Barrett, Executive Director

Prepared by Janet M. Orth, Deputy Director & CFO

Re: Regional Transportation Planning Agency (RTPA) Fiscal Year 2019/20 Budget

This budget is submitted to you for adoption at our meeting on June 3, 2019. It represents all recommendations made over the past several months by the Executive Committee, Ad Hoc, Technical Advisory Committee, Transit Productivity Committee, Social Services Transportation Advisory Council, and staff, progress of which we have reported to you along the way. This introduction is a brief summary of the main components of the RTPA budget. Total available revenues from all sources are **\$8,548,287**, and total proposed allocations amount to **\$7,700,959**.

This year's estimate of sales tax revenue to the Local Transportation Fund (LTF) shows a significant increase from the previous year (approaching \$4 million for the first time), above the rate of inflation (3.7% CA-CPI). Growth has picked up momentum over the past two years. LTF actual revenues came in well above budget for the last closed year, at \$3.87 million, up more than 10%. The infusion of revenues from Senate Bill 1, the Road Repair & Accountability Act of 2017, has tripled State Transit Assistance since FY 2016/17. Planning grants and other revenue sources remain stable.

Also you will find attached a description of each of the funding sources and a chronological summary of the annual budget process. We have prepared four resolutions for your adoption of the required findings and budget allocations. Two budget summary formats, our traditional single-page snapshot and a supplemental format with more details, are presented with different views of the information. The supplement adds certain federal transit funds that do not flow through MCOG's cash accounts, but are to be approved by MCOG for programming by separate resolution. Finally, note that LTF remains in reserve from prior years at \$29,135.

Administration

In the Transportation Development Act (TDA), funds for Administration of the agency are the first allocation priority, in amounts "as necessary." The Executive Committee concurred with staff's initial draft budget for Administration, which comprises several funding sources. The ad hoc committee negotiated the contract extension for Administration & Fiscal Services, approved by the Board of Directors on May 6, 2019. The proposal includes scheduled COLA increases to the contract. TDA/LTF costs for Administration remain steady at 12 percent of the Auditor's estimate, with total costs below six percent (6%) of the total RTPA budget. The Administration budget proposal (excluding RSTP and SAFE) is \$464,066.

Bicycle & Pedestrian

TDA allows up to two percent of Local Transportation Funds (LTF) available each year, after Administration is allocated, to provide for facilities "for the exclusive use of pedestrians and bicycles." MCOG has customarily allocated the full two percent (2%) annually to a separate fund, and has awarded the funds on a competitive application basis. For the coming fiscal year, the Executive Committee recommends allocation of two percent (2%). The total Bicycle & Pedestrian budget proposal is \$67,772.

Planning

As a major function and responsibility of the RTPA, Planning is managed in the Overall Work Program (OWP). MCOG has customarily provided Local Transportation Funds (LTF) to Planning after Administration and Bicycle

& Pedestrian allocations. In addition, several other available sources are combined to fund the Planning program. All details of the OWP are presented in a separate document. The Executive Committee concurred with staff's proposed allocation of \$147,816 of new LTF funds. The Technical Advisory Committee works closely with our planning staff to develop this program each year and has recommended all proposed allocations, including FY 2018/19 estimated carryover and grants, on May 22. The total Planning budget proposal is \$989,346.

Transit

After all of the above allocations, the remaining balance of FY 2019/20 LTF is made available to fund public transit. Also available are State Transit Assistance (STA) funds. In our region, the only currently eligible claimant is Mendocino Transit Authority (MTA). Additionally, MCOG adopted a regional policy in 1999 (amended in 2001) to set aside an LTF Reserve for transit purposes of \$100,000 or five percent (5%) of the County Auditor's estimate of new LTF revenues. The Executive Committee recommended setting aside the full five percent (\$193,000) for 2019/20, fully funding the reserve for five consecutive years during the 11 years following the Great Recession. The Transit Productivity Committee (TPC) met in May and recommended full funding of MTA's claim for FY 2019/20 LTF, and allocations for Long-Term Capital from the Reserve fund balance if MTA's five-year capital program can identify projects for this funding source. (MTA will adopt its budget and capital program on May 29.) The TPC also recommends a finding that "*there are unmet transit needs that are reasonable to meet for Fiscal Year 2019/20,*" listing three (3) needs. The Social Services Transportation Advisory Council also met and concurred with the TPC's recommendation on unmet needs. The total Transit budget proposal is \$5,169,648.

Regional Surface Transportation Program (RSTP)

MCOG adopted a policy in June 2006 to start setting aside a portion for regional projects, so a fund balance is available to MCOG for allocation consistent with this policy, called the Partnership Funding Program. Also, as a result of the Council's strategic planning workshop of August 2010, a portion of RSTP funds is used to provide Local Assistance to the five MCOG member agencies, beginning in FY 2011/12. This helps to deliver projects that might otherwise stagnate or lose funding, to assist with new funding applications, and to provide related technical support. A resolution in this budget documents the RSTP background and proposed allocations. We have received a preliminary estimate of new revenues for Mendocino County under the federal FAST Act. The RSTP budget estimate is \$780,992.

Active Transportation Program (ATP)

MCOG is responsible for management of four state grants awarded in 2014/15 and 2015/16, at over \$2 million. These consist of one countywide non-infrastructure grant, one infrastructure grant in Covelo that includes a non-infrastructure component, and two infrastructure grants in the Covelo area. The non-infrastructure components were completed in FY 2018/19. The infrastructure components are project development activities for construction of the State Route 162 Corridor Multi-Purpose Trail, Phases 1 and 2 – Preliminary Engineering and Right-of-Way. This is an exceptional function for MCOG, approved by separate resolution. The infrastructure grant funding carried over for 2019/20 is estimated at \$200,000.

Service Authority for Freeway Emergencies (SAFE)

Not included in this budget is the SAFE motorist aid call box program, which is set up as a separate agency under the same council representation as MCOG. A new Five-Year Strategic & Financial Plan (2016 – 2020) was adopted in March 2017 that includes Administration, Operations, and Capital Programs.

Regional/State Transportation Improvement Program (R/STIP)

Also not made part of this budget are the RTIP and STIP, which fund eligible capital projects approved by the California Transportation Commission. These resources do not flow through MCOG's cash accounts, instead are programmed by MCOG and the State for direct funding of projects.

My staff and I are available to answer any questions you may have about the proposed budget.

Mendocino Council of Governments

Regional Transportation Planning Agency - Fiscal Year 2019/20 Budget

For Adoption by Board of Directors June 3, 2019

REVENUES	LOCAL			STATE			FEDERAL		Local Match	TOTALS
	LTF	STA	CRF	PPM	RPA	Grants	RSTP	Other		
2019/20 LTF Official County Auditor's Estimate	3,852,643									3,852,643
2018/19 Auditor's Anticipated Unrestricted Balance	163,519									163,519
Total Local Transportation Fund (LTF) Estimate	4,016,162									4,016,162
2018/19 Auditor's Anticipat'd Unrestricted Balance - Reversal	-163,519									-163,519
Reserved LTF prior-year unallocated revenues	29,135									29,135
Carryover - Planning Overall Work Program and RSTP	12,884			76,361	0		121,977			211,222
2019/20 State Transit Assistance - SCO's Preliminary Estimate		946,179								946,179
2019/20 State of Good Repair - SCO's Preliminary Estimate						131,815				131,815
STA and SGR - Fund Balance Available for Allocation		463,957	Includes 2018/19 revised SCO estimate			129,579				593,536
MCOG's Capital Reserve Fund - Balance Available for Transit			674,846							674,846
2019/20 STIP Planning, Programming & Monitoring (PPM)				90,000						90,000
2019/20 Rural Planning Assistance					294,000					294,000
2019/20 State Active Transportation Program (ATP) - grants						200,000				200,000
2019/20 State Planning Grants - awarded						368,285				368,285
Regional Surface Transportation Program - State Exchange Estimate-preliminary							780,992			780,992
LTF Reserve:										
2017/18 LTF Unrestricted Balance - audited	378,614									
LTF Reserve Balance as of 6/30/2018 - audited	250,018									
Less LTF Reserve Allocated for FY 2018/19	59,998									
Subtotal	568,634									
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	193,000	(Per policy, Reserve shall be 5% of County Auditor's estimate of new revenue, to nearest 1,000.)								
Amount Available for Allocation in FY 2019/2C	375,634									375,634
TOTAL REVENUES	4,270,296	1,410,136	674,846	166,361	294,000	829,679	902,969	0	0	8,548,287
ALLOCATIONS										
Reserved LTF prior-year unallocated revenues	29,135									29,135
2019/20 Administration	464,066						90,000			554,066
2% Bicycle & Pedestrian - 2018/19 LTF less Admin. x .02	67,772									67,772
2019/20 Planning Overall Work Program (OWP) - New Funds	147,816			90,000	294,000	368,285				
Carryover Funds - See OWP Summary	12,884			76,361						
Total Administration, Bike & Ped., and Planning	721,673	0	0	166,361	294,000	368,285	90,000	0	0	1,640,319
BALANCE AVAILABLE FOR TRANSIT	3,548,623	1,410,136	674,846	0	0	261,394	0	0	0	5,894,999
2019/20 Mendocino Transit Authority Claim - due April 1:										
MTA Operations	2,993,124	946,179								3,939,303
Unmet Transit Needs										0
Senior Centers Operations	555,499									555,499
Capital Reserve Fund Contribution										0
Capital Program, MTA & Seniors Current Year										0
Capital Program, Senior Centers Current Year										0
Capital Program, Long Term (Five Year Plan)			674,846							674,846
Total Transit Allocations	3,548,623	946,179	674,846			0				5,169,648
Other Allocations - RSTP for MCOG Partnership Fund							100,000			100,000
Other Allocations - RSTP for County & Cities Projects by Formula							590,992			590,992
Other Allocations - ATP Infrastructure Grants - SR162 Corridor Multi-Purpose Trail						200,000				200,000
TOTAL ALLOCATIONS	4,270,296	946,179	674,846	166,361	294,000	568,285	780,992	0	0	7,700,959
Balance Remaining for Later Allocation	0	463,957	0	0	0	261,394	121,977	0	0	847,328



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2019/20 BUDGET SUMMARY

For Adoption June 3, 2019

Supplemental Format

REVENUES	FY 2018/19 Budget Adopted	FY 2019/20 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
<u>Local Transportation Funds (LTF)</u>					
LTF Official County Auditor's Estimate	\$ 3,751,508	\$ 3,852,643	\$ 101,135	2.7%	Transportation Development Act (TDA) Funds
Auditor's Anticipated Unrestricted Balance - Current Year	\$ 110,188	\$ 163,519	\$ 53,331	48.4%	
Total Local Transportation Fund (LTF) Estimate	\$ 3,861,696	\$ 4,016,162	\$ 154,466	4.0%	
Auditor's Anticipat'd Unrestricted Balance - Reversa	\$ (110,188)	\$ (163,519)			Per policy, any excess flows through LTF Reserve
LTF Unallocated - Accounting transition to County's accrual methoc	\$ 29,135	\$ 29,135	\$ -	0.0%	One-time funds, represents 2 months of sales tax revenue
Prior Year Balance Remaining for Later Allocation	\$ -	\$ -			
MTA Fiscal Audit - Amount returned to MCOG, if any	\$ -	\$ -			FY 2017/18 fiscal audit verified full eligibility for funds receivec
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 78,276	\$ 12,884	\$ (65,392)	-83.5%	FY 2018/19 OWP as amended Feb. 4, 2019; 2019/20 carryover as of May 22
Total Local Transportation Funds:	\$ 3,858,919	\$ 3,894,662	\$ 35,743	0.9%	OWP carryover is offset by equivalent allocation
<u>LTF Reserve Funds</u>					
LTF "Unrestricted Balance" of Unallocated Revenue	\$ 70,886	\$ 378,614	\$ 307,728	434.1%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate
LTF Reserve Fund Balance	\$ 108,748	\$ 250,018	\$ 141,270	129.9%	Reserve used to cover transit allocation shortfalls and claims per policy
Less/Plus Current Year Reserve Allocation	\$ 68,364	\$ (59,998)	\$ (128,362)	-187.8%	Prior year unrestricted "excess revenue" above fund balance
Subtotal	\$ 247,998	\$ 568,634	\$ 320,636	129.3%	
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	\$ (188,000)	\$ (193,000)	\$ (5,000)	2.7%	Per policy, Reserve is 5% of County Auditor's est. of new revenue, nearest 1,000.
LTF Reserve Available for Allocation:	\$ 59,998	\$ 375,634	\$ 315,636	526.1%	From increase in prior-year LTF sales tax revenues
TOTAL LTF REVENUES	\$ 3,918,917	\$ 4,270,296	\$ 351,379	9.0%	
<u>Capital Reserve Funds</u> Total Capital Reserve Fund	\$ 300,493	\$ 674,846	\$ 374,353	124.6%	Fund balance available for transit claim based on 5-Year Capital Program
<u>Local Agency Contributions</u>	\$ -	\$ -			In-kind match for any planning grants
Total Local/Regional Revenues:	\$ 4,219,410	\$ 4,945,142	\$ 725,732	17.2%	
STATE:					
<u>Planning Programming & Monitoring (PPM) Funds</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 89,000	\$ 90,000	\$ 1,000	1.1%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 132,552	\$ 76,361			FY 2018/19 OWP as amended Feb. 4, 2019; 2019/20 carryover as of May 22
Total PPM Funds:	\$ 221,552	\$ 166,361	\$ (55,191)	-24.9%	
<u>State Transit Assistance (STA) Funds</u>					
State Controller's Estimate	\$ 812,611	\$ 946,179	\$ 133,568	16.4%	TDA Funds
Estimated Fund Balance Available for Allocation	\$ 291,184	\$ 463,957	\$ 172,773	59.3%	Revised 2018/19 and Preliminary 2019/20 SCO estimates; increases due to SB1
Total State Transit Assistance Funds:	\$ 1,103,795	\$ 1,410,136	\$ 306,341	27.8%	
<u>State of Good Repair (SGR) Funds</u>					
State Controller's Estimate	\$ 128,995	\$ 131,815	\$ 2,820	2.2%	New transit funding program in Senate Bill 1
Estimated Fund Balance Available for Allocation	\$ -	\$ 129,579			Carryover, no claims in FY 2018/19
Total State of Good Repair Funds:	\$ 128,995	\$ 261,394	\$ 132,399	102.6%	
<u>Rural Planning Assistance Funds (RPA)</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program - Carryover	\$ 46,582	\$ -			
Total RPA Funds:	\$ 340,582	\$ 294,000	\$ (46,582)	-13.7%	

California Active Transportation Program (ATP)					
ATP Infrastructure Projects - New Revenue	\$ 251,000	\$ -			
ATP Infrastructure Projects - Carryover	\$ 422,173	\$ 200,000	\$ (222,173)	-52.6%	SR-162 Corridor Multi-Purpose Trail, Ph.1 & 2 Right-of-Way; no new \$ in 19/20
ATP Non-Infrastructure Projects - Carryover	\$ 455,737	\$ -			Est. funds to carry over to next FY of 3-yr project-Prelim. Engineering and RoW
Total ATP Funds:	\$ 1,128,910	\$ 200,000			Safe Routes to School 3-yr grants--Countywide & Covelo--completed 2018/19
Caltrans Sustainable Communities Planning Grants					
FY 2017/18 Grant Project	\$ 137,167	\$ -			Ped. Facility Needs Inventory EFS - WE 19 - to be completed FY 2018/19
FY 2019/20 Grant Application 1 - awarded	\$ -	\$ 119,516			SB 743 VMT Regional Baseline Study - WE 5
FY 2019/20 Grant Application 2 - awarded	\$ -	\$ 248,769			Mendo Co. Fire Vulnerability Assessment & Emergency Preparedness - WE 5
Total Planning Grants:	\$ 137,167	\$ 368,285	\$ 231,118	168.5%	
Total State Revenues:	\$ 3,061,001	\$ 2,700,176	\$ (360,825)	-11.8%	
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311f Intercity Bus Program	\$ -	pending			Competitive grants include Operating Assistance and Capital Projects
FTA Section 5311 Program - Regional Apportionment	\$ 503,210	pending			Annual apportionment to Mendocino County for transit operations/capita
Regional Surface Transportation Program (RSTP)					
RSTP Carryover/Balance Available for Later Allocation	\$ 112,115	\$ 121,977	\$ 9,862	8.8%	Prior Admin allocations for Regional Project Mgr & Dir. Cost, per audit 6.30.2018
Total Federal Revenues:	\$ 1,352,190	\$ 902,969	\$ (449,221)	-33.2%	
TOTAL REVENUES	\$ 8,632,601	\$ 8,548,287	\$ (84,314)	-1.0%	

ALLOCATIONS		FY 2018/19 Budget Amended	FY 2019/20 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:						
Local Transportation Funds (LTF)						
Reserved LTF Prior-Year Unallocated Revenues of \$596,200 Administration:	\$ 29,135	\$ 29,135				Balance remaining after allocations from Prior-Year Unallocated Revenues
Admin. & Fiscal Services Contract	\$ 392,444	\$ 410,271	\$ 17,827	4.54%	Includes COLA of 2.94% and 3.69% per CPI rates; contract allows up to 4%	
Other Direct Costs	\$ 50,000	\$ 53,795	\$ 3,795	7.6%		
Total Administration Allocations:	\$ 442,444	\$ 464,066	\$ 21,622	4.9%	Admin. & Fiscal Services contract FY 2014/15 - 2018/19 plus 1-yr extensor	
Two Percent LTF Bicycle & Pedestrian Program	\$ 66,181	\$ 67,772	\$ 1,591	2.4%	2% of LTF Estimate (less Admin. allocation)	
Planning Overall Work Program (OWP) - New Funds	\$ 147,816	\$ 147,816	\$ -	0.0%		
OWP Carryover from Previous Fiscal Year	\$ 78,276	\$ 12,884	\$ (65,392)	-83.6%	FY 2018/19 OWP as amended Feb. 4, 2019; 2019/20 carryover as of May 22	
Total Admin., Bike & Ped., Planning, Reserves:	\$ 763,852	\$ 721,673	\$ (42,179)	-5.5%		
BALANCE AVAILABLE FOR TRANSIT	\$ 3,155,065	\$ 3,548,623	\$ 393,558	12.5%		
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>	
MTA Operations	\$ 2,661,288	\$ 2,993,124	\$ 331,836	12.5%	Public Utilities Code (PUC) Sec. 99260a	
Unmet Transit Needs	\$ -	\$ -	\$ -		PUC Section 99260a	
Senior Centers Operations	\$ 493,777	\$ 555,499	\$ 61,722	12.5%	PUC Section 99400c	
MTA Capital Program - Current Year	\$ -	\$ -	\$ -		PUC Section 99260a for RouteMatch software/hardware system acquisition	
Capital Reserve Fund Contribution	\$ -	\$ -	\$ -		CA Code of Regulations (CCR) Sec. 6648	
Total LTF Transit Claim:	\$ 3,155,065	\$ 3,548,623	\$ 393,558	12.5%		
Total LTF Allocations:	\$ 3,918,917	\$ 4,270,296	\$ 351,379	9.0%		
Capital Reserve Funds						
Mendocino Transit Authority (MTA) Claim:						
Capital Program, MTA - Current Year	\$ -	\$ -	\$ -			CCR Section 6648
Capital Program, Senior Centers - Current Year	\$ -	\$ -	\$ -			CCR Section 6648
Capital Program - Long Term	\$ 632,138	\$ 674,846	\$ 42,708	6.8%	CCR Section 6631	
Adjustment for STA Contribution (duplication)	\$ (331,645)					

Total CRF Allocations:	\$ 300,493	\$ 674,846	\$ 374,353	124.6%	
Total Local/Regional Allocations:	\$ 4,219,410	\$ 4,945,142	\$ 725,732	17.2%	
STATE:					
<u>Planning Programming & Monitoring (PPM) Funds</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 89,000	\$ 90,000	\$ 1,000	1.1%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 132,552	\$ 76,361			
Total PPM Allocations:	\$ 221,552	\$ 166,361	\$ (55,191)	-24.9%	FY 2018/19 OWP as amended Feb. 4, 2019, 2019/20 carryover as of May 22
<u>State Transit Assistance (STA) Funds</u>					
Mendocino Transit Authority (MTA) Claim:					
MTA Operations	\$ 300,000	\$ 946,179	\$ 646,179	215.4%	TDA Authority:
Capital Program, MTA & Seniors - Current Year	\$ 49,000	\$ -	\$ (49,000)	-100.0%	CCR Section 6730a
Capital Reserve Fund Contribution	\$ 331,645	\$ -			CCR Section 6730b
Total STA Allocations:	\$ 680,645	\$ 946,179	\$ 265,534	39.0%	CCR Section 6631
Allocations pending project applications by MTA, no MCOG process established					
<u>State of Good Repair (SGR) Funds</u>					
<u>Rural Planning Assistance Funds (RPA)</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 46,582	\$ -			
Total RPA Allocations:	\$ 340,582	\$ 294,000	\$ (46,582)	-13.7%	
<u>California Active Transportation Program (ATP)</u>					
ATP Infrastructure Projects - New Revenue	\$ 251,000	\$ -			SR-162 Corridor Multi-Purpose Trail, Ph. 1 & 2 Right-of-Way, no new \$ in 19/20
ATP Infrastructure Projects - Carryover	\$ 422,173	\$ 200,000	\$ (222,173)	-52.6%	Est. funds to carry over to next FY of 3-yr project-Pellm. Engineering and Roll
ATP Non-Infrastructure Projects - Carryover	\$ 455,737	\$ -			Safe Routes to School 3-yr grants--Countywide & Covelo--completed 2018/19
Total ATP Allocations	\$ 1,128,910	\$ 200,000	\$ (928,910)	-82.3%	
<u>Caltrans Sustainable Communities Planning Grant</u>					
FY 2017/18 Grant Project:	\$ 137,167	\$ -			Ped. Facility Needs Inventory EFS - WE 19 - to be completed FY 2018/19
FY 2019/20 Grant Application 1 - awarded	\$ -	\$ 119,516			SB 743 VMT Regional Baseline Study - WE 5
FY 2019/20 Grant Application 2 - awarded	\$ -	\$ 248,769			Mendo Co. Fire Vulnerability Assessment & Emergency Preparedness - WE 6
Total Planning Grants:	\$ 137,167	\$ 368,285	\$ 231,118	168.5%	
Total State Funds Allocations:	\$ 2,508,856	\$ 1,974,825	\$ (534,031)	-21.3%	
FEDERAL:					
<u>Federal Grant Programs and Regional Apportionments</u>					
FTA Section 5311f Intercity Bus Program	\$ -	pending			MTA has applied for \$300,000 to continue Route 65 service
FTA Section 5311 Program - Regional Apportionment	\$ 503,210	pending			MTA is eligible, MCOG approves programming
<u>Regional Surface Transportation Program (RSTP)</u>					
MCOG Partnership Funding Program	\$ 100,000	\$ 100,000	\$ -	0.0%	RSTP budget allocations are based on estimates
Local Assistance - Project Delivery - Administration	\$ 90,000	\$ 90,000	\$ -	0.0%	Regional capital project funds "off the top"
Formula Distribution to MCOG Member Agencies:					Staff - Regional Project Manager under Admin. Contract and direct cost:
Mendocino County Dept. of Transportation	\$ 121,370	\$ 127,229	\$ 5,859	4.8%	
City of Ukiah	\$ 163,337	\$ 171,222	\$ 7,885	4.8%	
City of Fort Bragg	\$ 109,057	\$ 114,321	\$ 5,264	4.8%	
City of Willits	\$ 102,359	\$ 107,301	\$ 4,942	4.8%	
City of Point Arena	\$ 67,653	\$ 70,919	\$ 3,266	4.8%	
Total RSTP Formula Distribution	\$ 563,776	\$ 590,992	\$ 27,216	4.8%	2018/19 actual per State exchange agreement rec'd 4.9.2019. Round error <1;
Total RSTP Allocations:	\$ 753,776	\$ 780,992	\$ 27,216	3.6%	Formula allocation by policy, distribution pending State processing of funds
Total Federal Funds Allocations:	\$ 1,256,986	\$ 780,992	\$ (475,994)	-37.9%	
Total Transit Allocations	\$ 4,639,413	\$ 5,169,648	\$ 530,235	11.4%	2018/19 includes FTA Section 5311 funds
Total Overall Work Program (OWP)	\$ 1,381,130	\$ 989,346	\$ (391,784)	-28.4%	FY 2018/19 OWP as amended Feb. 4, 2019; 2019/20 carryover as of May 22
TOTAL ALLOCATIONS					
Balance Remaining for Later Allocation/Difference of Actuals	\$ 7,985,252	\$ 7,700,959	\$ (284,293)	-4%	FY 2018/19 increased in OWP and RSTP after June budget adoption
	\$ 647,349	\$ 847,328	\$ 199,979	31%	Transit (STA, SGR) and RSTP

MENDOCINO COUNCIL OF GOVERNMENTS

2019/20 Budget

Explanatory Notes on Funding Sources

4/24/2019

LTF - Local Transportation Fund

- Generated from quarter-cent sales tax on all sales countywide.
- Governed by the Transportation Development Act (TDA).
- Allocated by Regional Transportation Planning Agencies.
- Fund estimate provided by County Auditor-Controller.
- Transportation planning and public transit systems are supported by these revenues according to TDA.

LTF Reserve Fund

- Allowed under TDA, Section 6655, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at 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.”* A claim was made to meet the FY 2015/16 shortfall of \$68,364.
- 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.
- Since FY 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 FY 2019/20 a record surplus of \$375,634.

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 or Capital purposes, until the operations requirement was waived for FY 2009/10 – 2015/16 during the Recession.
- 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, would 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.”*
- State Controller provides fund estimate—“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.
- When gas prices were on the rise in 2006 to 2007, the fund soared and drew attention. STA was raided by the State during its budget crisis in 2007 and 2008, then suspended altogether in 2009. Under pressure and a lawsuit won by the transit lobby, the Legislature released STA funds in 2010/11.
- Annual revenues leveled off to a range of \$400,000 to \$500,000 annually to MCOG, then dipped with SCO's 2016 administrative changes. Transit advocates have long sought a more stable source of revenue. SB 838 stabilized STA through FY 2017/18. SB 1 has tripled revenues for this program since 2016/17.

Capital Reserve Fund

- Created and controlled by MCOG as allowed by Transportation Development Act (TDA), Section 6648.
- Contributions from LTF and/or STA.
- Open to Mendocino Transit Authority and Senior Centers for Five-Year Capital Program.

RSTP – Federal/Regional Surface Transportation Program, Section 182.6(d)(1)

- Under ISTEA legislation originally, subsequently under TEA21, SAFETEA-LU, MAP-21 and FAST Act.
- Section d(1) is for regional discretionary transportation uses, in compliance with U.S. Code, Title 23 and California Constitution, Article 19.
- As allowed, MCOG exchanges for state funds by agreement with Caltrans, eliminating federal requirements.
- MCOG allocated the early fund cycles by regional competition; all of those projects were closed out.
- Subsequent MCOG policy allocated new RSTP d(1) apportionments by formula to County and Cities.
- In FY 2003/04, MCOG staff introduced new administrative procedures in order to comply with new clauses in Caltrans' fund transfer agreement. MCOG requires local claimants to provide a list of eligible projects for which they plan to spend the formula funds, and an authorized officer must sign a certification document (replaced in 2017/18 with a master Subrecipient Agreement). Also they must report prior-year expenditures when claiming new funds.
- For the FY 2005/06 funding cycle and going forward, MCOG approved recommendations of staff and the Technical Advisory Committee to revise MCOG's allocation formula such that a portion would be reserved for MCOG's use on regional projects, aka "Partnership Funding Program" (see resolution). To date the Council has allocated \$613,485 of Partnership funds to eight projects.
- Starting FY 2011/12, MCOG approved \$90,000 annually from RSTP for a Regional Project Manager.
- In FY 2015/16 and 2016/17, funds not expended for the project manager position were approved for direct costs that are consistent with the intended scope of Local Assistance. \$20,000 has been allocated.

PPM - Planning, Programming & Monitoring / SB 45

- Apportioned by State to Regional Transportation Planning Agencies for work associated with State Transportation Improvement Program (STIP) projects.
- Up to 5% of Regional Improvement Program (RIP) funds in the STIP may be used for eligible activities.
- MCOG has programmed funds for planning work elements and Project Study Reports (PSRs).

RPA - Rural Planning Assistance

- Traditionally, either State or Federal funds have been provided in some form of subvention.
- This program is funded by the State for required Overall Work Program mandated planning functions.
- Occasionally, competitive RPA grants are made, such as MCOG's Zero Emission Vehicle (ZEV) Regional Readiness Plan in FY 2012/13.

Caltrans Sustainable Transportation Planning Grant Program

- This program replaced the Consolidated Planning Grant Program, which included Community Based Transportation Planning, Environmental Justice, and Transit Planning grants.
- Funded by Federal Transit Administration (FTA, Section 5304) and State Highway Account.
- MCOG was awarded seven annual Community Based Transportation Planning grants and one Environmental Justice grant as a sponsor, administered through the Planning Overall Work Program, including projects for Gualala, Laytonville, Point Arena, Westport, Ukiah Rails-With-Trails, Covelo/Round Valley, and Anderson Valley/SR-128 Trail.
- MTA has received grants, most recently for a 2014/15 transit ridership survey.
- City of Willits completed the grant-funded Willits Main Street Corridor Enhancement Plan.
- In FY 2018/19, MCOG will complete its Pedestrian Facility Needs Engineered Feasibility Study.

Local Agency Match

- Local matching funds are required for some state and federal grants.
- Mendocino Transit Authority has contributed the required local match for their projects.
- Gualala, Laytonville, and Westport have provided in-kind local match contributions.
- MCOG provides required cash match from local planning funds in Overall Work Program.

SP&R - State Planning & Research

In recent years, MCOG has administered several SP&R grant projects for Caltrans District 1, such as the Pacific Coast Bike Route/California Coastal Trail Engineered Feasibility Study (2013), Hopland Main Street Corridor study (2015), Greater Ukiah Area Micro-simulation Model (2016).

MENDOCINO COUNCIL OF GOVERNMENTS

Transportation Development Act (TDA) Budget Calendar

- November** Social Services Transportation Advisory Council (SSTAC) convenes annual Unmet Transit Needs Workshop.
- December** MCOG Board conducts Unmet Transit Needs hearing to identify needs. Testimony includes needs identified by SSTAC, MTA, and the general public. MCOG refers to MTA all testimony for analysis of needs that meet the adopted definition. Analysis may include cost projections, ability to provide service, and prioritization.
- January** MTA prepares Unmet Transit Needs analysis for recommendation by Transit Productivity Committee (TPC) in April.
- County Auditor provides annual estimate of Local Transportation Fund (LTF) revenues to MCOG, by due date of February 1.
- February** MCOG staff prepares preliminary draft budget, including available LTF, State Transit Assistance (STA), Capital Reserve, and grant funds for Administration, 2% Bicycle & Pedestrian, Planning, and Transit allocations.
- MCOG staff issues notice to eligible claimants of the County Auditor's estimate and Area Apportionment by population, by due date of March 1.
- Mendocino Transit Authority (MTA) begins preliminary transit budget.
- Feb. / March** Executive Committee reviews staff's preliminary recommended budget and amount available for transit claims, for recommendation to MCOG Board. MTA staff receives committee materials and is included in discussions.
- MTA, as the designated Consolidated Transportation Services Agency (CTSA), informs subcontractors (senior centers) of projected amounts available to claim.
- MTA Board prepares transit claim based on MCOG's anticipated funds available.
- MTA submits transit claim to MCOG office by due date of April 1.
- April** TPC reviews for recommendation to MCOG: 1) Unmet Transit Needs analysis, and 2) annual transit claim.
- May** SSTAC optionally meets to review and comment on Unmet Transit Needs analysis.
- June** MCOG Board adopts reasonable-to-meet finding of Unmet Transit Needs for the upcoming year.
- MCOG Board adopts the annual budget, allocating funds for Administration, Bicycle & Pedestrian facilities, Planning, and Transit, including any Unmet Transit Needs found reasonable to meet.

I.
Administration,
Bike & Ped.
and Planning

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2019-02

ALLOCATING FISCAL YEAR 2019/20 FUNDS and 2018/19 CARRYOVER FUNDS for ADMINISTRATION, BICYCLE & PEDESTRIAN FACILITIES, PLANNING and RESERVES

WHEREAS,

1. Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
2. The total 2019/20 Local Transportation Fund (LTF) revenue has been estimated at \$3,852,643 by the Mendocino County Auditor-Controller, in addition to carryover of various funds and \$29,135 of prior-year unallocated LTF revenues;
3. The LTF Reserve fund balance available for allocation is \$190,020, and the 2017/18 fiscal audit identified unallocated “excess revenue” or Unrestricted Balance at \$378,614; the Executive Committee recommendation is to set aside \$193,000 of this combined amount for the FY 2019/20 LTF Reserve fund balance (five percent of the County Auditor-Controller’s fund estimate according to policy), and to release for allocation the remaining \$375,634;
4. Total revenue from all LTF sources available for allocation is estimated at **4,270,296**; other funding sources include Regional Surface Transportation Program, Service Authority for Freeway Emergencies (SAFE), and grants;
5. SAFE funds are documented in a separate budget and financial plan, referenced in exhibits to this resolution to conform with MCOG’s staffing contracts;
6. Dow & Associates shall have the management responsibility for the 2019/20 overall approved Administration budget of up to \$554,066 (Total Administration \$591,116 less SAFE contract \$37,050), attached and incorporated herein as **Exhibit A**, which includes contracts for professional services and other direct costs;
7. Dow & Associates shall have the management responsibility for Regional Surface Transportation Funds for the Regional Project Manager or equivalent position and budgeted direct costs, also referred to as Local Assistance-Project Delivery, as approved in its contract, identified in **Exhibits A and C**;
8. Dow & Associates shall have the management responsibility for Active Transportation Program state grants for the SR 162 Corridor Multipurpose Trail in Covelo, Phases I and II at an estimated \$200,000 carried over;
9. Davey-Bates Consulting shall have the management responsibility for the 2019/20 approved Overall Work Program (OWP) as amended and transportation planning and related projects, a budget summary of which is attached and incorporated herein as **Exhibit B**, in the amount of \$989,346; the Davey-Bates Consulting contract funding is summarized in **Exhibit D**;
10. The Planning allocation to the 2019/20 Overall Work Program, for transportation planning and related projects, will be provided from 2019/20 LTF revenues, reallocation of prior year local carryover funds, and state and federal sources; and

11. Allocation for Bicycle & Pedestrian facilities are allowable at no more than two percent (2%) of the LTF funds remaining after allocation for Administration; \$67,772 shall be allocated for 2019/20; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2019/20 as follows.

USE	AUTHORITY	SOURCE	FISCAL YEAR	AMOUNT	TOTALS
Temp. Reserves	TDA, CCR Sec. 6655.1	Local Transportation Fund (LTF)	2016/17	29,135	29,135
MCOG Administration	PUC Sec. 99233.1	LTF	2019/20	464,066	464,066
	Regional Surface Transportation Program (RSTP)	MCOG Local Assistance – Project Delivery	2019/20	90,000	90,000
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2019/20	0	200,000
			2018/19	200,000	
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2019/20	67,772	67,772
Planning Overall Work Program (OWP)	CCR Sec. 99402	LTF	2019/20	147,816	160,700
			2018/19	12,884	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2019/20	90,000	166,361
			2018/19	76,361	
	State Highway Account (SHA)	Rural Planning Assistance (RPA)	2019/20	294,000	294,000
			2018/19	0	
	Senate Bill 1 - Road Maintenance & Repair Account and SHA	Sustainable Communities Planning Grants	2019/20	119,516	119,516
	Senate Bill 1 - Public Transportation Account	Adaptation Planning Grants	2019/20	248,769	248,769
			Subtotal OWP	989,346	
			Total Allocations		1,840,319

2. Any amendment to the Overall Work Program approved by MCOG’s Board of Directors may result in a revised OWP budget.

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2019, by the following roll call vote:

AYES:
 NOES:
 ABSENT:

WHEREUPON, the Chairman declared the resolution adopted, AND SO ORDERED.

ATTEST: Nephela Barrett, Executive Director

Dan Gjerde, Chair

MCOG Administration
FY 2019/20 Budget

Executive and Ad Hoc Committee Recommendations

As of February 20 and March 28, 2019

Funding Source	TDA/LTF	RSTP	SAFE	Total	%	Note
Administration						A - SAFE B - TDA
TOTAL Admin. Budget Proposed	464,066	90,000	37,050	591,116	100%	
Staffing Contract						C, D
Dow & Associates new 2019/20 Base Rate + 5 years COLA	410,271	82,882	37,050	530,203		
Total Contract FY 2019/20	410,271	82,882	37,050	530,203	90%	
Other Direct Costs						
Memberships - CALCOG, CalACT, NSSR	4,000	-	-	4,000	0.7%	
Fiscal Audits of MCOG and MTA	26,500	-	-	26,500	4.5%	E
Performance Audit	7,500	-	-	7,500	1.3%	F
County Auditor-Controller	5,000	-	-	5,000	0.8%	
Legal Counsel	1,000	-	-	1,000	0.2%	
Travel and Training	5,000	-	-	5,000	0.8%	
Communications	2,000	-	-	2,000	0.3%	G
Contingency / Miscellaneous	2,795	-	-	2,795	0.5%	
Local Assistance	-	7,118	-	7,118	1.2%	
Total Other Direct Costs	53,795	7,118	-	60,913	10%	
Balance Available for Later Allocation	0	0	0	0	0%	

LEGEND

TDA/LTF = Transportation Development Act, source of Local Transportation Funds (1/4 cent sales tax)

RSTP = Regional Surface Transportation Program (federal source exchanged for state funds)

SAFE = Mendocino County Service Authority for Freeway Emergencies (\$1 DMV fee)

NOTES

A) The Mendocino County SAFE program is not made a part of MCOG's overall budget, since it was formed as a separate agency.

The SAFE budget is found in the Five-Year Strategic and Financial Plan adopted March 2017.

B) TDA Admin. at \$464,066 is 12.0% of County Auditor's Estimate of sales tax revenues (\$3,852,643), up from 11.8% last year.

C) Dow & Assoc.'s contract is calculated by adding each year's COLA increase: first to base proposal, then to result of each previous step.

This process was approved in the original contract proposal - table of calculations available on request. Dow & Associates' contract limits annual COLA to 4 percent. Increase would be calculated on California CPI Annual Average 2017 to 2018.

2018 Average 272.510 less 2017 Average 262.802 = 9.708 divided by 262.802 = 0.036940358140349 increase, rounded to 3.69%.

<https://www.dir.ca.gov/oprl/CAPriceIndex.htm> Using California statewide, All Urban Consumers

D) Regional Project Manager/Local Assistance position has been vacant FY 2018/19 year to date - RSTP reserved for extended contract.

E) Fiscal Audit costs previous year: MCOG \$12,000; Mendocino Transit Authority \$13,500; add'l services as needed \$1,000.

Budget uncertainty as proposals are due to be solicited for audits of FY 2018/19 and subsequent years.

F) The Triennial Performance Audit expense occurs in FY 2021/22 at budget of \$21,000.

FY 2019/20 starts a 3-year cycle of set-asides for the next audit (\$7,500 annually).

G) Communications expenses include website hosting, meeting space rentals, meals, video production, and miscellaneous printing.

**MENDOCINO COUNCIL OF GOVERNMENTS
FY 2019/2020 FINAL OVERALL WORK PROGRAM
SUMMARY OF FUNDING SOURCES**

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	STATE SB 1 Sust. Comm. Grant	STATE SB 1 Adaptation Grant	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$250		\$113,248			\$113,498
2	MCOG - Planning Management & General Coordination (Non-RPA)	\$82,276	\$12,723				\$94,999
3	MCOG - Community Transportation Planning	\$250	\$10,500				\$10,750
4	MCOG - Sustainable Transportation Planning			\$10,500			\$10,500
5	MCOG - SB 743 VMT Regional Baseline Study - <i>Grant Request</i>	\$15,485			\$119,516		\$135,001
6	Co. DOT - Combined Special Studies			\$60,000			\$60,000
7	MCOG - Planning, Programming & Monitoring		\$16,777	\$50,087			\$66,864
8	MCOG - Mendo. Co. Fire Vulnerability Assessment & Emergency Preparedness - <i>Grant Request (2-year project)</i>	\$32,231				\$248,769	\$281,000
12	Ukiah - Comprehensive ADA Access Plan Update - <i>Carryover</i>		\$35,000				\$35,000
13	Co. DOT - Orchard Ave. Extension Feas. Study - Grant Match - <i>Carryover</i>	\$7,608					\$7,608
14	MCOG - Training	\$21,500					\$21,500
15	Fort Bragg - Transp. Planning for Mill Site Reuse & Rezoning - <i>Carryover</i>		\$41,361				\$41,361
16	MCOG - Multi-Modal Transportation Planning			\$31,500			\$31,500
18	MCOG - Geographic Information System (GIS) Activities	\$600		\$5,250			\$5,850
20	MCOG - Grant Development & Assistance	\$500		\$23,415			\$23,915
	<i>Pavement Management Program (PMP) Triennial Update - RESERVE</i>		\$50,000				\$50,000
	TOTAL	\$160,700	\$166,361	\$294,000	\$119,516	\$248,769	\$989,346

TOTAL WORK PROGRAM SUMMARY

Local	\$160,700	Local LTF 2019/20 Alloc.	\$147,816
State	\$828,646	Local LTF <i>Carryover</i>	\$12,884
Federal	\$0	State PPM 2019/20 Alloc.	\$90,000
TOTAL	\$989,346	State PPM <i>Carryover</i>	\$76,361
		State RPA 2019/20 Alloc.	\$294,000
		State SB 1 Sust. Communities Grant	\$119,516
		State SB 1 Adaptation Grant	\$248,769
		Federal	\$0
		TOTAL	\$989,346

PROGRAM MATCH		
Local	\$160,700	16.2%
State	\$828,646	83.8%
Federal	\$0	0.0%
TOTAL WORK PROGRAM SUMMARY	\$989,346	100.0%

Dow & Associates
ADMINISTRATIVE & FISCAL SERVICES
Allocation Summary
Fiscal Year 2019/20

1. **Budget.** Total approved funding for the services of Dow & Associates is **\$530,203**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Administrative & Fiscal Services contract between MCOG and Dow & Associates shall be as originally submitted in the Dow & Associates proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair. On March 4, 2019, the Board approved a one-year extension of the contract through September 30, 2020.

- 3(a) **MCOG Administration.** The funding source is Local Transportation Fund (LTF). Contractor’s portion of the MCOG administrative budget totals **\$410,271**. This amount is to be routinely submitted as a monthly claim, at \$34,190 for the first 11 months, then at \$34,181 for the final month.
- 3(b) **MCOG Regional Project Coordinator** (or equivalent position). The funding source is Regional Surface Transportation Program (RSTP). Contractor’s portion of the MCOG administrative budget totals **\$82,882**. The Regional Project Coordinator position is part time at 27 hours per week. This staff time, also referred to as Local Assistance, shall be billed on a monthly reimbursable basis for actual hours worked at a fully-weighted hourly rate.

MCOG’s adopted policy allocates \$90,000 to this staff position. Under the approved contract, the full amount will not be claimed, so a balance remains. This amount will be made available for other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion, such as outside professional services required for grant applications by partner agencies. (Refer to Resolution # M2019-05.)

FY 2019/20 Allocation per Policy		\$ 90,000
Contracted rate as adjusted by cumulative COLA	\$77.69/hour	Up to \$ 82,882
Available for Local Assistance Direct Costs		\$ 7,118

- 3(c) **Reimbursable Direct Costs.** The funding sources are Local Transportation Fund (LTF) and Regional Surface Transportation Program (RSTP). In addition to staffing services, Contractor may claim certain direct costs for reimbursement as necessary, identified in MCOG’s FY 2019/20 Administration Budget, to include line items for Travel, Communications, Contingency/Miscellaneous, and Local Assistance.

4. **SAFE Administration.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles, identified in a separate budget from the 2016 through 2020 *Mendocino County Service Authority for Freeway Emergencies (SAFE) Five-Year Strategic and Financial Plan*, adopted on March 6, 2017.

Contractor's portion of the SAFE administrative budget totals **\$37,050** to cover SAFE administrative staff time and direct costs incurred by the Contractor. This amount is to be routinely submitted as a monthly claim, at \$3,085 for the first 11 months, then at \$3,115 for the final month.

Davey-Bates Consulting

PLANNING SERVICES
Allocation Summary

Fiscal Year 2019/20

1. **Budget.** Total approved funding for the services of Davey-Bates Consulting is **\$407,533**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Transportation Planning Services contract between MCOG and Davey-Bates Consulting shall be as originally submitted in the Davey-Bates Consulting proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair. On March 4, 2019, the Board approved a one-year extension of the contract through September 30, 2020.

3. **MCOG Planning.** Multiple funding sources are identified in the Overall Work Program. MCOG planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates, and pursuant to the approved 2019/20 Work Program (as may be amended). Total approved funding for MCOG planning duties in FY 2019/20 is **\$390,542**.
4. **SAFE Planning & Operations.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles, identified in a separate budget from the 2016 through 2020 *Mendocino County Service Authority for Freeway Emergencies (SAFE) Five-Year Strategic and Financial Plan*, adopted on March 6, 2017.

SAFE planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates. Total approved funding for SAFE planning and operations in FY 2019/20 is **\$16,991**.

Davey-Bates Consulting

FISCAL YEAR 2019/20 PLANNING CHARGE RATES

The following rates have been approved for transportation planning services performed under the contract. These will be applied to work done on tasks identified in MCOG's 2019/20 Transportation Planning Overall Work Program.

Lisa Davey-Bates, Principal	\$ 127.14
Deputy Planner	\$ 114.33
Program Manager	\$ 90.27
Associate Program Planner/Administrator	\$ 64.10
Executive Assistant	\$ 38.00

II.
Unmet
Transit Needs

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2019-03

FINDING THAT
THERE ARE UNMET TRANSIT NEEDS
THAT ARE REASONABLE TO MEET
FOR FISCAL YEAR 2019/20

WHEREAS,

- The Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency for Mendocino County;
- The MCOG Board of Directors, on November 2, 1992 and December 7, 1998, adopted revised definitions of “unmet transit need” and “reasonable to meet,” attached hereto as **Exhibit A**;
- MCOG held its “unmet transit needs” public hearing for Fiscal Year 2019/20 on December 3, 2018, accepting as testimony a list of ten (10) needs compiled by the Social Services Transportation Advisory Council (SSTAC) on November 15, 2018, fifteen (15) needs from Mendocino Transit Authority (MTA) from public meetings during the year, and two (2) needs from testimony at the public hearing, for a total list of 27 items;
- On December 3, 2018, MCOG referred all unmet transit needs testimony received from the SSTAC, MTA and the public hearing, attached as **Exhibit B**, to MTA for analysis, cost projections and prioritization, then to be referred to the Transit Productivity Committee for a recommendation of “reasonableness” according to MCOG’s process;
- The Transit Productivity Committee met and reviewed MTA’s report, attached as **Exhibit C**, and recommended to MCOG that “*there are unmet transit needs that are reasonable to meet for Fiscal Year 2019/20,*” with three (3) needs listed, as reflected in the Transit Productivity Committee minute order of May 21, 2019, attached as **Exhibit D**;
- The Social Services Transportation Advisory Council met again on May 21, 2019 (minutes to follow when available) to review MTA’s report and concurred with the recommendation; and
- MTA and the TPC anticipate that the unmet transit needs recommended as “reasonable to meet” can be funded by reallocation of existing resources, so MTA did not include any unmet transit needs in their 2019/20 claim; therefore, be it

RESOLVED, THAT:

MCOG finds that there are unmet transit needs that are reasonable to meet for Fiscal Year 2019/20, as identified on the FY 2019/20 list:

- #M-7 Bus stop on East Gobbi Street at senior mobile home park (Ukiah area)
- #M-10 Add more service on Talmage Road for those who cannot walk very far
- #M-14 Reconsider a pulse system at the Navarro Junction for buses to Fort Bragg, Ukiah, Gualala and Point Arena

(M=MTA PH=Public Hearing S=SSTAC)

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2019, by the following roll call vote:

- AYES:
- NOES:
- ABSTAINING:
- ABSENT:

WHEREUPON, the Chair declared the resolution adopted, AND SO ORDERED.

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

Adopted by MCOG

11/2/92

Revised by MCOG

12/7/98

MENDOCINO COUNCIL OF GOVERNMENTS

“Unmet Transit Needs” and “Reasonable to Meet” Process

Introduction

The stated intent of the Legislature in passing the Transportation Development Act (TDA) was to provide funding for transit, which would provide an essential public service through a balanced transportation system. The TDA administrative code specifically states, “it is the intent of the Legislature to improve existing public transportation services and encourage regional public transportation coordination.” The Public Utilities Code, in Article 2, Section 99220 provides even more succinctly: “to encourage people to use public transportation rather than private vehicles.”

Prior to using TDA funds for street and road improvements, Sections 99401.5 and 99401.6 of TDA require the Regional Transportation Planning Agency to hold a public hearing and make a determination that there are no unmet transit needs that can reasonably be met within the area of a county, city or eligible operator. As a result, the RTPA has the responsibility and authority to determine what constitutes unmet transit needs and whether or not such unmet transit needs can reasonably be met.

The Mendocino Council of Governments (MCOG), acting in its official capacity as the designated Regional Transportation Planning Agency for Mendocino County, accomplishes this in part through a public hearing process conducted by MCOG taking into account the recommendations of the Social Services Transportation Advisory Council and other various factors in the transportation planning process.

Definitions

The following definitions of “Unmet Transit Need” and “Reasonable to Meet” have been adopted by the Mendocino Council of Governments.

The unmet needs and reasonableness policies apply to new proposed services. Existing services will be evaluated through the existing performance standard policies established by MCOG, and reviewed by the Transit Productivity Committee.

1. Unmet Transit Need: Whenever a need to transport people is not being satisfied through existing public or private resources.
2. Reasonable to Meet: It is reasonable to meet a transit need if all of the following conditions prevail:

“Unmet Transit Needs” and “Reasonable to Meet” Process

Page 2 of 2

12/7/98

- a) Service will be capable of meeting the Transportation Development Act fare revenue/operating cost requirements and established MCOG criteria for new services
- b) Transit services designed or intended to address an unmet transit need shall not duplicate transit services currently provided either publicly or privately
- c) The claimant this is expected to provide the service shall review, evaluate and indicate that the service is operationally feasible, and vehicles shall be currently available in the market place
- d) Funds are available, or there is a reasonable expectation that funds will become available.

/le
/jmo



MENDOCINO COUNCIL OF GOVERNMENTS

Reso. # M2019-03

Exhibit B

2 Pages

FY 2019/20 Unmet Transit Needs

Testimony Heard in Public Hearing

February 4, 2019

(not in any order of priority)

Needs Identified at the SSTAC workshop:

1. Non-emergency medical transportation for out of the service areas/hours for seniors and disabled adults
2. Weekend and after-hours rides for seniors and disabled adults
3. Service for isolated seniors and disabled adults
4. Wheelchair accessible door-through-door assisted services for seniors and disabled adults on Wednesdays in the Ukiah area
5. Transportation from remote rural areas to existing transit stops (e.g. rides, cost stipends, etc.)
6. Unexpected medical emergencies after hours/weekends
7. General public service in Brooktrails
8. Transportation to/from Golden Rule RV Park and Willits
9. Transportation to/from Hopland and Ukiah
10. Ukiah fixed route and DAR services starting a half hour earlier in the mornings for transportation to jobs (for UVAH Clients).

Needs Identified by Mendocino Transit Authority (MTA):

1. Brooktrails service
2. Sherwood bus transportation (Willits area)
3. Laytonville/Covelo service
4. Willits High School service
5. Willits Senior Center request for more Local Transportation Funds
6. Route #60 on Sundays (Fort Bragg area)
7. Bus stop on East Gobbi Street at senior mobile home park (Ukiah area)
8. Route #20 to Forks and Calpella in evening and on Saturday (Ukiah area)
9. More evening transportation from Ukiah to Willits to get people home who work and disabled persons workshops and meetings past the last bus
10. Add more service on Talmage Road for those who cannot walk very far

11. Saturday Route #20 to provide service between Redwood Valley and Mendocino College
12. 6-8AM Route #60 from Santa Rosa north to Ukiah
13. Bridge services between Gualala area and South Coast
14. Reconsider a pulse system at the Navarro Junction for buses to Fort Bragg, Ukiah, Gualala and Point Arena
15. Service to Eagle Peak school in Redwood Valley (20 parents have requested).

Needs Identified in Public Hearing:

1. Increase round trips Fort Bragg to Santa Rosa on weekends
2. Increase round trips Ukiah to Hopland – mornings, evenings and weekends.

TOTAL of 27 Recommended Unmet Transit Needs for Analysis by MTA

MTA Analysis of Unmet Transit Needs for 2019-20

This analysis includes 27 Unmet Needs identified by the SSTAC (Social Services Technical Advisory Committee, Mendocino Transit Authority from letters, phone calls and public meetings and additional items as received. These have been placed in the following categories.

- **Already Exists (1)**
- **High Priority (Consider for FY 2019/20) (8)**
- **Medium Priority (3)**
- **Low Priority (15)**
- **Not an Unmet Need....(0)**

Already Exists

15. Service to Eagle Peak school in Redwood Valley (20 parents have requested)

- MTA provides service to Redwood Valley at a bus stop that is approximately 3 blocks from the school. As a public transportation provider, not a school bus service, which MTA is prohibited by law from performing, students can get off at the existing stop and walk the three blocks to the school.

High Priority – Consider for FY 2019/20 (not in priority order)

Needs Identified at the SSTAC workshop:

1. Non-emergency medical transportation for out of the service areas/hours for seniors and disabled adults.

- MTA has hired a new Mobility Manager. As a part of those duties is to coordinate all available transportation options through that position here at MTA. Part of the MM's job is to search for transportation options beyond what is currently in existence. It may even lead to the creation of a volunteer driver program for the above unmet need.

2. Service for isolated seniors and disabled.

- Same as above.

4. Wheelchair accessible door-through-door assisted services for seniors and disabled adults on Wednesdays in the Ukiah area.

- MTA will begin working with our Senior Center Partners this fiscal year to see if an improvement on the LTF fund claim distribution percentage revision can be achieved.

10. Ukiah fixed route and DAR services starting a half-hour earlier in the mornings for transportation to jobs (UVAH clients.)

- While MTA does not have the financial resources to extend fixed route services, by the ADA we are required to provide service on our DAR to ADA clients the same hours as our fixed route. MTA now has in place sophisticated DAR scheduling software that can schedule these trips as needed on a day-to-day basis. Drivers no longer report at fixed times, but, as the day's manifest requires.

Needs as Identified by Mendocino Transit Authority (MTA):

4. Willits High School Service.

- The MTA Route Committee is working on addressing this issue in the next year.

7. Bus stop on East Gobbi Street at senior mobile home park (Ukiah area).

- The MTA Route Committee is working on addressing this issue in the next year.

9. More evening transportation from Ukiah to Willits to get people home who work and disabled persons workshops and meetings past the last bus.

- As this is not a grant restricted funding route, the MTA Route Committee is addressing this issue in the next year. While it will not be an expansion of service, it may possibly be a changing of existing route times to address the need.

14. Reconsider a pulse system at the Navarro Junction for buses to Fort Bragg, Ukiah, Galal and Point Arena.

- Again, this is an issue that the MTA Route Committee will address in the next year.

Medium Priority – (not in priority order)

Needs Identified at the SSTAC workshop:

9. Transportation to/from Hopland and Ukiah

- MTA currently provides transportation to and from Hopland and Ukiah on the Route #65. However as this is a restricted grant funded service that must meet with Greyhound connections Santa Rosa, Ukiah and Willits. MTA realizes the need for increased service to the community but is limited by financial constraints at this time.

Needs Identified by Mendocino Transit Authority (MTA):

10. Add more service on Talmage Road for those who cannot walk very far.

- MTA agrees with the need, but, due to financial constraints at this time, it does not meet the High Priority need. This should remain on the planning expansion list for future service expansion needs.

Needs Identified in Public Hearings:

2. Increase round trips Ukiah to Hopland – mornings, evenings and weekends.

- This need is also identified at the SSTAC workshop. MTA agrees that additional service to meet the needs of low-income service workers in the Hopland area is justified. However, due to financial constraints and that the existing service is restricted by grant funding, MTA is unable to expand service at this time. This should remain on the planning expansion list for future service expansion needs.

Low Priority – (not in priority order)

Needs Identified at the SSTAC workshop:

2. Weekend and after-hours rides for seniors and disabled adults.
5. Transportation from remote rural areas to existing transit stops (e.g. rides, cost stipends, etc.)
6. Unexpected medical emergencies after hours/weekends.
7. General Public service in Brooktrails.
8. Transportation to/from Golden Rule RV Park and Willits.

Needs Identified by Mendocino Transit Authority (MTA):

1. Brooktrails service.
2. Sherwood bus transportation (Willits area).
3. Laytonville/Covelo service.
5. Willits Senior Center request for more Local Transportation Funds.
6. Route #60 on Sundays.
8. Route #20 to Forks and Calpella in evening and on Saturday (Ukiah area).

11. Saturday Route #20 to provide service between Redwood Valley and Mendocino College.
12. 6-8AM Route #60 from Santa Rosa north to Ukiah
13. Bridge services between Gualala area and South Coast.

Needs Identified in Public Hearing:

1. Increase round trips from Fort Bragg to Santa Rosa on weekends.

Non-Qualifying Unmet Needs

None

MENDOCINO COUNCIL OF GOVERNMENTS

MINUTE ORDER

Transit Productivity Committee – Unmet Transit Needs

May 21, 2019

Dow & Associates Conference Room, Ukiah

PRESENT:

MCOG Board Members: Michael Carter and Jim O. Brown
MTA Board Members: Jim Mastin
Senior Centers Rep.: Diana Clark and Marilyn DeFrange, Ukiah Senior Center
Staff: Janet Orth, Nephela Barrett and Marta Ford, MCOG
Carla Meyer, MTA

ABSENT:

Jim Tarbell, MTA

1. **Call to Order.** The meeting was called to order at 10:00 a.m. Self-introductions were made.

3. **Review and Recommendation on MTA’s Analysis and Prioritization of 2019/20 Unmet Transit Needs – continued from May 2, 2019.** Janet briefly reviewed the annual process, status and adopted definitions.

Carla reviewed status of last year’s seven needs found reasonable to meet, contingent on three factors (MTA’s review of existing routes; update of seniors transportation funding formula; potential federal 5311 grants). Five needs are in various stages of being met, and the other two are not able to be met in the near term. In discussion, it was agreed to drop the five of these seven needs that appear on the new list as High Priority, since they are already in progress.

Carla confirmed that any needs not found reasonable to meet in the coming year can still be addressed by MTA as opportunities arise from changing conditions. Discussion followed on MTA’s newly funded Mobility Management position and potential volunteer driver programs.

MTA’s analysis of the list of all testimony compiled by MCOG from the Social Services Transportation Advisory Council (SSTAC), Mendocino Transit Authority (MTA) and the December public hearing was included in the agenda packet. The report was ranked by five categories: *Already Exists* (1), *High Priority–Consider for FY 2019/20* (8), *Medium Priority* (3), *Low Priority* (15), and *Not an Unmet Need* (0), for a total of 27 needs. Carla’s review and group discussion included the following (excluding prior-year needs).

- “Already Exists” – #M-15, service to Eagle Peak school in Redwood Valley as requested by parents is provided by an MTA stop within three blocks. MTA is prohibited by law from providing school bus service.
- “High Priority–Consider for FY 2019/20” – MTA’s route committee is addressing issues of these needs: #M-7, addition of a bus stop on East Gobbi Street in Ukiah to serve a seniors’ mobile home park is contingent on revisions to MTA’s Dial-A-Ride program (DAR). #M-9, evening transportation for workers returning from Ukiah to Willits, will not be an expansion of service but could involve a timing adjustment of Route 20. #M-14, a pulse system at Navarro Junction for buses to Fort Bragg, Ukiah, and Point Arena, would time buses to meet together for ride transfers.
- “Medium Priority” – #S-9 and PH-2, to increase Ukiah-Hopland service, was tried years ago but demographics have changed, with more workers in town, so enough riders could now be anticipated. While Hopland is served by Route 65, this is a grant-funded service with restrictions such as meeting Greyhound connections in Santa Rosa; also there is no funding available. #M-10, service on Talmage Road in Ukiah also is constrained by lack of funds, but should be kept in mind for future expansion. DAR service would be more efficient than fixed route for this need.
- “Low Priority” – Each of these 15 needs were reviewed. Most lacked available funding resources. Others were logistically impractical (e.g. Golden Rule Park outside Willits has no safe way to drop off passengers on US-101 northbound). Others were inequitable (e.g. “general public service” by

paratransit DAR is being eliminated; since not offered in Ukiah, should not be offered in Brooktrails). “Unexpected medical emergencies after hours/weekends” should be addressed by 911 call, not transit. Mendocino College service would not be justified on Saturdays, for lack of classes and therefore riders. So for various reasons, these needs did not rise to the top as “reasonable to meet” by definition.

Recommendation:

Upon motion by Carter, seconded by Brown, and carried unanimously (*4 Ayes; 0 Noes; 1 Absent*): The TPC recommended a finding that there are unmet transit needs that are reasonable to meet for Fiscal Year 2019/20, as identified on the list:

- #M-7 Bus stop on East Gobbi Street at senior mobile home park (Ukiah area)
 - #M-10 Add more service on Talmage Road for those who cannot walk very far
 - #M-14 Reconsider a pulse system at the Navarro Junction for buses to Fort Bragg, Ukiah, Gualala and Point Arena.
- [M=MTA; PH=Public Hearing; S=SSTAC]

6. Adjournment. The meeting was adjourned at 11:10 a.m.

Submitted by Janet Orth, Deputy Director / CFO

III.
Mendocino
Transit Authority

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2019-04

ALLOCATING FISCAL YEAR 2019/20 LTF, STA, and FY 2018/19 CARRYOVER CAPITAL RESERVE FUNDS to MENDOCINO TRANSIT AUTHORITY

WHEREAS,

- The Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- The Mendocino Transit Authority (MTA) is designated as the Consolidated Transportation Services Agency (CTSA) for Mendocino County by MCOG and has submitted a claim for funding for public transportation purposes in accordance with the Transportation Development Act (TDA), which provides for the needs of MTA and Senior Centers in Mendocino County with Local Transportation Funds (LTF) funds, State Transit Assistance (STA) funds, and Capital Reserve Funds;
- This claim, attached hereto as **Exhibit A**, was reviewed by MCOG staff and the Transit Productivity Committee (TPC), and the MTA Board of Directors may make revisions according to budget development and TPC recommendations, as allowed by adopted MCOG policy, and staff and the TPC recommended 1) full funding of MTA's current-year claims for FY 2019/20 Local Transportation Funds, and 2) allocations for Long-Term Capital from the Reserve fund balance if MTA's five-year capital program can identify projects for this funding source;
- According to MCOG's adopted Capital Reserve Fund policies, eligible applicants under contract with MTA may request capital funds, providing that a five-year capital program and contract between the claimant and MTA is on file with the RTPA;
- Capital claims must be identified in accordance with TDA: 1) to reflect capital needs that will be expended during the fiscal year so claimed under Public Utilities Code 6648 and 2) filed to reflect specific capital improvements of a long-term nature up to five years, or for matching purposes in applying for federal transportation grants under P.U.C. 6631;
- MTA is the only eligible claimant of State Transit Assistance, for which eligibility for Operations funding is to be determined by performance reviews and fiscal audits;
- State of Good Repair program funding is available through the RTPA from Senate Bill 1, the Road Repair & Accountability Act of 2017; and
- Based on allocations in accordance with TDA for Administration, 2% Bicycle & Pedestrian, Planning and Reserves, the 2019/20 LTF funds available for transportation services are \$3,548,623; STA funds available for 2019/20 are estimated at \$1,410,136 (\$946,179 of new State funds and \$463,957 of accumulated fund balance including 2018/19 revised estimate); State of Good Repair funds are estimated at \$261,394 (\$131,815 of new funds and \$129,579

of prior-year fund balance); and the Capital Reserve Fund balance is estimated at \$674,846. The total amount available for transportation services from these three funding sources is estimated at **\$5,894,999**; therefore, be it

RESOLVED, THAT:

MCOG hereby allocates LTF, STA, and Capital Reserve Funds to MTA and its contract claimants as follows:

1.

AUTHORITY		SOURCE	USE	AMOUNT
A.	PUC Sec. 99260(a)	Local Transportation Fund (LTF)	MTA Operations	2,993,124
	PUC Sec. 99260(a)		Unmet Transit Needs	0
	PUC Sec. 99400(c)		Senior Center Operations	555,499
	PUC Sec. 99260(a)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total LTF	3,548,623
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	946,179
	CCR Sec. 6731(b)		Senior Center Operations	0
	CCR Sec. 6730(b)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total STA	946,179
C.	CCR Sec. 6648	Capital Reserve Fund (CRF)	Current Year - MTA	0
	CCR Sec. 6648		Current Year – Senior Centers	0
	CCR Sec. 6631		Long Term – MTA and Seniors	674,846
	CCR Sec. 6648		LTF/STA contribution allocated above	0
			Total CRF	674,846
D.	Senate Bill 1	State of Good Repair (SGR)	To Be Determined	0
			Total SGR	0
			Total LTF, STA, and Capital Reserve Allocations	5,169,648
			Balance Remaining for Later Allocation	725,351
			Total Estimated 2019/20 Funds Available for Transit	5,894,999

2. Additionally, MCOG makes the following required findings from Article 5, Section 6754 of the California Code of Regulations, regarding STA and LTF eligibility and fund allocation (refer to documentation on file):

A. MCOG as the regional entity may allocate funds to an operator or a transit service claimant on the basis of all these findings:

a. The claimant’s proposed expenditures are in conformity with the Regional Transportation Plan.

b. The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of Public Utilities Code (PUC) Section 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant. The most recent fiscal audit dated June 30, 2018 confirmed that MTA’s farebox ratio of 12.6% had more than met the 10% ratio required by Senate Bill

508, effective July 1, 2016. MTA more than met the required 10% for the most recent period reviewed by the TPC, March 1, 2015 through February 28, 2018.

- c. The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended, now referred to as the Federal Transit Administration (FTA).
 - d. Of five measures for analysis on eligibility for Capital and Operations for use by both LTF and STA funds that were applied by the independent auditor in the most recent fiscal audit, all were met according to the auditor's report.
 - 1. The sum of the claimant's allocations from STA did not exceed the amount the claimant is eligible to receive during the fiscal year for operations purposes. For the fiscal year audited (ending June 30, 2018), the funds were claimed by MTA for both operating and capital purposes.
 - 2. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for operating.
 - 3. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for capital.
 - 4. The claimant's subcontractors (senior centers) did not exceed the eligibility criteria for LTF and STA funds during the fiscal year.
 - 5. The fifth measure pertains to passenger rail eligibility and was not applicable for the fiscal year audited.
- B. MCOG as the regional entity may allocate funds to an operator for any transit-related purpose (as specified in Section 6730) on the basis of all these findings:
- a. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them. On August 18, 2014 MCOG adopted new Operating Cost per Vehicle Service Hour and Cost per Passenger performance standards, referred to as "CPI Adjusted Rolling Average" for its annual performance review. On May 2, 2019, the Transit Productivity Committee (TPC) reviewed performance data through February 28, 2018 and did not make any further recommendations to the Board of Directors. The TPC did identify several internal action items for the next performance review process, to be later reported. Two of three recommendations of last year are being implemented: that MCOG consider reducing its farebox standard to ten percent and that MTA conduct a review of all routes on the system for productivity.

- b. The California Highway Patrol has certified, within the last 13 months and prior to filing claims, that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by PUC Section 99251.
 - c. The operator is in compliance with the eligibility requirements of PUC Section 99314 as applicable (relative to STA funds).
3. In accordance with Section 99405(c) of the Public Utilities Code, MCOG adopts and sets forth the local match requirements for senior centers claimed under Article 8 at a minimum of 10 percent, consistent with Senate Bill 508, signed into law October 9, 2015, amending the Transportation Development Act.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$343,201 as of June 30, 2018, less 2018/19 allocations of \$0, the addition of no earned interest recorded as of the first budget draft in February 2019, and a new contribution of \$331,645 from 2018/19 STA revenues, provides a total estimated balance of \$674,846. MTA has requested no funds for FY 2019/20 current-year capital projects and the TPC and MCOG staff have recommended an allocation to the claim when MTA's adopted Five-Year Capital Plan is provided to MCOG, therefore the entire available balance of \$674,846 is hereby allocated to capital needs for MTA as identified in #1(C) above and to be referenced in MTA's Capital Plan.
5. The above allocations are to be paid to MTA in conformance with allocation instructions as submitted by MCOG's Executive Director to the County Auditor-Controller.
6. MTA will be required to incorporate all TDA requirements for these allocations in their upcoming 2019/20 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2019.

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2019, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

WHEREUPON, the Chairman declared the resolution adopted, AND SO ORDERED.

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair



SERVING MENDOCINO COUNTY SINCE 1976

April 1, 2019

Ms. Nephele Barrett, Executive Director
Mendocino Council of Governments
267 North State Street, Suite 206
Ukiah, CA 95482

Dear Nephele,

Attached is MTA's claim for funds for fiscal year 2019/2020. The MTA preliminary budget was reviewed at our March 28, 2018 and the formal resolution for the claim will be approved at the May 27, 2019 Board Meeting. In summary, MTA is requesting:

\$ 3,548,623 from the Local Transportation Fund (LTF), and
\$ 946,179 in State Transit Assistance funds

Local Transportation Fund

The Claim includes the amount recommended by MCOG's Executive Committee as available for Transit. Of that amount, \$2,993,124 would be used to support MTA's General Public Operations and \$555,499 for Senior Center operations. No funds would be used for the Unmet Transit Needs List referred to MTA by your Board.

State Transit Assistance Fund

The Claim includes a total of \$946,179 of MTA's share of the Governor's State budget for STA funds to be used for Operating assistance.

Capital Reserve

The Capital Program for FY2018/19 balance will remain in the Long-Term Capital Reserve for future use.

MTA Operations

The Auditor's Estimate of LTF Revenues FY19/20 will be utilized to augment MTA operating costs.

Senior Center Subsidy Program

Senior Center operating budgets are not developed until later in the process. However, since 1996, MTA and Senior Centers have agreed to share equally in the percentage change in LTF funding available for transit operations.

MTA and Senior Center Capital Program

The Capital Program for the budget year FY 19/20 will reflect only projects which MTA will pay for from its own reserve account. However, should the VW Settlement funds become available during this fiscal year and should MTA be successful in obtaining said funds, MTA will submit a revised Capital Plan and request an amendment to the Capital Budget claim to purchase, hopefully, six (6) all-electric cutaway buses. Four of these buses will be utilized as Dial-A-Ride in Ukiah and Fort Bragg, with the remaining two (2) being utilized as fixed-route evening service in Ukiah.

Uncertainty

As always, the creation of a budget in March is highly uncertain. Federal and state funding are unknown well after our fiscal year begins. We are submitting the best information we have at this time, but respectfully request your understanding and support in the event that a revised claim is necessary.

Sincerely,



Carla Meyer
General Manager

Cc: Budget File

Mendocino Transit Authority
Summary of 2019/2020 Claim for Funds

5/2/19

Source	Authority	Purpose	FY 2018/19 Amount	FY 2019/20 Amount
Local Transportation Fund:				
	PUC, Sec. 99260(a)	MTA Operations	\$2,661,288	\$2,993,124
	PUC, Sec. 99260(a)	Unmet Transit Needs		\$0
	PUC, Sec. 99400(c)	Senior Center Operations	\$493,777	\$555,499
	PUC, Sec. 99260(a)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
	PUC, Sec. 99260.6	Rail Passenger Subsidy	\$0	\$0
Total			\$3,155,065	\$3,548,623
State Transit Assistance Fund:				
	CCR, Sec. 6730(a)	MTA Operations	\$300,000	\$946,179
	CCR, Sec. 6731(b)	Senior Center Operations	\$0	\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital	\$49,000	
	CCR, Sec. 6752	Reclaim for MTA Capital	\$331,645	
	CCR, Sec. 6648	Transit Capital Reserve		\$0
Total			\$680,645	\$946,179
Capital Reserve				
	CCR, Sec. 6648	MTA Capital		\$0
	CCR, Sec. 6648	Senior Capital	\$0	
	CCR, Sec. 6631	Long-Term Capital	\$331,645	\$674,846
Total			\$331,645	\$674,846
Total Claim			\$4,167,355	\$5,169,648

IV.
Regional
Surface Transportation
Program

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2019-05

ALLOCATING REGIONAL SURFACE TRANSPORTATION PROGRAM FUNDS for FISCAL YEAR 2019/20 MCOG PARTNERSHIP FUNDING PROGRAM, LOCAL ASSISTANCE, AND DISTRIBUTION BY FORMULA TO MEMBER AGENCIES

WHEREAS,

- Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- Regional Surface Transportation Program (RSTP) revenue is based on estimates provided by the California Department of Transportation under the FAST Act (Fixing America's Surface Transportation Act) federal legislation; preliminary estimated revenue for FY 2019/20 is **\$780,992**;
- Customarily MCOG has exchanged its annual federal RSTP apportionment for more flexible state funds through State of California's optional Federal Apportionment Exchange Program;
- On June 5, 2006, MCOG adopted a simplified version of its existing RSTP distribution formula, such that 60 percent of the annual regional apportionment is divided equally among the five MCOG member jurisdictions as a base amount, and 40 percent is divided by the Federal Aid Urban (FAU) equivalent road miles percentage for each jurisdiction;
- On June 5, 2006, MCOG also created a capital fund from RSTP revenues, for MCOG regional safety, operational and capacity-increasing projects that stimulate partnerships, in specified amounts of each annual regional apportionment, before distribution to the five MCOG member jurisdictions, and this set-aside is referred to as MCOG's Partnership Funding Program;
- On October 4, 2010, MCOG confirmed four agreements in concept as a result of the Council's Strategic Planning Workshop of August 9, 2010:
 - 1) MCOG will be responsible for project development for priority projects to ensure project readiness.
 - 2) MCOG's Partnership Funding Program, initiated several years ago with RSTP funding, will be continued through the life of the next federal transportation bill.
 - 3) MCOG will pursue expansion of the level of local assistance for its member agencies.
 - 4) MCOG will expand project selection criteria to increase the relative importance of leveraging and to reflect outcomes of this workshop.
- On February 7, 2011, MCOG approved Dow & Associates' staffing contract extension, to include RSTP funds for a new "local assistance" staff position with the goal of increased project delivery, consistent with the Council's strategic planning of the previous August; this new position of Regional Project Manager (now referred to as Regional Project Coordinator) was initiated in FY 2011/12 at \$90,000 per year;

- Under the approved five-year contract and one-year extension for Administration & Fiscal Services that began October 1, 2014, Dow & Associates shall have the management responsibility for the Partnership Funding Program in the amount of approximately **\$1,137,922** (\$937,922 fund balance at June 30, 2018, \$100,000 allocated for FY 2018/19, \$100,000 anticipated for FY 2019/20); this amount includes two open Partnership project balances assigned by the Council of \$385,861 and an estimated \$652,061 available for later allocation;
- Dow & Associates also shall have the management responsibility for the Local Assistance budget of \$90,000 and an estimated unexpended program fund balance of \$141,977 through FY 2017/18; the amount of \$90,000 shall be allocated to continue Local Assistance services to member agencies in Fiscal Year 2019/20, to include the actual personnel cost according to contract (up to \$82,882) and other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion, such as engineer’s services for member agency grant proposals (up to \$7,118), subject to periodic reports to the Board of Directors; and
- It is MCOG’s intention to reevaluate its RSTP formula for distribution to the member agencies if a forthcoming federal transportation legislative bill substantially changes the amount of, or designated use of, RSTP funds; therefore, be it

RESOLVED, THAT: MCOG hereby allocates estimated new RSTP revenues for FY 2019/20 as follows.

PROGRAM		AMOUNT	TOTALS
MCOG Partnership Funding		100,000	100,000
Local Assistance – Project Delivery		90,000	90,000
Formula Distribution to MCOG Member Agencies (rounded to nearest dollar)	Mendocino County Dept. of Transportation	127,229	590,992
	City of Ukiah	171,222	
	City of Fort Bragg	114,321	
	City of Willits	107,301	
	City of Point Arena	70,919	
Total FY 2019/20 Allocations			780,992

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2019, by the following roll call vote:

AYES:

NOES:

ABSENT:

WHEREUPON, the Chair declared the resolution adopted, AND SO ORDERED.

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

Appendix



MCOG Budget Workshop

May 6, 2019

Funding Sources in Annual Budget 2

Transportation Development Act (TDA)

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

Local & State Planning Funds:

- LTF
- STIP Planning, Programming & Monitoring (PPM)
- Rural Planning Assistance (RPA)
- Active Transportation Program (ATP)
- Caltrans planning grants

Regional Surface Transportation Program (RSTP)

- Federal - exchanged for state funds

Funding Sources in Annual Budget 5

- For details see:

MENDOCINO COUNCIL OF GOVERNMENTS
2019/20 Budget
Explanatory Notes on Funding Sources
6/6/2018

1.23 Local Transportation Fund

- General State funds are available to all state jurisdictions.
- Governed by the Transportation Development Act (TDA).
- Administered by Regional Transportation Planning Agencies.
- Fund allocations are based on County Auditor's estimates.
- Transportation planning and public transit projects are supported by these revenues according to TDA.

1.24 Airports Fund

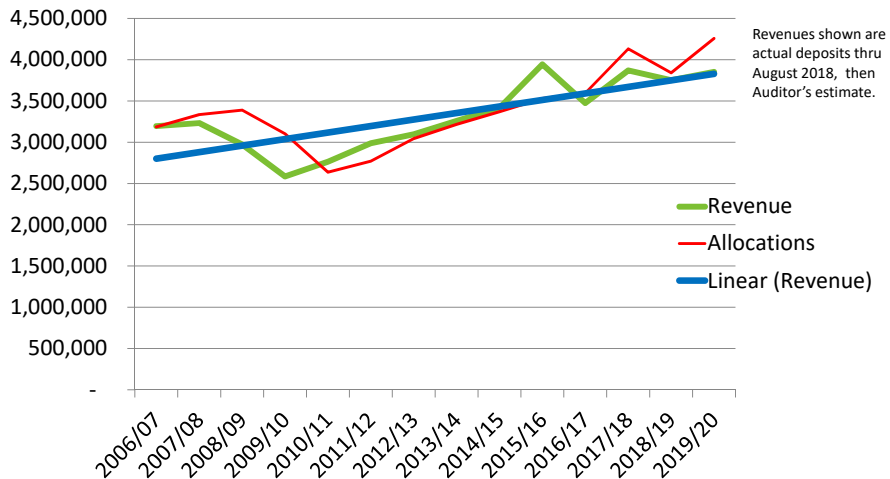
- Administered by the State Auditor's Office.
- Fund allocations are based on the 1990 State Auditor's Office report.
- Support allocated through annual budget process.
- To be used for airport services provided to Mendocino County's airports.
- The funding is applied to support the FY 2019/20 airport program and public transit as provided in 2018/19 budget.
- The funding is applied to support the FY 2019/20 airport program and public transit as provided in 2018/19 budget.
- The funding is applied to support the FY 2019/20 airport program and public transit as provided in 2018/19 budget.

1.25 State Transit Assistance

- General State funds are used to fund public transit.
- Governed by the Transportation Development Act (TDA).
- Administered by Regional Transportation Planning Agencies.
- Fund allocations are based on County Auditor's estimates.
- Transportation planning and public transit projects are supported by these revenues according to TDA.

“Explanatory Notes on
Funding Sources”
in your packet

LTF Revenues & Allocations - Trend 6



LTF Revenues FYTD 2018/19

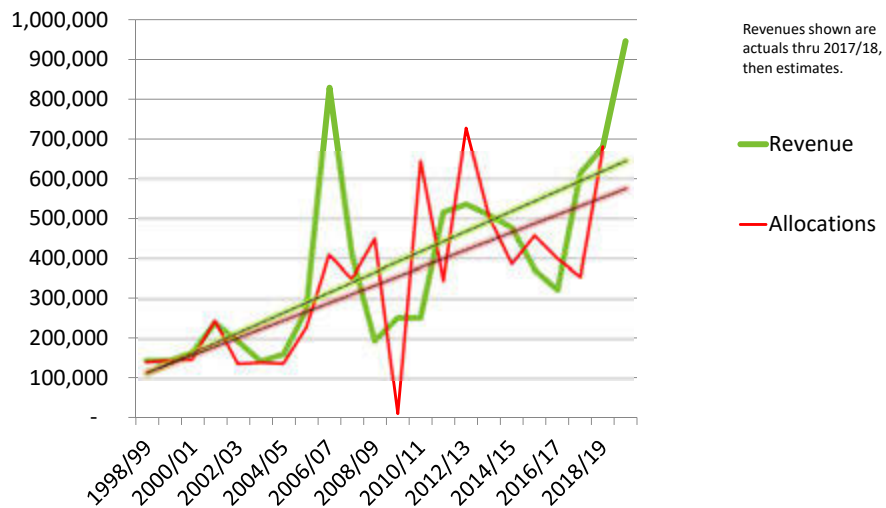
7

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

	<u>BUDGET</u>	<u>ACTUAL</u>
Auditor's FY Estimate	\$ 3,751,508	
Budget FYTD	2,501,005	\$ 2,664,724
Excess FYTD		163,719 (6.5%)
4 mos. remaining	1,250,503	1,086,784
Auditor's FYE estimate	\$ 163,519 (4.4%)	

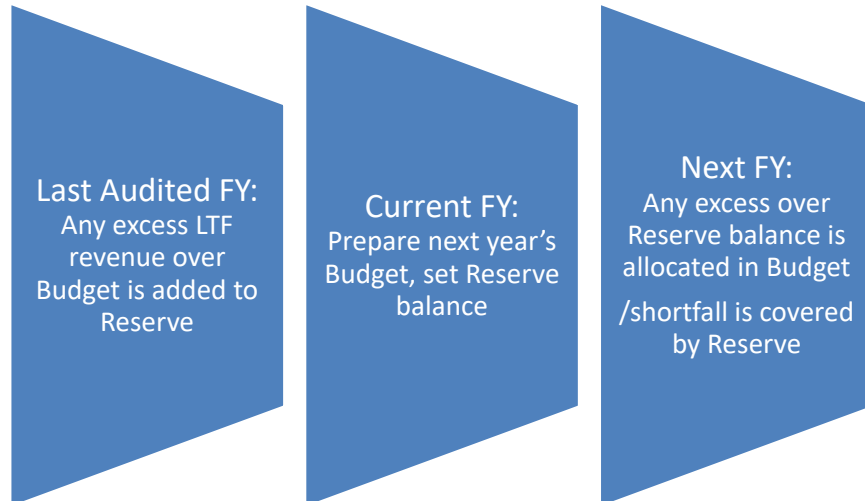
STA Revenues & Allocations - Trend

8



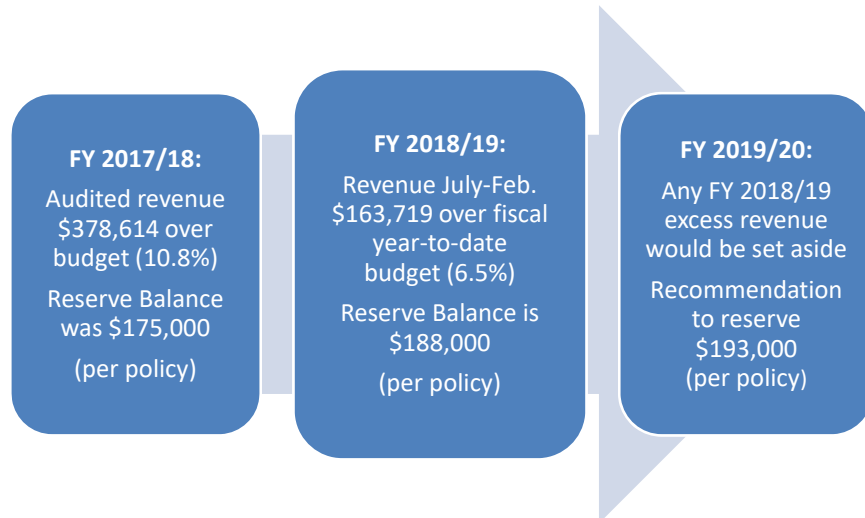
LTF Reserve Policy since 1999

9



LTF Reserve Process for 2019/20

10



LTF Allocation Priorities

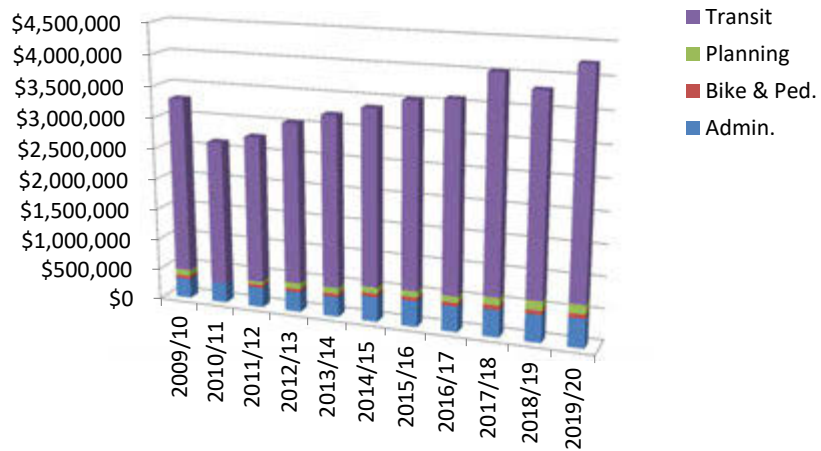
11

Consistent with TDA:

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

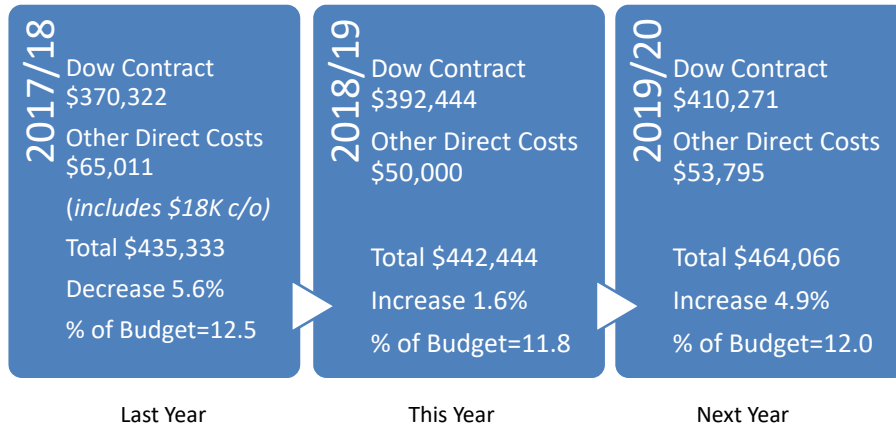
LTF Allocations - Trend

12



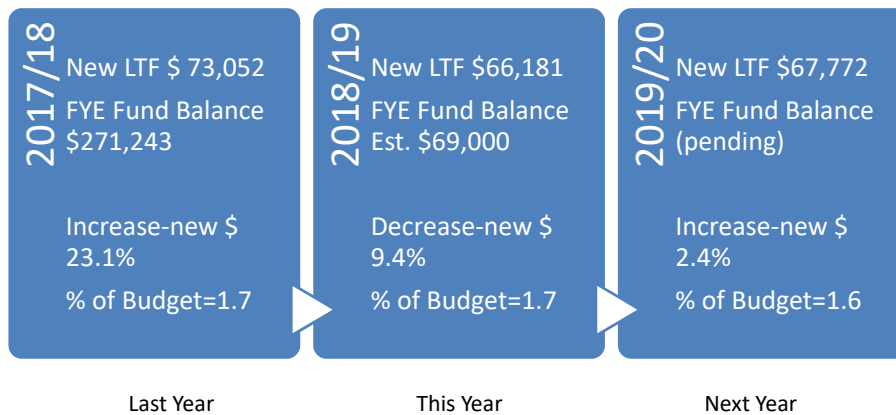
LTF Allocations – Admin.

13



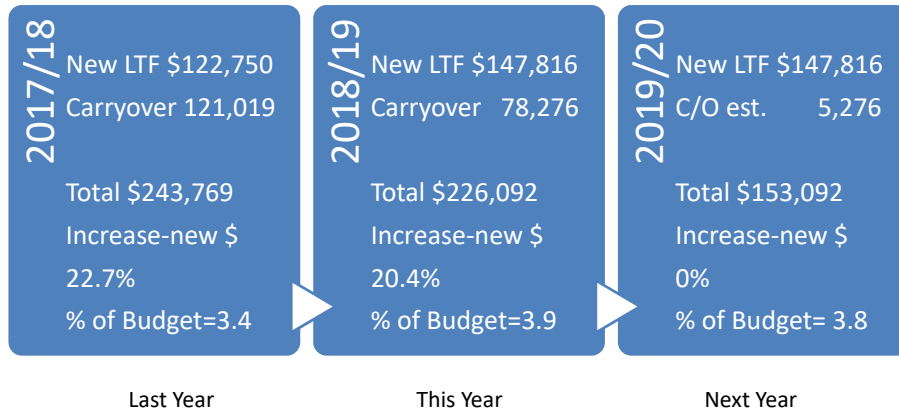
LTF Allocations – Bike & Ped

14



LTF Allocations – Planning

15



All Allocations – Planning

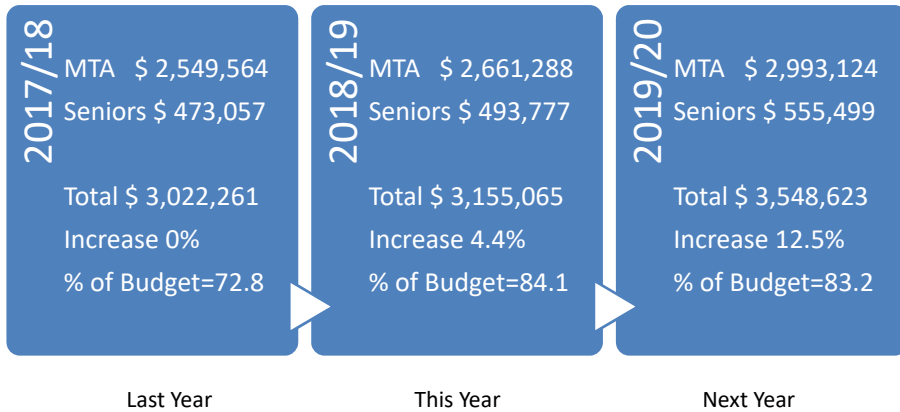
16

Draft FY 2019/20 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergov'tl Coordination	MCOG	LTF, State RPA	113,498
2	Planning Mgmt. & General Coordination	MCOG	LTF, State PPM	94,999
3	Community Transportation Planning	MCOG	LTF, State PPM	10,750
4	Sustainable Transportation Planning	MCOG	State RPA	10,500
5	SB 743 VMT Regional Baseline Study	MCOG	LTF, State Grant	135,001
6	Combined Special Studies	MCDOT	State PPM, RPA	60,000
7	Planning, Programming & Monitoring	MCOG	LTF, State RPA	66,864
8	Fire Vulnerability Assessment / Preparedness	MCOG	LTF, State Grant	281,000
14	Training	MCOG	LTF	21,500
16	Multi-Modal Transportation Planning	MCOG	State RPA	31,500
18	Geographic Information System Activities	MCOG	LTF, State RPA	5,850
20	Grant Development & Assistance	MCOG	LTF, State RPA	23,915
	<i>Pavement Mgmt. Program Update - RESERVE</i>	MCOG	State PPM	50,000
	TOTAL			905,377

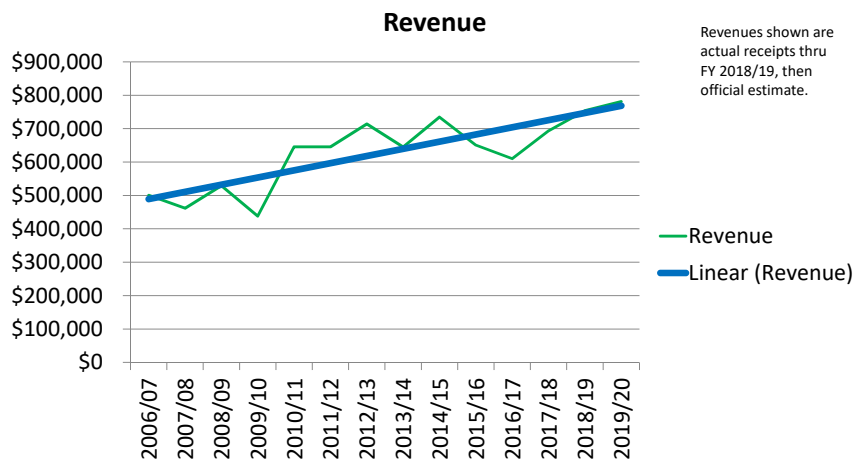
LTF Allocations – Transit

17



Budget Summary – RSTP Funds

18



RSTP Allocation Priorities

19

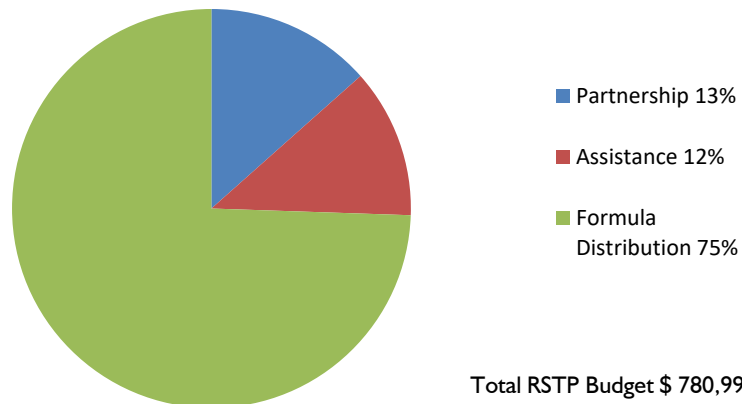
MCOG Policy for Regional Surface Transportation Program, Section 182.6(d)(1):

- Partnership Funding Program
- Regional Mgr. for Local Assistance–Project Delivery
- County & Cities Projects – by formula

RSTP Allocations

20

FY 2019/20 Proposed Budget



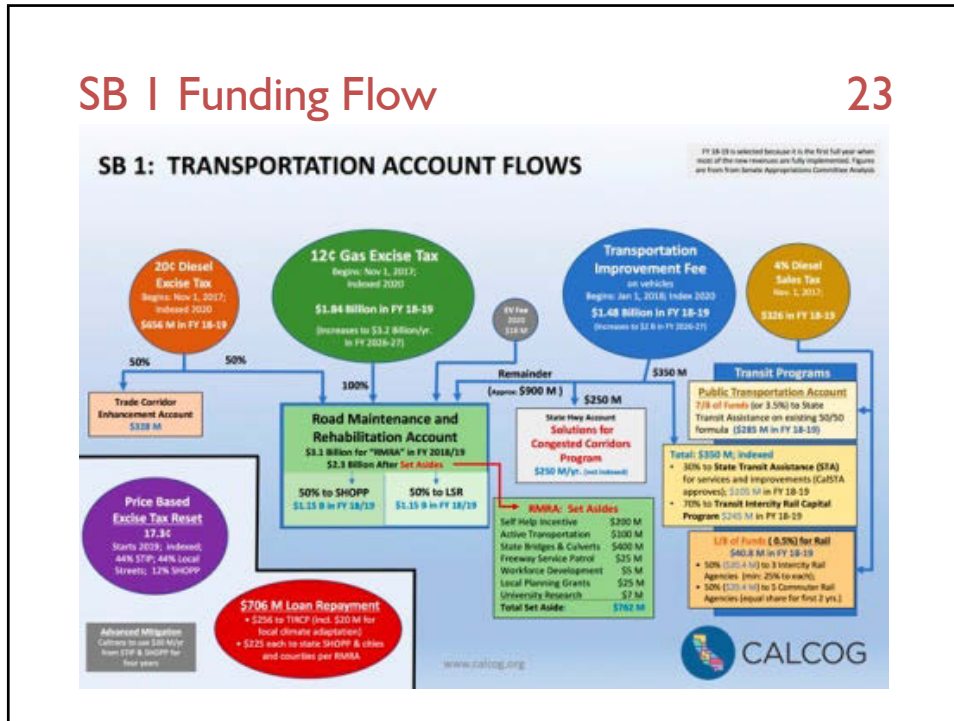
SB 1 – Road Repair & Accountability Act 21



<http://RebuildingCA.ca.gov/>

SB 1 – Road Repair & Accountability Act 22

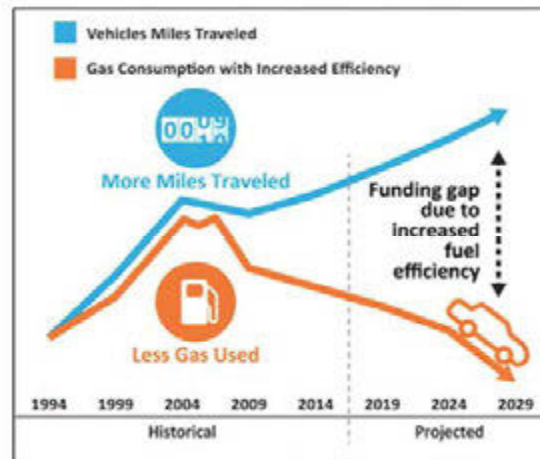
- \$52 billion of new revenue over 10 years
- Focuses on “Fix It First”
- Funding sources:
 - 12 cent/gal. gas tax increase (from .18 to .30)
 - Vehicle registration surcharge
 - 20 cent/gal. diesel excise tax increase (.16 to .36)
 - 4 percent diesel sales tax increase
 - \$100 zero-emission vehicle fee starting 2020
- Creates Office of Inspector General for Transportation



- State Transportation Improvement Program (STIP) – Regional Share
- Planning Grants
 - Sustainable Communities
 - Climate Adaptation
- Active Transportation Program (ATP)
- State Transit Assistance (STA)
- State of Good Repair - transit

Future Challenges

25



Source: CTC, CALCOG

What's Not in the Budget

26

- 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 5-Year Financial Plan approved 2017

Budget Adoption FY 2019/20

27

- **Recommendations:**
 - Staff – Admin & Planning
 - Executive Committee – Feb. 20
 - Technical Advisory Committee – Feb. 20
 - Transit Productivity Committee – May 2

- **Adopt Budget June 3, 2019**
- **Can amend during Fiscal Year**

28

Questions?

Thank You!

Presentation by:
Janet Orth, Deputy Director / CFO

Mendocino Council of Governments
367 N. State St., Suite 206, Ukiah, CA 95482
orthj@dow-associates.com
www.mendocinocog.org

Credits:
Add'l Graphics from CALCOG, CTC and Rebuilding CA
Cover photo by Janet



Mendocino Council of Governments
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2017/18, ended June 30, 2018. The discussion and analysis serves as an introduction to the Council's audited financials, which comprise the Council's official financial statements of record.

The required financial statements, required supplemental information, and additional supplemental information in the audit report are listed in the Table of Contents and described in the "Notes to Basic Financial Statements." All sections must be considered together to obtain a complete understanding of the financial picture of the Council and all funds held in trust by the Council.

Economic Trends

One major indication of the economic climate is the sales tax. Actual revenue from sales tax to the Local Transportation Fund (LTF) continued a trend of economic recovery since the Great Recession began in 2008. LTF revenues came in more than ten percent above the budget estimate. Local sales tax revenues have remained above \$3 million for six consecutive years now, reaching \$3.4 million in FY 2014/15, and dipping to \$3.3 million (down 2.0 percent) in FY 2015/16, then recovering that loss in 2016/17. Fiscal Year 2017/18 LTF revenue approached \$3.9 million.

The Council's management has been encouraged by the growth in sales tax revenues, a core source of Council funding. Other indicators are revenues that originate from gasoline taxes through federal and state funding sources, which have been trending downward. Alternative revenue streams are being tested, notably the California Road Charge Pilot, which was completed in 2017. Since then, the Legislature has addressed the statewide transportation funding crisis by passing Senate Bill 1, the Road Repair and Accountability Act, signed into law in April 2017, investing over \$5 billion a year in state and local transportation needs. The infusion of revenues from SB 1 has tripled State Transit Assistance since FY 2016/17.

Grants and other revenue sources available to the Council have remained stable or increased. New opportunities are available from SB 1 programs. Planning grants have continued to be active over the past several years, as management has consistently delivered grant products and helped to secure new grants that benefit the Council's membership and the region. Added to these were the new Active Transportation Program state grants, so that for the first time, the Council is going beyond planning to build an infrastructure project (on SR 162 in Covelo, started 2016), in response to crucial safety needs.

Net assets have long been in the range of \$1.5 million in Governmental funds and \$3.5 million in Fiduciary funds. This year the Governmental net assets are down to about \$800,000 as a result of planned equipment purchases for the SAFE call box program. Fiduciary funds are now over \$6 million.

The Council's management will continue to carefully monitor expenditures and remain committed to sound fiscal practices so as to deliver the highest quality of service to the citizens of the countywide region.

Fund Classifications

In all, the Council manages 15 separate fund accounts held in trust by the County of Mendocino as specified by the Council's Joint Powers Agreement (and partly by state law). The audit report classifies them as either Governmental Funds or Fiduciary Funds. These are presented separately in the statements. The reader will find more detailed descriptions of these funds and accounting policies in the Notes section prepared by the independent auditor.

The Governmental Funds, also known as Special Revenue Funds, provide the operational revenues that pay for the Council's services, which are Administration, the Transportation Planning Overall Work Program (OWP), and Mendocino Service Authority for Freeway Emergencies (SAFE). These services are supported by specific program revenues from apportionments and grants made through the State of California Department of Transportation (Caltrans) and California Transportation Commission (CTC), from program allocations made by the Council for the countywide region, and from vehicle registration fees collected by the California Department of Motor Vehicles. These nine Governmental or Special Revenue Funds account for most of the Council's activities and major funds are presented individually with their budgets under Supplemental Information.

The Fiduciary Funds are those held in trust for allocation to Council activities and to other entities for which the Council acts as an agent. These are in two categories: 1) Expendable Trust and 2) Agency Funds. Fiduciary Fund activity is detailed under Supplemental Information representing these six funds: LTF, STA, RSTP, LTF Bicycle & Pedestrian fund and two Reserves.

The Expendable Trust funds are:

- The Transportation Development Act (TDA) mandated funds, which consist of the Local Transportation Fund (LTF), from the quarter-cent transportation sales tax collected in county, and State Transit Assistance (STA), from statewide taxes on diesel fuel and gasoline; and
- The Regional Surface Transportation Program (RSTP) funds, which originate from the federal transportation authorizing legislation and that the Council typically opts to exchange for slightly more flexible State Highway Account funds. The Council has authority to allocate the entire RSTP Mendocino County apportionment for regional transportation uses, not necessarily to other units of government. The Council's current policy is to allocate most, but not all, of the RSTP revenues to its member governments by formula. The Council maintains a Partnership Funding Program for projects of regional significance. Additionally, a portion is set aside for a Regional Project Manager providing Local Assistance, with a small fund supporting local direct costs.

There are two Agency Funds (refer to Council policy):

- The LTF-derived Capital Reserve Fund, which is set aside for claiming by Mendocino Transit Authority (MTA) based on their Five-Year Capital Program of infrastructure and vehicle replacement, as allowed under TDA statutes; and
- The Council's LTF Reserve Fund, which is meant to fulfill transit allocations in the event budget estimates do not materialize as actual tax revenues, or to provide for extraordinary costs, for the benefit of Mendocino Transit Authority.

The Council’s fiduciary LTF Two Percent Bicycle & Pedestrian Program fund is considered “due to” the original Local Transportation Fund (LTF), the Expendable Trust fund from which the program revenues were allocated. The cash balances of both Reserve funds also are considered “due to” the LTF fund, detailed on Page 33.

Capital Assets & Long-Term Liabilities

In the Council’s case, the only capital assets are the SAFE program’s motorist aid call boxes and associated computer equipment, which are represented separately from the SAFE fund in the Statement of Net Position and further detailed in Note 4 – Capital Assets. Typically items less than \$5,000 in value are expensed in the current year, not capitalized.

The Council does not engage in debt financing to fund its operations or programs, and so does not have any long-term liabilities.

Analysis of Governmental Funds

Special Revenue Funds revenue was \$1,804,138, an increase of \$407,283 over the previous fiscal year, mainly due to state aid. Expenditures were \$1,872,752, an increase of \$227,020. Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2016/17.

Table 1

Governmental Net Position at June 30	2018	2017	Change
Current Assets	\$ 1,218,170	\$ 868,331	\$ 349,839
Capital Assets, Net of Depreciation	330,749	492,418	(161,669)
Total Assets	1,548,919	1,360,749	188,170
Current Liabilities	755,471	485,860	269,611
Total Liabilities	755,471	485,860	269,611
Net Position			
Investment in Capital Assets	330,749	492,418	(161,669)
Restricted	462,699	382,471	80,228
Total Net Position	\$ 793,448	\$ 874,889	\$ (81,441)

Net position comprised the following:

- Cash and investments of \$516,247 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$701,923;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$208,484;
- Inter-fund operating transfers, due to Expendable Trust funds, of \$546,987;
- Depreciated capital assets of \$330,749. *(refer to Page 22)*

The Council does not have any Governmental assets considered to be unrestricted that can be used to finance day-to-day operations without constraints established by legal requirements. Each of these funds is segregated by its intended use for the particular revenues and is considered restricted to those uses. In August 2015, the Council adopted fiscal policies in compliance with Governmental Accounting Standards Board (GASB) Statement No. 54, detailing fund balance classifications within the restrictions as defined.

Administration

The Council allocated \$435,333 from the Local Transportation Fund for administration of all the Council's activities, including the fourth year of a contract effective October 1, 2014 as a result of the Council's procurement for Administrative & Fiscal Services, with a scheduled inflation increase of 2.26 percent. This budget had remained at the same level for five successive fiscal years, an indication of management's careful use of public monies and efforts to contain costs. The cost increased in FY 2014/15 due to efficiencies lost by the separation of administration and planning contractors. Most of the Administration budget is allocated to the contract for administrative staffing, office and equipment, with the remainder to direct costs. The budget for Direct Costs remained between \$50,000 and \$60,000, consistent with the previous three years.

Planning

Over the past four years, the Transportation Planning Overall Work Program (OWP) budget has averaged \$1.7 million annually (refer to the Governmental Funds for sources). In FY 2015/16, this had increased to \$2,047,233 due to a multi-year Active Transportation Program grant of more than \$1 million. In FY 2017/18, the year of this audit, the budget had decreased to \$1.69 million as projects were implemented. The OWP funded 21 project work elements that benefited the five member agencies, Mendocino Transit Authority, and Caltrans.

SAFE Program

The Mendocino SAFE motorist aid call box program has completed 141 installations after a series of technical and legal issues that delayed implementation over several years. The adopted Five-Year Strategic & Financial Plan budgets for revenue and expenditures. Revenues average slightly more than \$100,000 annually from vehicle registration fees countywide. The cash fund balance had accumulated nearly \$1 million in 2013; this was reduced as expenditures were made to implement the SAFE Plan during FY 2013/14 through 2016/17. The plan was fully implemented on state highways in FY 2017/18; options are available to install on certain county roads. A new five-year plan was adopted in March 2017 to reflect operation and maintenance of the system. This included the first call boxes in the nation using satellite technology, testing and demonstrating early adoption of equipment for use in remote areas where little or no cellular reception is available. New challenges going forward include responding to cellular network changes by service operators.

Table 2

Changes in Governmental Net Position	2018	2017	Change
Expenses – Administration and Planning	\$ 1,885,620	\$ 1,645,732	\$ 239,888
Revenues			
Program Revenues:			
Local Transportation Funds	558,082	517,138	40,944
DMV Fees	107,473	107,844	(371)
Aid from State Governments	1,132,824	767,058	365,766
Total Program Revenues	1,798,379	1,392,040	406,339
General Revenues:			
Use of Money and Property	5,759	4,815	944
Total Revenues	1,804,138	1,396,855	407,283
Change in Net Position	\$ (81,482)	\$ (248,877)	\$ 167,395

Contacting the Council's Financial Management

This annual financial report is intended to provide citizens, taxpayers, member local governments, and funding agencies with a general overview of finances under the Council's authority. Please direct any questions about this report to Mendocino Council of Governments, Attn. Administration, 367 North State St., Suite 206, Ukiah, CA 95482. Further contact information is available at the Council's website: www.mendocinocog.org.

Prepared by Janet M. Orth, Deputy Director/CFO