



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2018/19

BUDGET



June 4, 2018



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2018/19

BUDGET

Prepared by

Janet M. Orth
MCOG Deputy Director / CFO

Adopted by

MCOG Board of Directors

June 4, 2018

Cover Photo:

Big River Beach, Mendocino Headlands State Park
By J. Orth July 23, 2016

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MENDOCINO COUNCIL OF GOVERNMENTS

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May 24, 2018

To: MCOG Board of Directors
From: Phillip J. Dow, Executive Director
Prepared by Janet M. Orth, Deputy Director / CFO
Re: Regional Transportation Planning Agency (RTPA) Fiscal Year 2018/19 Budget

This budget is submitted to you for adoption at our meeting on June 4, 2018. It represents all recommendations made over the past several months by the Executive Committee, Technical Advisory Committee, Transit Productivity Committee, Social Services Transportation Advisory Council, and staff, progress of which we have reported to you along the way. Following is a brief summary of the main components of the RTPA budget. Total available revenues from all sources are **\$7,596,301**, and total proposed allocations amount to **\$7,305,127**.

The Local Transportation Fund (LTF) sales tax revenue estimate shows a significant increase from the previous year (above \$3 million for the sixth consecutive year since FY 2007/08), higher than the rate of inflation. Growth has showed a gradual increase over the past few years. LTF actual revenues came in above budget for the last audited year, compensating for the previous year's shortfall. As a result of Senate Bill 1, State Transit Assistance revenues have more than doubled since FY 2016/17, assuming estimates materialize. Planning grants and other revenue sources remain fairly steady.

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 (not reflected in this memorandum).

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 has concurred with staff's draft budget for Administration, which comprises several funding sources. The proposal includes scheduled COLA increases to the Administrative & Fiscal Services contract. TDA/LTF costs for Administration remain steady at just under 12 percent of the Auditor's estimate, with total costs below seven percent (7%) of the total RTPA budget. The total Administration budget proposal (excluding SAFE) is \$532,444.

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 \$66,181.

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 concurs 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 on all proposed allocations, including FY 2017/18 estimated carryover and grants, on May 23. The total Planning budget proposal is \$1,221,126.

Transit

After all of the above allocations, the remaining balance of FY 2018/19 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 recommends setting aside the full five percent (\$188,000) for 2018/19, fully funding the reserve for four consecutive years during the ten years following the Great Recession. The Transit Productivity Committee (TPC) recommends full funding of MTA's claim for FY 2018/19 LTF, and an adjusted allocation for Capital Reserve funds. The TPC also recommends a finding that *"there are unmet transit needs that are reasonable to meet for Fiscal Year 2018/19, contingent on review of existing routes, update of the funding formula for senior centers' transportation contracts, and potential new revenues through the Federal Transit Administration (FTA) Section 5311 Program,"* listing five (5) needs. On May 31, the Social Services Transportation Advisory Council will meet to make its recommendation on unmet needs. The total Transit budget proposal is \$4,136,203.

Regional Surface Transportation Program (RSTP)

We began including the RSTP funds in our budget documents several years ago. Previously, MCOG had passed these funds through to the Cities and County for several years. Prior to that, MCOG allocated the funds by a competitive grant process to these entities. 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 \$736,865.

Active Transportation Program (ATP)

MCOG is responsible for the management of four state grants awarded in 2014/15 and 2015/16, for a total of \$2,165,000. This consists 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 are considered planning activities and so are identified in the Planning OWP. The infrastructure components are project development and activities for construction of the State Route 162 Corridor Multi-Purpose Trail, Phases 1 and 2 – Preliminary Engineering. This is a new function for MCOG, approved by separate resolution. The infrastructure portion of these grants for 2018/19 is \$673,173.

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.

As always, my staff and I are available to answer any questions you may have about the proposed budget.

MENDOCINO COUNCIL OF GOVERNMENTS

2018/19 Budget

Explanatory Notes on Funding Sources

4/20/2018, rev. 5/14/2018

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, adopted locally by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at five percent of County Auditor'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 FY 2010/11 and again in FY 2011/12. The policy was partially waived for 2012/13, 2013/14 and 2014/15.
- Since FY 2015/16, MCOG has restored the LTF Reserve policy by reserving the minimum fund balance of five percent of the County Auditor-Controller's LTF estimate, releasing two years of surplus for allocation between \$100,000 and \$200,000, followed by a shortfall of \$65,000, then surplus of \$71,000.

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, and replaced again with SB1, 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. In 2017/18, SB 1 increased revenues for this program.

Capital Reserve Fund

- Created and controlled by MCOG as allowed by Transportation Development Act (TDA).
- 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). In FY 2013/14 MCOG allocated Partnership Funds to the SR-162 Corridor Multi-Purpose Trail project.
- In 2009, the American Recovery & Reinvestment Act federal stimulus funds flowed through the RSTP.
- 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.
- In 2016/17 and 2017/18, MCOG allocated Partnership Funds to County Transportation for its North State Street Signal Improvements and Branscomb Road Pedestrian/Multi-Use Bridge Over Ten Mile Creek projects; and to Cities of Point Arena, Fort Bragg and Willits for EV charging station costs.

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.

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 recently completed the grant-funded Willits Main Street Corridor Enhancement Plan.

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 Hopland Main Street Corridor study, Greater Ukiah Area Micro-simulation Model, and Pacific Coast Bike Route/California Coastal Trail Engineered Feasibility Study.



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2018/19 BUDGET SUMMARY

Adopted by Board of Directors June 4, 2018

Supplemental Format

REVENUES	FY 2017/18 Budget Amended	FY 2018/19 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
Local Transportation Funds (LTF)					
LTF Official County Auditor's Estimate	\$ 3,491,711	\$ 3,751,508	\$ 259,797	7.4%	Transportation Development Act (TDA) Funds Per policy, any excess flows through LTF Reserve One-time funds, represents 2 months of sales tax revenue FY 2014/15 savings from Dow contract allocated to Admin. purposes Per audit of FYE 2016, amount ineligible to MTA; 2017 audit in progress FY 2017/18 OWP as amended Feb. 5, 2018; 2018/19 revised carryover OWP carryover is offset by equivalent allocation
Auditor's Anticipated Unrestricted Balance - Current Year	\$ 102,027	\$ 110,188	\$ 8,161	8.0%	
Total Local Transportation Fund (LTF) Estimate	\$ 3,593,738	\$ 3,861,696	\$ 267,958	7.5%	
Auditor's Anticipat'd Unrestricted Balance - Reversal	\$ (102,027)	\$ (110,188)			
LTF Unallocated - Accounting transition to County's accrual method	\$ 596,200	\$ 29,135	\$ (567,065)	-95.1%	
Prior Year Balance Remaining for Later Allocation	\$ 18,111	\$ -			
MTA Fiscal Audit - Amount returned to MCOG, if any	\$ 93,597	pending			
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 121,019	\$ 36,008	\$ (85,011)	-70.2%	
Total Local Transportation Funds:	\$ 4,320,638	\$ 3,816,651	\$ (503,987)	-11.7%	
LTF Reserve Funds					
LTF "Unrestricted Balance" of Unallocated Revenue	\$ (65,156)	\$ 70,886	\$ 136,042	-208.8%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate
LTF Reserve Fund Balance	\$ 363,961	\$ 108,748	\$ (255,213)	-70.1%	Reserve used to cover transit allocation shortfalls and claims per policy
Less/Plus Current Year Reserve Allocation	\$ (192,169)	\$ 68,364			Prior year unrestricted "excess revenue" above fund balance
Subtotal	\$ 106,636	\$ 247,998	\$ 141,362	132.6%	
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	\$ (175,000)	\$ (188,000)	\$ (13,000)	7.4%	Per policy, Reserve is 5% of County Auditor's est. of new revenue, nearest 1,000.
LTF Reserve Available for Allocation:	\$ (68,364)	\$ 59,998	\$ 128,362	-187.8%	For FY 2017/18, allocation was made to Reserve to make up for shortfall
TOTAL LTF REVENUES	\$ 4,252,274	\$ 3,876,649	\$ (375,625)	-8.8%	
Capital Reserve Funds Total Capital Reserve Fund	\$ 323,240	\$ 300,493	\$ (22,747)	-7.0%	Fund balance available for transit claim based on 5-Yr Capital Program
Local Agency Contributions	\$ -	\$ -			In-kind match for any planning grants
Total Local/Regional Revenues:	\$ 4,575,514	\$ 4,177,142	\$ (398,372)	-8.7%	
STATE:					
Planning Programming & Monitoring (PPM) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 164,000	\$ 89,000	\$ (75,000)	-45.7%	FY 2017/18 OWP as amended Feb. 5, 2018; 2018/19 revised carryover
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 53,928	\$ 87,659	\$ 33,731	62.5%	
Total PPM Funds:	\$ 217,928	\$ 176,659	\$ (41,269)	-18.9%	
State Transit Assistance (STA) Funds					
State Controller's Estimate	\$ 355,333	\$ 680,635	\$ 325,302	91.5%	TDA Funds Preliminary estimates; 2018/19 increase due to SB1
Estimated Fund Balance Available for Allocation	\$ 66,179	\$ 291,184	\$ 225,005	340.0%	FY 2018/19 fund balance includes 2017/18 revised SCO estimate
Total State Transit Assistance Funds:	\$ 421,512	\$ 971,819	\$ 550,307	130.6%	
State of Good Repair (SGR) Funds	\$ 128,995	\$ 128,995	\$ -	0.0%	Transit funds authorized by SB 1, Road Repair & Accountability Act of 2017
Rural Planning Assistance (RPA) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	FY 2017/18 OWP as amended Feb. 5, 2018; 2018/19 estimated carryover
Planning Overall Work Program - Carryover	\$ 54,460	\$ 27,500			
Total RPA Funds:	\$ 348,460	\$ 321,500	\$ (26,960)	-7.7%	
California Active Transportation Program (ATP)					
ATP Infrastructure Projects - New Revenue	\$ 485,000	\$ 251,000			SR-162 Corridor Multi-Purpose Trail, Ph. 1 & 2-Prelimin. Engineering Estimate of funds to carry over to next FY of 3-year project Safe Routes to School 3-year grants - Countywide and Covelo
ATP Infrastructure Projects - Carryover	\$ 317,768	\$ 422,173			
ATP Non-Infrastructure Projects - Carryover	\$ 701,240	\$ 400,151	\$ (301,089)	-42.9%	
Total ATP Funds:	\$ 1,504,008	\$ 1,073,324	\$ (430,684)	-28.6%	

California 2006 Proposition 1B Programs					
Transit System Safety, Security and Disaster Response (TSSSDR)	\$	131,751	\$	-	
Public Trans. Modernization, Improvement & Service Enhancement Acct.	\$	420,400	\$	-	
Caltrans Sustainable Communities Planning Grant	\$	179,229	\$	138,992	
California Energy Commission Grant Subcontract	\$	2,000	\$	-	
Total State Revenues:	\$	3,046,059	\$	2,811,289	\$ (234,770) -7.7%
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311(f) Intercity Bus Program	\$	122,833		pending	
FTA Section 5311 Program - Regional Apportionment	\$	484,742	\$	503,210	\$ 18,468 3.8%
Regional Surface Transportation Program (RSTP)	\$	693,249	\$	736,865	\$ 43,616 6.3%
RSTP Carryover/Balance Available for Later Allocation	\$	65,376	\$	112,115	\$ 46,739 71.5%
Total Federal Revenues:	\$	1,366,200	\$	1,352,190	\$ (14,010) -1.0%
TOTAL REVENUES	\$	8,987,773	\$	8,340,621	\$ (647,152) -7.2%

FY 2015/16 and 2016/17, Cycles 9 and 10 of 10 were allocated in 2017/18. Funds have been fully claimed over the 10-year program. Ped. Facility Needs Inventory EFS, Inland/No. Coast - 2017/18 OWP amendmt 3 Approved 2/2/2017: Fuel Cell Plan, under Admin. Budget - expended in 2017/18

ALLOCATIONS	FY 2017/18 Budget Amended	FY 2018/19 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
Local Transportation Funds (LTF)					
Reserved LTF Prior-Year Unallocated Revenues of \$596,200	\$	29,135	\$	29,135	Balance remaining after allocations from Prior-Year Unallocated Revenues
LTF Prior-Year Unallocated Revenues to LTF Reserve Administration:	\$	68,364	\$	-	To cover shortfall and bring LTF Reserve to 5% (\$175,000) in 2017/18, per policy
Admin. & Fiscal Services Contract	\$	378,366	\$	392,444	\$ 14,078 3.72%
Other Direct Costs	\$	56,967	\$	50,000	\$ (6,967) -12.2%
Total Administration Allocations:	\$	435,333	\$	442,444	\$ 7,111 1.6%
Two Percent LTF Bicycle & Pedestrian Program	\$	73,052	\$	66,181	\$ (6,871) -9.4%
Planning Overall Work Program (OWP) - New Funds	\$	122,750	\$	147,816	\$ 25,066 20.4%
OWP Carryover from Previous Fiscal Year	\$	121,019	\$	36,008	\$ (85,011) -70.2%
Total Admin., Bike & Ped., Planning, Reserves:	\$	849,653	\$	721,584	\$ (128,069) -15.1%
BALANCE AVAILABLE FOR TRANSIT	\$	3,402,621	\$	3,155,065	\$ (247,556) -7.3%
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$	2,549,564	\$	2,661,288	\$ 111,724 4.4%
Unmet Transit Needs	\$	-	\$	-	
Senior Centers Operations	\$	473,057	\$	493,777	\$ 20,720 4.4%
MTA Capital Program - Current Year	\$	380,000	\$	-	
Capital Reserve Fund Contribution	\$	-	\$	-	
Total LTF Transit Claim:	\$	3,402,621	\$	3,155,065	\$ (247,556) -7.3%
Total LTF Allocations:	\$	4,252,274	\$	3,876,649	\$ (375,625) -8.8%
Capital Reserve Funds					
Mendocino Transit Authority (MTA) Claim:					
Capital Program, MTA - Current Year	\$	39,375	\$	-	CCR Section 6648
Capital Program, Senior Centers - Current Year	\$	-	\$	-	CCR Section 6648
Capital Program - Long Term	\$	283,865	\$	632,138	CCR Section 6631
Adjustment for STA Contribution (duplication)			\$	(331,645)	
Total CRF Allocations:	\$	323,240	\$	300,493	\$ (22,747) -7.0%
Total Local/Regional Allocations:	\$	4,575,514	\$	4,177,142	\$ (398,372) -8.7%

STATE:					
Planning Programming & Monitoring (PPM) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 164,000	\$ 89,000	\$ (75,000)	-45.7%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 53,928	\$ 87,659			FY 2017/18 OWP as amended Feb. 5, 2018; 2018/19 revised carryover
Total PPM Allocations:	\$ 217,928	\$ 176,659	\$ (41,269)	-18.9%	
State Transit Assistance (STA) Funds					
Mendocino Transit Authority (MTA) Claim:					
MTA Operations	\$ 175,000	\$ 300,000	\$ 125,000	71.4%	<u>TDA Authority:</u> CCR Section 6730a
Capital Program, MTA & Seniors - Current Year	\$ 180,000	\$ 49,000	\$ (131,000)	-72.8%	CCR Section 6730b
Capital Reserve Fund Contribution	\$ -	\$ 331,645			CCR Section 6631
Total STA Allocations:	\$ 355,000	\$ 680,645	\$ 325,645	91.7%	
State of Good Repair (SGR) Funds	\$ 128,995	\$ 128,995	\$ -	0.0%	Caltrans-approved 2017-18 project: Ukiah Transit Center. MTA is subrecipient.
Rural Planning Assistance (RPA) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 54,460	\$ 27,500			FY 2017/18 OWP as amended Feb. 5, 2018; 2018/19 estimated carryover
Total RPA Allocations:	\$ 348,460	\$ 321,500	\$ (26,960)	-7.7%	
California Active Transportation Program (ATP)					
ATP Infrastructure Projects - New Revenue	\$ 485,000	\$ 251,000			SR-162 Corridor Multi-Purpose Trail, Ph. 1 & 2-Prelimin. Engineering
ATP Infrastructure Projects - Carryover	\$ 317,768	\$ 422,173			Estimate of funds to carry over to next FY of 3-year project
ATP Non-Infrastructure Projects - Carryover	\$ 701,240	\$ 400,151	\$ (301,089)	-42.9%	Safe Routes to School 3-year grants - Countywide and Covelo
Total ATP Allocations	\$ 1,504,008	\$ 1,073,324			
California 2006 Proposition 1B Programs					
Prop 1B Transit System Safety, Security and Disaster Response	\$ 131,751	\$ -			MCOG approves allocation to MTA for eligible projects; final allocation Oct. 2017
Public Trans. Modernization, Improvement & Service Enhancement Acct.	\$ 420,400	\$ -			MCOG approves allocation to MTA for eligible projects; final allocation June 2017
Caltrans Sustainable Communities Planning Grant	\$ 179,229	\$ 138,992			Ped. Facility Needs Inventory EFS, Inland/No. Coast - 2017/18 OWP amendmt 3
California Energy Commission Grant Subcontract	\$ 2,000	\$ -			Approved 2/2/2017: Fuel Cell Plan, under Admin. Budget - expended in 2017/18
Total State Funds Allocations:	\$ 2,979,547	\$ 2,520,115	\$ (459,432)	-15.4%	
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311(f) Intercity Bus Program	\$ 122,833	pending			Competitive grants; Operating Assistance awarded to MTA in FY 2017/18
FTA Section 5311 Program - Regional Apportionment:	\$ 484,742	\$ 503,210	\$ 18,468	3.8%	MTA is eligible, applied for 2017/18; MCOG approves programming
Regional Surface Transportation Program (RSTP)					
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:					
Mendocino County Dept. of Transportation	\$ 108,339	\$ 117,729	\$ 9,390	8.7%	Staff - Regional Project Manager under Admin. Contract and direct costs
City of Ukiah	\$ 145,801	\$ 158,438	\$ 12,637	8.7%	
City of Fort Bragg	\$ 97,348	\$ 105,786	\$ 8,438	8.7%	
City of Willits	\$ 91,370	\$ 99,289	\$ 7,919	8.7%	
City of Point Arena	\$ 60,390	\$ 65,624	\$ 5,234	8.7%	
Total RSTP Formula Distribution	\$ 503,248	\$ 546,866	\$ 43,618	8.7%	2017/18 actual per State exchange agreement rec'vd 4.30.2017. R/O error <1>
Total RSTP Allocations:	\$ 693,248	\$ 736,866	\$ 43,618	6.3%	Formula allocation by policy, distribution pending State processing of funds
Total Federal Funds Allocations:	\$ 1,300,823	\$ 1,240,076	\$ (60,747)	-4.7%	
Total Transit Allocations	\$ 5,240,587	\$ 4,768,408	\$ (472,179)	-9.0%	Includes LTF, STA, SGR, FTA Sec. 5311, 5311(f) funds; 2018/19 pending 5311(f)
Total Overall Work Program (OWP)	\$ 1,690,626	\$ 1,221,126	\$ (469,500)	-27.8%	FY 2017/18 OWP as amended Feb. 5, 2018; 2018/19 revised carryover
TOTAL ALLOCATIONS	\$ 8,855,884	\$ 7,937,333	\$ (918,551)	-10%	
Balance Remaining for Later Allocation/Difference of Actuals	\$ 131,889	\$ 403,288	\$ 271,399	206%	State Transit Assistance (STA) and RSTP Local Assistance

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. M2018-03

ALLOCATING FISCAL YEAR 2018/19 FUNDS and 2017/18 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 2018/19 Local Transportation Fund (LTF) revenue has been estimated at \$3,751,508 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 \$177,112, and the 2016/17 fiscal audit identified unallocated "excess revenue" or Unrestricted Balance at \$70,886; the Executive Committee recommendation is to set aside \$188,000 of this combined amount for the FY 2018/19 LTF Reserve fund balance (five percent of the County Auditor-Controller's fund estimate according to policy), and to release for allocation the remaining \$59,998;
4. Total revenue from all LTF sources available for allocation is estimated at **3,876,649**; 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 2018/19 overall approved Administration budget of up to \$532,444 (Total Administration \$567,884 less SAFE contract \$35,440), 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 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 up to \$251,000 of new funds and an estimated \$422,173 carried over;
9. Davey-Bates Consulting shall have the management responsibility for the 2018/19 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 \$1,221,126; the Davey-Bates Consulting contract funding is summarized in **Exhibit D**;
10. The Planning allocation to the 2018/19 Overall Work Program, for transportation planning and related projects, will be provided from 2018/19 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; \$66,181 shall be allocated for 2018/19; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2018/19 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	2018/19	442,444	442,444
	Regional Surface Transportation Program (RSTP)	MCOG Local Assistance – Project Delivery	2018/19	90,000	90,000
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2018/19	251,000	673,173
2017/18			422,173		
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2018/19	66,181	66,181
Planning Overall Work Program (OWP)	CCR Sec. 99402	LTF	2018/19	147,816	183,824
			2017/18	36,008	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2018/19	89,000	176,659
			2017/18	87,659	
	State Highway Account	Rural Planning Assistance (RPA)	2018/19	294,000	321,500
			2017/18	27,500	
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Non-Infrastructure Grants	2017/18	400,151	400,151
State Highway Account	Sustainable Communities Planning Grants	2017/18	138,992	138,992	
Subtotal OWP				1,221,126	
Total Allocations					2,522,059

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 Carter, seconded by Director Croskey, and approved on this 4th day of June, 2018, by the following roll call vote:

- AYES: Directors Stranske, Wasserman, Cimolino, Carter/Alt., Croskey, Jackman (Caltrans/PAC), and Chair Gjerde
 NOES: None
 ABSENT: Director Scalmanini

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

/s/

/s/

ATTEST: Phillip J. Dow, Executive Director

Dan Gjerde, Chair

MCOG Administration
FY 2018/19 Budget

Staff & Executive Committee Recommendations

As of May 21, 2018

Funding Source	TDA/LTF	RSTP	SAFE	CEC	Total	%	Note
Administration							A - SAFE
TOTAL Admin. Budget Proposed	442,444	90,000	35,439	-	567,884	100%	B - TDA
Dow & Associates Staffing Contract							C
2018/19 Base Rate per Approved Proposal	360,913	72,904	32,592		466,409		D
2013-2014 COLA per CPI at 1.80%	6,496	1,312	587		8,395		
2014-2015 COLA per CPI at 1.47%	5,401	1,091	488		6,980		
2015-2016 COLA per CPI at 2.26%	8,426	1,702	761		10,888		
2016-2017 COLA per CPI at 2.94%	11,208	2,264	1,012		14,485		E
Total Contract FY 2018/19	392,444	79,273	35,439		507,157	89%	
Other Direct Costs							
Memberships - CALCOG, CalACT, NSSR	3,875	-	-	-	3,875	0.7%	
Fiscal Audits of MCOG and MTA	25,000	-	-	-	25,000	4.4%	F
Performance Audit	6,500	-	-	-	6,500	1.1%	G
County Auditor-Controller	5,000	-	-	-	5,000	0.9%	
Legal Counsel	1,000	-	-	-	1,000	0.2%	
Travel and Training	5,000	-	-	-	5,000	0.9%	
Communications	2,500	-	-	-	2,500	0.4%	H
Contingency / Miscellaneous	1,125	-	-	-	1,125	0.2%	
Staff Time - Reimbursable from Grant	-	-	-	-	-	0.0%	
Local Assistance	-	10,727	-	-	10,727	1.9%	
Total Other Direct Costs	50,000	10,727	-	-	60,727	11%	
Balance Available for Later Allocation	0	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)

CEC = California Energy Commission grant subcontract with Redwood Coast Energy Authority

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 \$442,444 is 11.8% of County Auditor's Estimate of sales tax revenues (\$3,751,508), down from 12.4% last year.

C) The \$2,000 CEC grant subcontract with RCEA was carried over from FY 2016/17 and fully expended in 2017/18, for participation in the North Coast & Upstate Fuel Cell Vehicle Readiness Project. A minor amount of in-kind staff time is needed to complete the project.

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

E) Dow & Associates' contract limits annual COLA to 4 percent. Increase is calculated on California CPI Annual Average 2016 to 2017.

2017 Average 262.802 less 2016 Average 255.303 = 7.499 divided by 255.303 = 0.0293729411718625 increase, rounded to 2.94%

Source: <http://www.dir.ca.gov/opri/CAPriceIndex.htm> Using California statewide, All Urban Consumers

F) Fiscal Audit costs are estimated as: MCOG \$12,000; Mendocino Transit Authority \$12,000; additional services as needed \$1,000.

G) The Triennial Performance Audit expense occurs in FY 2018/19 at budget of \$19,500.

FY 2016/17 started a 3-year cycle of set-asides for the next audit (\$6,500 annually).

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

Dow Contract calculation:

TDA/LTF	x Rate	= Step Result	COLA Increase
360,913	1.018	367,409	6,496
367,409	1.0147	372,810	5,401
372,810	1.0226	381,236	8,426
381,236	1.0294	392,444	11,208

RSTP

72,904	1.018	74,216	1,312
74,216	1.0147	75,307	1,091
75,307	1.0226	77,009	1,702
77,009	1.0294	79,273	2,264

SAFE

32,592	1.018	33,179	587
33,179	1.0147	33,666	488
33,666	1.0226	34,427	761
34,427	1.0294	35,439	1,012

Total Contract 507,157

**MENDOCINO COUNCIL OF GOVERNMENTS
FY 2018/2019 FINAL OVERALL WORK PROGRAM
SUMMARY OF FUNDING SOURCES**

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	STATE Sust. Comm.	STATE ATP Grant	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$250		\$107,950			\$108,200
2	MCOG - Planning Management & General Coordination (Non-RPA)	\$90,475					\$90,475
3	MCOG - Community Transportation Planning	\$10,250					\$10,250
4	MCOG - Sustainable Transportation Planning			\$10,000			\$10,000
6	Co. DOT - Combined Special Studies			\$60,000			\$60,000
7	MCOG - Planning, Programming & Monitoring		\$35,275	\$28,750			\$64,025
9	<i>Fort Bragg - Street Safety Plan - Carryover</i>		\$48,000				\$48,000
10	MTA - Transit Designs Guidelines Manual	\$30,341	\$4,659				\$35,000
12	<i>Ukiah - Comprehensive ADA Access Plan Update - Carryover</i>		\$35,000				\$35,000
13	<i>Co. DOT - Orchard Ave. Extension Feas. Study Grant Match - Carryover</i>	\$13,000					\$13,000
14	MCOG - Training	\$21,000					\$21,000
15	Fort Bragg - Trans Planning for Mill Site Reuse & Rezoning		\$48,125				\$48,125
16	MCOG - Multi-Modal Transportation Planning			\$30,000			\$30,000
17	MCOG - Zero Emissions Vehicle & Alternative Fuels Readiness Plan Update			\$35,000			\$35,000
18	MCOG - Geographic Information System (GIS) Activities		\$5,600				\$5,600
19	<i>MCOG - Ped. Facility Needs Inventory/EFS (S. Coast) - Carryover</i>			\$27,500			\$27,500
20	MCOG - Grant Development & Assistance	\$500		\$22,300			\$22,800
21	<i>MCOG - Ped. Facility Needs Inventory/EFS (Inland/N. Coast) - Carryover</i>	\$18,008			\$138,992		\$157,000
22	<i>MCOG - Safe Routes To School ATP Non-Infrastructure Grant - Carryover</i>					\$400,151	\$400,151
	TOTAL	\$183,824	\$176,659	\$321,500	\$138,992	\$400,151	\$1,221,126

Note: Some work element numbers have been left blank for potential carryover projects

TOTAL WORK PROGRAM SUMMARY

Local	\$183,824
State	\$1,037,302
Federal	\$0
TOTAL	\$1,221,126

Local LTF 2018/19 Alloc.	\$147,816
Local LTF c/o	\$36,008
State PPM 2018/19 Alloc.	\$89,000
State PPM c/o	\$87,659
State RPA 2018/19 Alloc.	\$294,000
State RPA 2017/18 c/o	\$27,500 * see note below
State Sust. Comm. Grant c/o	\$138,992
State ATP Grant c/o	\$400,151
Federal	\$0
TOTAL	\$1,221,126

PROGRAM MATCH		
Local	\$183,824	15.1%
State	\$1,037,302	84.9%
Federal	\$0	0.0%
TOTAL WORK PROGRAM SUMMARY	\$1,221,126	100.0%

* Note: FY 2017/18 RPA Carryover Funds are pending Caltrans' certification.

Dow & Associates
ADMINISTRATIVE & FISCAL SERVICES CONTRACT
Fiscal Year 2018/19

1. **Budget.** Total approved funding for the services of Dow & Associates is **\$507,157**.
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.

- 3(a) **MCOG Administration.** The funding source is Local Transportation Fund (LTF). Contractor’s portion of the MCOG administrative budget totals **\$392,444**. This amount is to be routinely submitted as a monthly claim, at \$32,700 for the first 11 months, then at \$32,744 for the final month.
- 3(b) **MCOG Regional Project Manager.** The funding source is Regional Surface Transportation Program (RSTP). Contractor’s portion of the MCOG administrative budget totals **\$79,273**. 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 five-year 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 # M2018-06.)

FY 2018/19 Allocation per Policy		\$ 90,000
Contracted rate as adjusted by cumulative COLA	\$74.40/hour	Up to \$ 79,273
Available for Local Assistance Direct Costs		\$ 10,727

- 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 2018/19 Administration Budget, to include line items for Travel, Communications, Contingency, 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 **\$35,439** 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 \$2,950 for the first 11 months, then at \$2,989 for the final month.

Davey-Bates Consulting
PLANNING SERVICES CONTRACT
Fiscal Year 2018/19

1. **Budget.** Total approved funding for the services of Davey-Bates Consulting is **\$373,641**.
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.

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 2018/19 Work Program (as may be amended). Total approved funding for MCOG planning duties in FY 2018/19 is **\$373,641**.
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 is complete for this period, so no planning funds are budgeted for FY 2018/19.

Davey-Bates Consulting

FISCAL YEAR 2018/19 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 2018/19 Transportation Planning Overall Work Program.

Lisa Davey-Bates, Principal	\$ 121.83
Deputy Planner	\$ 109.27
Program Manager	\$ 86.54
Associate Program Planner/Administrator	\$ 61.21
Executive Assistant	\$ 36.07

II. Unmet Transit Needs

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2018-04

FINDING THAT
THERE ARE UNMET TRANSIT NEEDS
THAT ARE REASONABLE TO MEET
FOR FISCAL YEAR 2018/19

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 2018/19 on December 4, 2017, accepting as testimony a list of five (5) needs compiled by the Social Services Transportation Advisory Council (SSTAC) on November 13, 2017, 12 needs from Mendocino Transit Authority (MTA) from public meetings during the year, and one (1) need from testimony at the public hearing, for a total list of 18 items;
- On December 4, 2017, 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 2018/19, contingent on review of existing routes, update of the funding formula for senior centers’ transportation contracts, and potential new revenues through the Federal Transit Administration (FTA) Section 5311 Program,*” with five (5) needs listed, as reflected in the Transit Productivity Committee minute order of May 17, 2018, attached as **Exhibit D**;
- The Social Services Transportation Advisory Council met again on May 31, 2018 (minutes to follow) to review MTA’s report and recommended the addition of two (2) unmet needs to the TPC’s list of five reasonable-to-meet needs, from the SSTAC’s list and MTA’s analysis; and

- MTA, the TPC and SSTAC anticipate that the unmet transit needs recommended as “reasonable to meet” can be funded by one or more federal grants and reallocation of existing resources, and MTA did not include any unmet transit needs in their FY 2018/19 claim; therefore, be it

RESOLVED, THAT:

1. MCOG finds that there are unmet transit needs that are reasonable to meet for Fiscal Year 2018/19, contingent on review of existing routes, update of the funding formula for senior centers’ transportation contracts, and potential new revenues through the Federal Transit Administration (FTA) Section 5311 Program, as identified on the FY 2018/19 list:

- #6-M Design of more shuttle routes *in Ukiah* that remove parking downtown as well as increase housing, with smaller buses that people would ride
- #7-M Addition of one-day round-trip from Ukiah to Point Arena
- #12-M Service to Willits pool and High School
- #1-PH Ukiah fixed route and DAR service starting a half hour earlier in the mornings for transportation to jobs (UVAH clients)
- #4-S Wheelchair accessible door-through-door assisted services for seniors and disabled adults on Wednesdays in the Ukiah area.
- #1-S Non-emergency medical transportation for out of the service areas/hours for seniors and disabled adults
- #3-S Service for isolated *and inaccessible* seniors and disabled adults

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

ADOPTION OF THIS RESOLUTION was moved by Director Carter/Alt., seconded by Director Croskey, and approved on this 4th day of June, 2018, by the following roll call vote:

AYES: Directors Stranske, Wasserman, Cimolino, Carter/Alt., Croskey, Jackman
 (Caltrans/PAC), and Chair Gjerde
NOES: None
ABSTAINING: None
ABSENT: Director Scalmanini

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

/s/

/s/

ATTEST: Phillip J. Dow, 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. #M2018-04
Exhibit B
1 Page

FY 2018/19 Unmet Transit Needs Testimony Heard in Public Hearing

December 4, 2017
(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.)

Needs Identified by Mendocino Transit Authority (MTA)

1. Brooktrails service
2. Potter Valley service for MCAVHN clients
3. Smaller buses in City of Ukiah
4. App for people to book their own DAR trips
5. Smaller mirrors that are not hazards to bikes
6. Design of more shuttle routes that remove parking downtown and well as increase housing, with smaller buses that people would ride
7. Addition of one-day round-trip from Ukiah to Point Arena
8. Collaboration of volunteer senior transportation with MTA (Redwood Coast Medical Services)
9. Support from MTA Board for cyclist safety from Caltrans and alternative crossing for the Navarro River when flooded
10. Shuttle on South Coast (Sea Ranch to Gualala/Manchester)
11. Mendocino Coast Parks and Recreation shuttle for activities and service to public pool in Gualala
12. Service to Willits pool and High School

Needs Identified in Public Hearing:

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

TOTAL of 18 Recommended Unmet Transit Needs for Analysis by MTA

MTA Analysis of Unmet Transit Needs for 2018-19

This analysis includes 18 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 (2)**
- **High Priority (Consider for FY 2018/19) (5)**
- **Medium Priority (2)**
- **Low Priority (5)**
- **Not an Unmet Need...(5)**

Already Exists

8. Collaboration of volunteer senior transportation with MTA (Redwood Coast Medical Services)

- MTA has met with Redwood Coast Medical Services staff to coordinate senior transportation on the Route #95, via free rides for travel trainer volunteers who are riding with seniors to access vital services in the Santa Rosa area. MTA is also assisting RCMS with grant application for the 5310 program.

Additional Needs as Identified at the SSTAC:

2. Weekend and after hours rides for seniors and disabled adults. (Ukiah area evenings and Saturday)

High Priority – Consider for FY 2018/19 (not in priority order)

6. Design of more shuttle routes that remove parking downtown and well as increase housing, with smaller buses that people would ride.

- The MTA Route Committee is currently working on route restructure in FY 2018-19. MTA currently uses a smaller bus on the Route #9 in the evening, but, capacity restraints necessitate the use of the larger buses during the day.

7. Addition of one-day round-trip from Ukiah to Point Arena.

- At the current level of service (one trip per day) riders do not have sufficient time in Ukiah to meet all their needs. Addition of one trip per day would also provide service for Ukiah residents to utilize public transportation to the coast for the day.

12. Service to Willits pool and High School.

- This is being worked on by the Route Committee in FY 18/19.

Additional Needs as Identified in Public Hearings:

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

- This is being worked on by the Route Committee in FY 18/19 in conjunction with the additional time that will be needed to serve the new Costco.

Additional Needs as Identified at the SSTAC:

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

- This has been a long-standing issue for the Ukiah Senior Center due to lack of funding. MTA proposes that the senior center methodology be revisited to address this need.

Medium Priority – (not in priority order)

1. Brooktrails service.

- While this has been tried in years past unsuccessfully, the MTA Route Committee will review and consider potential service modifications.

2. Potter Valley service for MCAVHN clients.

- Again, this will be reviewed by the MTA Route Committee.

Low Priority – (not in priority order)

10. Shuttle on South Coast (Sea Ranch to Gualala/Manchester)

Additional Needs as Identified at the SSTAC:

1. Nonemergency medical transportation for out of the service area/hours for seniors and disabled adults.
2. Weekend and after hours rides for seniors and disabled adults. (Fort Bragg, Pt. Arena evenings and Saturday and Sunday; Ukiah Sundays)
3. Service for isolated seniors and disabled adults.
5. Transportation from remote rural areas to existing transit stops (e.g. rides, cost stipends, etc.)

Non-Qualifying Unmet Needs

Additional Needs as Identified in Public Hearings:

3. Smaller buses in City of Ukiah.
4. App for people to book their own DAR trips.
5. Smaller mirrors that are not hazards to bikes.
9. Support from MTA Board for cyclist safety from Caltrans and alternative crossing for the Navarro River when flooded.
11. Mendocino Coast Parks and Recreation shuttle for activities and service to public pool in Gualala. (Charter)

MENDOCINO COUNCIL OF GOVERNMENTS

MINUTE ORDER

Transit Productivity Committee – Unmet Transit Needs

May 17, 2018

Dow & Associates Conference Room, Ukiah

PRESENT:

MCOG Board Members: Susan Ranochak and Steve Scalmanini
MTA Board Members: Jim Mastin
Senior Centers Rep.: Charles Bush, Redwood Coast Seniors
Staff: Janet Orth, Nephela Barrett and Marta Ford, MCOG
Carla Meyer and Jacob King, MTA

ABSENT: Jim Tarbell, MTA

1. Call to Order. MCOG Director Ranochak called the meeting to order at 1:06 p.m. Jim Tarbell was excused by prior arrangement.

4. Review and Recommendation on MTA’s Analysis and Prioritization of 2018/19 Unmet Transit Needs.

Janet briefly reviewed the annual process and adopted definitions. Carla handed out her 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. Carla’s report was ranked by five categories: *Already Exists* (2), *High Priority–Consider for FY 2018/19* (5), *Medium Priority* (2), *Low Priority* (5), and *Not an Unmet Need* (5), for a total of 19 needs. (One of the 18 needs on MCOG’s list, SSTAC’s #2, was split into two parts.) Carla’s review and group discussion included the following.

- “Already Exist” – Weekend and after hours rides for seniors and adults is partially provided, in Ukiah area on evenings and Saturdays. However, MTA provides door-to-door service, not door-through-door. Refer to Low Priority for other destinations and times.
- “High Priority–Consider for FY 2018/19” – Design of downtown Ukiah shuttle routes is in MTA’s existing budget. This and earlier morning service for UVAH clients are under review by a Route Committee. It is a misconception that people are willing to ride smaller busses but not larger ones. Smaller vehicles can be used in the evenings but would be over capacity by day. An additional Ukiah-Point Arena round trip might encourage family trips. Service to Willits pool and High School would target youth and can be evaluated for a low-cost route adjustment.
- “High Priority–Consider for FY 2018/19” – The only high priority of five SSTAC identified needs was a long-standing one for “Wheelchair accessible door-through-door assisted services for seniors and disabled adults on Wednesday in the Ukiah area.” MTA proposes that funding come from revising the formula for distribution of TDA transportation funds to the senior center contracts, a task that has been recommended in the past two triennial performance audits of both MCOG and MTA. There is currently no mechanism to evaluate the funding formula, but perhaps the time has come to tackle this issue.
- “Medium Priority” – Two needs from MTA’s list were identified. Brooktrails service has been tried many years ago, but demographics have changed. The Route Committee will consider it and Potter Valley service for MCAVHN (Mendocino County AIDS/Viral Hepatitis Network) clients.
- “Low Priority” – A South Coast shuttle from Sea Ranch to Gualala/Manchester and the other four SSTAC identified needs were in this category. “Transportation from remote rural areas to existing transit stops” was considered by MTA staff to be a logistical challenge.
- “Non-Qualifying Unmet Needs” – These were considered infeasible, not transit, or not a public service.

Discussion followed on reasonable-to-meet needs and how they could be funded or otherwise provided. Staff recommended appropriate language for a motion to reflect the above discussion.

Recommendation:

Upon motion by Mastin, seconded by Bush, 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 2018/19, contingent on review of existing routes, update of the funding formula for senior centers' transportation contracts, and potential new revenues through the Federal Transit Administration (FTA) Section 5311 Program, as identified on the FY 2018/19 list:

- #6-M Design of more shuttle routes that remove parking downtown and well as increase housing, with smaller buses that people would ride
- #7-M Addition of one-day round-trip from Ukiah to Point Arena
- #12-M Service to Willits pool and High School
- #1-PH Ukiah fixed route and DAR service starting a half hour earlier in the mornings for transportation to jobs (UVAH clients)
- #4-S Wheelchair accessible door-through-door assisted services for seniors and disabled adults on Wednesdays in the Ukiah area.

[M=MTA; PH=Public Hearing; S=SSTAC]

9. Adjournment. The meeting was adjourned at 3:28 p.m.

Submitted by Janet Orth, Deputy Director / CFO

III.
Mendocino
Transit Authority

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2018-05

ALLOCATING FISCAL YEAR 2018/19
LTF, STA, and CAPITAL RESERVE FUNDS and
2017/18 CARRYOVER 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 claim for FY 2018/19 Local Transportation Funds, and 2) allocations for State Transit Assistance and Capital Reserve funds when adjusted to reflect Long Term Capital and MTA's adopted Five-Year Capital Plan is provided to MCOG;
- 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; and
- Based on allocations in accordance with TDA for Administration, 2% Bicycle & Pedestrian, Planning and Reserves, the 2018/19 LTF funds available for transportation services are \$3,155,065; STA funds available for 2018/19 are estimated at \$971,819 (\$680,635 of new State funds and \$291,184 of accumulated fund balance including 2017/18 revised estimate); and the Capital Reserve Fund balance is estimated at \$300,493. The total amount available for transportation services from these three funding sources is estimated at **\$4,427,376**; 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	2,661,288
	PUC Sec. 99260(a)		Unmet Transit Needs	0
	PUC Sec. 99400(c)		Senior Center Operations	493,777
	PUC Sec. 99260(a)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total LTF	3,155,065
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	300,000
	CCR Sec. 6731(b)		Senior Center Operations	0
	CCR Sec. 6730(b)		MTA and Seniors Capital	49,000
	CCR Sec. 6752		MTA Capital - Reclaimed Carryover	0
	CCR Sec. 6648		Capital Reserve Fund	331,645
			Total STA	680,645
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	632,138
			STA contribution allocated above	(331,645)
			Total CRF	300,493
Total LTF, STA, and Capital Reserve Allocations				4,136,203
Balance Remaining for Later Allocation				291,173
Total Estimated 2018/19 Funds Available for Transit				4,427,376

2. Additionally, MCOG makes the following required findings from Article 5, Sections 6730 and 6754 of the California Code of Regulations, regarding LTF and STA 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 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, 2016 confirmed that MTA had more than met the 14.7% ratio required at the time. New legislation, SB 508, effective July 1, 2016, amended TDA and reduced MTA’s fare revenue required ratio to ten (10) percent. MTA more than met the required 10% for the period reviewed by the TPC, March 1, 2014 through February 28, 2017.
 - 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, most but not all were met according to the auditor's report. The audit of FY 2016/17 is still in progress, so the report is pending completion.
 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 capital purposes. For the fiscal year audited (ending June 30, 2016), the funds were claimed by MTA for both operating and capital purposes; however, the STA eligibility requirements for operations use were waived by the Legislature for FY 2009/10 through 2015/16; also Senate Bill 508, effective July 1, 2016 changed the requirement to allow partial eligibility.
 2. The sum of the claimant's allocations from LTF did exceed the amount the claimant is eligible to receive during the fiscal year for operating, by \$93,597, and is being repaid monthly to MCOG as a reduction of the 2017/18 allocation, in full by June 30, 2018.
 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 the purpose specified in Section 6730 on the basis of all these findings:
 - a. The operator is making a reasonable effort to implement the productivity improvements recommended pursuant to Public Utilities Code 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 17, 2018, the Transit Productivity Committee (TPC) reviewed data through February 28, 2017 and recommended "that 1) MCOG consider reducing its farebox standard to ten percent over the next few years and revisit the issue this time next year with another year or two of performance data; 2) MTA work with community partner agencies to address the homelessness problem that is impacting ridership; and 3) MCOG encourage MTA to conduct a review of all routes on the system for productivity." MTA is working with community partner agencies and has convened an internal Route Committee for review of all routes over the next six months.

- b. For an allocation made to an operator for its operating cost, the operator is not precluded by any contract entered into on or after June 28, 1979, from employing part-time drivers or from contracting with common carriers of persons operating under a franchise or license.
 - c. The California Highway Patrol has certified that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by Public Utilities Code Section 99251.
 - d. The operator is in compliance with the eligibility requirements of Public Utilities Code Section 99314 as applicable (relative to STA funds). This requirement is not applicable, as the STA eligibility requirements for operations use were waived by the Legislature for the most recent fiscal audit period. SB 508, effective July 1, 2016, changed the requirement to allow partial eligibility, to be addressed by the next audit of June 30, 2017.
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 12 percent.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$338,979 as of June 30, 2017, less 2017/18 allocations of \$39,375, the addition of earned interest through December 31, 2017 at \$889, and a new contribution of \$331,645 from 2018/19 STA revenues, provides a total estimated balance of \$632,138. MTA has requested no funds for FY 2018/19 current-year capital projects and the TPC and MCOG staff have recommended an allocation to the claim when adjusted to reflect Long Term Capital and MTA's adopted Five-Year Capital Plan is provided to MCOG, therefore the entire available balance of \$632,138 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 2018/19 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2018.

ADOPTION OF THIS RESOLUTION was moved by Director Carter/Alt., seconded by Director Croskey, and approved on this 4th day of June, 2018, by the following roll call vote:

AYES: Directors Stranske, Wasserman, Cimolino, Carter/Alt., Croskey, Jackman
(Caltrans/PAC), and Chair Gjerde
NOES: None
ABSENT: Director Scalmanini

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

/s/

/s/

ATTEST: Phillip J. Dow, Executive Director

Dan Gjerde, Chair



SERVING MENDOCINO COUNTY SINCE 1976

April 27, 2018

Phil Dow, Executive Director
Mendocino Council of Governments
267 North State Street, Suite 206
Ukiah, CA 95482

Dear Phil,

Attached is MTA's claim for funds for fiscal year 2018/2019. The MTA preliminary budget was reviewed at our March 28, 2018 and the formal resolution for the claim will be approved at the May 25, 2018 Board Meeting. In summary, MTA is requesting:

\$ 3,155,065 from the Local Transportation Fund (LTF), and
\$ 680,645 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, \$2,661,288 would be used to support MTA's General Public Operations and \$493,777 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 \$680,645 of MTA's share of the Governor's State budget for STA funds to be used for Operating and Capital 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 increased of 4.4% for FY18/19 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.

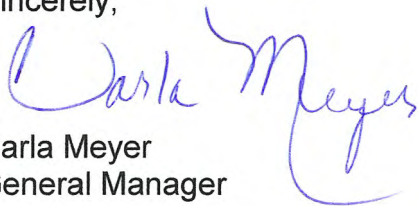
MTA and Senior Center Capital Program

The Capital Program for the budget year FY 18/19 will include replacement of five (5) Paratransit buses, one staff vehicle, Administration Offices remodel and one Senior Center Accessible minivan purchase.

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: see attached distribution list

DISTRIBUTION: (Letter to Phil Dow dated April 27, 2018 from Carla Meyer, General Manager, Mendocino Transit Authority)

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Mendocino Transit Authority
Summary of 2018/2019 Claim for Funds

4/27/18

Source	Authority	Purpose	FY 2017/18 Amount	FY 2018/19 Amount
Local Transportation Fund:				
	PUC, Sec. 99260(a)	MTA Operations	\$2,549,564	\$2,661,288
	PUC, Sec. 99260(a)	Unmet Transit Needs		\$0
	PUC, Sec. 99400(c)	Senior Center Operations	\$473,057	\$493,777
	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			\$3,022,621	\$3,155,065
State Transit Assistance Fund:				
	CCR, Sec. 6730(a)	MTA Operations	\$300,000	\$0
	CCR, Sec. 6731(b)	Senior Center Operations		\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital	\$49,000	\$0
	CCR, Sec. 6752	Reclaim for MTA Capital		\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$331,645	\$0
Total			\$680,645	\$0
Capital Reserve				
	CCR, Sec. 6648	MTA Capital		\$0
	CCR, Sec. 6648	Senior Capital		\$0
	CCR, Sec. 6631	Long-Term Capital		\$0
Total			\$0	\$0
Total Claim			\$3,703,266	\$3,155,065

IV.
Regional
Surface Transportation
Program

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2018-06

ALLOCATING REGIONAL SURFACE TRANSPORTATION PROGRAM FUNDS
for FISCAL YEAR 2018/19

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 and revenue projections under previous bills; preliminary estimated revenue for FY 2018/19 is **\$736,865**;
- 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 was initiated in FY 2011/12 at \$90,000 per year;

- Under the approved five-year contract 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 **\$1,104,007** (\$904,007 audited fund balance at June 30, 2017, \$100,000 allocated for FY 2017/18, \$100,000 anticipated for FY 2018/19); this amount includes six open Partnership project balances assigned by the Council of \$356,728 and an estimated \$747,279 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 \$112,115 through FY 2016/17; the amount of \$90,000 shall be allocated to continue Local Assistance services to member agencies in Fiscal Year 2018/19, to include the actual personnel cost according to contract (up to \$79,273) 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 \$10,727), 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 2018/19 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	117,729	546,865
	City of Ukiah	158,438	
	City of Fort Bragg	105,786	
	City of Willits	99,289	
	City of Point Arena	65,624	
Total FY 2018/19 Allocations			736,865

ADOPTION OF THIS RESOLUTION was moved by Director Carter/Alt., seconded by Director Croskey, and approved on this 4th day of June, 2018, by the following roll call vote:

- AYES: Directors Stranske, Wasserman, Cimolino, Carter/Alt., Croskey, Jackman
(Caltrans/PAC), and Chair Gjerde
- NOES: None
- ABSENT: Director Scalmanini

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

/s/

/s/

ATTEST: Phillip J. Dow, Executive Director

Dan Gjerde, Chair

Appendix



MCOG Budget Workshop

May 7, 2018

Funding Sources in Annual Budget 2

- **Transportation Development Act (TDA) – LTF & STA**
- **Planning Overall Work Program (OWP) – various:**
 - Local Transportation Fund (LTF)
 - STIP Planning, Programming & Monitoring (PPM)
 - Rural Planning Assistance (RPA)
 - Active Transportation Program (ATP)
 - State & Federal planning grants
- **Regional Surface Transportation Program (RSTP) d I**
 - Now called Surface Transportation Block Grant (STBG) Program

Budget Summary – TDA Funds

3

Summary Page Mendocino Council of Governments
Regional Transportation Planning Agency - Fiscal Year 2018/19 Budget
Administration, Bicycle & Pedestrian, Planning, and Transit Allocations - Executive & Technical Advisory Committee Recommendations and MTA Claim of 4/2/2018

REVENUES	LOCAL			STATE		FEDERAL		LOCAL MATCH	TOTALS
	LYF	STA	CMF	PMM	RPA	Grants	ESTP		
2018/19 LTF Official County Auditor Estimate	3,193,500								3,193,500
2017/18 Auditor's Unencumbered Estimate	1,110,000								1,110,000
Total Local Transportation Fund (LTF) Estimate	3,987,000								3,987,000
2017/18 Auditor's Unencumbered Balance - Reversal	(1,915,000)								(1,915,000)
Reversal: LTF prior year unallocated revenue	25,135								25,135
Carson - Planning Overall Work Program	5,000			4,059		per p/c			5,059
2018/19 State Transit Assistance - (SCA) Preliminary Estimate		600,000							600,000
State Transit Assistance - Fund Balance Available for Allocation		239,334				Include 2017/18 unused SC estimate			239,334
MTA Requested Carpool Fee 2017/18				300,000		Advised by letter allocation 2017/18 allocation			300,000
2018/19 State Planning, Programming & Monitoring (PPM)				80,000					80,000
2018/19 Rural Planning Assistance					250,000				250,000
2018/19 State Active Transportation Program (ATAP) grants Specialist						per p/c			0
2018/19 State & Federal Planning Grants - grants and 2017/18 carryover							25,000		25,000
Regional Surface Transportation Program - (State/Federal Carryover)							736,000		736,000
LTF Revenue	70,000								70,000
2018/19 LTF Unencumbered Balance - Revised	100,740								100,740
Plus LTF Revenue Allocation for FY 2017/18	60,000								60,000
Subtotal	247,500								247,500
Less LTF Revenue Reversal Balance on Reallocated/REVERSED	(100,000)					Per policy Reversal for 5% of County Auditor's estimate of revenue to transfer (100)			(100,000)
Amount Available for Allocation FY 2018/19	107,500								107,500
TOTAL REVENUES	3,845,441	839,334	300,000	93,059	254,000	25,000	736,000	0	4,227,477
ALLOCATIONS									
Reversal: LTF prior year unallocated revenue	25,135								25,135
2018/19 Administration	462,444								462,444
2% Board's Discretion - 2018/19 LTF Exec Admin. v. 02	46,000								46,000
2018/19 Planning Overall Work Program (OWP) - New Funds	147,000			93,059	254,000	25,000		0	519,059
Carson - PMM - Cash Estimate	5,000							0	5,000
Total Administration, Bikes & Ped. and Planning	645,579	0	0	93,059	254,000	25,000	0	0	1,117,579
TOTAL AVAILABLE FOR 2018/19	3,155,000	839,334	300,000	0	0	0	0	0	4,227,334
2018/19 Mendocino Transit Authority Claim - (See April)									0
MTA Operating	2,501,200	300,000	0	0	0	0	0	0	2,801,200
Transit Transit Needs									0
State Transit Operating	433,777								433,777
Capital Revenue Fund Contribution		331,645							331,645
Capital Program - MTA - Current Current Year		43,000							43,000
Capital Program - Long Term (Over 10 Year Plan)									0
Other Allocations - (SPR) - (SCA) carryover	3,165,968	600,000	0				100,000		3,865,968
Other Allocations - (SPR) - (SCA) carryover							100,000		100,000
Other Allocations - (SPR) - (SCA) carryover							546,000		546,000
Other Allocations - (SPR) - (SCA) carryover							0		0
TOTAL ALLOCATIONS	3,845,441	839,334	300,000	93,059	254,000	25,000	736,000	0	4,227,477
Balance Remaining for Later Allocation	0	0	0	0	0	0	0	0	0

Budget Summary – Alt. Format

4

MENDOCINO COUNCIL OF GOVERNMENTS
FY 2018/19 BUDGET SUMMARY
For Board of Directors Workshop May 7, 2018

REVENUES	FY 2017/18 Budget		FY 2018/19 Budget		% Change	NOTES
	Amount	Proposed	\$ Change	% Change		
LOCAL/REGIONAL						
Local Transportation Fund (LTF)						Transportation Development Act (TDA) Funds
LTF Official County Auditor Estimate	\$ 3,491,711	\$ 3,193,500	\$ (298,211)	-8.5%		
Auditor's Unencumbered Balance - Current Year	\$ 1,032,271	\$ 1,110,000	\$ 77,729	7.5%		
Total Local Transportation Fund (LTF) Estimate	\$ 3,587,982	\$ 3,987,000	\$ 399,018	11.1%		
Auditor's Unencumbered Balance - Reversal	\$ (1,915,000)	\$ (1,915,000)	\$ 0	0%		Per policy unencumbered carryover LTF Revenue
LTF Unallocated - Accounting in Motion County's actual method	\$ 98,000	\$ 25,135	\$ (72,865)	-74.4%		County funds, requires 2 months of prior revenue
Plan Year Balance Planning Late Allocation	\$ 10,000	\$ -	\$ (10,000)	-100%		FY 2017/18 unencumbered carryover allocation from previous
MTA Requested Carpool Fee 2017/18	\$ 300,000	\$ -	\$ (300,000)	-100%		Per audit of FY 2018, amount eligible to carry over 2017/18
Planning Overall Work Program (OWP) - Carson from Revenue FY	\$ 15,000	\$ 5,000	\$ (10,000)	-66.7%		FY 2017/18 OWP as amended Feb. 5, 2018, 2018/19 preliminary carryover
Total Local Transportation Fund	\$ 4,020,982	\$ 3,268,635	\$ (752,347)	-18.7%		OWP revenue to offset to regular allocation
LTF Revenue Funds	4,020,982	3,268,635	(752,347)	-18.7%		
LTF Revenue Balance of Unallocated Revenue	\$ 60,000	\$ 70,000	\$ 10,000	16.7%		Let unallocated, actual LTF revenue not available per Auditor's Estimate
LTF Revenue Fund Balance	\$ 3,960,982	\$ 3,198,635	\$ (762,347)	-19.2%		Revenue used to cover transit allocation shortfall and carryover per policy
Less/Less Carryover Revenue Allocation	\$ (132,400)	\$ 60,000	\$ (192,400)	-145%		Per year unencumbered revenue reversal - Auditor's Estimate
Less LTF Revenue Balance of Unallocated Revenue	\$ 100,000	\$ 200,000	\$ (100,000)	-100%		
Less LTF Revenue Allocation for Allocation	\$ 600,000	\$ 930,000	\$ 330,000	55%		Per policy, Revenue to: of County Auditor's estimate of revenue, revised 100%
TOTAL LTF REVENUES	\$ 4,227,582	\$ 3,868,635	\$ (358,947)	-8.5%		FY 2017/18 allocation was made to Revenue transfer to other
Capital Revenue Funds	\$ 323,540	\$ 374,495	\$ 50,955	15.8%		Fund balance available to fund based on SH Capital Program
Local Assets Contributing	\$ -	\$ 4,163,300	\$ 4,163,300	>100%		Initial match for any planning grants
Total Local Regional Revenue	\$ 4,551,122	\$ 4,163,300	\$ (387,822)	-8.5%		
STATE						
Planning (Transportation) Allocation (PPM) Funds	\$ 164,000	\$ 80,000	\$ (84,000)	-51.2%		
Planning Overall Work Program (OWP) - Carson from Revenue FY	\$ 33,588	\$ 4,889	\$ (29,699)	-88.4%		FY 2017/18 OWP as amended Feb. 5, 2018, 2018/19 preliminary carryover
Total PPM Funds	\$ 197,588	\$ 84,889	\$ (112,700)	-57.1%		
State Transit Assistance (STA) Funds	\$ 273,000	\$ 399,000	\$ 126,000	46.2%		TDA Funds
State Transit Assistance - Estimate	\$ 363,000	\$ 699,000	\$ 336,000	92.6%		Per policy, estimate, 2018/19 increase due to STA
Estimate Fund Balance Available for Allocation	\$ 80,000	\$ 28,000	\$ (52,000)	-65%		FY 2017/18 estimate under 2017/18 revised SC estimate
Total State Transit Assistance Funds	\$ 443,000	\$ 727,000	\$ 284,000	64.1%		
Rural Planning Assistance (RPA) Funds	\$ 240,000	\$ 240,000	\$ 0	0%		
Planning Overall Work Program (OWP) - Carson	\$ 5,000	\$ -	\$ (5,000)	-100%		FY 2017/18 OWP as amended Feb. 5, 2018, 2018/19 carryover per policy
Total RPA Funds	\$ 245,000	\$ 240,000	\$ (5,000)	-2.0%		
California Active Transportation Program (ATAP) Funds	\$ 40,000	\$ -	\$ (40,000)	-100%		SPR/SCA/MTA Revenue - Fed. Sta. 1522 - Pedestrian Engineering
ATAP Infrastructure Projects - New Revenue	\$ 37,000	\$ -	\$ (37,000)	-100%		Amount of funds to carry over from FY 2017/18
ATAP Infrastructure Projects - Carryover	\$ 3,000	\$ -	\$ (3,000)	-100%		State Revenue to fund State Grants - Construction and Capital
Total ATAP Funds	\$ 43,000	\$ -	\$ (43,000)	-100%		

Funding Sources in Annual Budget 5

- For details see:

MENDOCINO COUNCIL OF GOVERNMENTS
2018/19 Budget
Explanatory Notes on Funding Sources
4/20/2018

LTF - Local Transportation Fund

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

LTF Reserve Fund

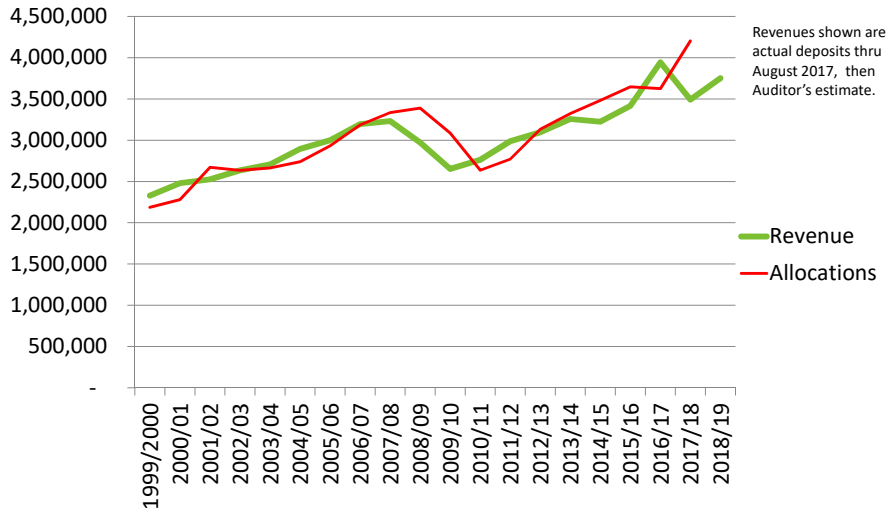
- Allowed under TDA, adopted locally by MCOG on June 7, 1999, revised April 2, 2011.
- Fund balance required annually at the request of County Auditor's LTF estimates.
- Supplies allocated through annual budget process.
- To be used for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit plan process, when LTF revenues fall short of LTF budget allocations, or if otherwise an unusual circumstance requires an additional allocation. A claim was made to meet the FY 2015-16 shortfall of \$48,344.
- The fund was obligated to cover the FY 2009-10 revenue shortfall and policy required in FY 2010-11 and again in FY 2011-12. The policy was partially revised for 2013-14, 2014-15 and 2014-15 per Board.
- Since FY 2015-16, MCOG has resumed the LTF Reserve policy by reserving the minimum fund balance of five percent of the County Auditor/Controller's LTF estimates, releasing one year of surplus for allocation between \$100,000 and \$200,000, followed by a shortfall of \$65,000, then surplus of \$71,000.

LTA - State Transit Authority

- 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 SB1, the Fiscal Responsibility and Accountability Act of 2011. The gas tax is now retained in railroads.
- Derived by the Transportation Development Act (TDA).
- Eligibility to operate only to transit operations (MTA in Mendocino County).
- May be used for other operations, subject to an eligibility formula based on certain cost efficiency metrics, or for Capital. MTA normally use LTA for Capital purposes, until the operations requirement was waived for FY 2009-10 - 2015-16 during the Recession.
- Issue SB104, effective July 1, 2016, provides more flexibility, so that "rather than making an operator eligible to receive State Transit Authority program funds, the operating program for an enterprise for failing to meet the efficiency standard, it will instead reduce the operator's operating allocation to a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standard, or 120%".
- State Controller provided fund estimates—"Preliminary" in January, "Finalized" after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approval allocations to LTA, when received in MCOG's fund account. At times there is an unbalanced balance. Other times the fund is fully cleared and has only a small balance of current settings.
- The gas price was as high as in 2008 in 2007, the fund ended and after attention, LTA was added by the State during the budget process in 2007 and 2008, then suspended altogether in 2009. Unlike previous and subsequent years by the Transit Authority, the Legislature passed S.B. 104 in 2010/11.

“Explanatory Notes on Funding Sources” in your packet

LTF Revenues & Allocations - Trend 6



LTF Revenues FYTD 2017/18

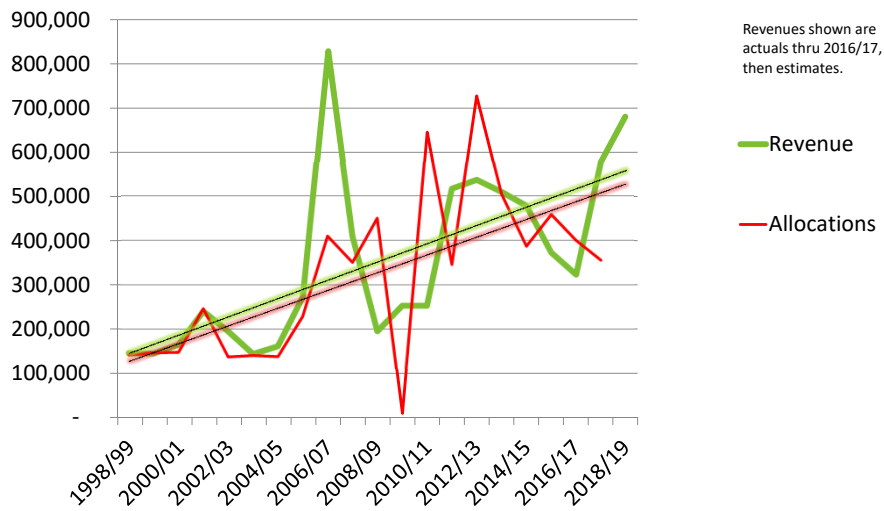
7

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

	<u>BUDGET</u>	<u>ACTUAL</u>
Auditor's FY Estimate	\$ 3,491,711	
Budget FYTD	2,327,807	\$ 2,578,873
Excess FYTD		251,066 (7.2%)
4 mos. remaining	1,163,904	912,838
Auditor's FYE estimate	\$ 110,188 (3.2%)	

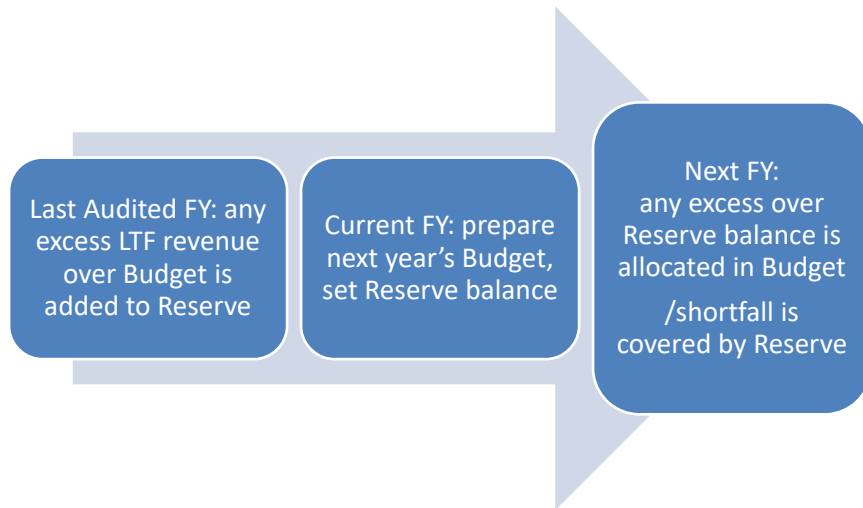
STA Revenues & Allocations - Trend

8



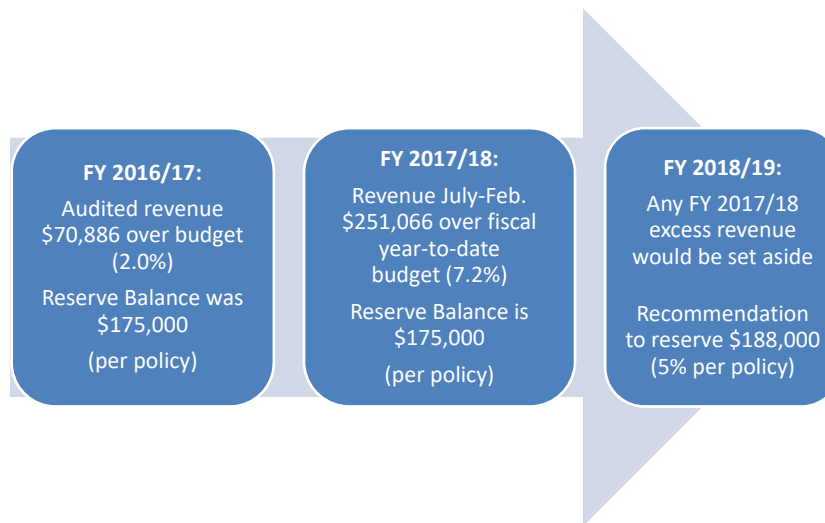
LTF Reserve Policy since 1999

9



LTF Reserve Process for 2018/19

10



LTF Allocation Priorities

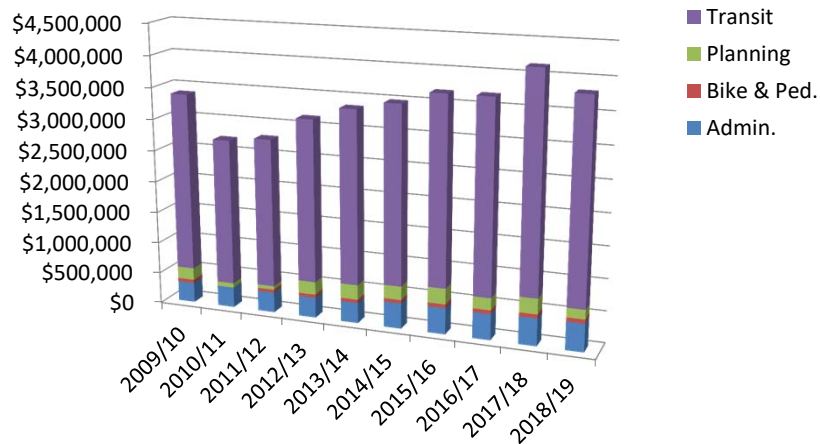
11

Consistent with TDA:

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

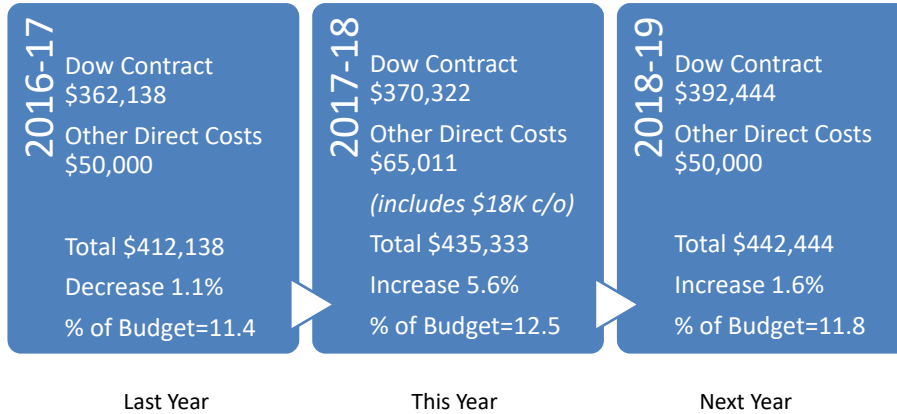
LTF Allocations - Trend

12



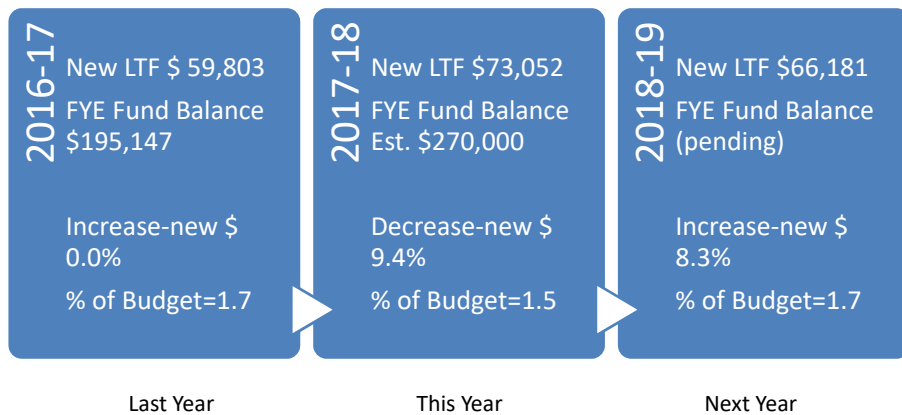
LTF Allocations – Admin.

13



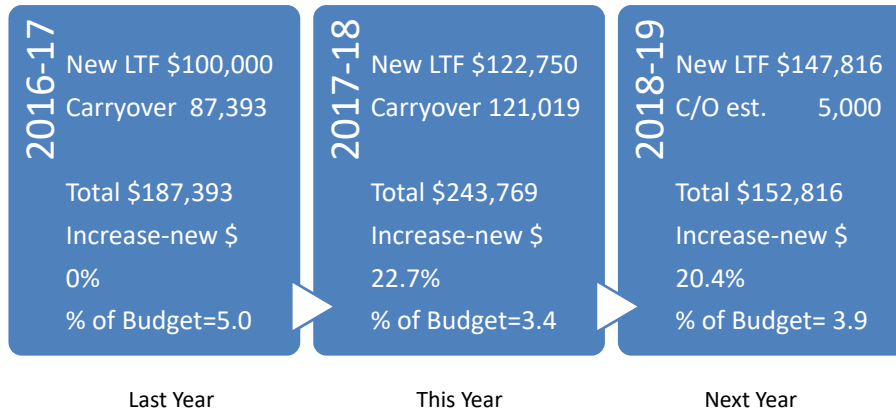
LTF Allocations – Bike & Ped

14



LTF Allocations – Planning

15



All Allocations – Planning

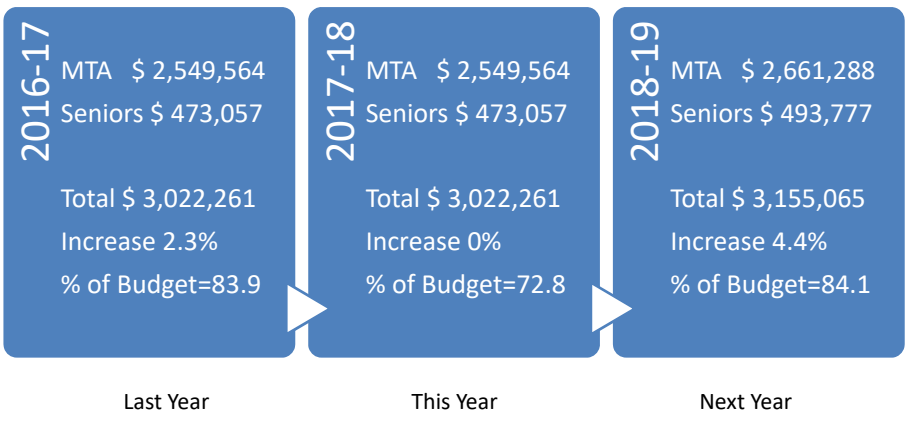
16

Draft FY 2018/19 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergovt'l Coordination	MCOG	LTF, State RPA	108,200
2	Planning Mgmt. & General Coordination	MCOG	LTF	90,475
3	Community Transportation Planning	MCOG	LTF	10,250
4	Sustainable Transportation Planning	MCOG	State RPA	10,000
6	Combined Special Studies	MCDOT	State RPA	60,000
7	Planning, Programming & Monitoring	MCOG	State PPM, RPA	64,025
10	Transit Design Guidelines Manual	MTA	LTF, State RPA	35,000
14	Training	MCOG	LTF	21,000
15	Trans. Planning for Mill Site Re-use & Zoning	Ft. Bragg	State PPM	48,125
16	Multi-Modal Transportation Planning	MCOG	State RPA	30,000
17	ZEV & Alt. Fuels Readiness Plan Update	MCOG	State RPA	35,000
18	Geographic Information System Activities	MCOG	State PPM	5,600
20	Grant Development & Assistance	MCOG	LTF, State RPA	22,800
21	<i>Pedestrian Facility Needs Inventory – c/o</i>	MCOG	State Grant	10,000
22	<i>Safe Routes to School ATP – carryover</i>	MCOG	State ATP	15,000
	TOTAL			565,475

LTF Allocations – Transit

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Budget Summary – RSTP Funds

18

Summary Page 4630000
 Mendocino Council of Governments
 Regional Transportation Planning Agency - Fiscal Year 2018/19 Budget
 Administration, Safety & Pedestrian, Planning, and Transit Allocations - Executive & Technical Advisory Committee Recommendations and MTA Claim of 4/3/2018

REVENUES	LOCAL		CFR	STATE		FEDERAL		Local	TOTALS
	LTF	STA		STAG	Other	Other	Other		
2016 LTF Capital Construction Expense	3,761,528								3,761,528
2017 LTF Capital Construction Expense	1,123,000								1,123,000
Fed Local Transportation Fund LTF Expense	3,000,000								3,000,000
2017 LTF Capital Construction Expense - Referred	(150,000)								(150,000)
Interest on State and Federal Loans	25,100								25,100
Caravan - Planning/Travel Voucher Program	5,000			4,000	1,000				5,000
2016 State Transit Assistance - ICCS - Pedestrian Expense				600,000					600,000
State Target Assistance - Fuel Expense Available for Allocation				220,334	Included in 2017/18 State				220,334
ICCIS Capital/Program Fuel Expense Available for Transit				300,453	Admitted to Allocation 2017/18				300,453
MTA Requested Caravan from 2017/18									0
2016/17 State Planning, Programming & Research (PP&R)				60,000					60,000
2016/17 State Planning Assistance				234,000					234,000
2016/17 State Planning Assistance - State of California									0
2016/17 State Planning Grants - State of California									25,000
Regional Surface Transportation Program - State of California									738,000
TOTAL REVENUES	5,864,628	371,913	300,453	10,000	284,334	26,000	738,000	0	6,250,668
ALLOCATIONS									
2016/17 State Transit Assistance - ICCS	25,100								25,100
2017/18 State Transit Assistance - ICCS	60,000								60,000
2016/17 State Planning, Programming & Research (PP&R)	60,000								60,000
2016/17 State Planning Assistance	234,000								234,000
2016/17 State Planning Assistance - State of California									0
2016/17 State Planning Grants - State of California									25,000
Regional Surface Transportation Program - State of California									738,000
TOTAL ALLOCATIONS	3,183,100	0	0	0	284,334	26,000	738,000	0	4,227,434

RSTP Allocation Priorities

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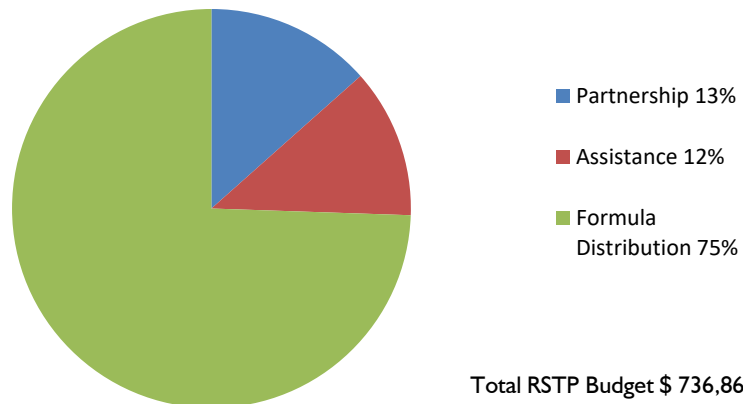
MCOG Policy for Regional Surface Transportation Program, Section 182.6(d)(1):

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

RSTP Allocations

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FY 2018/19 Proposed Budget



SB 1 – Road Repair & Accountability Act 21



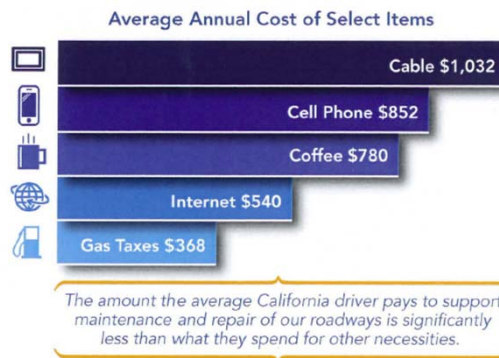
<http://RebuildingCA.ca.gov/>

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

Californians' Expenditures on Gas Tax

23

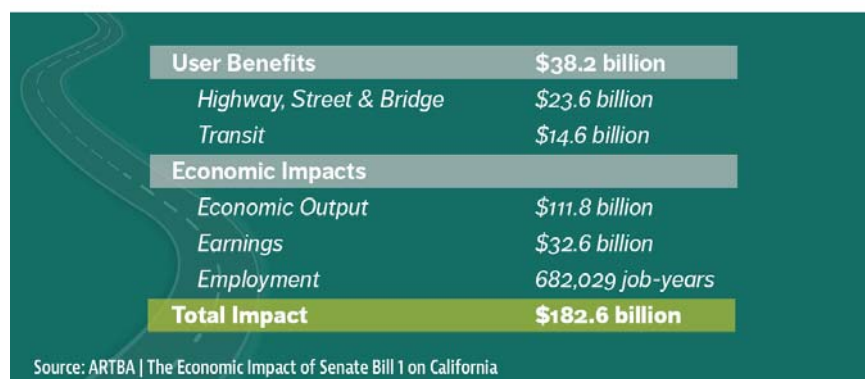


Source: CalSTA

Economic Study Findings

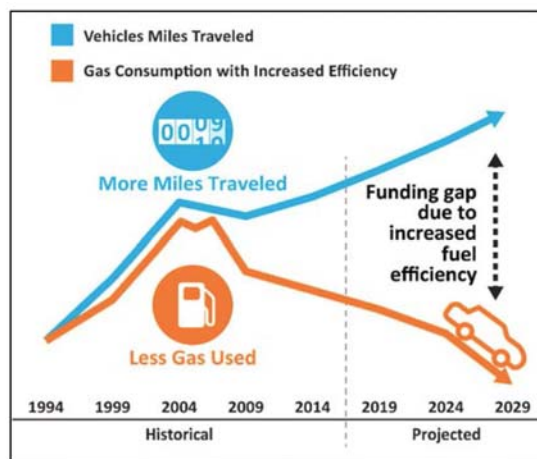
24

Total Impact of SB 1 on California over 10 Years





<https://FixCAroads.com/>



Source: CTC, CALCOG

What's Not in the Budget

27

- 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 2018/19

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- Recommendations:
 - Staff – Admin & Planning
 - Executive Committee – Feb. 28
 - Technical Advisory Committee – Feb. 21
 - Transit Productivity Committee – May 17

- Adopt Budget June 4, 2018
- Can amend during Fiscal Year

Questions?

Thank You!

Presentation by:

Janet Orth, Deputy Director / CFO

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Credits:

Graphics from RebuildingCA.ca.gov, FixCAroads.com, CALCOG, CSAC,
CalSTA, ARTBA.
Cover photo by Janet



Mendocino Council of Governments
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2016/17, ended June 30, 2017. 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 continued a trend of economic recovery since the recession that began in 2008. Local sales tax revenues have remained above \$3 million for five 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. FY 2016/17 revenue approached \$3.5 million (up 3.7 percent).

The Council's management has been encouraged by the steady 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. Meanwhile, the Legislature has been addressing the statewide transportation funding crisis. Senate Bill 1, the Road Repair and Accountability Act was signed into law in April 2017, investing over \$5 billion a year in state and local transportation needs.

Overall, funding sources available to the Council have remained fairly stable during the economic recovery. 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, in response to crucial safety needs.

Net assets have been typically in the range of \$1.5 million in Governmental funds and \$3.5 million in Fiduciary funds. Last year the Governmental net assets were \$1 million and in FY 2016/17 dropped below \$1 million, as a result of planned equipment purchases for the SAFE call box program. Fiduciary funds have gradually increased to over \$5 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 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 the other six funds: LTF, STA, RSTP, LTF Bicycle & Pedestrian fund and 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, and State Transit Assistance (STA), from statewide sales of diesel fuel and excise taxes on 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 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 35.

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.

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 \$1,396,855, an increase of \$6,402 over the previous fiscal year, mainly due to an increase in state aid. Expenditures were \$1,610,387, a decrease of \$45,729. Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2015/16.

Table 1

Governmental Net Position at June 30	2017	2016	Change
Current Assets	\$ 868,331	\$ 1,010,976	\$ (142,645)
Capital Assets, Net of Accumulated Depreciation	492,418	621,508	(129,090)
Total Assets	1,360,749	1,632,484	(271,735)
Current Liabilities	485,860	414,634	71,226
Total Liabilities	485,860	414,634	71,226
Net Position			
Investment in Capital Assets	492,418	621,508	(129,090)
Restricted	382,471	596,342	(213,871)
Total Net Position	\$ 874,889	\$ 1,217,850	\$ (342,961)

Net position comprised the following:

- Cash and investments of \$556,820 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$310,511;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$485,860;
- Depreciated capital assets of \$492,418. (*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 \$412,138 from the Local Transportation Fund for administration of all the Council's activities, including the third year of a new contract effective October 1, 2014 as a result of the Council's procurement for Administrative & Fiscal Services, with a scheduled inflation increase of 1.5 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 was reduced from \$60,000 to \$50,000, to previous levels before the uncertainties of the prior two years.

Planning

Over the past several years, the Transportation Planning Overall Work Program (OWP) typically has had a budget of approximately \$1.6 million annually (refer to the Governmental Funds for sources). In FY 2015/16, this was increased to \$2,047,233 due to a multi-year Active Transportation Program grant of more than \$1 million. In FY 2016/17, the budget decreased to \$1.75 million. The OWP funded 16 project work elements that benefited the five member agencies, Mendocino Transit Authority, and Caltrans. In FY 2015/16 there were 19 work elements.

SAFE Program

The Mendocino SAFE motorist aid call box program has faced a series of technical and legal issues and challenges that has delayed implementation over recent years. The adopted Five-Year Financial Plan budgets for revenue and expenditures. Revenues have been steady or rising at about \$100,000 annually from vehicle license fees countywide. The cash fund balance had accumulated nearly \$1 million in 2013; this began to be reduced as expenditures to implement the SAFE Plan made significant progress during FY 2013/14 through 2015/16. The plan was close to full implementation in FY 2016/17 and a new five-year plan was adopted in March 2017 to reflect operation and maintenance of the system.

More than \$800,000 of new equipment purchases were made and installed by Mendocino SAFE on the state highways during this four-year period, increasing the depreciated capital asset by over 228 percent, from \$149,984 to \$492,418. 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.

Table 2

Changes in Governmental Net Position	2017	2016	Change
Expenses – Administration and Planning	\$ 1,645,732	\$ 1,402,063	\$ 243,669
Revenues			
Program Revenues:			
Local Transportation Funds	517,138	516,900	238
DMV Fees	107,844	104,981	2,863
Aid from State Governments	767,058	765,918	1,140
Total Program Revenues	1,392,040	1,387,799	4,241
General Revenues:			
Use of Money and Property	4,815	2,654	2,161
Total Revenues	1,396,855	1,390,453	6,402
Change in Net Position	\$ (248,877)	\$ (11,610)	\$ (237,267)

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.

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