



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency
and Council of Governments

Fiscal Year 2022/23

BUDGET



June 6, 2022

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MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency
and Council of Governments

Fiscal Year 2022/23

BUDGET

Prepared by

Janet M. Orth
MCOG Deputy Director & CFO

For adoption by

MCOG Board of Directors

June 6, 2022

Cover Photo:

View of US-101 Willits Bypass
from East Commercial Street at Coleman Ranch
By J. Orth April 22, 2022

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MENDOCINO COUNCIL OF GOVERNMENTS

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May 24, 2022

To: MCOG Board of Directors
From: Nephele Barrett, Executive Director
Prepared by Janet M. Orth, Deputy Director & CFO
**Re: Regional Transportation Planning Agency (RTPA) and Council of Governments
Fiscal Year 2022/23 Budget**

This budget is submitted to you for adoption at our meeting on June 6, 2022. 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. This introduction is a brief summary of the main components of the RTPA budget. Five resolutions are prepared for adoption of the required findings and budget allocations. Two summary formats present different views of the information as usual. Total available revenues from all sources are **\$14,657,892**, and total proposed allocations amount to **\$14,289,360**.

As previously reported, the local sales tax revenues (Local Transportation Fund – LTF) came in at very high levels throughout the pandemic of the past two years. The 2020/21 audit shows a surplus of \$754,417, which is added to the 2022/23 available revenues. 2021/22 year-to-date revenues are also well above the LTF estimate. We cannot expect the trend to continue, as the County Auditor’s estimate indicates the revenues leveling off to around one percent growth in the coming year. With inflation on the rise, this is a time for careful resource management while an opportunity to meet vital needs. For the coming year MCOG is able to fund programs of the Regional Transportation Planning Agency and Mendocino Transit Authority, with abundant sales tax revenues augmented by other funding sources.

Administration

In the Transportation Development Act (TDA), funds for Administration of the agency are the first allocation priority, in amounts “as necessary.” The Executive Committee concurred with staff’s initial draft budget for Administration, which comprises several funding sources. The Board of Directors approved a fourth contract extension for Administration & Fiscal Services on March 7, 2022. The proposal includes scheduled COLA increases to the contract. TDA/LTF costs for Administration have again dropped slightly, to 9.9 percent of the Auditor’s estimate, with total costs holding at about 4.9 percent of the total RTPA budget. The Administration budget proposal (excluding STBG and SAFE) is \$509,379.

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 \$92,560.

Planning

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

Pedestrian allocations. In addition, several other available sources are combined to fund the Planning program. All details of the OWP are presented in a separate document. The Executive Committee concurred with staff's proposed allocation of \$315,488 of new LTF funds. The Technical Advisory Committee works closely with our planning staff to develop this program each year and on May 18 recommended all proposed allocations, including FY 2021/22 estimated carryover. The total Planning budget proposal is \$1,046,598.

Transit

After all of the above allocations, the remaining balance of LTF is made available to fund public transit. Also available are State Transit Assistance (STA) funds and federal Section 5311 funds (approved in May 2022 at \$732,129). 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 at a minimum \$100,000 or five percent (5%) of the County Auditor's estimate of new LTF revenues. This year, with MTA's concurrence, staff and the Executive Committee recommended setting aside in reserve three times the policy minimum, to 15 percent (\$771,000), which still adds 14.4 percent (\$585,439) over last year for MTA's claim, topping \$4 million for the second time. The Transit Productivity Committee (TPC) met in April and recommended full funding of MTA's claim with a revision to identify LTF funds for high priority Unmet Transit Needs to restore temporary service cuts. The TPC also recommends a finding that *"there are unmet transit needs that are reasonable to meet for Fiscal Year 2022/23."* The Social Services Transportation Advisory Council (SSTAC) met May 17 and concurred with the TPC's recommendation on unmet needs. Note that federal CARES Act and Coronavirus Response & Relief Supplemental Appropriations Act of 2021 (CRRSAA) funds are claimed by MTA directly to Caltrans and shown in this year's proposal as information only. The total Transit budget proposal is \$7,257,789.

Surface Transportation Block Grant (STBG) Program

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 STBG funds is used to provide Local Assistance to the five MCOG member agencies, beginning in FY 2011/12. This is meant to help increase project delivery, to assist with new funding applications, and to provide related technical support. A resolution in this budget documents the STBG background and proposed allocations. The 2022/23 fund estimate for the RSTP budget is \$812,939.

Active Transportation Program (ATP)

MCOG is responsible for management of state grants awarded in 2014/15 and 2015/16. The infrastructure components in progress are project development activities for construction of the Covelo State Route 162 Corridor Multi-Purpose Trail, Phases 1 and 2 – Preliminary Engineering and Right-of-Way. This is an exceptional function for MCOG, approved by separate resolution. The infrastructure grant funding carried over is estimated at \$2,672,000 of construction funds, and \$1,511,000 of the Caltrans Complete Streets grant, for total carryover to 2022/23 of \$4,183,000.

Regional Early Action Planning (REAP)

Last year, state funding was provided for planning related to housing production and the Regional Housing Needs Allocation (RHNA) for which MCOG is responsible. Our Joint Powers Agreement was amended to include housing matters as a specific power. Most of the grant is sub-allocated to the member local agencies and carried over to 2022/23 at \$354,864.

The remaining amount of the total proposed allocations is a temporary reserve of prior-year unallocated revenues, available for Transportation Development Act (TDA) eligible purposes at \$29,135.

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. An updated budget for Administration, Operations, and Capital Programs is on the Council's June agenda for approval.

Regional/State Transportation Improvement Program (R/STIP)

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

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

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Mendocino Council of Governments

Regional Transportation Planning Agency & COG - Fiscal Year 2022/23 Budget

For Board of Directors Adoption June 6, 2022

REVENUES	Trans. Devt. Act (TDA)			State			Federal		Local Agencies	TOTALS
	LTF	STA	CRF	PPM	RPA	Grants	STBG	5311		
2022/23 LTF Official County Auditor's Estimate - pending, based on disc'n	5,137,383									5,137,383
2021/22 Auditor's Anticipated Unrestricted Balance	566,800									566,800
Total Local Transportation Fund (LTF) Estimate	5,704,183									5,704,183
2021/22 Auditor's Anticipat'd Unrestricted Balance - Reversal	-566,800									-566,800
Reserved LTF prior-year unallocated revenues	29,135									29,135
Carryover - Planning Overall Work Program and RSTP Local Assistance	68,580						240,656			309,236
2022/23 State Transit Assistance - SCO's Preliminary Estimate		868,476								868,476
2022/23 State of Good Repair - SCO's Preliminary Estimate						143,044				143,044
STA and SGR - Fund Balance Available for Allocation		298,899				-12,072				286,827
MCOG's Capital Reserve Fund - Balance Available for Transit			701,179							701,179
Federal Transit Administration (FTA) Sec. 5311 Program - CRRSAA								To Info Supp.		0
FTA Section 5311 Program - Annual Regional Apportionment								732,129		732,129
2022/23 STIP Planning, Programming & Monitoring (PPM)				131,000						131,000
2022/23 Rural Planning Assistance					294,000					294,000
2022/23 State Active Transportation Program (ATP) - grants & carryover						2,672,000				2,672,000
2021/22 Transportation Planning Program carryover				73,750	0	163,780				237,530
Surface Transportation Block Grant Program							812,939			812,939
HCD Regional Early Action Planning (REAP) Housing Funds - est. carryover						354,864				354,864
SHOPP Complete Streets Program - SR-162 Corridor Multi-Purpose Trail						1,511,000				1,511,000
LTF Reserve:										
2020/21 LTF Unrestricted Balance - audited	754,417									
LTF Reserve Balance as of 6/30/2021 - audited	472,034									
Less LTF Reserve Allocated for FY 2021/22	18,301									
Subtotal	1,208,150									
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001 - triple at 15%	771,000									(Per policy, min. Reserve is 5% of County Auditor's estimate of new revenue, to nearest 1,000.)
Amount Available for Allocation in FY 2022/23	437,150									437,150
TOTAL REVENUES	5,672,248	1,167,375	701,179	204,750	294,000	4,832,616	1,053,595	732,129	0	14,657,892
ALLOCATIONS										
Temporary Reserves - LTF prior-year unallocated revenues	29,135									29,135
2022/23 Administration	509,379						93,096			602,475
2% Bicycle & Pedestrian - 2022/23 LTF Estimate less Admin. x .02	92,560									92,560
2022/23 Planning Overall Work Program (OWP) - New Funds	315,488			131,000	294,000				0	
Carryover Funds - See OWP Summary	68,580			73,750	0	163,780			Total OWP:	1,046,598
Total Administration, Bike & Ped., and Planning	1,015,142	0	0	204,750	294,000	163,780	93,096	0	0	1,770,768
BALANCE AVAILABLE FOR TRANSIT	4,657,106	1,167,375	701,179	0	0	130,972	0	732,129	0	7,388,761
2022/23 Mendocino Transit Authority Claim - due April 1:										
MTA Operations	3,428,087	967,375						732,129		5,127,591
Unmet Transit Needs	300,000									300,000
Senior Centers Operations	729,019									729,019
Transit Planning	200,000									200,000
Capital Reserve Fund Contribution										0
Capital Program, MTA & Seniors Current Year		200,000								200,000
Capital Program, Long Term (Five Year Plan)			701,179							701,179
Total Transit Allocations	4,657,106	1,167,375	701,179					732,129		7,257,789
Other Allocations - RSTP for MCOG Partnership Fund							100,000			100,000
Other Allocations - RSTP for County & Cities Projects by Formula							622,939			622,939
Other Allocations - ATP Infrastructure Grants - SR162 Corridor Multi-Purpose Trail						2,672,000				2,672,000
Other Allocations - REAP for Admin., County & Cities Projects by Formula						354,864				354,864
Other Allocations - SHOPP Complete Streets for SR-162 Corridor Multi-Purpose Trail						1,511,000				1,511,000
TOTAL ALLOCATIONS	5,672,248	1,167,375	701,179	204,750	294,000	4,701,644	816,035	732,129	0	14,289,360
Balance Remaining for Later Allocation	0	0	0	0	0	130,972	237,560	0	0	368,532

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MENDOCINO COUNCIL OF GOVERNMENTS

FY 2022/23 BUDGET SUMMARY

For Board of Directors Adoption June 6, 2022

Supplemental Format

REVENUES	FY 2021/22 Budget Admin. Amended	FY 2022/23 Budget Proposed	\$ Change	% Change	NOTES	
LOCAL/REGIONAL:						
Local Transportation Funds (LTF)						
LTF Official County Auditor's Estimate	\$ 4,525,780	\$ 5,137,383	\$ 611,603	13.5%	Transportation Development Act (TDA) Funds	
Auditor's Anticipated Unrestricted Balance - Current Year	\$ 219,584	\$ 566,800	\$ 347,216	158.1%		
Total Local Transportation Fund (LTF) Estimate	\$ 4,745,364	\$ 5,704,183	\$ 958,819	20.2%		
Auditor's Anticipat'd Unrestricted Balance - Reversal	\$ (219,584)	\$ (566,800)				
Reserved LTF Prior-year Unallocated Revenues	\$ 277,099	\$ 29,135	\$ (247,964)	-89.5%	Per policy, any excess flows through LTF Reserve	
MTA Fiscal Audit - Amount returned to MCOG, if any	\$ -	\$ -			Available for TDA allowable purposes (no new revenue, in fund balance)	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 190,929	\$ 68,580	\$ (122,349)	-64.1%	2020/21 MTA audit verified full eligibility for funds received, per state waivers	
Subtotal Local Transportation Funds:	\$ 4,993,808	\$ 5,235,098	\$ 241,290	4.8%	FY 2021/22 OWP as amended April 2022; 2021/22 carryover as of May 18	
LTF Reserve Funds						
LTF "Unrestricted Balance" of Unallocated Revenue	\$ 256,982	\$ 754,417	\$ 497,435	193.6%	OWP carryover is offset by equivalent allocation	
LTF Reserve Fund Balance	\$ 416,394	\$ 472,034	\$ 55,640	13.4%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate	
Less/Plus Current Year Reserve Allocation	\$ (203,075)	\$ (18,301)	\$ 184,774	-91.0%	Reserve used to cover transit allocation shortfalls and claims per policy	
Subtotal	\$ 470,301	\$ 1,208,150	\$ 737,849	156.9%	Prior year unrestricted "excess revenue" above fund balance	
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	\$ (452,000)	\$ (771,000)	\$ (319,000)	70.6%	Per policy, min. Reserve 5% of County Auditor's est. of new LTF, nearest 1,000.	
LTF Reserve Available for Allocation:	\$ 18,301	\$ 437,150	\$ 418,849	2288.7%	From increase in prior-year LTF sales tax revenues	
TOTAL LTF REVENUES	\$ 5,012,109	\$ 5,672,248	\$ 660,139	13.2%		
Capital Reserve Funds Total Capital Reserve Fund	\$ 696,296	\$ 701,179	\$ 4,883	0.7%	Fund balance available for transit claim based on 5-Year Capital Program	
Local Agency Contributions	\$ 200,000	\$ -	\$ (200,000)	-100.0%	Local agencies' match for Local Road Safety Plans - completed	
Total Local/Regional Revenues:	\$ 5,908,405	\$ 6,373,427	\$ 465,022	7.9%		
STATE:						
Planning Programming & Monitoring (PPM) Funds						
Planning Overall Work Program (OWP) - New Revenue	\$ 106,000	\$ 131,000	\$ 25,000	23.6%	FY 2021/22 OWP as amended April 2022; 2021/22 carryover as of May 18	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 97,037	\$ 73,750	\$ (23,287)	-24.0%		
Total PPM Funds:	\$ 203,037	\$ 204,750	\$ 1,713	0.8%		
State Transit Assistance (STA) Funds						
State Controller's Estimate	\$ 653,365	\$ 868,476	\$ 215,111	32.9%	TDA Funds	
Estimated Fund Balance Available for Allocation	\$ 163,120	\$ 298,899	\$ 135,779	83.2%	Revised 2021/22 SCO est. \$791,000, Preliminary 2022/23 may change	
Total State Transit Assistance Funds:	\$ 816,485	\$ 1,167,375	\$ 350,890	43.0%	FY 2021/22 fund balance revised per 2020/21 fiscal audit	
State of Good Repair (SGR) Funds						
State Controller's Estimate	\$ 139,740	\$ 143,044	\$ 3,304	2.4%	Transit funding in Senate Bill 1, allocated to MTA by separate resolution	
Estimated Fund Balance Available for Allocation	\$ -	\$ (12,072)				MCOG over-allocated in prior year due to MTA formula error
Total State of Good Repair Funds:	\$ 139,740	\$ 130,972	\$ (8,768)	-6.3%		
Rural Planning Assistance Funds (RPA)						
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	FY 2021/22 OWP as amended April 2022; 2021/22 carryover as of May 18	
Planning Overall Work Program - Carryover	\$ 32,650	\$ -				
Total RPA Funds:	\$ 326,650	\$ 294,000	\$ (32,650)	-10.0%		
California Active Transportation Program (ATP)						
ATP Infrastructure Projects - Carryover	\$ 2,893,000	\$ 2,672,000	\$ (221,000)	-7.6%	Re-estimated funds to carry over to next FY of trail project for construction	
Total ATP Funds:	\$ 2,893,000	\$ 2,672,000				

SHOPP Complete Streets Program					
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$ 500,000	\$ -			
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$ 1,511,000	\$ 1,511,000			
Total Complete Streets Funds:	\$ 2,011,000	\$ 1,511,000			
Caltrans Sustainable Communities Planning Grants					
FY 2021/22 Grant Application for Feasibility Study	\$ 177,060	\$ 163,780			
Total Caltrans Planning Grants:	\$ 177,060	\$ 163,780	\$ (13,280)	-7.5%	
HCD Regional Early Action Planning (REAP) Housing Funds					
	\$ 375,245	\$ 354,864	\$ (20,381)	-5.4%	
Total State Revenues:	\$ 6,942,217	\$ 6,498,741	\$ (443,476)	-6.4%	
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311f Intercity Bus Program	\$ 300,000	pending			
FTA Section 5311 Program - Regional Apportionment	\$ 717,774	\$ 732,129	\$ 14,355	2.0%	
Surface Transportation Block Grant Program (STBG)	\$ 813,998	\$ 812,939	\$ (1,059)	-0.1%	
STBG Carryover/Balance Available for Later Allocation	\$ 240,656	\$ 240,656	\$ -	0.0%	
Total Federal Revenues:	\$ 2,072,428	\$ 1,785,724	\$ (286,704)	-13.8%	
TOTAL REVENUES	\$ 14,923,050	\$ 14,657,892	\$ (265,158)	-1.8%	

ALLOCATIONS	FY 2021/22 Budget Admin. Amended	FY 2022/23 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
Local Transportation Funds (LTF)					
Reserved LTF Prior-year Unallocated Revenues Administration:	\$ 29,135	\$ 29,135			Balance remaining after allocations from Prior-Year Unallocated Revenues
Admin. & Fiscal Services Contract	\$ 438,001	\$ 461,379	\$ 23,378	5.34%	Includes COLA of 3.0% and 1.67% per CPI rates; contract allows up to 4%
Other Direct Costs	\$ 54,000	\$ 48,000	\$ (6,000)	-11.1%	
Total Administration Allocations:	\$ 492,001	\$ 509,379	\$ 17,378	3.5%	Admin. & Fiscal Services contract 2014/15 - 2018/19 plus three 1-yr extensions
Two Percent LTF Bicycle & Pedestrian Program	\$ 80,676	\$ 92,560	\$ 11,884	14.7%	Opt. 2% of LTF Estimate (less Admin. allocation) per TDA
Planning Overall Work Program (OWP) - New Funds	\$ 147,701	\$ 315,488	\$ 167,787	113.6%	OWP includes a Project Reserve of \$25,000
OWP Carryover from Previous Fiscal Year	\$ 190,929	\$ 68,580			FY 2021/22 OWP as amended April 2022; 2021/22 carryover as of May 18
Total Admin., Bike & Ped., Planning, Reserves:	\$ 940,442	\$ 1,015,142	\$ 74,700	7.9%	
Balance Available For Transit	\$ 4,071,667	\$ 4,657,106	\$ 585,439	14.4%	
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$ 3,434,291	\$ 3,428,087	\$ (6,204)	-0.2%	Public Utilities Code (PUC) Sec. 99260a
Unmet Transit Needs	\$ -	\$ 300,000			PUC Section 99260a
Senior Centers Operations	\$ 637,376	\$ 729,019	\$ 91,643	14.4%	PUC Section 99400c
Transit Planning	\$ -	\$ 200,000			Short Range Transit Development Plan
MTA Capital Program - Current Year	\$ -	\$ -			
Capital Reserve Fund Contribution	\$ -	\$ -			CA Code of Regulations (CCR) Sec. 6648
Total LTF Transit Claim:	\$ 4,071,667	\$ 4,657,106	\$ 585,439	14.4%	
Total LTF Allocations:	\$ 5,012,109	\$ 5,672,248	\$ 660,139	13.2%	
Capital Reserve Funds					
Mendocino Transit Authority (MTA) Claim:					
Capital Program, MTA - Current Year	\$ -	\$ -			CCR Section 6648
Capital Program, Senior Centers - Current Year	\$ -	\$ -			CCR Section 6648
Capital Program - Long Term	\$ 696,296	\$ 701,179	\$ 4,883	0.7%	CCR Section 6631

Total CRF Allocations:	\$ 696,296	\$ 701,179	\$ 4,883	0.7%	
Local Agency Contributions	\$ 200,000	\$ -	\$ (200,000)	-100.0%	Local agencies' match for Local Road Safety Plans - completed
Total Local/Regional Allocations:	\$ 5,908,405	\$ 6,373,427	\$ 465,022	7.9%	
STATE:					
Planning Programming & Monitoring (PPM) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 106,000	\$ 131,000	\$ 25,000	23.6%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 97,037	\$ 73,750	\$ (23,287)	-24.0%	FY 2021/22 OWP as amended April 2022; 2021/22 carryover as of May 18
Total PPM Allocations:	\$ 203,037	\$ 204,750	\$ 1,713	0.8%	
State Transit Assistance (STA) Funds					
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$ 455,221	\$ 967,375	\$ 512,154	112.5%	CCR Section 6730a
Capital Program, MTA & Seniors - Current Year	\$ 200,000	\$ 200,000	\$ -		CCR Section 6730b
Capital Reserve Fund Contribution	\$ -	\$ -			CCR Section 6631
Total STA Allocations:	\$ 655,221	\$ 1,167,375	\$ 512,154	78.2%	
State of Good Repair (SGR) Funds	\$ 138,879	\$ -			Transit funding in Senate Bill 1, allocated to MTA by separate resolution
Rural Planning Assistance Funds (RPA)					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 32,650	\$ -	\$ (32,650)	-100.0%	FY 2021/22 OWP as amended April 2022; 2021/22 carryover as of May 18
Total RPA Allocations:	\$ 326,650	\$ 294,000	\$ (32,650)	-10.0%	
California Active Transportation Program (ATP)					
ATP Infrastructure Projects - Carryover	\$ 2,893,000	\$ 2,672,000	\$ (221,000)	-7.6%	Re-estimated funds to carry over to next FY of trail project for construction
Total ATP Allocations	\$ 2,893,000	\$ 2,672,000			
SHOPP Complete Streets Program					
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$ 500,000	\$ -			2021/22 funding through Caltrans to supplement ATP funds; ROW completed
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$ 1,511,000	\$ 1,511,000			2021/22 funding through Caltrans carried over
Total Complete Streets Funds:	\$ 2,011,000	\$ 1,511,000			
Caltrans Sustainable Communities Planning Grant					
FY 2021/22 Grant Application for Feasibility Study	\$ 177,060	\$ 163,780			Mobility Solutions for Rural Communities of Inland Mendocino County, carried over to 2022/23
Total Caltrans Planning Grants:	\$ 177,060	\$ 163,780	\$ (13,280)	-7.5%	Allocated to Admin., County & Cities Projects by Formula, carried over
HCD Regional Early Action Planning (REAP) Housing Funds					
MCOG Administration and Management	\$ 30,325	\$ 26,325	\$ (4,000)	-13.2%	5% grant administration, 5% management/participation, total 10% Suballocation formula adopted Nov. 2, 2020
Formula Distribution to MCOG Member Agencies:					Projects carried over to 2022/23
Mendocino County Dept. of Transportation	\$ 177,228	\$ 177,228			
City of Ukiah	\$ 69,536	\$ 69,536			
City of Fort Bragg	\$ 46,410	\$ 46,410			
City of Willits	\$ 35,365	\$ 35,365			
City of Point Arena	\$ 16,381	\$ -			
Total REAP Formula Distribution	\$ 344,920	\$ 328,539	\$ (16,381)	-4.7%	
Total REAP Allocations:	\$ 375,245	\$ 354,864	\$ (20,381)	-5.4%	
Total State Funds Allocations:	\$ 6,780,092	\$ 6,367,769	\$ (412,323)	-6.1%	
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311f Intercity Bus Program	\$ 300,000	pending			MTA applied for \$200K for Route 65, \$300K awarded for Route 65 in 2021/22.
FTA Section 5311 Program - Regional Apportionment:	\$ 717,774	\$ 732,129			MTA is eligible, MCOG approves programming; resolution adopted 5/2/2022

Surface Transportation Block Grant Program (STBG)					
MCOG Partnership Funding Program	\$ 100,000	\$ 100,000	\$ -	0.0%	STBG budget allocations are based on estimates
Local Assistance - Project Delivery - Administration	\$ 90,000	\$ 90,000	\$ -	0.0%	Regional capital project funds "off the top"
		\$ 3,096			Staff - Regional Project Manager under Admin. Contract and direct costs
Formula Distribution to MCOG Member Agencies:					Contract CPI increase from Local Assistance carryover fund balance
Mendocino County Dept. of Transportation	\$ 134,334	\$ 134,106	\$ (228)	-0.2%	Updated per estimates and actual rec'vd in 2021/22 - exchanged for State \$
City of Ukiah	\$ 180,785	\$ 180,478	\$ (307)	-0.2%	
City of Fort Bragg	\$ 120,706	\$ 120,501	\$ (205)	-0.2%	
City of Willits	\$ 113,293	\$ 113,101	\$ (192)	-0.2%	
City of Point Arena	\$ 74,880	\$ 74,753	\$ (127)	-0.2%	
Total RSTP Formula Distribution	\$ 623,998	\$ 622,939	\$ (1,059)	-0.2%	
Total RSTP Allocations:	\$ 813,998	\$ 816,035	\$ 2,037	0.3%	Formula allocation by policy, distribution pending State processing of funds
Total Federal Funds Allocations:	\$ 1,831,772	\$ 1,548,164	\$ (283,608)	-15.5%	
Total Transit Allocations	\$ 6,579,837	\$ 7,257,789	\$ 677,952	10.3%	
Total Overall Work Program (OWP)	\$ 1,245,377	\$ 1,046,598	\$ (198,779)	-16.0%	FY 2021/22 OWP as amended April 2022; 2021/22 carryover as of May 18
TOTAL ALLOCATIONS	\$ 14,520,269	\$ 14,289,360	\$ (230,909)	-2%	
Balance Remaining for Later Allocation/Difference of Actuals	\$ 402,781	\$ 368,532	\$ (34,249)	-9%	STA, SGR, STBG

INFORMATION	FY 2021/22	FY 2022/23			NOTES
STATE / FEDERAL:					
Other Funds Available Outside MCOG's Budget Process					
FTA Section 5311 Program - CARES Act and new CRRSAA - Revenue	\$ 3,525,666	\$ -	NA	NA	Total CARES and CRRSAA apportionment, 2021/22 inc. carryover
FTA Section 5311 Program - CARES Act and new CRRSAA - Expended	\$ 557,349	pending			Actual MTA expenditures FY 2020/21 to date
Balance of 5311 CARES Act and CRRSAA	\$ 2,968,317	\$ 2,968,317			
CRRSAA / STIP - Revenues	\$ 1,198,132	\$ -			
CRRSAA / STBG - Revenues	\$ 423,875	\$ -			
Total CRRSAA / STIP & STBG Revenues:	\$ 1,622,007	\$ -			The California Transportation Commission (CTC) chose a hybrid formula based on the STIP and STBG programs to distribute these federal coronavirus relief funds. No cash is received in MCOG's account. Funds for approved project lists will be reimbursable upon invoicing by local implementing agencies. MCOG Board approved CRRSAA distribution formula by separate resolution on May 3, 2021. See Explanatory Notes on Funding Sources in this budget for details.
State Transportation Improvement Program (STIP) - Project Totals	\$ 1,756,000	\$ 1,369,000			Programmed by MCOG in Regional TIP for State \$ directly to local agencies. 2022/23 Project is City of Ukiah's Downtown Streetscape Phase II.

MENDOCINO COUNCIL OF GOVERNMENTS

2022/23 Budget

Explanatory Notes on Funding Sources

4/19/2022

LTF - Local Transportation Fund

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

LTF Reserve Fund

- Allowed under TDA, Section 6655, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at minimum five percent of County Auditor-Controller's LTF estimate.
- Surplus allocated through annual budget process.
- To be used *“for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation.”*
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to meet the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTF Reserve policy, releasing two years of surplus for allocation between \$100,000 and \$200,000, then a shortfall of \$65,000, a surplus of \$71,000, and for 2019/20 (from 2017/18 revenue) a record surplus of \$375,634. Audited surplus from 2020/21 is 754,417, a new record, for allocation in 2022/23.
- With no maximum by policy, in 2021/22 ten percent was reserved; the 2022/23 proposal is 15 percent.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10 – 2015/16 during the Recession; again waived for the pandemic.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that *“rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, 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.”* – from SB 508, Chapter 716, preamble
- 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, as is the case this year.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000; two years ago in the range of \$800-900,000 with support of SB 1. During the pandemic, fuel tax revenues dropped 20%. Preliminary estimate for 2022/23 is \$868,476.

Capital Reserve Fund

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

Surface Transportation Block Grant (STBG) Program, Section 182.6(d)(1)

- Under ISTEA legislation originally, subsequently under TEA21, SAFETEA-LU, MAP-21 and FAST Act. Formerly named Regional Surface Transportation Program (RSTP).
- 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 allocating resolution). To date the Council has allocated \$1,113,485 of Partnership funds to nine projects.
- Starting FY 2011/12, MCOG approved \$90,000 annually from RSTP for a Regional Project Manager.
- In FY 2015/16 and 2016/17, funds not expended for the project manager position were approved for direct costs that are consistent with the intended scope of Local Assistance; \$20,000 has been allocated.
- Total unexpended Local Assistance funds have accumulated due to a temporary vacancy in the position and funding limits of the staffing contract, with a balance as of June 30, 2021 of \$240,656.
- In California, 2021 federal coronavirus relief funds will be apportioned partly by STBG formula, partly through the State Transportation Improvement Program (STIP), as well as for transit programs. - *see Page 3*

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.
- Competitive RPA grants include MCOG's 2013 Zero Emission Vehicle (ZEV) Regional Readiness Plan.

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.
- City of Willits completed the grant-funded Willits Main Street Corridor Enhancement Plan.
- MCOG completed its Pedestrian Facility Needs Engineered Feasibility Study in 2019. The SB 743 Vehicle Miles Travelled Regional Baseline Study and Mendocino County Fire Vulnerability Assessment & Emergency Preparedness Plan were completed in 2020. In FY 2021/22 MCOG was awarded a grant for a Feasibility Study: Mobility Solutions for Rural Communities of Inland Mendocino County.

Active Transportation Program (ATP)

- Competitive State grant program combining state and federal funds for bicycle and pedestrian projects.
- Cycles 1 and 2 funded MCOG's Covelo SR 162 Corridor Multi-Purpose Trail, in progress.
- In 2018, MCOG completed Safe Routes to School Non-Infrastructure ATP grant projects in Covelo and countywide. In 2020 MCOG applied for Gualala Downtown Streetscape Enhancement project (not funded).

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 typically provides required cash match from local planning funds in Overall Work Program.
- FY 2020/21 included \$308,900 from the five member local agencies for Local Road Safety Plans, from state grants and ten percent matching funds, to pool resources for consultant services through the OWP.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

- [Signed into law in March 2020](#), funds are available to transit operators through FTA's 5311 programs.
- MCOG included CARES in its adopted FY 2020/21 budget at \$1,206,413, including Phase 1 and 2 balance of funds available at the time, to offset a potential shortfall of local funds for transit.
- *"Funding is provided at a 100-percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19."* [[from FTA website](#)]

Coronavirus Response & Relief Supplemental Appropriations Act of 2021 (CRRSAA)

- [This bill became law in December 2020](#), including funds for various transportation programs.
- California has chosen to suballocate its apportionment of infrastructure funding through STBG and STIP. MCOG receives \$423,875 and \$1,198,132 respectively; these will flow down to member local agencies by a formula adopted by the Council on May 3, 2021.
- For transit: *"Similar to the CARES Act, the supplemental funding will be provided at 100-percent federal share, with no local match required. Funding will support expenses eligible under the relevant program, although the Act directs recipients to prioritize payroll and operational needs."* [[from FTA website](#)]
- MCOG's draft 2021/22 budget included \$1,459,704 of new CRRSAA funds for MTA (no expiration), later moved to a new Information section of the budget tables, along with CARES Act funds carried over.
- Funds are also available through the FTA Section 5310 Elderly and Disabled Specialized Transit Program for applicants that were successful during the last grant cycle. A total of \$103,532 has been awarded to three specialized transit providers in Mendocino County.

Federal Transit Administration (FTA) Section 5311 and 5311f

- MCOG's budget includes these programs, as funds for MTA are approved by MCOG resolution, although cash does not flow through MCOG's accounts.
- Annual 5311 regional apportionments are typically used by MTA for operations, now over \$800,000.
- MTA has been successful in winning competitive 5311f Intercity Bus Program grants, typically about \$300,000, for Route 65 operations and/or vehicles, with a required funding match.
- CARES and CRRSAA funds for transit flow through FTA's programs, subject to MCOG's approval and claimed directly through Caltrans. From CARES Phase 1, MTA was allocated \$557,349, fully claimed to date. In August 2020, MCOG approved 5311 CARES Phase 2 funds for MTA at \$1,068,573.

Regional Early Action Planning (REAP) for Housing

- Created by AB 101, state funding is provided for regional planning related to housing production and implementation of the Regional Housing Needs Allocation (RHNA).
- In 2020, MCOG amended its Joint Powers Agreement to include housing matters as a specific power.
- MCOG's 2020/21 budget was amended to add a grant of \$383,245, suballocated to member local agencies at 90 percent, by an adopted distribution formula.
- A new master agreement with the Department of Housing & Community Development has been executed to receive the grant funds.
- Eligible activities include providing technical assistance, performing infrastructure planning, and conducting feasibility studies.

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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.

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I.
Administration,
Planning and
Reserves

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2022-10

ALLOCATING FISCAL YEAR 2022/23 FUNDS and 2021/22 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 2022/23 Local Transportation Fund (LTF) revenue has been estimated at \$5,137,383 by the Mendocino County Auditor-Controller, in addition to \$566,800 of prior-year unallocated LTF revenues and carryover of various funds;
3. The LTF Reserve fund balance available for allocation is \$453,733, and the 2020/21 fiscal audit identified a surplus of Local Transportation Funds at \$754,417; the Executive Committee recommendation is to set aside \$771,000 of this combined amount for the FY 2022/23 LTF Reserve fund balance (at least five percent of the County Auditor-Controller's fund estimate according to policy), and to release for allocation the remaining \$437,150;
4. Total revenue from all LTF sources available for allocation is estimated at **\$5,672,248**; other funding sources include Surface Transportation Block Grant (STBG) 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 2022/23 overall approved Administration budget of up to \$599,379 (Total Administration \$641,044 less SAFE contract \$41,665), attached and incorporated herein as **Exhibit A**, which includes contracts for professional services and other direct costs; the Dow & Associates contract funding is summarized in **Exhibit C**;
7. Dow & Associates shall have the management responsibility for Surface Transportation Block Grant Program funds for the Regional Project Manager or equivalent position and carryover of budgeted direct costs, also referred to as Local Assistance-Project Delivery, as approved in its contract, identified in **Exhibits A and C**;
8. Dow & Associates shall have the management responsibility for Active Transportation Program state grants for the SR 162 Corridor Multipurpose Trail in Covelo, Phases I and II at an estimated \$2,672,000 carried over;
9. Davey-Bates Consulting shall have the management responsibility for the 2022/23 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 \$1,046,598; the Davey-Bates Consulting contract funding is summarized in **Exhibit D**;

10. The Planning allocation to the 2022/23 Overall Work Program, for transportation planning and related projects, will be provided from 2022/23 LTF revenues, reallocation of prior year local carryover funds, state and federal sources; and
11. Dow & Associates and Davey-Bates Consulting shall be responsible for providing grant administration and management of Regional Early Action Planning (REAP) funds from California Department of Housing and Community Development (HCD), as identified in **Exhibits C and D** and allocated by separate budget resolution; and
12. Allocation for Bicycle & Pedestrian facilities are allowable at no more than two percent (2%) of the LTF funds remaining after allocation for Administration; \$92,560 shall be allocated for 2022/23; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2022/23 as follows.

USE	AUTHORITY	SOURCE	FISCAL YEAR	AMOUNT	TOTALS
Temporary Reserves	TDA, CCR Sec. 6655.1	Local Transportation Fund (LTF)	2016/17	29,135	29,135
MCOG Administration	PUC Sec. 99233.1	LTF	2022/23	509,379	509,379
	Surface Transportation Block Grant Program (STBG)	MCOG Local Assistance – Project Delivery	2022/23	93,096	93,096
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2020/21	2,672,000	2,672,000
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2022/23	92,560	92,560
Planning Overall Work Program (OWP)	CCR Sec. 99233.2	LTF	2022/23	315,488	384,068
			2021/22	68,580	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2022/23	131,000	204,750
			2021/22	73,750	
	State Highway Account (SHA)	Rural Planning Assistance (RPA)	2022/23	294,000	294,000
	State Highway Account (SHA)	Sustainable Transportation Grant	2021/22	163,780	163,780
			Subtotal OWP	1,046,598	
			Total Allocations		4,442,768

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

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 6th day of June, 2022, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

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**MCOG Administration
FY 2022/23 Budget**

Executive Committee Recommendations

As of February 28, 2022

Funding Source	TDA/LTF	RSTP	SAFE	Total	%	Note
Administration						A - SAFE B - TDA
TOTAL Admin. Budget Proposed	509,379	90,000	41,665	641,044	100%	
Staffing Contract						
Dow & Associates new 2022/23 Base Rate + 8 years COLA	461,379	93,096	41,665	596,140		C
Total Contract FY 2022/23	461,379	93,096	41,665	596,140	93%	
Other Direct Costs						
Memberships - CALCOG, NSSR, CALACT	4,150	-	-	4,150	0.6%	
Fiscal Audits of MCOG and MTA	24,750	-	-	24,750	3.9%	D
Performance Audit	7,500	-	-	7,500	1.2%	E
County Auditor-Controller	5,000	-	-	5,000	0.8%	
Legal Counsel	1,600	-	-	1,600	0.2%	
Travel and Training	3,000	-	-	3,000	0.5%	
Communications	2,000	-	-	2,000	0.3%	F
Contingency / Miscellaneous	-	-	-	-	0.0%	G
Local Assistance	-	(3,096)	-	(3,096)	-0.5%	H
Total Other Direct Costs	48,000	(3,096)	-	44,904	7%	
Balance Available for Later Allocation	0	0	0	0	0%	

LEGEND

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

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

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

NOTES

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

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

B) TDA Admin. at \$509,379 is 9.9% of County Auditor's Estimate of sales tax revenues (\$5,137,383), down from 10.9% last year

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

This process was approved in the original contract proposal - table of calculations available on request. Dow & Associates' contract limits annual COLA to 4 percent. Increase is calculated on California CPI Annual Average 2020 to 2021.

2021 Average 297.371 less 2020 Average 285.315 = 12.056 divided by 285.315 = 0.0422550514343795 increase, rounded to 4.23%.

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

D) Fiscal Audit costs for 2022: MCOG \$12,360; Mendocino Transit Authority \$12,390.

E) The Triennial Performance Audit expense occurs in FY 2021/22 at budget of up to \$22,500.

FY 2022/23 starts a 3-year cycle of setasides for the next audit (\$7,500 annually).

F) Communications expenses have included website hosting, meeting space rentals, meals, video production, and miscellaneous printing.

G) Pandemic savings such as travel and meeting expenses are retained in the Admin fund, available for contingencies.

H) Shortfall covered by cumulative Local Assistance fund balance.

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**MENDOCINO COUNCIL OF GOVERNMENTS
FY 2022/23 (FINAL) OVERALL WORK PROGRAM
SUMMARY OF FUNDING SOURCES**

Reso. M2022-10
Exhibit B
1 Page

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	OTHER / GRANT	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$ -	\$ -	\$ 137,000	\$ -	\$ 137,000
2	MCOG - Planning Management & General Coordination (Non-RPA)	\$ 108,800	\$ -	\$ -	\$ -	\$ 108,800
3	MCOG - MTA Feasibility Study for Ukiah Transit Center - NEW	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
4	MCOG - Sustainable Transportation Planning (Carryover)	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
5	MCOG - Mobility Solutions-Feasibility Study for Rural Areas	\$ 21,220	\$ -	\$ -	\$ 163,780	\$ 185,000
6	Co. DOT - Combined Special Studies	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
7	MCOG - Planning, Programming & Monitoring	\$ -	\$ 106,000	\$ 6,250	\$ -	\$ 112,250
12	Ukiah - Truck Route Study - NEW	\$ -	\$ 45,000	\$ -	\$ -	\$ 45,000
13	Fort Bragg - Central Business District Parking Evaluation - NEW	\$ 57,062	\$ -	\$ -	\$ -	\$ 57,062
14	MCOG - Training (Carryover)	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
15	Point Arena - Local Street Assessment and Shared Roadway Agreement - <i>Carryover</i>	\$ -	\$ 53,750	\$ -	\$ -	\$ 53,750
16	MCOG - Multi-Modal Transportation Planning	\$ -	\$ -	\$ 45,000	\$ -	\$ 45,000
18	MCOG - Geographic Information System (GIS) Activities	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
20	MCOG - Grant Development & Assistance	\$ 6,986	\$ -	\$ 40,750	\$ -	\$ 47,736
	<i>PROJECT RESERVE</i>	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 384,068	\$ 204,750	\$ 294,000	\$ 163,780	\$ 1,046,598

TOTAL WORK PROGRAM SUMMARY/PROGRAM MATCH					
Local	\$384,068	37%	Local LTF 2022/23 Alloc.	\$315,488	
State	\$498,750	48%	Local LTF <i>Carryover</i>	\$68,580	
Federal	\$0	0%	State PPM 2022/23 Alloc.	\$131,000	
Other	\$163,780	16%	State PPM <i>Carryover</i>	\$73,750	
TOTAL WORK PROGRAM SUMMARY	\$1,046,598	100%	State RPA 2022/23 Alloc.	\$294,000	
			State RPA <i>Carryover</i>	\$0	
			Federal	\$0	
			<i>Other Carryover</i>	\$163,780	
			TOTAL	\$1,046,598	

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Dow & Associates
ADMINISTRATIVE & FISCAL SERVICES
Allocation Summary
Fiscal Year 2022/23

1. **Budget.** Total approved funding for the services of Dow & Associates is **\$641,044.**
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “The scope of work and cost for the Administrative & Fiscal Services contract between MCOG and Dow & Associates shall be as originally submitted in the Dow & Associates proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair. On March 4, 2019, the Board approved a one-year extension of the contract through September 30, 2020. On March 2, 2020, the Board approved a second one-year extension through September 30, 2021. On April 5, 2021, the Board approved a third one-year extension through September 30, 2022. On March 7, 2022, the Board approved a fourth one-year extension through September 30, 2023.

- 3(a) **MCOG Administration.** The funding sources are Local Transportation Fund (LTF) and Regional Early Action Planning (REAP) grant funds. Contractor’s portion of the MCOG administrative budget totals **\$461,379.** This amount is to be routinely submitted as a monthly claim, at \$38,448 for the first 11 months, then at \$ 8,451 for the final month. REAP costs will be billed on a reimbursable basis for actual hours worked. On invoices that include REAP reimbursement, LTF billing will be reduced by an equal amount.

- 3(b) **MCOG Regional Project Coordinator** (or equivalent position). The funding source is (Regional) Surface Transportation Block Grant (STBG) Program, a.k.a. RSTP. Contractor’s portion of the MCOG administrative budget totals **\$93,096.** The Regional Project Coordinator position is part time. This staff time, also referred to as Local Assistance, shall be billed on a monthly reimbursable basis for actual hours worked at a fully-weighted hourly rate.

MCOG’s adopted policy allocates \$90,000 to this staff position. Under the approved contract, the full amount exceeds this amount. The difference is allocated from the accumulated STBG/RSTP fund balance for the Local Assistance program.

FY 2022/23 Allocation per Policy		\$ 90,000
FY 2022/23 from unallocated STBG/RSTP fund balance		3,096
Contracted rate as adjusted by cumulative COLA	\$86.18/hour	Up to \$ 93,096
Available for Local Assistance Direct Costs		\$ 0

- 3(c) Reimbursable Direct Costs.** The funding sources are Local Transportation Fund (LTF) and Surface Transportation Block Grant (STBG) Program. In addition to staffing services, Contractor may claim certain direct costs for reimbursement as necessary, identified in MCOG's FY 2022/23 Administration Budget, to include line items for Travel & Training, Communications, Contingency/Miscellaneous, and Local Assistance.
- 4. SAFE Administration.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles. Contractor's portion of the SAFE administrative budget totals **\$41,665** to cover SAFE administrative staff time and direct costs incurred by the Contractor. This amount is to be routinely submitted as a monthly claim, at \$3,472 for the first 11 months, then at \$3,473 for the final month.

Davey-Bates Consulting

PLANNING SERVICES

Allocation Summary

Fiscal Year 2022/23

1. **Budget.** Total approved funding for the services of Davey-Bates Consulting is **\$492,853**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Transportation Planning Services contract between MCOG and Davey-Bates Consulting shall be as originally submitted in the Davey-Bates Consulting proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair. On March 4, 2019, the Board approved a one-year extension of the contract through September 30, 2020. On March 2, 2020, the Board approved a second one-year extension through September 30, 2021. On April 5, 2021, the Board approved a third one-year extension through September 30, 2022. On March 7, 2022, the Board approved a fourth one-year extension through September 30, 2023.
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 2021/22 Work Program (as may be amended). Total approved funding for MCOG planning duties in FY 2021/22 is **\$473,786**.
4. **REAP Program.** The funding source is Regional Early Action Planning (REAP) grant funds from California Department of Housing and Community Development (HCD). REAP costs will be billed on a reimbursable basis for actual hours worked, not to exceed the portion allocated for MCOG grant activities, as identified in the allocating resolution.
5. **SAFE Planning & Operations.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles. SAFE planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates. Total approved funding for SAFE planning and operations in FY 2022/23 is **\$19,067**.

Davey-Bates Consulting

FISCAL YEAR 2022/23 PLANNING CHARGE RATES

The following rates have been approved for transportation and housing planning services performed under the contract. These will be applied to work done on tasks identified in MCOG's 2022/23 Transportation Planning Overall Work Program and the REAP grant.

Lisa Davey-Bates, Principal	\$ 144.27
Deputy Planner	\$ 129.39
Program Manager	\$ 102.48
Associate Program Planner/Administrator	\$ 72.48
Executive Assistant	\$ 42.71

II.
Unmet
Transit Needs

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2022-11

FINDING THAT
THERE ARE UNMET TRANSIT NEEDS
THAT ARE REASONABLE TO MEET
FOR FISCAL YEAR 2022/23

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 2022/23 on February 7, 2022, accepting as testimony a list of five (5) needs compiled by the Social Services Transportation Advisory Council (SSTAC) on January 12, 2022, twelve (12) needs from Mendocino Transit Authority (MTA) from public meetings during the year, and two (2) needs from testimony at the public hearing, for a total list of 19 items;
- On February 7, 2022, 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 2022/23, as reflected in the Transit Productivity Committee minute order of April 13, 2022, attached as **Exhibit D**;
- MTA revised their 2022/23 claim for funds to include \$300,000 for unmet transit needs;
- The Social Services Transportation Advisory Council met again on May 17, 2022 (minutes to follow when available) to review MTA’s report and concurred with the Transit Productivity Committee recommendation; therefore, be it

RESOLVED, THAT:

MCOG finds that there are unmet transit needs that are reasonable to meet for Fiscal Year 2022/23, as identified on the FY 2022/23 list:

- #M-7 Resumption of Route 60
- #M-10 Resume services linking inland to the coast – Ukiah to North Coast in the morning and back again, in the afternoon
- #M-11 Resume pre-pandemic service to coastal communities
- #S-4 Resumption of temporary service cuts related to pandemic and staffing shortages, as feasible.

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 6th day of June, 2022, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

Adopted by MCOG
11/2/92
Revised by MCOG
12/7/98

MENDOCINO COUNCIL OF GOVERNMENTS

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

Introduction

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

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

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

Definitions

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

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

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

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

Page 2 of 2

12/7/98

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

/le
/jmo



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2022/23 Unmet Transit Needs

Testimony Heard in Public Hearing

February 7, 2022

(not in any order of priority)

Needs Identified at the SSTAC workshop:

1. Service for Mendocino College students from Covelo to and from Ukiah campus
2. Fixed route weekend service in Fort Bragg
3. Service to The Woods retirement community in Little River (MTA working on with modification to Route 60)
4. Resumption of temporary service cuts related to pandemic and staffing shortages, as feasible
5. Wednesday service for Ukiah Senior Center transportation.

Needs Identified by Mendocino Transit Authority (MTA):

1. Round trip service from Ukiah to South Coast and round trip service from Ukiah to Fort Bragg/Mendocino
2. Addition of local South Coast service Gualala to Manchester
3. Addition of transit service to Potter Valley
4. Micro transit services for the communities of Brooktrails, Potter Valley, Hopland, Covelo and Laytonville
5. Service to the towns both inland and coastal communities with possible one day per week service roundtrip (Covelo, Leggett, Westport, Comptche, etc.)
6. The Woods retirement community
7. Resumption of Route 60
8. Service to Covelo and Laytonville
9. Transit Center
10. Resume services linking inland to the coast – Ukiah to North Coast in the morning and back again in the afternoon
11. Resume pre-pandemic service to coastal communities
12. Requested weekend service in Fort Bragg on a regular basis.

Needs Identified in Public Hearing:

1. Resume public transit between Fort Bragg and Westport.
2. Locate safe, convenient off-highway bus stops near amenities in downtown Gualala.

TOTAL of 19 Recommended Unmet Transit Needs for Analysis by MTA

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Analysis of the recommendations for Unmet Needs by MTA

High Priority – Consider for FY 2022/23

M-7. Resumption of Route 60. (MTA)

- MTA has and will continue to restore service scaled back due to the pandemic. MTA currently has a driver shortage and is actively recruiting.

M-11. Resume pre-pandemic service to coastal communities. (MTA)

- MTA has and will continue to restore service scaled back due to the pandemic. MTA currently has a driver shortage and is actively recruiting.

M-10. Resume services linking inland to the coast – Ukiah to North Coast in the morning and back again, in the afternoon. (MTA)

- MTA has and will continue to restore service scaled back due to the pandemic. MTA currently has a driver shortage and is actively recruiting.

S-4. Resumption of temporary service cuts related to pandemic and staffing shortages, as feasible. (SSTAC)

- MTA has and will continue to restore service scaled back due to the pandemic. MTA currently has a driver shortage and is actively recruiting.

Medium Priority – Consider for FY 2022/23

S-1. Service for Mendocino College students from Covelo to and from Ukiah campus. (SSTAC)

- MTA realizes the need for increased service to the community and continues to study the feasibility for any fixed route service to and from Covelo. The Mobility Solutions for Rural Communities of Inland Mendocino County will also give the MTA much needed data on this unmet need.

M-3. Addition of transit service to Potter Valley. (MTA)

- MTA realizes the need for increased service to the community and continues to study the feasibility for any fixed route service to Potter Valley. The Mobility Solutions for Rural Communities of Inland Mendocino County (MCOG) will also give the MTA much needed data on this unmet need.

M-4. Micro transit services for the communities of Brooktrails, Potter Valley, Hopland, Covelo and Laytonville. (MTA)

- MTA realizes the need for increased service to the community and continues to study the feasibility for any fixed route service to these areas. The Mobility Solutions for Rural Communities of Inland Mendocino County (MCOG) will also give the MTA much needed data on this unmet need.

M-8. Service to Covelo and Laytonville. (MTA)

- MTA realizes the need for increased service to the community and continues to study the feasibility for any fixed route service to and from Covelo and Laytonville. The Mobility Solutions for Rural Communities of Inland Mendocino County will also give the MTA much needed data on this unmet need.

M-9. Transit Center. (MTA)

MTA recognizes the need for a Transit Center and will continue to work with the staff at MCOG during the next year. A transit center is vital for the County.

Low Priority – Consider for FY 2022/23

S-2. Fixed route weekend service in Fort Bragg. (SSTAC)

- MTA realizes the need for increased service to the community but due to driver shortages during post COVID, MTA is holding back on service expansion.

S-5. Wednesday service for Ukiah Senior Center transportation. (SSTAC)

- MTA operates both fixed route and Dial-A-Ride services in Ukiah on Wednesdays.

M-1. Round trip service from Ukiah to South Coast and round-trip service from Ukiah to Fort Bragg/Mendocino. (MTA)

- MTA realizes the need for increased service to the community and continues to study the feasibility and will include it in the short-range plan.

M-2. Addition of local South Coast service Gualala to Manchester. (MTA)

- MTA realizes the need for increased service to the community and continues to study the feasibility and will include it in the short-range plan.

M-5. Service to the towns both inland and coastal communities with possible one day per week service roundtrip (Covelo, Leggett, Westport, Comptche, etc.) (MTA)

- MTA realizes the need for increased service to the community and continues to study the feasibility for any fixed route service in these areas. The Mobility Solutions for Rural Communities of Inland Mendocino County (MCOG) will also give the MTA much needed data on Covelo and Leggett.

P-1. Resume public transit between Fort Bragg and Westport. (Public Hearing)

- MTA recognizes the need for transit service that would serve areas north of Fort Bragg the MTA will continue to study the feasibility and include them in the short-range transit plan.

M-12. Requested weekend service in Fort Bragg on a regular basis. (MTA)

- MTA realizes the need for increased service to the community but due to driver shortages during post COVID, MTA is holding back on service expansion.

Already Exists

S-3. Service to The Woods retirement community in Little River (MTA working on with modification to Route 60) (SSTAC)

- MTA will begin offering rides to the Woods community April 18, 2022.

P-2. Locate safe, convenient off-highway bus stops near amenities in downtown Gualala. (Public Hearing)

- MTA has an existing bus stop at the Sundstrom Mall, also makes stops at non-bus stop locations as long it is safe and legal to do so.

M-6. The Woods retirement community. (MTA)

- MTA will begin offering rides to the Woods community April 18, 2022.

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MINUTE ORDER *

Transit Productivity Committee – Unmet Transit Needs April 13, 2022

Audio-video Teleconference

PRESENT:

MCOG Board Members: Dan Gerde, Jim O. Brown
MTA Board Members: Jim Tarbell, Maureen Mulheren
Senior Centers Rep.: Richard Baker, Willits Seniors, Jill Rexrode, Redwood Coast Seniors (Alt.)
Staff & Others: Nephele Barrett, Janet Orth, and Jody Lowblad, MCOG
Jacob King and Dawn White, MTA

ABSENT:

None

1. **Call to Order.** Chair Gjerde called the meeting to order at 1:00 p.m. Participants on the call were identified.

2. **Public Expression.** None.

3. **Review and Recommendation on MTA’s Analysis and Prioritization of 2022/23 Unmet Transit Needs.**

Janet reviewed the annual process, the recommended action, and MCOG’s adopted definitions. Included in the agenda packet was MTA’s analysis of the list of all testimony compiled by MCOG from the Social Services Transportation Advisory Council (SSTAC), Mendocino Transit Authority (MTA) and the February public hearing. The report was ranked by five categories: *High Priority* (4), *Medium Priority* (5), *Low Priority* (7), and *Already Exists* (3), for a total of 19 needs. Jacob then reviewed each need on the list, with group discussion.

- “High Priority–Consider for FY 2022/23” – #M-7, M-10, M-11 and S-4 all were to restore COVID-related service cuts, brought on by factors such as physical distancing requirements, driver shortages, and lack of ridership. #S-4 was the SSTAC’s catch-all for restoring these service routes, “as feasible.” #M-10, Ukiah to North Coast, would be the CC Rider route that includes a trip to Santa Rosa. These are the needs most requested by the public.
- “Medium Priority–Consider for FY 2022/23” – Four of these are inter-related and part of MCOG’s mobility solutions feasibility study: #S-1, Service for Mendocino College students from Covelo to and from Ukiah campus; #M-3, Addition of transit service to Potter Valley; #M-4, Micro transit services for the communities of Brooktrails, Potter Valley, Hopland, Covelo and Laytonville; and #M-8, Service to Covelo and Laytonville. #M-9, Transit Center, is an important project but requires study and will not be feasible within the next fiscal year. These are next most often requested needs.
- “Low Priority–Consider for FY 2022/23” – Six of these, #S-2, #M-1, #M-2, #M-5, #M12 and #P-1, are legitimate service needs, but not feasible in the coming year. #S-5, Wednesday service for Ukiah Senior Center transportation, is a specialized service and eligible for a FTA Section 5310 program grant, however the center decided not to apply due to a shortage of staff to lead the effort.
- “Already Exists” – #S-3 and #M-6, Service to The Woods retirement community in Little River, has been on the list for many years and service will start next week. #P-2, Locate safe, convenient off-highway bus stops near amenities in downtown Gualala, duplicates existing stop at Sundstrom Mall and other stops where safe and legal.

Questions and discussion included:

- Will MTA’s budget include resumption of the High Priority services? Yes, MTA’s budget development treated each service route as though it would be running, so when drivers are available, they can start up again. (Nephele, Jacob)
- Are the High Priority needs “reasonable to meet” or not qualified as unmet needs, only temporarily suspended? Pros and cons of each approach. This year’s situation is unusual. (Group)
- Is it fair to say that the Medium and Low Priority needs are not reasonable to meet, by definition, and only the High Priority are reasonable to meet? Yes, although the High Priority resumption of services would not be on the list from MTA’s point of view. (Richard, Jacob)

- Review of high-level cost estimates for meeting the High Priority needs to restore services: #M-7 (Route 60) at \$92K, #M-10 (CC Rider) at \$270K, and #M-11 (Route 5) at \$108K. (Janet, Jacob)
- Would MTA meet the entire list if drivers were available? No, balance of list would be considered service expansion. Two general categories are 1) micro-transit, currently under study in several local communities and 2) traditional transit. (Jim, Jacob)
- MCOG's current-year Planning program includes a grant-funded feasibility study of Mobility Solutions in remote inland communities of Mendocino County, which is to identify projects appropriate for each locale, such as micro transit, for later funding cycles. (Nephele)
- SSTAC's other recommendation (also #M-9 from the public) is to develop a new transit center; while not meeting the definition of a service need, it would connect various transportation services, and a study will be funded in MCOG's 2022/23 Planning program. (Nephele)
- What is the outlook for driver recruitment? This is a nationwide problem and a major topic of CALACT's Spring Conference. MTA has trained recruits, who immediately took their licenses and left the county; MTA has since put in new safeguards, and could use 10-12 more drivers. (Jim, Jacob)
- Various options were considered for the High Priority items, in light of all resources being available except drivers. (Group)
- Discussion of #S-5 (Low Priority) for seniors' specialized services. Ukiah Senior Center is recruiting for an executive director and could not take advantage of grant opportunities this cycle. Meanwhile, MTA has some service available, though not door-through-door. (Jacob, Richard, Nephele)

Recommendation:

Upon motion by Baker, seconded by Brown, and carried unanimously by roll call vote (5 Ayes – Gjerde, Brown, Tarbell, Mulheren, Baker; 0 Noes; 0 Absent), the TPC recommended a finding that “there are unmet transit needs that are reasonable to meet” for Fiscal Year 2022/23, as identified on the FY 2022/23 list:

- #M-7 Resumption of Route 60
- #M-10 Resume services linking inland to the coast – Ukiah to North Coast in the morning and back again, in the afternoon
- #M-11 Resume pre-pandemic service to coastal communities
- #S-4 Resumption of temporary service cuts related to pandemic and staffing shortages, as feasible

8. Adjournment. The meeting was adjourned at 2:43 p.m.

Submitted by Janet Orth, Deputy Director & CFO

*Minutes will be on MCOG Board agenda for approval June 6, 2022

III.
Mendocino
Transit Authority

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2022-12

ALLOCATING FISCAL YEAR 2022/23 LTF, STA, and FY 2021/22 CARRYOVER CAPITAL RESERVE FUNDS to MENDOCINO TRANSIT AUTHORITY

WHEREAS,

- The Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- The Mendocino Transit Authority (MTA) is designated as the Consolidated Transportation Services Agency (CTSA) for Mendocino County by MCOG and has submitted a claim for funding for public transportation purposes in accordance with the Transportation Development Act (TDA), which provides for the needs of MTA and Senior Centers in Mendocino County with Local Transportation Funds (LTF) funds, State Transit Assistance (STA) funds, and Capital Reserve Funds;
- This claim, attached hereto as **Exhibit A**, was reviewed by MCOG staff and the Transit Productivity Committee (TPC), and the MTA Board of Directors may make revisions according to budget development and TPC recommendations, as allowed by adopted MCOG policy; staff and the TPC recommended that MCOG identify Local Transportation Funds for reasonable-to-meet Unmet Transit Needs in MTA's FY 2022/23 allocation, and MTA revised the claim accordingly;
- According to MCOG's adopted Capital Reserve Fund policies, eligible applicants under contract with MTA may request capital funds, providing that a five-year capital program and contract between the claimant and MTA is on file with the RTPA;
- Capital claims must be identified in accordance with TDA: 1) to reflect capital needs that will be expended during the fiscal year so claimed under Public Utilities Code 6648 and 2) filed to reflect specific capital improvements of a long-term nature up to five years, or for matching purposes in applying for federal transportation grants under P.U.C. 6631;
- MTA is the only eligible claimant of State Transit Assistance, for which eligibility for Operations funding is to be determined by performance reviews, fiscal audits, and state legislation;
- State of Good Repair program funding is available through the RTPA from Senate Bill 1, the Road Repair & Accountability Act of 2017; and
- Based on allocations in accordance with TDA for Administration, Planning, and Reserves, the 2022/23 LTF funds available for transportation services are \$4,657,106; STA funds available for 2022/23 are estimated at \$1,167,375 (\$868,476 of new State funds and \$298,899 of audited and anticipated fund balance); State of Good Repair funds are estimated at \$130,972 (preliminary estimate of new funds less prior-year over-allocated); and the Capital Reserve

Fund balance is estimated at \$701,179; The total amount available for transportation services from these four funding sources is estimated at **\$6,656,632**; 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	3,428,087
	PUC Sec. 99260(a)		Unmet Transit Needs	300,000
	PUC Sec. 99400(c)		Senior Center Operations	729,019
	PUC Sec. 99262		Transit Planning	200,000
	CCR Sec. 6648		Capital Reserve Fund	0
	Total LTF			4,657,106
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	967,375
	CCR Sec. 6731(b)		Senior Center Operations	0
	CCR Sec. 6730(b)		MTA and Seniors Capital	200,000
	CCR Sec. 6648		Capital Reserve Fund	0
	Total STA			1,167,375
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	701,179
	CCR Sec. 6648		LTF/STA allocated to CRF above	0
	Total CRF			701,179
D.	Senate Bill 1	State of Good Repair (SGR)	To Be Determined	0
			Total SGR	
Total LTF, STA, and Capital Reserve Allocations				6,525,660
Balance Remaining for Later Allocation (SGR)				130,972
Total Estimated 2022/23 Funds Available for Transit				6,656,632

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

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

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

b. The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of Public Utilities Code (PUC) Section 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant. The most recent fiscal audit dated June 30, 2021 confirmed that MTA’s farebox ratio of 3.8% had not met the 10% ratio required by Senate Bill 508, (effective July 1, 2016); however the State had waived this regulation under COVID-19 as pandemic crisis relief.

- 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 were met according to the auditor's report, and the remaining measure was waived by legislation.
 - 1. The sum of the claimant's allocations from STA did exceed the amount the claimant is eligible to receive during the fiscal year for operations purposes. For the fiscal year audited (ending June 30, 2021), the funds were claimed by MTA for operating and capital purposes. State Assembly Bill 90 provided statutory relief due to COVID-19.
 - 2. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for operating.
 - 3. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for capital.
 - 4. The claimant's subcontractors (senior centers) did not exceed the eligibility criteria for LTF and STA funds during the fiscal year.
 - 5. The fifth measure pertains to passenger rail eligibility and was not applicable for the fiscal year audited.
- B. MCOG as the regional entity may allocate funds to an operator for any transit-related purpose (as specified in Section 6730) on the basis of all these findings:
- a. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them. On April 13, 2022, the Transit Productivity Committee (TPC) reviewed performance data through December 31, 2021 with no action taken and recommended annual reviews and reports going forward.
 - b. The California Highway Patrol has certified, within the last 13 months and prior to filing claims, that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by PUC Section 99251.
 - c. The operator is not in compliance with the eligibility requirements of PUC Section 99314 as applicable (relative to STA funds); however, State Assembly Bill 90 provided statutory relief due to COVID-19.

3. In accordance with Section 99405(c) of the Public Utilities Code, MCOG adopts and sets forth the local match requirements for senior centers claimed under Article 8 at a minimum of 10 percent, consistent with Senate Bill 508, signed into law October 9, 2015, amending the Transportation Development Act.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$699,945 as of June 30, 2021, less 2021/22 allocations of \$0, and the addition of \$1,234 earned interest recorded as of the first budget draft in February 2022, provides a total estimated balance of \$701,179. MTA has requested no funds for FY 2022/23 current-year capital projects and the TPC and MCOG staff have recommended full funding of MTA's claim after revising for Unmet Transit Needs, therefore the entire available balance of \$701,179 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 2022/23 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2022.

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 6th day of June, 2022, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair



SERVING MENDOCINO COUNTY SINCE 1976

April 15, 2022

Ms. Nephele Barrett, Executive Director
Mendocino Council of Governments
525 South State Street, Suite B
Ukiah, CA 95482

Dear Nephele,

Attached is MTA's claim for funds for fiscal year 2022/2023. the MTA Board has not yet been able to review the proposed budget and we will to discuss at the April, 2022 meeting. In summary, MTA is requesting:

\$ 4,657,106	from the Local Transportation Fund (LTF), and
\$ 1,167,375	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, \$ 3,428,087 would be used to support MTA's General Public Operations and \$729,019 for Senior Center operations. \$200,000 will be used for Transit Planning and \$300,000 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 \$1,167,375 of MTA's share of the Governor's State budget for STA funds. \$967,375 to be used for Operating assistance and \$200,000 for MTA & Senior Capital.

Capital Reserve

The Capital Program for FY2022/23 balance will remain in the Long-Term Capital Reserve for future use.

MTA Operations

The Auditor's Estimate of LTF Revenues FY22/23 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 FY22/23 will reflect only projects which MTA will pay for from its own reserve account or the current year STA Capital allocation. However, MTA will submit a revised Capital Plan and request an amendment to the Capital Budget claim to purchase, potentially, one (1) all-electric cutaway bus and a potential amendment should MTA be awarded LCTOP grant funds.

Uncertainty

As always, the creation of a budget in March is highly uncertain. 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. Fuel and labor expenses resulting in higher operating and capital cost.

Regards,



Jacob King
Executive Director

Cc: Budget File

Mendocino Transit Authority Summary of 2022/2023 Claim for Funds

4/1/22

Source	Authority	Purpose	FY 2021/22 Amount	FY 2022/23 Amount
Local Transportation Fund:				
	PUC, Sec. 99260(a)	MTA Operations	\$3,434,291	\$3,428,087
	PUC, Sec. 99260(a)	Unmet Transit Needs	\$0	\$300,000
	PUC, Sec. 99400(c)	Senior Center Operations	\$637,376	\$729,019
	PUC, Sec. 99260(a)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
	PUC, Sec. 99262	Transit Planning	\$0	\$200,000
Total			\$4,071,667	\$4,657,106
State Transit Assistance Fund:				
	CCR, Sec. 6730(a)	MTA Operations	\$455,221	\$967,375
	CCR, Sec. 6731(b)	Senior Center Operations	\$0	\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital	\$200,000	\$200,000
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
Total			\$655,221	\$1,167,375
Capital Reserve				
	CCR, Sec. 6648	MTA Capital	\$0	\$0
	CCR, Sec. 6648	Senior Capital	\$0	\$0
	CCR, Sec. 6631	Long-Term Capital	\$696,296	\$701,179
Total			\$696,296	\$701,179
Total Claim			\$5,423,184	\$6,525,660

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IV.
Surface Transportation
Block Grant Program

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2022-13

ALLOCATING SURFACE TRANSPORTATION BLOCK GRANT PROGRAM FUNDS
for FISCAL YEAR 2022/23
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;
- Surface Transportation Block Grant (STBG) program, formerly known as Regional Surface Transportation Program (RSTP), revenue is based on estimates provided by the California Department of Transportation under federal legislation; the Investment in Infrastructure & Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law, continued the program from the expired FAST Act (Fixing America's Surface Transportation Act), providing a preliminary estimate of revenue for FY 2022/23 of **\$812,939**;
- Customarily MCOG has exchanged its annual federal STBG/RSTP apportionment for more flexible state funds through State of California's optional Federal Apportionment Exchange Program;
- On June 5, 2006, MCOG adopted a simplified version of its existing RSTP distribution formula, such that 60 percent of the annual regional apportionment is divided equally among the five MCOG member jurisdictions as a base amount, and 40 percent is divided by the Federal Aid Urban (FAU) equivalent road miles percentage for each jurisdiction;
- On June 5, 2006, MCOG also created a capital fund from RSTP revenues, for MCOG regional safety, operational and capacity-increasing projects that stimulate partnerships, in specified amounts of each annual regional apportionment, before distribution to the five MCOG member jurisdictions, and this set-aside is referred to as MCOG's Partnership Funding Program;
- On October 4, 2010, MCOG confirmed four agreements in concept as a result of the Council's Strategic Planning Workshop of August 9, 2010:
 - 1) MCOG will be responsible for project development for priority projects to ensure project readiness.
 - 2) MCOG's Partnership Funding Program, initiated several years ago with RSTP funding, will be continued through the life of the next federal transportation bill.
 - 3) MCOG will pursue expansion of the level of local assistance for its member agencies.
 - 4) MCOG will expand project selection criteria to increase the relative importance of leveraging and to reflect outcomes of this workshop.
- On February 7, 2011, MCOG approved Dow & Associates' staffing contract extension, to include RSTP funds for a new "local assistance" staff position with the goal of increased project delivery, consistent with the Council's strategic planning of the previous August; this new position of Regional Project Manager (now referred to as Regional Project Coordinator) was initiated in FY 2011/12 at \$90,000 per year;

- Under the approved five-year contract and extensions 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 **\$959,750** (\$759,750 audited fund balance at June 30, 2021, \$100,000 allocated for FY 2021/22, \$100,000 anticipated for FY 2022/23); this amount includes two open Partnership project balances assigned by the Council of \$341,441 and an estimated \$618,309 available for later allocation before FY 2021/22 expenditures;
- Dow & Associates also shall have the management responsibility for the Local Assistance current-year budget of \$90,000 and an audited unexpended program fund balance of \$240,656 through FY 2020/21; the amount of \$90,000 of new funds shall be allocated to continue Local Assistance services to member agencies in Fiscal Year 2022/23, to include the actual personnel cost according to contract (up to \$93,096) 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, subject to periodic reports to the Board of Directors; and
- It is MCOG’s intention to reevaluate its STBG formula for distribution to the member agencies if a forthcoming federal transportation legislative bill substantially changes the amount of, or designated use of, STBG funds; therefore, be it

RESOLVED, THAT: MCOG hereby allocates estimated new STBG revenues for FY 2022/23 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	134,106	622,939
	City of Ukiah	180,478	
	City of Fort Bragg	120,501	
	City of Willits	113,101	
	City of Point Arena	74,753	
Total FY 2021/22 Allocations			812,939

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 6th day of June, 2022, by the following roll call vote:

- AYES:
 NOES:
 ABSENT:

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

 ATTEST: Nephele Barrett, Executive Director

 Dan Gjerde, Chair

V.
REAP
Housing Grants

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2022-14

ALLOCATING FISCAL YEAR 2020/21 CARRYOVER REGIONAL EARLY ACTION PLANNING (REAP) PROGRAM GRANT FUNDS FOR FY 2022/23

WHEREAS,

- The California Department of Housing and Community Development (HCD) is authorized to provide up to \$125,000,000 under the Local Government Planning Support Grants Program to Councils of Governments and other Regional Entities (as described in Health and Safety Code section 50515.02), including the Regional Early Action Planning (REAP) Program;
- The Mendocino Council of Governments (MCOG) is the Regional Entity in Mendocino County eligible to apply for and receive said funds and may execute a Master Fund Agreement with HCD;
- To this end, MCOG amended its Joint Powers Agreement (JPA) in 2020 to add housing matters as a specific power, with all five member agencies approving by resolution;
- REAP funds were available to MCOG at \$383,245 for activities that “increase housing planning and accelerate housing production” with eligible activities that include providing technical assistance, performing infrastructure planning, and conducting feasibility studies;
- Funds may be suballocated to cities and counties for these activities, MCOG staff consulted with member agencies’ staff, and on November 2, 2020, MCOG approved a distribution formula for suballocation and amended the budget December 7, 2020; a REAP application was submitted January 29, 2021, revised May 11, 2021, and a Master Agreement with HCD was executed February 11, 2022 to receive the funds; and
- A portion of the \$38,325 (ten percent) for Grant Administration & Management was expended in FY 2020/21 and 2021/22, and City of Point Arena’s project was completed; therefore, be it

RESOLVED, THAT:

1. MCOG hereby carries over estimated REAP funds to 2022/23, allocated as follows.

RECIPIENT	AMOUNT	TOTALS
MCOG Grant Administration & Management		26,325
Formula Distribution to MCOG Member Agencies (rounded to nearest dollar)	County of Mendocino	177,228
	City of Ukiah	69,536
	City of Fort Bragg	46,410
	City of Willits	35,365
	City of Point Arena	0
		328,539
		354,864

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 6th day of June, 2022, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephel Barrett, Executive Director

Dan Gjerde, Chair

Appendices

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MCOG Budget Workshop

May 2, 2022

Funding Sources in Annual Budget 2

Transportation Development Act (TDA)

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

Local & State Planning Funds: LTF and

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

Federal Funds

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

Funding Sources – More Info

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

“Explanatory Notes on Funding Sources” in agenda packet

LTF – Local Transportation Fund

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

LTF Reserve Fund

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

STA – State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators – MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10 – 2015/16 during the Recession, again waived for the pandemic.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that *“rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, we’d instead reduce the operator’s operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified.”* –from SB 508, Chapter 715, preamble
- State Controller provides fund estimates—“Preliminary” in January, “Revised” after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG’s fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings, as is the case this year.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000; two years ago in the range of \$800,000,000 with support of SB 1. During the pandemic, fuel tax revenues dropped 20%. Preliminary estimate for 2022/23 is \$668,476.

Capital Reserve Fund

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

Highlights of This Year’s Budget

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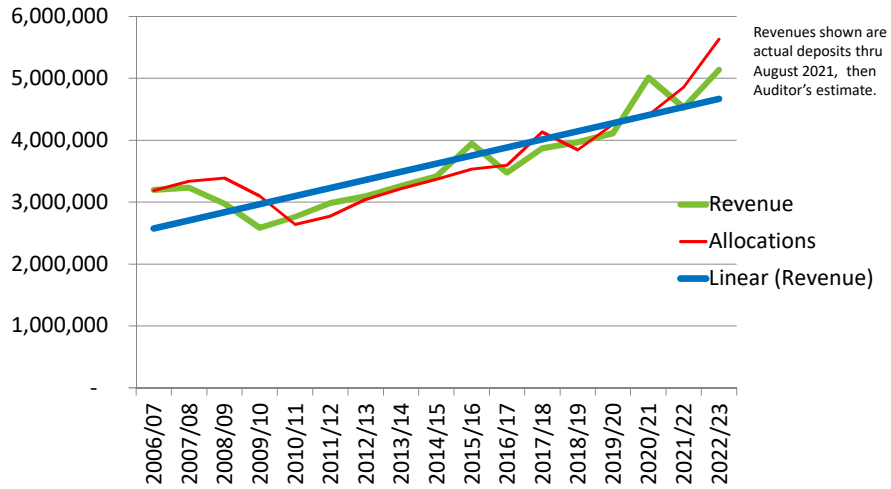
REVENUES:

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

ALLOCATIONS:

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

LTF Revenues & Allocations - Trend 7



LTF Revenues FYTD 2021/22 8

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

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

STA Revenues & Allocations

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

* Actual 2020/21 revenue = 647,948

Source = fuel taxes

LTF Reserve Policy since 1999

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

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

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

LTF Allocation Priorities

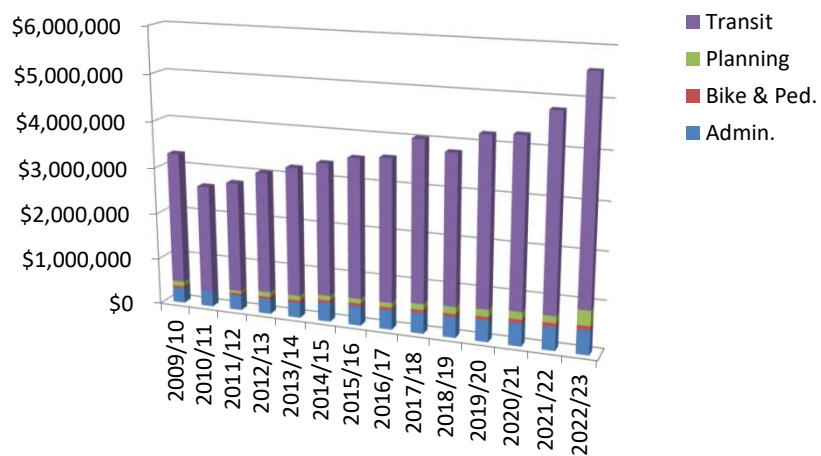
11

Consistent with TDA:

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

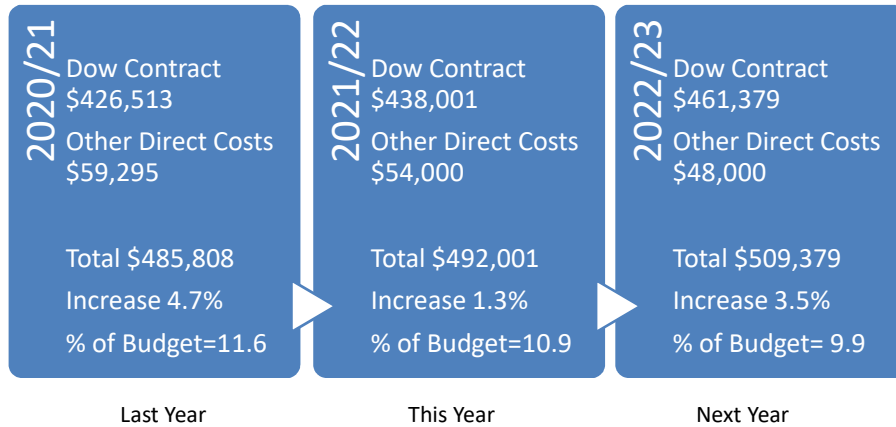
LTF Allocations - Trend

12



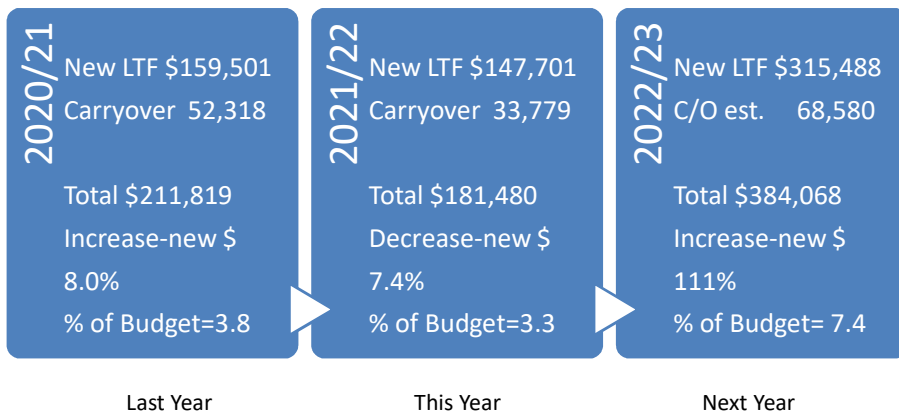
LTF Allocations – Admin.

13



LTF Allocations – Planning

14



All Allocations – Planning

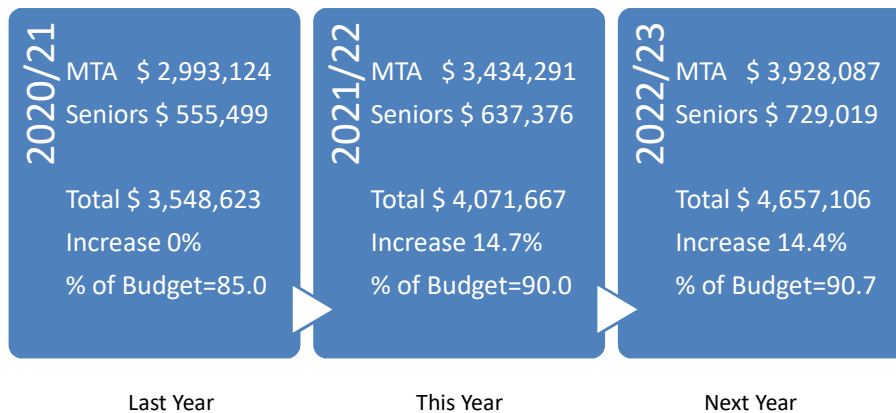
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Draft FY 2022/23 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergov't'l Coordination	MCOG	State RPA	137,000
2	Planning Mgmt. & General Coordination	MCOG	LTF	108,800
4	Sustainable Transportation Planning – c/o	MCOG	LTF	20,000
5	Mobility Solutions – Feasibility Study Rural Areas	MCOG	State Grant, LTF	185,000
6	Combined Special Studies	MCDOT	State RPA	60,000
7	Planning, Programming & Monitoring	MCOG	State PPM, RPA	112,250
12	Truck Route Study--New	Ukiah	State PPM	45,000
13	Central Business District Parking Evaluation--New	Fort Bragg	LTF	57,062
14	Training – carryover	MCOG	LTF	20,000
15	Local Street Assessment/Roadway Agrmt. – c/o	Pt. Arena	State PPM	53,750
16	Multi-Modal Transportation Planning	MCOG	State RPA	45,000
18	Geographic Information System Activities	MCOG	State RPA	5,000
20	Grant Development & Assistance	MCOG	State RPA	47,736
	<i>PROJECT RESERVE</i>	MCOG	LTF	150,000
	TOTAL			1,046,598

LTF Allocations – Transit

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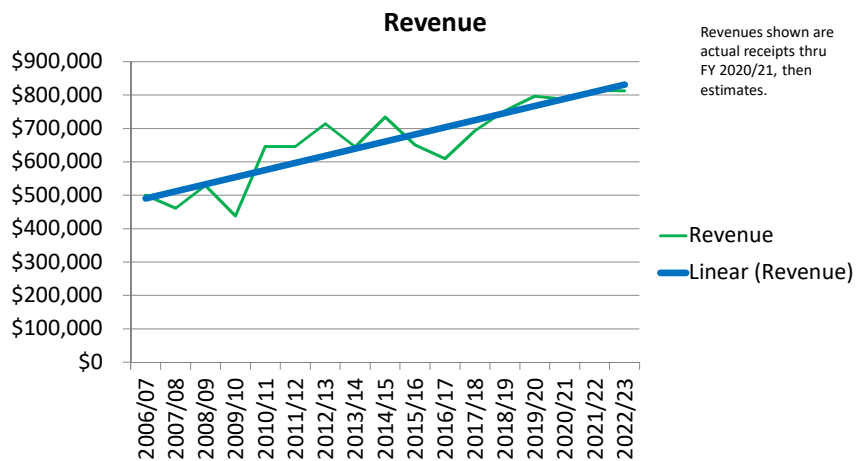
State Funding from SB I

17

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

STBG Revenues – Trend

18



STBG Allocation Priorities

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

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

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

What's Not in the Budget

20

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

Budget Adoption FY 2022/23

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

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

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Questions?

Thank You!

Presentation by:
Janet Orth, Deputy Director & CFO

Mendocino Council of Governments
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Credits:
Cover photo by Janet



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Mendocino Council of Governments
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2020/21, ended June 30, 2021. 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

For the Council's purposes, a major indicator is the sales tax. Actual revenue from the dedicated quarter-cent sales tax to the Local Transportation Fund (LTF) continued a trend of economic recovery since the Great Recession began in 2008. Local sales tax revenues had been around \$3 million annually until the low point in 2009/10 of \$2.6 million. Since then annual revenues have grown steadily to \$5 million in FY 2020/21, when LTF revenues came in a full 20 percent above the budget estimate, providing a healthy surplus going forward. At this writing, the new LTF estimate indicates this trend leveling off to about one percent growth in the coming year. The estimate for 2022/23 is \$5.1 million. The Council's management remains encouraged by the stability and growth of sales tax revenues, the largest single source of Council funding.

While sales taxes were up 20 percent, fuel tax revenues were down 20 percent from the previous fiscal year. During 2019/20 and 2020/21 the global COVID-19 pandemic had a significant impact on the economy. Shopping activity shifted, likely generating temporary spikes as well as moving away from traditional brick-and-mortar businesses. The public curtailed driving activity during 2020, reducing gasoline consumption. While the revised State Controller's estimate for State Transit Assistance (from fuel taxes) had dropped 41%, the fiscal year's actual revenues came in higher.

Revenues that originate from gasoline taxes through federal and state funding sources had been trending downward until the Legislature addressed the statewide transportation funding crisis by passing Senate Bill 1, the Road Repair and Accountability Act. Signed into law in April 2017, SB 1 invests over \$5 billion a year in state and local transportation needs. The infusion of revenues from SB 1 had increased State Transit Assistance by over 150 percent since FY 2016/17, until the 2019/20 downturn. It is projected that 10 or so years from now, SB 1 revenues will level off as vehicles become more fuel efficient and transition to electricity. For the future, alternative revenue streams are being tested, notably the California Road Charge Pilot completed in 2017. In 2021 the State tested how a road charge could work with four technologies: usage-based insurance, ridesharing, EV charging stations/pay-at-the-pump systems, and autonomous vehicles. Also, the recently passed Bipartisan Infrastructure Bill includes a five-year Road User Fee National Pilot.

Grants and other revenue sources available to the Council have remained stable, with increasing opportunities ahead from state and federal funds. SB 1 programs have benefited local member agencies. 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.

Until recently, net assets were in the range of \$1.5 million in Governmental funds and \$3.5 million in Fiduciary funds. Now that large projects such as the SAFE call box program have been completed, in 2021 the Governmental net assets were at \$600,000 and Fiduciary funds at \$6.8 million.

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

Fund Classifications

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

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

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

The Private Purpose Trust funds are:

- The Transportation Development Act (TDA) mandated funds, which consist of the Local Transportation Fund (LTF), from the quarter-cent transportation sales tax collected in county, and State Transit Assistance (STA), from statewide taxes on diesel fuel and gasoline; and
- The Surface Transportation Block Grant (STBG) Program (formerly known as Regional Surface Transportation Program or RSTP) is funded by the federal transportation authorizing legislation, and the Council typically opts to exchange these funds for more flexible State Highway Account funds. The Council has authority to allocate the entire STBG Mendocino County apportionment for regional transportation uses, not necessarily to other units of

government. The Council’s long-standing policy is to allocate most, but not all, of the STBG/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 Custodial 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 operating allocations in the event budget estimates do not materialize as actual tax revenues, or to provide for extraordinary operating 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 Private Purpose 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 31.

Capital Assets & Long-Term Liabilities

In the Council’s case, the only capital assets are the SAFE program’s motorist aid call boxes and associated computer equipment, which are represented separately from the SAFE fund in the Statement of Net Position and further detailed in Note 4 – Capital Assets. Typically items less than \$5,000 in value are expensed in the current year, not capitalized, as advised by the independent CPA auditor. A formal policy for these capital assets is yet to be adopted by the Council.

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 \$1,309,015, a decrease of \$114,305 (8%) compared to the previous fiscal year, mainly due to variable levels of state aid. Expenditures were \$1,286,759, a decrease of \$136,098 (9.5%). Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2019/20.

Table 1

Governmental Net Position at June 30	2021	2020	Change
Current Assets	\$ 902,255	\$ 859,676	\$ 42,579
Capital Assets, Net of Depreciation	59,243	77,506	(18,263)
Total Assets	961,498	937,182	24,316
Current Liabilities	362,175	341,916	20,259
Total Liabilities	362,175	341,916	20,259
Net Position			
Investment in Capital Assets	59,243	77,506	(18,263)
Restricted	540,080	517,760	22,320
Total Net Position	\$ 599,323	\$ 595,266	\$ 4,057

Net position comprised the following:

- Cash and investments of \$710,656 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$191,599;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$269,936;
- Inter-fund operating transfers, due to Expendable Trust funds, of \$92,239;
- Depreciated capital assets of \$59,243. (*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 \$485,808 from the Local Transportation Fund for administration of all the Council's activities, including the seventh year of a contract effective October 1, 2014 as a result of the Council's procurement for Administrative & Fiscal Services, with a scheduled inflation increase of 3.0 percent. Most of the Administration budget is allocated to the contract for administrative staffing, office and equipment, with the remainder to direct costs. The budget for Direct Costs remained between \$50,000 and \$60,000, consistent with the previous six years.

Planning

Over the past six years, the Transportation Planning Overall Work Program (OWP) budget has averaged \$1.5 million annually (refer to the Governmental Funds for sources). In FY 2015/16, this had increased to \$2,047,233 due to a multi-year Active Transportation Program grant of up to \$1 million. For FY 2020/21, the budget was a more typical \$1.2 million, as larger projects had been implemented in the previous few years. The OWP funded 15 project work elements that benefited the five member agencies, Mendocino Transit Authority, and Caltrans.

SAFE Program

The Mendocino SAFE motorist aid call box program has completed 141 installations. The adopted Five-Year Strategic & Financial Plan budgets for revenue and expenditures. Revenues have been consistently above \$100,000 annually from vehicle registration fees countywide. A series of technical and legal issues delayed implementation over several years of system development. The cash fund balance had accumulated nearly \$1 million in 2013; this was reduced as expenditures were made to implement the SAFE Plan during FY 2013/14 through 2016/17. The plan was fully implemented on state highways in FY 2017/18. (Options are available to install on certain county roads.) A new five-year plan was adopted in March 2017 to reflect operation and maintenance of the system. Mendocino SAFE operates 45 boxes using satellite technology, as the first in the nation to test and demonstrate early adoption of equipment for use in remote areas where little or no cellular reception is available. The other 96 call boxes have cellular service. The current work in progress is responding to cellular network changes by the service operator.

Table 2

Changes in Governmental Net Position	2021	2020	Change
Expenses – Administration and Planning	\$ 1,305,021	\$ 1,532,485	\$ (227,464)
Revenues			
Program Revenues:			
Local Transportation Funds	645,309	611,882	33,427
DMV Fees	110,881	106,621	4,260
Aid from State Governments	548,733	695,967	(147,234)
Total Program Revenues	1,304,923	1,414,470	(109,547)
General Revenues:			
Use of Money and Property	4,092	8,850	(4,758)
Total Revenues	1,309,015	1,423,320	(114,305)
Change in Net Position	\$ 3,994	\$ 109,165	\$ 113,159

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, 525 South Main St., Suite B, Ukiah, CA 95482. Further contact information is available at the Council's website: www.mendocinocog.org.

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