



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2017/18

BUDGET



June 5, 2017



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2017/18

BUDGET

Prepared by

Janet M. Orth
MCOG Deputy Director/CFO

Submitted to

MCOG Board of Directors

June 5, 2017

Cover Photo:

Ridgewood Ranch south of Willits
by J. Orth, May 13, 2017

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MENDOCINO COUNCIL OF GOVERNMENTS

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

PHILLIP J. DOW, EXECUTIVE DIRECTOR

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

May 24, 2017

To: MCOG Board of Directors
From: Phillip J. Dow, Executive Director
Prepared by Janet M. Orth, Deputy Director/CFO
Re: **Regional Transportation Planning Agency (RTPA) Fiscal Year 2017/18 Budget**

This budget is submitted to you for adoption at our meeting on June 5, 2017. It represents all recommendations made over the past several months by the Executive Committee, Technical Advisory Committee, Transit Productivity Committee, Social Services Transportation Advisory Council, and staff, progress of which we have reported to you along the way. Following is a brief summary of the main components of the RTPA budget. Total available revenues from all sources are **\$7,541,320**, and total proposed allocations amount to **\$7,474,808**.

The Local Transportation Fund (LTF) sales tax revenue estimate shows a slight increase (2.6 percent or \$89,404) from the previous year, remaining above \$3 million for the fifth consecutive year since the Great Recession, reflecting the economic recovery although growth has slowed. However, total LTF revenues are slightly down as a result of the FY 2015/16 shortfall, impacting the 2017/18 budget. Fortunately we have two months of unallocated LTF revenues (\$596,200) from a previous period available to make our budget whole. The two standing committees that reviewed it recommend reserving most of this windfall in the short term.

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

Administration

In the Transportation Development Act (TDA), funds for Administration of the agency are the first allocation priority, in amounts "as necessary." The Executive Committee has concurred with staff's draft budget for Administration, which comprises several funding sources. The proposal includes scheduled COLA increases to the Administrative & Fiscal Services contract (final calculations were made after the committee met). TDA/LTF costs for Administration remain steady at 12 percent of the Auditor's estimate, with total costs below seven percent (7%) of the total RTPA budget. The total Administration budget proposal (excluding SAFE) is \$527,333.

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%). Staff also recommends adding two percent (2%) of the LTF prior-year unallocated revenues. The total Bicycle & Pedestrian budget proposal is \$73,052.

Planning

As a major function and responsibility of the RTPA, Planning is managed in the Overall Work Program (OWP). MCOG has customarily provided Local Transportation Funds (LTF) to Planning after Administration and Bicycle & Pedestrian allocations. In addition, several other available sources are combined to fund the Planning program. All details of the OWP are presented in a separate document. The Executive Committee concurs with staff's

proposed allocation of \$122,750 of new LTF funds. The Technical Advisory Committee works closely with our planning staff to develop this program each year and will recommend on all proposed allocations, including FY 2016/17 estimated carryover and grants, on May 31. The total Planning budget proposal is \$1,239,550.

Transit

After all of the above allocations, the remaining balance of FY 2017/18 LTF is made available to fund public transit. Also available are State Transit Assistance (STA) funds. In our region, the only currently eligible claimant is Mendocino Transit Authority (MTA). Additionally, MCOG adopted a regional policy in 1999 (amended in 2001) to set aside an LTF Reserve for transit purposes of \$100,000 or five percent (5%) of the County Auditor's estimate of new LTF revenues. The Executive Committee recommends setting aside the full five percent (\$175,000) for 2017/18, fully funding the reserve for three consecutive years, a first since the Great Recession, and to allocate a portion of the LTF prior-year unallocated revenues to make transit funding equivalent to last year's. The Transit Productivity Committee (TPC) recommends that MCOG fully fund MTA's 2017/18 claim, with two minor adjustments. The TPC also recommends a finding that *"there are unmet transit needs that are reasonable to meet for FY 2017/18, contingent on approval of MTA's grant proposal for Mobility Management under the Federal Transit Administration (FTA) Section 5310 Expanded Program and other grant opportunities,"* listing eight (8) needs. On May 24, the Social Services Transportation Advisory Council recommended six (6) of those needs as reasonable to meet. The total Transit budget proposal is \$3,700,861.

Regional Surface Transportation Program (RSTP)

We began including the RSTP funds in our budget documents several years ago. Previously, MCOG had passed these funds through to the Cities and County for several years. Prior to that, MCOG allocated the funds by a competitive grant process to these entities. MCOG adopted a policy in June 2006 to start setting aside a portion for regional projects, so a fund balance is available to MCOG for allocation consistent with this policy, called the Partnership Funding Program. Also, as a result of the Council's strategic planning workshop of August 2010, a portion of RSTP funds is used to provide Local Assistance to the five MCOG member agencies, beginning in FY 2011/12. This helps to deliver projects that might otherwise stagnate or lose funding, to assist with new funding applications, and to provide related technical support. A resolution in this budget documents the RSTP background and proposed allocations. We have received a preliminary estimate of new revenues for Mendocino County under the federal FAST Act. The RSTP budget estimate is \$743,745.

Active Transportation Program (ATP)

MCOG is responsible for the management of four state grants awarded in 2014/15 and 2015/16, for a total of \$2,165,000. This consists of one countywide non-infrastructure grant, one infrastructure grant in Covelo that includes a non-infrastructure component, and two infrastructure grants in the Covelo area. The non-infrastructure components are considered planning activities and so are identified in the Planning OWP. The infrastructure components are project development and activities for construction of the State Route 162 Corridor Multi-Purpose Trail, Phases 1 and 2 – Preliminary Engineering. This is a new function for MCOG, approved by separate resolution. The infrastructure portion of these grants for 2017/18 is \$802,768.

Service Authority for Freeway Emergencies (SAFE)

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

Regional/State Transportation Improvement Program (R/STIP)

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

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



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2017/18 BUDGET SUMMARY

For Adoption June 5, 2017

Supplemental Format

REVENUES	FY 2016/17 Budget Adopted	FY 2017/18 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
<u>Local Transportation Funds (LTF)</u>					
LTF Official County Auditor's Estimate	\$ 3,402,307	\$ 3,491,711	\$ 89,404	2.6%	Transportation Development Act (TDA) Funds
Auditor's Anticipated Unrestricted Balance - Current Year	\$ 188,859	\$ 102,027	\$ (86,832)	-46.0%	
Total Local Transportation Fund (LTF) Estimate	\$ 3,591,166	\$ 3,593,738	\$ 2,572	0.1%	
Auditor's Anticipat'd Unrestricted Balance - Reversal	\$ (188,859)	\$ (102,027)			Per policy, any excess flows through LTF Reserve
LTF Unallocated - Accounting transition to County's accrual method	\$ -	\$ 596,200			One-time funds, represents 2 months of sales tax revenue
Prior Year Balance Remaining for Later Allocation	\$ 86	\$ 18,111			FY 2014/15 savings from Dow contract for Admin. purposes
MTA Fiscal Audit - Amount returned to MCOG, if any	\$ -	\$ 93,597			Per audit of FYE 2016, amount ineligible to MTA
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 87,393	\$ 71,475	\$ (15,918)	-18.2%	FY 2016/17 OWP as amended Feb.; FY 2017/18 preliminary carryover
Total Local Transportation Funds:	\$ 3,489,700	\$ 4,271,094	\$ 781,394	22.4%	OWP carryover is offset by equivalent allocation
<u>LTF Reserve Funds</u>					
LTF "Unrestricted Balance" of Unallocated Revenue	\$ 191,599	\$ (65,156)	\$ (256,755)	-134.0%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate
LTF Reserve Fund Balance	\$ 290,077	\$ 363,961	\$ 73,884	25.5%	Reserve used to cover transit allocation shortfalls and claims per policy
Less Current Year Reserve Allocation	\$ (118,507)	\$ (192,169)			Prior year unrestricted "excess revenue" above fund balance
Subtotal	\$ 363,169	\$ 106,636	\$ (256,533)	-70.6%	
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	\$ (171,000)	\$ (175,000)	\$ (4,000)	2.3%	Per policy, Reserve is 5% of County Auditor's est. of new revenue, nearest 1,000.
LTF Reserve Available for Allocation:	\$ 192,169	\$ (68,364)	\$ (260,533)	-135.6%	
TOTAL LTF REVENUES	\$ 3,681,955	\$ 4,202,730	\$ 520,775	14.1%	
<u>Capital Reserve Funds</u> Total Capital Reserve Fund	\$ 320,264	\$ 323,240	\$ 2,976	0.9%	Fund balance available for transit claim based on 5-Yr Capital Program
<u>Local Agency Contributions</u>	\$ -	\$ -			In-kind match for any planning grants
Total Local/Regional Revenues:	\$ 4,002,219	\$ 4,525,970	\$ 523,751	13.1%	
STATE:					
<u>Planning Programming & Monitoring (PPM) Funds</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 145,000	\$ 164,000	\$ 19,000	13.1%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 117,092	\$ 2,325	\$ (114,767)	-98.0%	FY 2016/17 OWP as amended Feb.; FY 2017/18 preliminary carryover
Total PPM Funds:	\$ 262,092	\$ 166,325	\$ (95,767)	-36.5%	
<u>State Transit Assistance (STA) Funds</u>					
State Controller's Estimate	\$ 415,941	\$ 355,333	\$ (60,608)	-14.6%	TDA Funds
Estimated Fund Balance Available for Allocation	\$ 52,744	\$ 66,179	\$ 13,435	25.5%	Preliminary estimates
STA Carryover	\$ 134,076	\$ -			Reclaimed in MTA's 2016/17 annual transit claim; \$0 recommended 2017/18
Total State Transit Assistance Funds:	\$ 602,761	\$ 421,512	\$ (181,249)	-30.1%	
<u>Rural Planning Assistance Funds (RPA)</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program - Carryover	\$ 48,238	\$ -			FY 2016/17 OWP as amended Feb.; FY 2017/18 preliminary carryover
Total RPA Funds:	\$ 342,238	\$ 294,000	\$ (48,238)	-14.1%	
<u>California Active Transportation Program (ATP)</u>					
ATP Infrastructure Projects - New Revenue	\$ 146,000	\$ 485,000	\$ 339,000	232.2%	SR-162 Corridor Multi-Purpose Trail, Ph. 1 & 2-Prelimin. Engineering
ATP Infrastructure Projects - Carryover	\$ 403,374	\$ 317,768	\$ (85,606)	-21.2%	Estimate of funds to carry over to next FY of 3-year project
ATP Non-Infrastructure Projects - Carryover	\$ 961,268	\$ 585,000	\$ (376,268)	-39.1%	Safe Routes to School 3-year grants - Countywide and Covelo
Total ATP Funds:	\$ 1,510,642	\$ 1,387,768	\$ (122,874)	-8.1%	

<u>California 2006 Proposition 1B Programs</u>					
Transit System Safety, Security and Disaster Response (TSSSDR)	\$ 73,195	\$ 73,195	\$ -	0.0%	FY 2014/15 and 2015/16, Cycles 8 and 9 of 10
Public Trans. Modernization, Improvement & Service Enhancement Acct.	\$ 268,119	\$ 420,400	\$ 152,281	56.8%	FY 2014/15 apportionment over 3-year cycle
<u>California Energy Commission Grant Subcontract</u>	\$ 2,000	\$ 2,000			Approved 2/2/2017: Fuel Cell Plan, under Admin. Budget - carried over
Total State Revenues:	\$ 3,061,047	\$ 2,765,200	\$ (295,847)	-9.7%	
FEDERAL:					
<u>Federal Grant Programs and Regional Apportionments</u>					
FTA Section 5311f Intercity Bus Program	\$ -	\$ 122,833			Competitive grants; MTA has applied for Operating Assistance in FY 2017/18
FTA Section 5311 Program - Regional Apportionment	\$ 473,918	\$ 484,742			Annual apportionment to Mendocino County for transit operations/capital
<u>Regional Surface Transportation Program (RSTP)</u>	\$ 698,827	\$ 743,745	\$ 44,918	6.4%	Preliminary estimates (FY 2016/17 actual = \$610,072) - exchanged for State \$
RSTP Carryover/Balance Available for Later Allocation	\$ 87,877	\$ 65,376	\$ (22,501)	-25.6%	Previously allocated Administration for Regional Project Mgr. & Dir. Cost -
Total Federal Revenues:	\$ 1,260,622	\$ 1,416,696	\$ 156,074	12.4%	\$20,000 approved FY 2016/17 for City of Ukiah's school district traffic study
TOTAL REVENUES	\$ 8,323,888	\$ 8,707,865	\$ 383,977	4.6%	

ALLOCATIONS	FY 2016/17 Budget Adopted	FY 2017/18 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
<u>Local Transportation Funds (LTF)</u>					
Reserved LTF Prior-Year Unallocated Revenues of \$596,200	\$ -	\$ 409,135			Committee recommendations less 2% Bike & Ped per TDA priorities
LTF Prior-Year Unallocated Revenues to LTF Reserve Administration:	\$ -	\$ 68,364			To cover shortfall and bring LTF Reserve to 5% (\$175,000) per policy
Admin. & Fiscal Services Contract	\$ 362,138	\$ 378,366	\$ 16,228	4.48%	COLA of 2.26% per CPI rate; contract allows up to 4%
Other Direct Costs	\$ 50,000	\$ 56,967	\$ 6,967	13.9%	Includes \$18,111 savings reallocated to COLA (above) and Contingencies
Total Administration Allocations:	\$ 412,138	\$ 435,333	\$ 23,195	5.6%	Fiscal & Administration Services contract approved for FY 2014/15 - 2018/19
Two Percent LTF Bicycle & Pedestrian Program	\$ 59,803	\$ 73,052	\$ 13,249	22.2%	2% of LTF Estimate (less Admin. allocation) and 2% of prior-year unallocated \$
Planning Overall Work Program (OWP) - New Funds	\$ 100,000	\$ 122,750	\$ 22,750	22.8%	First increase in many years, due to constraints on State planning funds
OWP Carryover from Previous Fiscal Year	\$ 87,393	\$ 71,475	\$ (15,918)	-18.1%	FY 2016/17 OWP as amended Feb.; FY 2017/18 preliminary carryover
Total Admin., Bike & Ped., Planning, Reserves:	\$ 659,334	\$ 1,180,109	\$ 520,775	79.0%	
BALANCE AVAILABLE FOR TRANSIT	\$ 3,022,621	\$ 3,022,621	\$ 0	0.0%	Uses LTF prior-year unallocated revenues to make equivalent to last year
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$ 2,549,564	\$ 2,549,564	\$ -	0.0%	Public Utilities Code (PUC) Sec. 99260a
Unmet Transit Needs	\$ -	\$ -	\$ -		PUC Section 99260a
Senior Centers Operations	\$ 473,057	\$ 473,057	\$ -	0.0%	PUC Section 99400c
Capital Reserve Fund Contribution	\$ -	\$ -	\$ -		CA Code of Regulations (CCR) Sec. 6648
Total LTF Transit Claim:	\$ 3,022,621	\$ 3,022,621	\$ -	0.0%	
Total LTF Allocations:	\$ 3,681,955	\$ 4,202,730	\$ 520,775	14.1%	
<u>Capital Reserve Funds</u>					
Mendocino Transit Authority (MTA) Claim:					
Capital Program, MTA - Current Year	\$ 14,000	\$ 39,375	\$ 25,375	181.3%	CCR Section 6648
Capital Program, Senior Centers - Current Year	\$ -	\$ -	\$ -		CCR Section 6648
Capital Program - Long Term	\$ 306,264	\$ 283,865	\$ (22,399)	-7.3%	CCR Section 6631
Total CRF Allocations:	\$ 320,264	\$ 323,240	\$ 2,976	0.9%	
<u>Local Agency Contributions</u>	\$ -	\$ -	\$ -		
Total Local/Regional Allocations:	\$ 4,002,219	\$ 4,525,969	\$ 523,750	13.1%	

STATE:					
Planning Programming & Monitoring (PPM) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 145,000	\$ 164,000	\$ 19,000	13.1%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 117,092	\$ 2,325			FY 2016/17 OWP as amended Feb.; FY 2017/18 preliminary carryover
Total PPM Allocations:	\$ 262,092	\$ 166,325	\$ (95,767)	-36.5%	
State Transit Assistance (STA) Funds					
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$ 175,000	\$ 175,000			CCR Section 6730a
Capital Program, MTA & Seniors - Current Year	\$ 224,536	\$ 180,000	\$ (44,536)	-19.8%	CCR Section 6730b
MTA Capital Program - Reclaimed Carryover	\$ 134,076	\$ -			CCR Section 6752
Total STA Allocations:	\$ 533,612	\$ 355,000	\$ (178,612)	-33.5%	
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	\$ 48,238	\$ -			
Total RPA Allocations:	\$ 342,238	\$ 294,000	\$ (48,238)	-14.1%	
California Active Transportation Program (ATP)					
ATP Infrastructure Projects - New Revenue	\$ 146,000	\$ 485,000	\$ 339,000	232.2%	SR-162 Corridor Multi-Purpose Trail, Ph. 1 & 2--Prelimin. Engineering
ATP Infrastructure Projects - Carryover	\$ 403,374	\$ 317,768	\$ (85,606)	-21.2%	Estimate of funds to carry over to next FY of 3-year project
ATP Non-Infrastructure Projects - Carryover	\$ 961,268	\$ 585,000	\$ (376,268)	-39.1%	Safe Routes to School 3-year grants - Countywide and Covelo
Total ATP Allocations	\$ 1,510,642	\$ 1,387,768			
California 2006 Proposition 1B Programs					
Prop 1B Transit System Safety, Security and Disaster Response	\$ 73,195	\$ 73,195			MCOG approves allocation to MTA for eligible projects
Public Trans. Modernization, Improvement & Service Enhancement Acct.	\$ 268,119	\$ 420,400			MCOG approves allocation to MTA for eligible projects
California Energy Commission Grant Subcontract	\$ 2,000	\$ 2,000			Approved 2/2/2017: Fuel Cell Plan, under Admin. Budget - carried over
Total State Funds Allocations:	\$ 2,991,898	\$ 2,698,688	\$ (293,210)	-9.8%	
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311f Intercity Bus Program	\$ -	\$ 122,833			Competitive grants; MTA has applied for Operating Assistance in FY 2017/18
FTA Section 5311 Program - Regional Apportionment:	\$ 473,918	\$ 484,742			MTA is eligible, MCOG approves programming; both years applied to 2017/18
Regional Surface Transportation Program (RSTP)					
MCOG Partnership Funding Program	\$ 100,000	\$ 100,000	\$ -	0.0%	RSTP budget allocations are based on estimates
Local Assistance - Project Delivery - Administration	\$ 90,000	\$ 90,000	\$ -	0.0%	Regional capital project funds "off the top"
Formula Distribution to MCOG Member Agencies:					Staff - Regional Project Manager under Admin. Contract and direct costs
Mendocino County Dept. of Transportation	\$ 109,540	\$ 119,211	\$ 9,671	8.8%	
City of Ukiah	\$ 147,417	\$ 160,431	\$ 13,014	8.8%	
City of Fort Bragg	\$ 98,427	\$ 107,116	\$ 8,689	8.8%	
City of Willits	\$ 92,383	\$ 100,538	\$ 8,155	8.8%	
City of Point Arena	\$ 61,060	\$ 66,449	\$ 5,389	8.8%	
Total RSTP Formula Distribution	\$ 508,827	\$ 553,745	\$ 44,918	8.8%	Subject to change based on actual revenue received. Roundoff error = <1>
Total RSTP Allocations:	\$ 698,827	\$ 743,745	\$ 44,918	6.4%	Formula allocation by policy, distrib'n pending State exchange agreements
Total Federal Funds Allocations:	\$ 772,022	\$ 1,351,320	\$ 579,298	75.0%	
Total Transit Allocations	\$ 4,691,729	\$ 4,802,030	\$ 110,301	2.4%	Includes FTA Section 5311 funds typically approved after budget adoption
Total Overall Work Program (OWP)	\$ 1,752,991	\$ 1,239,550	\$ (513,441)	-29.3%	FY 2016/17 OWP as amended Feb.; FY 2017/18 preliminary carryover
TOTAL ALLOCATIONS	\$ 7,766,139	\$ 8,575,977	\$ 809,838	10%	
Balance Remaining for Later Allocation/Difference of Actuals	\$ 557,749	\$ 131,888	\$ (425,861)	-76%	State Transit Assistance (STA) and RSTP Local Assistance

MENDOCINO COUNCIL OF GOVERNMENTS

2017/18 Budget

Explanatory Notes on Funding Sources

4/20/2017

LTF - Local Transportation Fund

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

LTF Reserve Fund

- Allowed under TDA, adopted locally by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at five percent of County Auditor's LTF estimate.
- Surplus allocated through annual budget process.
- To be used *“for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation.”* A claim was made to meet the FY 2015/16 shortfall of \$68,364.
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in FY 2010/11 and again in FY 2011/12. The policy was partially waived for 2012/13, 2013/14 and 2014/15.
- For FY 2015/16 and 2016/17, MCOG restored the LTF Reserve policy by reserving the minimum fund balance of five percent (\$171,000) of the County Auditor-Controller's LTF estimate, releasing a surplus for allocation of between \$100,000 and \$200,000.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA or Capital purposes, until the operations requirement was waived for FY 2009/10 – 2015/16.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that *“rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, would instead reduce the operator's operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified.”*
- State Controller provides fund estimate—“Preliminary” in January, “Revised” after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG's fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings.
- When gas prices were on the rise in 2006 to 2007, the fund soared and drew attention. STA was raided by the State during its budget crisis in 2007 and 2008, then suspended altogether in 2009. Under pressure and a lawsuit won by the transit lobby, the Legislature released STA funds for both FY 2009/10 and 2010/11 in a lump sum distributed by the usual formula; MCOG received \$506,076.
- In recent years, annual revenues leveled off to a range of \$400,000 to \$500,000, then dipped with SCO's 2016 administrative changes.
- Transit advocates have been seeking a more stable source of revenue. SB 838 stabilizes STA through FY 2017/18. The current AB 1113 (Bloom) proposes to restore longstanding STA allocation methodology.

Capital Reserve Fund

- Created and controlled by MCOG as allowed by Transportation Development Act (TDA).
- Contributions from LTF and/or STA.

- Open to Mendocino Transit Authority and Senior Centers for Five-Year Capital Program.

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

- Under ISTEA legislation originally, subsequently under TEA21, SAFETEA-LU, MAP-21 and FAST Act.
- Section d(1) is for regional discretionary transportation uses, in compliance with U.S. Code, Title 23 and California Constitution, Article 19.
- As allowed, MCOG exchanges for state funds by agreement with Caltrans, eliminating federal requirements.
- MCOG allocated the early fund cycles by regional competition; all of those projects were closed out.
- Subsequent MCOG policy allocated new RSTP d(1) apportionments by formula to County and Cities.
- Overall Work Program carryover balance, now depleted (fund balance is less than \$500), represents portion previously allocated under ISTEA cycles to Planning, in separate account - no new funds have been so allocated.
- 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 funds, and an authorized officer must sign a certification document. Also they must report prior-year expenditures when claiming new funds.
- For the FY 2005/06 funding cycle and going forward, MCOG approved recommendations of staff and the Technical Advisory Committee to revise MCOG's allocation formula such that a portion would be reserved for MCOG's use on regional projects, aka "Partnership Funding Program" (see resolution).
- In 2009, the American Recovery & Reinvestment Act federal stimulus funds flowed through the RSTP.
- Starting FY 2011/12, MCOG approved \$90,000 annually from RSTP for a Regional Project Manager.
- In FY 2015/16 and 2016/17, funds not expended for the project manager position were approved for direct costs that are consistent with the intended scope of Local Assistance.

PPM - Planning, Programming & Monitoring / SB 45

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

RPA - Rural Planning Assistance

- Traditionally, either State or Federal funds have been provided in some form of subvention.
- This program is funded by the State for required Overall Work Program mandated planning functions.

Caltrans Sustainable Transportation Planning Grant Program

- This program replaced the Consolidated Planning Grant Program, which included Community Based Transportation Planning, Environmental Justice, and Transit Planning grants.
- Funded by Federal Transit Administration (FTA, Section 5304) and State Highway Account.
- MCOG was awarded seven annual Community Based Transportation Planning grants and one Environmental Justice grant as a sponsor, administered through the Planning Overall Work Program, including projects for Gualala, Laytonville, Point Arena, Ukiah Rails-With-Trails, Covelo/Round Valley, Westport, and Anderson Valley/SR-128 Trail.
- MTA has received grants, most recently for a 2014/15 transit ridership survey, and has applied for a 2016/17 grant to update the Short Range Transit Development Plan.
- City of Willits recently completed the grant-funded Willits Main Street Corridor Enhancement Plan.

Local Agency Match

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

SP&R - State Planning & Research

- In recent years, MCOG has administered several SP&R grant projects for Caltrans District 1, such as the Hopland Main Street Corridor study and the Greater Ukiah Area Micro-simulation Model.

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.
Unmet
Transit Needs

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2017-03

FINDING THAT
THERE ARE UNMET TRANSIT NEEDS
THAT ARE REASONABLE TO MEET
FOR FISCAL YEAR 2017/18

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 2017/18 on December 5, 2016, accepting as testimony a list of 20 Unmet Transit Needs, and three (3) additional recommendations for transportation compiled by the Social Services Transportation Advisory Council (SSTAC) on November 1, 2016, including 17 needs from the SSTAC and Mendocino Transit Authority (MTA) from public meetings during the year, and three (3) needs from testimony at the public hearing, for a total list of 23 items;
- On December 5, 2016, MCOG referred all unmet transit needs testimony received from the SSTAC 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 FY 2017/18, contingent on approval of MTA’s grant proposal for Mobility Management under the Federal Transit Administration (FTA) Section 5310 Expanded Program and other grant opportunities.*” with eight (8) needs listed, as reflected in the Transit Productivity Committee minute order of April 19, 2017, attached as **Exhibit D**;
- The Social Services Transportation Advisory Council met again on May 24, 2017 (minutes to follow when available) to review MTA’s report and recommended six (6) of those eight needs as reasonable to meet, as listed in this resolution; and
- MTA, the TPC, and SSTAC anticipate that the unmet transit needs recommended as “reasonable to meet” can be funded by one or more federal grants, so MTA did not include any unmet transit needs in their 2017/18 claim; therefore, be it

RESOLVED, THAT:

1. MCOG finds that there are unmet transit needs that are reasonable to meet for Fiscal Year 2017/18, contingent on approval of MTA's grant proposal for Mobility Management under the Federal Transit Administration (FTA) Section 5310 Expanded Program and other grant opportunities, as identified on the FY 2017/18 list:

- #1 Non-emergency medical transportation, including trips to out-of-county locations and outside of regular senior center transportation operating hours
- #2 Saturday connection with Route 75 at Navarro River Junction
- #3 Saturday Route 5 and Route 60 service, same as weekday
- #9 Service for isolated seniors where buses can't go
- #16 More frequent Willits-Ukiah trips to attract "choice" riders
- #20 Transit access and improved access for the ten rural tribal communities in Mendocino County.

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 5th day of June, 2017, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Phillip J. Dow, Executive Director

Dan Gjerde, Chair

Adopted by MCOG

11/2/92

Revised by MCOG

12/7/98

MENDOCINO COUNCIL OF GOVERNMENTS

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

Introduction

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

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

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

Definitions

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

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

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

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

Page 2 of 2

12/7/98

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

/le
/jmo



MENDOCINO COUNCIL OF GOVERNMENTS

Reso. #M2017-03

Exhibit B

1 Page

FY 2017/2018 Unmet Transit Needs Testimony Heard in Public Hearing

December 5, 2016
(not in any order of priority)

Needs Identified at the SSTAC workshop:

1. Non-emergency medical transportation, including trips to out-of-county locations and outside of regular senior center transportation operating hours; e.g. collaborative volunteer driver program
2. Saturday connection with Route 75 at Navarro River Junction
3. Saturday Route 5 and Route 60 service, same as weekday
4. Include “The Cove” in the route serving Point Arena
5. Round trip circuit between Gualala and Point Arena along Highway 1 and the ridge east of Gualala (Old Stage Road/ Iverson Road)
6. Service from Gualala and Point Arena to Ukiah and back in the same day
7. Increase Saturday service and add Sunday service to Route 9 in Ukiah
8. Add trips and Saturday and Sunday service to Route 7 “The Jitney” in Ukiah
9. Service for isolated seniors where buses can’t go
10. Rides for seniors to evening events in Ukiah, Fort Bragg and Willits areas
11. Wheelchair accessible door-through-door assisted service for seniors on Wednesday in Ukiah area (Ukiah Senior Center transportation does not run Wednesdays due to budget constraints)
12. Assisted service for seniors on weekends, especially for those going to church on Sundays
13. Service from Laytonville to Willits and beyond
14. Service to/from Potter Valley
15. Service to/from The Woods retirement community
16. More frequent Willits-Ukiah trips to attract “choice” riders
17. Service to/from Ridgewood Ranch/Golden Rule

Additional Needs Identified in Public Hearing:

1. Increased width of streets and sidewalks in Fort Bragg to improve access for disabled paratransit customers
2. More evening paratransit service in Fort Bragg
3. Transit access and improved access for the ten rural tribal communities in Mendocino County

TOTAL of 20 Recommended Unmet Transit Needs for Analysis by MTA

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MTA Analysis of Unmet Transit Needs for 2017/18

This analysis includes 20 Unmet Needs identified by the SSTAC (Social Services Technical Advisory Committee, Mendocino Transit Authority from lett4ers, phone calls and public meetings, Public Hearings and additional items as received. These have been placed in the following categories.

- **Already Exist (1.5)**
- **High Priority (Consider for FY 2017/18) (3)**
- **Medium Priority (8)**
- **Low Priority (7)**
- **Not an Unmet Need...(1)**

Already Exist

6. Service from Gualala and Point Arena to Ukiah and back in the same day.

10. Rides for seniors to evening event in Ukiah, Fort Bragg and Willits areas. This remains an unmet need for Willits and some in Fort Bragg. However, in Ukiah, the #9 local route is required to deviate $\frac{3}{4}$ of a mile for any person with a qualified disability.

High Priority – Consider for FY 2017/18 (not in priority order)

2. Saturday connection with Route #75 at Navarro River Junction.

3. Saturday Route #5 and Route #60, same as weekday.

16. More frequent Willits – Ukiah trips to attract “choice” riders.

- ✓ Can possibly be established by ridership survey’s and changes in current scheduled times to make sure route as ‘exists’ is truly meeting the need of the ridership.

Medium Priority – (not in priority order)

1. Non-emergency medical transportation, including trips to out-of-county locations and outside of regular senior center transportation operating hours.

- ✓ MTA has applied for a Mobility Management grant. If awarded, this would fall under the scope of the Mobility Manager to develop a volunteer driver program.

4. Include “The Cove” in the route serving Point Arena.

5. Round-trip circuit between Gualala and Point Arena along Highway 1 and the ridge east of Gualala (Old State Road/Iverson Road).
7. Increase Saturday service and add Sunday service to Route 9 in Ukiah.
9. Services for isolated seniors where buses can't go.
 - ✓ Ties to MP #1, potential for integration into Volunteer Driver Program as developed by future MTA Mobility Manager.

Additional Needs as Identified in Public Hearings:

2. More evening paratransit service in Fort Bragg.
3. Transit access and improved access for the ten rural tribal communities in Mendocino County.
 - ✓ Again, this will tie directly to the Mobility Management Program. Federal Tribal Transportation funding is available. With collaboration with the various tribes and MTA, route development with shared funding resources has potential.

Low Priority – (not in priority order)

8. Add trips and Saturday/Sunday service to Route 7 “The Jitney” in Ukiah.
11. Wheelchair accessible door-through-door assisted service for seniors on Wednesday in Ukiah area (Ukiah Senior Center does not provide due to budgetary constraints).
12. Assisted service for seniors on weekends, especially for those going to church on Sundays.
13. Service from Laytonville to Willits and beyond.
14. Service to/from Potter Valley
15. Service to/from the ‘The Woods’ retirement community.
17. Service to/from Ridgewood Ranch/Golden Rule.

Not an Unmet Need

Additional Needs as Identified in Public Hearings:

1. Increased width of streets and sidewalks in Fort Bragg to improve access for disabled paratransit customers.

MENDOCINO COUNCIL OF GOVERNMENTS

MINUTE ORDER

Transit Productivity Committee – Unmet Transit Needs

April 19, 2017

Dow & Associates Conference Room, Ukiah

PRESENT:

MCOG Board Members: Dan Gjerde and Susan Ranochak
 MTA Board Members: Jim Mastin and Jim Tarbell
 Senior Centers Rep.: Charles Bush, Redwood Coast Seniors
 Staff: Phil Dow, Janet Orth, and Marta Ford, MCOG; Carla Meyer, MTA

ABSENT: None

1. **Call to Order.** The meeting was called to order at 1:20 p.m. Chair Gjerde asked Sue Ranochak to preside.

6. **Review and Recommendation on MTA's Analysis and Prioritization of 2017/18 Unmet Transit Needs.**

Janet reviewed the annual process and actions to date. Carla then reviewed her analysis of the 20 needs and recommendations compiled by the Social Services Transportation Advisory Council (SSTAC) and testimony from the December public hearing. The list was ranked into five categories: *Already Exist* (2), *High Priority - Consider for FY 2017/18* (3), *Medium Priority* (7), *Low Priority* (7), and *Not an Unmet Need* (1). Needs under each category were not in priority order. Discussion included the following.

- *Already Exist* – #10, Rides for seniors to evening events: Make sure MTA's website makes clear services exist or are half met. Technically services already exist; there will be a dispatcher in future to meet this need. (Phil, Carla)
- *High Priority* – #2 and 3, Saturday Routes 75, 5 and 60: These were cut in past budgets, budget development is needed to address these; people still want the services. (Carla)
- *Medium Priority*
 - #1, Non-emergency medical transportation and #9, Services for isolated seniors: These could be met with a mobility manager organizing a volunteer driver program; MTA has applied for a grant to fund this position. (Carla)
 - #4, The Cove, Point Arena: Would this be twice daily? Infrequent service through town. Suggest research as to why needed. Discussion of best ways to address this route to the pier. (Jim M., group)
 - #5, Old State Rd./Iverson Rd. between Point Arena and Gualala: Does this relate to casino trips? No, it is a long-standing request, continuing need. (Group)
 - #7, Increase Saturday service and add Sunday service to Route 9 in Ukiah: A federal JARC grant could cover Saturdays if another cycle is offered. It could work as a shuttle, an eligible project. Discussion that Saturdays, but not Sundays, could be reasonable to meet. (Carla, group)
- *Low Priority* – #11 and 12, Assisted door-through-door services: Why are these considered low priority? As to the lack of Wednesday service in Ukiah, there is service four days a week, so riders could adjust their schedules. For Saturday trips, there is Dial-a-Ride. For church attendance on Sundays, churches can help their members by organizing rides within their congregations. (Janet, Carla)
- *Low Priority* – #13, 14, 15, 17, semi-remote communities: These are too far from existing MTA routes to be feasible. Laytonville to Willits has been tried before, with too few riders. (Group)

In summary, Carla thought that a mobility management program could address many of the needs, along with some grants. Charles noted it could be a management problem to address Low Priority needs for the more distant destinations such as The Woods and Golden Rule at Ridgewood Ranch. Carla agreed these fall under the mobility management umbrella; they are unique to each individual community. There was a brief closing discussion.

Recommendation:

Upon motion by Gjerde, seconded by Bush, and carried unanimously (*5 Ayes; 0 Noes; 0 Absent*): The TPC recommended a finding that there are unmet transit needs that are reasonable to meet for FY 2017/18, contingent on approval of MTA's grant proposal for Mobility Management under the Federal Transit Administration (FTA) Section 5310 Expanded Program and other grant opportunities:

- #1 Non-emergency medical transportation, including trips to out-of-county locations and outside of regular senior center transportation operating hours
- #2 Saturday connection with Route 75 at Navarro River Junction
- #3 Saturday Route 5 and Route 60 service, same as weekday
- #4 Include "The Cove" in the route serving Point Arena
- #7 (Partial) Increase Saturday service ... service to Route 9 in Ukiah
- #9 Service for isolated seniors where buses can't go
- #16 More frequent Willits-Ukiah trips to attract "choice" riders
- #20 Transit access and improved access for the ten rural tribal communities in Mendocino County. *

8. Adjournment. The meeting was adjourned at 3:16 p.m.

Submitted by Janet Orth, Deputy Director/CFO

* Listed in MTA's analysis as #3 under Medium Priority - Additional Needs Identified in Public Hearing, consistent with MCOG's list of All Testimony, but making a duplicate numbering of #3 under High Priority – Consider for FY 2017/18. Since it is the 20th need on MCOG's list (17 plus 3), for clarity it is numbered #20 here.

II.
Administration,
Bike & Ped.
and Planning

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2017-04

ALLOCATING FISCAL YEAR 2017/18 FUNDS and 2016/17 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 2017/18 Local Transportation Fund (LTF) revenue has been estimated at \$3,491,711 by the Mendocino County Auditor-Controller, in addition to carryover of various funds and \$596,200 of prior-year unallocated LTF revenues;
3. The LTF Reserve fund balance is \$106,636, after covering a FY 2015/16 shortfall of \$65,156; the Executive Committee recommended allocating \$68,364 of prior-year unallocated LTF revenues to the 2017/18 LTF Reserve, setting the fund balance at \$175,000, five percent (5%) of the County Auditor-Controller's fund estimate according to policy;
4. Total revenue from all LTF sources available for allocation is estimated at **4,202,730**; other funding sources include Regional Surface Transportation Program, Service Authority for Freeway Emergencies (SAFE), and grants;
5. SAFE funds are documented in a separate budget and financial plan, referenced in exhibits to this resolution to conform with MCOG's staffing contracts;
6. Dow & Associates shall have the management responsibility for the 2017/18 overall approved Administration budget of up to \$527,333 (Total Administration \$561,623 less SAFE contract \$34,290), attached and incorporated herein as **Exhibit A**, which includes contracts for professional services and other direct costs;
7. Dow & Associates shall have the management responsibility for Regional Surface Transportation Funds for the Regional Project Manager position and budgeted direct costs, also referred to as Local Assistance-Project Delivery, as approved in its contract, identified in **Exhibits A and C**;
8. Dow & Associates shall have the management responsibility for Active Transportation Program state grants for the SR 162 Corridor Multipurpose Trail in Covelo, Phases I and II at up to \$485,000 of new funds and an estimated \$317,768 carried over;
9. Davey-Bates Consulting shall have the management responsibility for the 2017/18 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 \$1,239,550; the Davey-Bates Consulting contract funding is summarized in **Exhibit D**;
10. The Planning allocation to the 2017/18 Overall Work Program, for transportation planning and related projects, will be provided from 2017/18 LTF revenues, reallocation of prior year local carryover funds, and state and federal sources; and

11. Allocation for Bicycle & Pedestrian facilities are allowable at no more than two percent (2%) of the LTF funds remaining after allocation for Administration; \$73,052 (\$61,128 and \$11,924 of prior-year unallocated revenues) shall be allocated for 2017/18; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2017/18 as follows.

USE	AUTHORITY	SOURCE	FISCAL YEAR	AMOUNT	TOTALS
Temp. Reserves	TDA, CCR Sec. 6655.1	Local Transportation Fund (LTF)	2016/17	409,135	477,499
LTF Reserve			2016/17	68,364	
MCOG Administration	PUC Sec. 99233.1	LTF	2017/18	435,333	435,333
	Regional Surface Transportation Program (RSTP)	MCOG Local Assistance – Project Delivery	2017/18	90,000	90,000
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2017/18	485,000	802,768
			2016/17	317,768	
AB 118 – California Energy Commission	Subcontract - Fuel Cell Vehicle Plan	2016/17	2,000	2,000	
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2017/18	61,128	73,052
			2016/17	11,924	
Planning Overall Work Program (OWP)	CCR Sec. 99402	LTF	2017/18	122,750	194,225
			2016/17	71,475	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2017/18	164,000	166,325
			2016/17	2,325	
	State Highway Account	Rural Planning Assistance (RPA)	2017/18	294,000	294,000
			2016/17	0	
SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Non-Infrastructure Grants	2016/17	585,000	585,000	
Subtotal OWP				1,239,550	
Total Allocations					3,120,202

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 5th day of June, 2017, by the following roll call vote:

AYES:
 NOES:
 ABSENT:

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

ATTEST: Phillip J. Dow, Executive Director

Dan Gjerde, Chair

**MCOG Administration
FY 2017/18 Budget**

Staff & Executive Committee Recommendations

As of May 24, 2017

Funding Source	TDA/LTF	RSTP	SAFE	CEC	Total	%	Note
Administration							A - SAFE
TOTAL Admin. Budget Proposed	435,333	90,000	34,290	2,000	561,623	100%	B - TDA
Dow & Associates Staffing Contract				(2,000)			C
2017/18 Base Rate per Approved Proposal	358,196	72,334	32,462		462,992		
2013-2014 COLA per CPI at 1.80%	6,448	1,302	584		8,334		
2014-2015 COLA per CPI at 1.47%	5,360	1,082	486		6,928		
2015-2016 COLA per CPI at 2.26%	8,362	1,689	758		10,809		D
Total Contract FY 2017/18	378,366	76,407	34,290		489,063	87%	
Other Direct Costs							
Memberships - CALCOG, CalACT, NSSR	3,600	-	-	-	3,600	0.6%	
Fiscal Audits of MCOG and MTA	25,000	-	-	-	25,000	4.5%	E
Performance Audit	6,500	-	-	-	6,500	1.2%	F
County Auditor-Controller	5,000	-	-	-	5,000	0.9%	
Legal Counsel	800	-	-	-	800	0.1%	
Travel and Training	5,000	-	-	-	5,000	0.9%	
Communications	1,000	-	-	-	1,000	0.2%	G
Contingency / Miscellaneous	10,067	-	-	-	10,067	1.8%	H
Local Assistance	-	13,593	-	-	13,593	2.4%	
Total Other Direct Costs	56,967	13,593	-	-	70,560	13%	
Balance Available for Later Allocation	0	0	0	0	0	0%	

LEGEND

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

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

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

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

NOTES

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

The SAFE budget is found in the Draft Five-Year Strategic and Financial Plan dated January 2017. As stated in the approved

Dow & Associates Cost Proposal, this new plan accommodates the current staffing contracts.

B) TDA Admin. at \$435,333 is 12.4% of County Auditor's Estimate of sales tax revenues (\$3,491,711) + \$18,111 *c/o. See Note H*

C) The \$2,000 CEC grant subcontract with RCEA is carried over from FY 2016/17, for participation in the

North Coast & Upstate Fuel Cell Vehicle Readiness Project. Staff time charges are to offset regular contract hours.

D) Dow & Associates' contract limits annual COLA to 4 percent. Increase is calculated on California CPI Annual Average 2015 to 2016.

2016 Average 255.303 less 2015 Average 249.666 = 5.637 divided by 249.666 = 0.0225781644276754 increase, rounded to 2.26%

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

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

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

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

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

H) \$18,111 was identified for Later Allocation in the FY 2014/15 Amended Budget, after new staffing contracts went into effect, as savings from the difference between FY 2013/14 contract rates and FY 2014/15 rates, when the old contract was extended for

three months. The new contract went into effect October 1, 2014, one quarter into the new budget year.

This amount divided between annual CPI increases to the staffing contract and Contingency/Misc. Expense. *See Note B*

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**MENDOCINO COUNCIL OF GOVERNMENTS
FY 2017/2018 FINAL OVERALL WORK PROGRAM
SUMMARY OF FUNDING SOURCES**

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	STATE ATP	FEDERAL	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$250		\$81,725			\$81,975
2	MCOG - Planning Management & General Coordination (Non-RPA)	\$90,700					\$90,700
3	MCOG - Community Transportation Planning & Coordination	\$14,750					\$14,750
4	MCOG - Sustainable Transportation Planning			\$10,000			\$10,000
5	Ukiah - Update Speed Zone Reports - <i>Carryover</i>	\$32,675	\$2,325				\$35,000
6	Co. DOT - Combined Special Studies			\$60,000			\$60,000
7	MCOG - Planning, Programming & Monitoring		\$64,025				\$64,025
8	MCOG - Public Participation Plan Update	\$250		\$5,000			\$5,250
9	Fort Bragg - Street Safety Plan		\$64,975				\$64,975
10	MCOG - Regional Transportation Plan 2017 Update, Ph. 2 - <i>Carryover</i>	\$7,000		\$25,000			\$32,000
11	Ukiah - Traffic Analysis for Realignment of Talmage Road			\$25,000			\$25,000
12	Ukiah - Comprehensive ADA Access Plan Update		\$35,000				\$35,000
14	MCOG - Training	\$21,000					\$21,000
15	MTA - Bus Stop Review (Ph. 3 <i>Carryover</i> & Ph. 4)	\$12,000		\$25,000			\$37,000
16	MCOG - Multi-Modal Transportation Planning			\$20,000			\$20,000
18	MCOG - Geographic Information System (GIS) Activities	\$600		\$5,000			\$5,600
20	MCOG - Grant Development & Assistance	\$15,000					\$15,000
22	MCOG - Safe Routes to School ATP Non-Infrastructure Grant - <i>Carryover</i>				\$585,000		\$585,000
---	<i>Reserved for Future Projects - To be Determined</i>			\$37,275			\$37,275
	TOTAL	\$194,225	\$166,325	\$294,000	\$585,000	\$0	\$1,239,550

TOTAL WORK PROGRAM SUMMARY

Local	\$194,225	Local LTF 2017/18 Alloc.	\$122,750
State	\$1,045,325	Local LTF <i>Carryover</i>	\$71,475
Federal	\$0	State PPM 2017/18 Alloc.	\$164,000
TOTAL	\$1,239,550	State PPM <i>Carryover</i>	\$2,325
		State RPA 2017/18 Alloc.	\$294,000
		State ATP <i>Carryover</i>	\$585,000
		Federal	\$0

PROGRAM MATCH		
Local	\$194,225	15.7%
State	\$1,045,325	84.3%
Federal	\$0	0.0%
TOTAL WORK PROGRAM SUMMARY	\$1,239,550	100.0%

TOTAL	\$1,239,550
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Dow & Associates
ADMINISTRATIVE & FISCAL SERVICES CONTRACT
Fiscal Year 2017/18

1. **Budget.** Total approved funding for the services of Dow & Associates is **\$489,063**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Administrative & Fiscal Services contract between MCOG and Dow & Associates shall be as originally submitted in the Dow & Associates proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair.

- 3(a) **MCOG Administration.** The funding source is Local Transportation Fund (LTF). Contractor’s portion of the MCOG administrative budget totals **\$378,366**. This amount is to be routinely submitted as a monthly claim, at \$31,530 for the first 11 months, then at \$31,536 for the final month.
- 3(b) **MCOG Regional Project Manager.** The funding source is Regional Surface Transportation Program (RSTP). Contractor’s portion of the MCOG administrative budget totals **\$76,407**. The Regional Project Manager position is part time at 27 hours per week. This staff time, also referred to as local assistance, shall be billed on a monthly reimbursable basis for actual hours worked at a fully-weighted hourly rate.

MCOG’s adopted policy allocates \$90,000 to this staff position. Under the approved five-year contract, the full amount will not be claimed, so a balance remains. This amount will be made available for other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion, such as outside professional services required for grant applications by partner agencies. (Refer to Resolution # M2017-06.)

FY 2017/18 Allocation per Policy		\$ 90,000
Contracted rate as adjusted by cumulative COLA	\$71.70/hour	Up to \$ 76,407
Available for Local Assistance Direct Costs		\$ 13,593

- 3(c) **Reimbursable Direct Costs.** The funding sources are Local Transportation Fund (LTF) and Regional Surface Transportation Program (RSTP). In addition to staffing services, Contractor may claim certain direct costs for reimbursement as necessary, identified in MCOG’s FY 2017/18 Administration Budget, to include line items for Travel, Communications, Contingency, and Local Assistance.

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

Contractor's portion of the SAFE administrative budget totals **\$34,290** to cover SAFE administrative staff time and direct costs incurred by the Contractor. This amount is to be routinely submitted as a monthly claim, at \$2,855 for the first 11 months, then at \$2,885 for the final month.

Davey-Bates Consulting
PLANNING SERVICES CONTRACT
Fiscal Year 2017/18

1. **Budget.** Total approved funding for the services of Davey-Bates Consulting is **\$374,931**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Transportation Planning Services contract between MCOG and Davey-Bates Consulting shall be as originally submitted in the Davey-Bates Consulting proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair.
3. **MCOG Planning.** Multiple funding sources are identified in the Overall Work Program. MCOG planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates, and pursuant to the approved 2017/18 Work Program (as may be amended). Total approved funding for MCOG planning duties in FY 2017/18 is **\$359,347**.
4. **SAFE Planning & Operations.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles, identified in a separate budget from the 2016 through 2020 *Mendocino County Service Authority for Freeway Emergencies (SAFE) Five-Year Strategic and Financial Plan*, adopted on March 6, 2017.

SAFE planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates. Total approved funding for SAFE planning and operations in FY 2017/18 is **\$15,584**.

Davey-Bates Consulting

FISCAL YEAR 2017/18 PLANNING CHARGE RATES

The following rates have been approved for transportation planning services performed under the contract. These will be applied to work done on tasks identified in MCOG's 2017/18 Transportation Planning Overall Work Program and for Mendocino Service Authority for Freeway Emergencies (SAFE).

Lisa Davey-Bates, Principal	\$ 117.64
Deputy Planner	\$ 105.04
Program Manager	\$ 83.41
Administration & Planning Assistant	\$ 58.86
Office Assistant	\$ 34.37

III.
Mendocino
Transit Authority

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2017-05

ALLOCATING FISCAL YEAR 2017/18 LTF, STA, and CAPITAL RESERVE FUNDS and 2016/17 CARRYOVER FUNDS to MENDOCINO TRANSIT AUTHORITY

WHEREAS,

- The Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- The Mendocino Transit Authority (MTA) is designated as the Consolidated Transportation Services Agency (CTSA) for Mendocino County by MCOG and has submitted a claim for funding for public transportation purposes in accordance with the Transportation Development Act (TDA), which provides for the needs of MTA and Senior Centers in Mendocino County with Local Transportation Funds (LTF) funds, State Transit Assistance (STA) funds, and Capital Reserve Funds;
- This claim was reviewed by MCOG staff and the Transit Productivity Committee (TPC), attached hereto as **Exhibit A**, to which the MTA Board of Directors may make revisions according to budget development and TPC recommendations, as allowed by adopted MCOG policy, and staff and the TPC recommended 1) full funding of current-year claims for FY 2017/18 LTF, STA, and Capital Reserve; 2) no allocation of prior-year STA funds reclaimed for MTA Capital (redundant); and 3) adjustment of the Long-Term Capital Reserve allocation based on any prior-year MTA allocations carried forward, interest earnings and the resulting fund balance;
- According to MCOG's adopted Capital Reserve Fund policies, eligible applicants under contract with MTA may request capital funds, providing that a five-year capital program and contract between the claimant and MTA is on file with the RTPA;
- Capital claims must be identified in accordance with TDA: 1) to reflect capital needs that will be expended during the fiscal year so claimed under Public Utilities Code 6648 and 2) filed to reflect specific capital improvements of a long-term nature up to five years, or for matching purposes in applying for federal transportation grants under P.U.C. 6631; and
- Based on allocations in accordance with TDA for Administration, 2% Bicycle & Pedestrian, Planning and Reserves, the 2017/18 LTF funds available for transportation services are \$3,022,621; STA funds available for 2017/18 are estimated at \$421,512 (\$355,333 of new State funds and \$66,179 of accumulated fund balance); and the Capital Reserve Fund balance is estimated at \$323,240. The total amount available for transportation services from these three funding sources is estimated at **\$3,767,373**; therefore, be it

RESOLVED, THAT:

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

1.

AUTHORITY		SOURCE	USE	AMOUNT
A.	PUC Sec. 99260(a)	Local Transportation Fund (LTF)	MTA Operations	2,549,564
	PUC Sec. 99260(a)		Unmet Transit Needs	0
	PUC Sec. 99400(c)		Senior Center Operations	473,057
	PUC Sec. 99260(a)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total LTF	3,022,621
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	175,000
	CCR Sec. 6731(b)		Senior Center Operations	0
	CCR Sec. 6730(b)		MTA and Seniors Capital	180,000
	CCR Sec. 6752		MTA Capital - Reclaimed Carryover	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total STA	355,000
C.	CCR Sec. 6648	Capital Reserve Fund (CRF)	Current Year - MTA	39,375
	CCR Sec. 6648		Current Year - Senior Centers	0
	CCR Sec. 6631		Long Term - MTA and Seniors	283,865
			LTF/STA contribution allocated above	0
			Total Capital	323,240
Total LTF, STA, and Capital Reserve Allocations				3,700,861
Balance Remaining for Later Allocation				66,512
Total Estimated 2017/18 Funds Available for Transit				3,767,373

2. Additionally, MCOG makes the following required findings from Article 5, Sections 6730 and 6754 of the California Code of Regulations, regarding LTF and STA eligibility and fund allocation (refer to documentation on file):

- A. MCOG as the regional entity may allocate funds to an operator or a transit service claimant on the basis of all these findings:
 - a. The claimant’s proposed expenditures are in conformity with the Regional Transportation Plan.
 - b. The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of Public Utilities Code Section 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant. The most recent fiscal audit dated June 30, 2016 confirmed that MTA had met the 14.7% required ratio; MTA’s fare revenue ratio was 16.2%. For the preceding two years, the requirement was not quite met (14.54 and 14.4%). TDA regulations allow a grace period for the first year an operator does not meet the required farebox ratio. The second year the ratio is not met is the

“noncompliance” year, with no penalties during these two years. A third successive year the requirement is not met is the “determination” year, resulting in reduced funding in the following “penalty” year. However, new legislation, SB 508, effective July 1, 2016, amended TDA and reduces MTA’s fare revenue required ratio to ten (10) percent.

- c. The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended, now referred to as the Federal Transit Administration (FTA).
- d. Of five measures for analysis on eligibility for Capital and Operations for use by both LTF and STA funds that were applied by the independent auditor in the most recent fiscal audit, most but not all were met according to the auditor’s report.
 1. The sum of the claimant’s allocations from STA did not exceed the amount the claimant is eligible to receive during the fiscal year for capital purposes. For the fiscal year audited (ending June 30, 2016), the funds were claimed by MTA for both operating and capital purposes; however, the STA eligibility requirements for operations use were waived by the Legislature for FY 2009/10 through 2015/16; also Senate Bill 508, effective July 1, 2016 changes the requirement to allow partial eligibility.
 2. The sum of the claimant’s allocations from LTF did exceed the amount the claimant is eligible to receive during the fiscal year for operating, by \$93,597, due and payable to MCOG.
 3. The sum of the claimant’s allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for capital.
 4. The claimant's subcontractors (senior centers) did not exceed the eligibility criteria for LTF and STA funds during the fiscal year.
 5. The fifth measure pertains to passenger rail eligibility and was not applicable for the fiscal year audited.

B. MCOG as the regional entity may allocate funds to an operator for the purpose specified in Section 6730 on the basis of all these findings:

- a. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to Public Utilities Code Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them. On August 18, 2014 MCOG adopted new Operating Cost per Vehicle Service Hour and Cost per Passenger performance standards, referred to as “CPI Adjusted Rolling Average” for its annual performance review. On May 11, 2016, the Transit Productivity Committee (TPC) reported that targets were largely being met and recommended that MCOG continue to monitor MTA’s performance. The review is pending for 2017.

- b. For an allocation made to an operator for its operating cost, the operator is not precluded by any contract entered into on or after June 28, 1979, from employing part-time drivers or from contracting with common carriers of persons operating under a franchise or license.
 - c. The California Highway Patrol has certified that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by Public Utilities Code Section 99251.
 - d. The operator is in compliance with the eligibility requirements of Public Utilities Code Section 99314 as applicable (relative to STA funds). This requirement is not applicable, as the STA eligibility requirements for operations use were waived by the Legislature for FY 2009/10 through 2015/16 reporting years. FY 2016/17 data is not yet available, and SB 508, effective July 1, 2016, changes the requirement to allow partial eligibility.
3. In accordance with Section 99405(c) of the Public Utilities Code, MCOG adopts and sets forth the local match requirements for senior centers claimed under Article 8 at a minimum of 12 percent.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$336,787 as of June 30, 2016, less 2016/17 allocations of \$14,000, the addition of earned interest through December 31, 2016 at \$453, no new contributions from 2016/17 revenues, provides a total estimated balance of \$323,240. MTA has requested \$39,375 for FY 2017/18 current-year capital projects and the TPC and MCOG staff have recommended \$283,865 for long-term capital needs, therefore the entire available balance of \$323,240 is hereby allocated to capital needs for MTA and senior centers as identified in #1(C) above and referenced in MTA's Capital Program.
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 2017/18 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2017.

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 5th day of June, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

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

ATTEST: Phillip J. Dow, Executive Director

Dan Gjerde, Chair



March 29, 2017

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

Dear Phil,

Attached is MTA's claim for funds for fiscal year 2017/2018 as approved by our Board's Resolution 2017-06 of March 29, 2017. In summary, MTA is requesting:

\$ 3,022,621 from the Local Transportation Fund (LTF),
\$ 816,151 in State Transit Assistance funds, and
\$ 337,735 from the Capital Reserve

Local Transportation Fund

The Claim includes the amount recommended by MCOG's Executive Committee as available for Transit. Of that amount, \$2,549,564 would be used to support MTA's General Public Operations and \$473,057 for Senior Center operations. No funds would be used for the Unmet Transit Needs List referred to MTA by your Board.

State Transit Assistance Fund

The Claim includes a total of \$ 355,000 of MTA's share of the Governor's State budget for STA funds to be used for Operating and Capital assistance, and \$ 461,151 to reclaim for MTA for capital purposes.

Capital Reserve

The Capital Program for FY2017/18 requires withdrawal of \$ 39,375, which will be used to supplement the cost of completion of the Admin/Ops Design. The balance will remain in the Long-Term Capital Reserve for future use.

MTA Operations

Although the Auditor's Estimate of LTF Revenues increased 2.6% for FY17/18, LTF funding available for operations remains the same as this fiscal year (\$2,549,564). The additional auditor's increase replenished a reserve account that was used in FY1516 when the sales tax revenues dipped below the auditor's estimate for that year.

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.

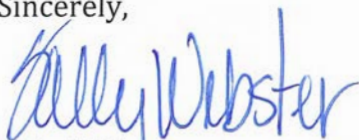
MTA and Senior Center Capital Program

The Capital Program for the budget year is \$ 1,271,728 which includes replacement of one Paratransit Van, three Large Vans, one medium duty bus, facilities design, and four Senior Center Vehicles. Most of the Senior Center vehicles are budgeted with Federal 5310 Grants and the local match from STA funding.

Uncertainty

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

Sincerely,



Sally Webster
Finance Manager

Cc: see attached distribution list

Mendocino Transit Authority
Summary of 2017/2018 Claim for Funds

29-Mar-17

Source	Authority	Purpose	FY 2016/17 Amount	FY 2017/18 Amount
Local Transportation Fund:				
	PUC, Sec. 99260(a)	MTA Operations	\$2,549,564	\$2,549,564
	PUC, Sec. 99260(a)	Unmet Transit Needs		\$0
	PUC, Sec. 99400(c)	Senior Center Operations	\$473,057	\$473,057
	PUC, Sec. 99260(a)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
	PUC, Sec. 99260.6	Rail Passenger Subsidy	\$0	\$0
Total			\$3,022,621	\$3,022,621
				\$3,022,621

State Transit Assistance Fund:

	CCR, Sec. 6730(a)	MTA Operations	\$175,000	\$175,000
	CCR, Sec. 6731(b)	Senior Center Operations	\$0	\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital	\$336,294	\$180,000
	CCR, Sec. 6752	Reclaim for MTA Capital	\$134,076	\$461,151
	CCR, Sec. 6648	Transit Capital Reserve		\$0
Total			\$645,370	\$816,151

Capital Reserve

	CCR, Sec. 6648	MTA Capital	\$14,000	\$39,375
	CCR, Sec. 6648	Senior Capital	\$0	\$0
	CCR, Sec. 6631	Long-Term Capital Reserve	\$306,264	\$298,360
Total			\$320,264	\$337,735

Total Claim			\$3,988,255	\$4,176,507
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DISTRIBUTION: (Letter to Phil Dow dated March 29, 2016 from Sally Webster, Finance Manager, Mendocino Transit Authority)

MCOG BOARD OF DIRECTORS

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Michael Cimolino, City of Fort Bragg
Susan Ranochak, County of Mendocino
Steve Scalmanini, City of Ukiah
Larry Stranske, City of Willits
Richy Wasserman, City of Point Arena
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John McCowen, Chair
Carmel J. Angelo, Chief Executive Officer

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Dan Gjerde, County of Mendocino

IV.
Regional
Surface Transportation
Program

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2017-06

ALLOCATING REGIONAL SURFACE TRANSPORTATION PROGRAM FUNDS
for FISCAL YEAR 2017/18

MCOG PARTNERSHIP FUNDING PROGRAM, LOCAL ASSISTANCE,
AND DISTRIBUTION BY FORMULA TO MEMBER AGENCIES

WHEREAS,

- Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- Regional Surface Transportation Program (RSTP) revenue is based on estimates provided by the California Department of Transportation under the FAST Act (Fixing America's Surface Transportation Act) federal legislation and revenue projections under previous bills; preliminary estimated revenue for FY 2017/18 is **\$743,745**;
- Customarily MCOG has exchanged its annual federal RSTP apportionment for more flexible state funds through State of California's optional Federal Apportionment Exchange Program;
- On June 5, 2006, MCOG adopted a simplified version of its existing RSTP distribution formula, such that 60 percent of the annual regional apportionment is divided equally among the five MCOG member jurisdictions as a base amount, and 40 percent is divided by the Federal Aid Urban (FAU) equivalent road miles percentage for each jurisdiction;
- On June 5, 2006, MCOG also created a capital fund from RSTP revenues, for MCOG regional safety, operational and capacity-increasing projects that stimulate partnerships, in specified amounts of each annual regional apportionment, before distribution to the five MCOG member jurisdictions, and this set-aside is referred to as MCOG's Partnership Funding Program;
- On October 4, 2010, MCOG confirmed four agreements in concept as a result of the Council's Strategic Planning Workshop of August 9, 2010:
 - 1) MCOG will be responsible for project development for priority projects to ensure project readiness.
 - 2) MCOG's Partnership Funding Program, initiated several years ago with RSTP funding, will be continued through the life of the next federal transportation bill.
 - 3) MCOG will pursue expansion of the level of local assistance for its member agencies.
 - 4) MCOG will expand project selection criteria to increase the relative importance of leveraging and to reflect outcomes of this workshop.
- On February 7, 2011, MCOG approved Dow & Associates' staffing contract extension, to include RSTP funds for a new "local assistance" staff position with the goal of increased project delivery, consistent with the Council's strategic planning of the previous August; this new position of Regional Project Manager was initiated in FY 2011/12 at \$90,000 per year;

- Under the approved five-year contract for Administration & Fiscal Services that began October 1, 2014, Dow & Associates shall have the management responsibility for the Partnership Funding Program in the amount of approximately **\$1,004,007** (\$809,705 audited fund balance at June 30, 2016, \$100,000 allocated for FY 2016/17, \$100,000 anticipated for FY 2017/18, less \$5,698 expended fiscal year-to-date 2016/17); the Council has assigned up to \$238,242 (\$250,000 less \$11,758 expended to date) of this balance to the State Route 162 Corridor Multi-Purpose Trail as needed; a balance of \$765,765 is available;
- Dow & Associates also shall have the management responsibility for the Local Assistance budget of \$90,000 and an estimated unexpended program fund balance of \$65,376 through FY 2016/17; the amount of \$90,000 shall be allocated to continue Local Assistance services to member agencies in Fiscal Year 2017/18, to include the actual personnel cost according to contract (up to \$76,407) and other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion, such as engineer’s services for member agency grant proposals (up to \$13,593), subject to periodic reports to the Board of Directors; and
- It is MCOG’s intention to reevaluate its RSTP formula for distribution to the member agencies if a forthcoming federal transportation legislative bill substantially changes the amount of, or designated use of, RSTP funds; therefore, be it

RESOLVED, THAT: MCOG hereby allocates estimated new RSTP revenues for FY 2017/18 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	Mendocino County Dept. of Transportation	119,211	553,745
	City of Ukiah	160,431	
	City of Fort Bragg	107,116	
	City of Willits	100,538	
	City of Point Arena	66,449	
Total FY 2017/18 Allocations			743,745

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 5th day of June, 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

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

ATTEST: Phillip J. Dow, Executive Director

Dan Gjerde, Chair

Appendix

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MCOG Budget Workshop

May 1, 2017

Funding Sources in Annual Budget 2

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

Budget Summary – TDA Funds

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Mendocino Council of Governments
Regional Transportation Planning Agency - Fiscal Year 2017/18 Budget
Combined Recommendations of Commission, Board, TAC, TFC and Staff for Board Meeting May 1, 2017

REVENUES	LOCAL		STATE		FEDERAL		Other	Local Match	TOTALS
	LTF	Other	SP1	SP2	SP3	Other			
2017/18 Office Supply - Autorski Balance	2,491,711								2,491,711
2016/17 Autorski Anticipated Unexpended Balance	102,017								102,017
2017 Local Transportation Fund LTF Balance	1,122,728								1,122,728
2016/17 Autorski Anticipated Unexpended Balance - Revenue	182,267								182,267
2017 Vehicle Acquisition/Lease/Leasehold - Revenue	292,200								292,200
FY 2016/18 Savings from New Contract for Admin. Positions	18,111								18,111
FY 2016/18 Fuel Allow. Transfer from Revenue to Admin.	93,857								93,857
Capitolium - Planning Grants from Program	19,800				5000	5000			19,800
2017/18 State Transit Assistance - Local Improvement System			281,233						281,233
State Transit Assistance - Fund Balance Available for Allocation			55,179						55,179
MCDOT's Capital Reserve Fund - Balance Available for Transfer				323,240					323,240
MFA Requested Carryover from 2016/17				pending					0
2017/18 DMV Planning, Programming & Monitoring (PPM)					148,000				148,000
2017/18 Rural Planning Assistance						294,000			294,000
2017/18 State & Federal Planning Grants - grants from 2016/17							26,000		26,000
Regional Surface Transportation Program - State Exchange Balance								143,748	143,748
TOTAL REVENUES	4,181,348	814,812	663,243	344,500	394,000	394,000	26,000	0	6,127,903
2017/18 LTF Unexpended Balance - Revenue Transfer	465,189								465,189
Autorski LTF Reserve Balance at 05/31/16	382,182								382,182
Less LTF Reserve Allocated for FY 2016/17	(182,182)								(182,182)
Less LTF Reserve Minimum Balance per Policy adopted 4/20/11	(175,000)								(175,000)
Amount Available for Allocation in FY 2017/18	460,189								460,189
TOTAL ALLOCATIONS	4,641,537	814,812	663,243	344,500	394,000	394,000	26,000	0	6,127,903
Revenue LTF program - Allocation - Revenue	471,589								471,589
Revenue LTF program - Unallocated - Revenue	58,600								58,600
2017/18 Administration	18,244								18,244
2% Backlog & Prepayment - 2017/18 LTF - REG. ADMIN. v. 02	61,128								61,128
2017/18 Planning Grants - State Program (2017) - new funds	142,140				194,000	200,000	20,000	0	556,140
Capitolium - Funds - State (new funds)	19,800								19,800
TOTAL ALLOCATIONS - REG. & STATE PROGRAMS AND FUNDS	1,140,401	0	0	0	194,000	200,000	20,000	0	1,554,401
MANAGED ALLOCATIONS FROM PREVIOUS FY	1,233,401	421,812	513,243	344,500	394,000	394,000	26,000	0	3,326,956
2017/18 Mendocino Transit Authority Grant	2,349,894		173,000						2,522,894
Grant - Transit - Revenue	0								0
Grant - Capital - Contributions	473,087								473,087
Capital - Revenue - Funds - Contributions	0								0
Capital - Program - MFA & State - Current Year	185,000		29,375						214,375
Capital - Program - State - Grants - Current Year	0								0
Capital - Program - Local - Term (3-5 Year - Plan)	0								0
TOTAL ALLOCATIONS - TRANSIT AUTHORITY	4,722,881	443,624	686,543	344,500	394,000	394,000	26,000	0	6,725,948
Other Allocations - MFA for 2017/18 Planning Fee	130,000								130,000
Other Allocations - MFA for State & Other Funds for Planning	191,748								191,748
TOTAL ALLOCATIONS	4,181,348	814,812	663,243	344,500	394,000	394,000	26,000	0	6,127,903
Revenue remaining for LTF Allocation	0	0	0	0	0	0	0	0	0

Budget Summary – Alt. Format

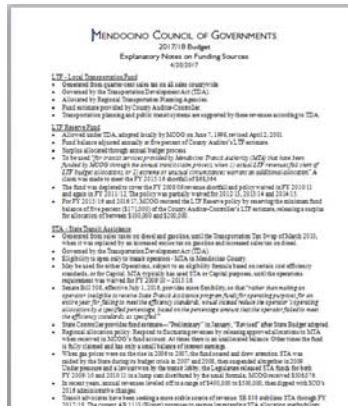
4

MENDOCINO COUNCIL OF GOVERNMENTS
FY 2016/17 BUDGET SUMMARY
For Board of Directors Workshop May 2, 2016
Commissioner's Office

REVENUES	FY 2016/17 Budget		FY 2016/17 Budget		% Change	NOTES
	Actual	Proposed	\$ Change	% Change		
LOCAL/REGIONAL:						
Local Transportation Funds (LTF)						
LTF Office Supply - Autorski Balance	\$ 2,491,711	\$ 2,491,711	\$ 0	0%		Transportation Development Act (TDA) Funds
LTF Autorski Anticipated Unexpended Balance - Current Year	\$ 102,017	\$ 102,017	\$ 0	0%		
Total Local Transportation Funds LTF Balance	\$ 2,593,728	\$ 2,593,728	\$ 0	0%		
Autorski Anticipated Unexpended Balance - Revenue	\$ 182,267	\$ 182,267	\$ 0	0%		per policy, only vehicle fees through LTF Reserve
MFA Fuel Allow. - Amount received in 2016/17	\$ 93,857	\$ 93,857	\$ 0	0%		per policy of FY 2016, MFA required to set aside some bus
Planning Grant from State Program (DMV) - Carryover from Previous FY	\$ 19,800	\$ 19,800	\$ 0	0%		FY 2016/18 DMV as amended, FY 2016/17 Carryover is preliminary
Total Local Transportation Funds	\$ 2,809,442	\$ 2,809,442	\$ 0	0%		includes DMV carryover, vehicle acquisition
LTF Reserve Funds						
LTF Unexpended Balance of Unallocated Revenue	\$ 181,000	\$ 181,000	\$ 0	0%		per policy, only vehicle fees through LTF Reserve
LTF Reserve Fund Balance	\$ 382,182	\$ 382,182	\$ 0	0%		Revenue used to cover transit JALCOSS PROGRAM and grants per policy
Less Current Year Reserve Allocation	\$ (182,000)	\$ (182,000)	\$ 0	0%		per year allocated "vehicle revenue" above fund balance
Less LTF Reserve Minimum Balance per Policy adopted 4/20/11	\$ (175,000)	\$ (175,000)	\$ 0	0%		per policy, Reserve shall be same as previous calendar FY's at the end of
Total LTF Reserve Minimum Balance	\$ 206,000	\$ 206,000	\$ 0	0%		
Other Year Revenue Remaining for LTF Allocation	\$ 171,000	\$ 171,000	\$ 0	0%		Revenue DMV allocated, vehicle acquisition allocation
Total LTF Reserve Available for Allocation	\$ 387,000	\$ 387,000	\$ 0	0%		Revenue available for transit claim based on 8-1/2% Capital Program
Capital Reserve Funds - Total Capital Reserve Fund	\$ 413,794	\$ 388,343	\$ (25,451)	-6%		Revenue available for any pending grants
Local Agency Contributions	\$ 0	\$ 0	\$ 0	0%		
Total Local/Regional Revenues	\$ 4,382,141	\$ 4,382,141	\$ 0	0%		
STATE:						
Planning Grants & Match (PPM) Funds						
Planning Grant from State Program (DMV) - New Revenue	\$ 142,000	\$ 142,000	\$ 0	0%		FY 2016/18 DMV as amended, FY 2016/17 Carryover is preliminary
Planning Grant from State Program (DMV) - Carryover from Previous FY	\$ 29,375	\$ 29,375	\$ 0	0%		
Total PPM Funds	\$ 171,375	\$ 171,375	\$ 0	0%		
State Transit Assistance (STA) Funds						
State Commuter Assistance Revenue	\$ 482,274	\$ 416,341	\$ (65,933)	-14%		STA Funds
Revenue Fund Balance Available for Allocation	\$ 198,019	\$ 198,019	\$ 0	0%		Preliminary Estimates
STA Carryover	\$ 513,364	\$ 742,927	\$ 229,563	45%		Residence in MTA's 2017/18 STA ESTIM 0201
Total State Transit Assistance Funds	\$ 1,193,657	\$ 1,357,287	\$ 163,630	14%		
Rural Planning Assistance Funds (RPA)						
Planning Grant from State Program (DMV) - New Revenue	\$ 294,000	\$ 294,000	\$ 0	0%		State Transit Assistance (STA) Funds
Planning Grant from State Program (DMV) - Carryover	\$ 20,000	\$ 20,000	\$ 0	0%		
Planning Grant from State Program (DMV) - Carryover	\$ 20,000	\$ 20,000	\$ 0	0%		
Total RPA Funds	\$ 334,000	\$ 334,000	\$ 0	0%		
Other State Revenues						
ATP Project Implementation	\$ 400,000	\$ 148,000	\$ (252,000)	-63%		ATP and Commuter Match Project - FY 16 & 2-Phase - Engineering
ATP Non-Implementation Revenues	\$ 1,000,000	\$ 50,000	\$ (950,000)	-95%		ATP 2016/18 is complete in-year grant, FY 2016/17 Carryover (preliminary)
California Transportation Planning Grant Program	\$ 0	\$ 0	\$ 0	0%		Transportation Communities Transportation Planning Grants
California Energy Conservation Grant Program	\$ 0	\$ 0	\$ 0	0%		Energy Conservation Grant Program
Total State Revenues	\$ 1,111,812	\$ 1,814,812	\$ 703,000	63%		per State Project, multiple other admin. contracts, completed 2016/18

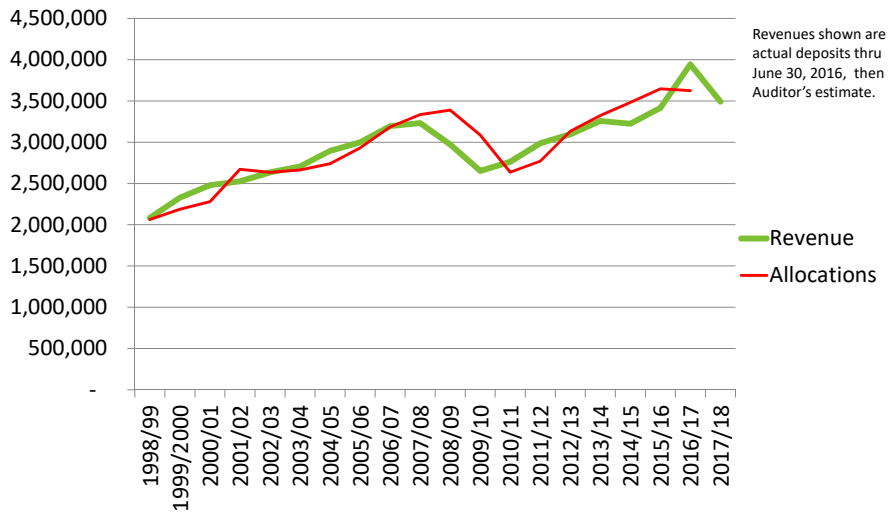
Funding Sources in Annual Budget 5

- For details see:

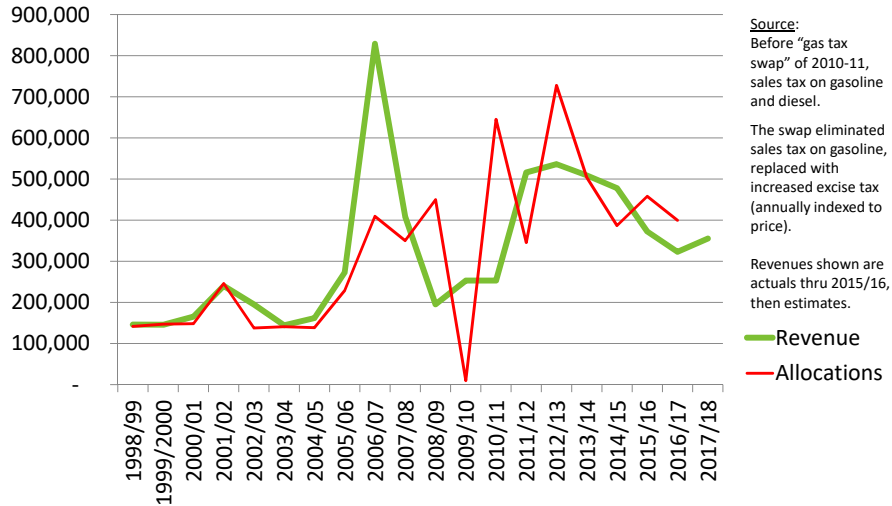


“Explanatory Notes on Funding Sources” in your packet

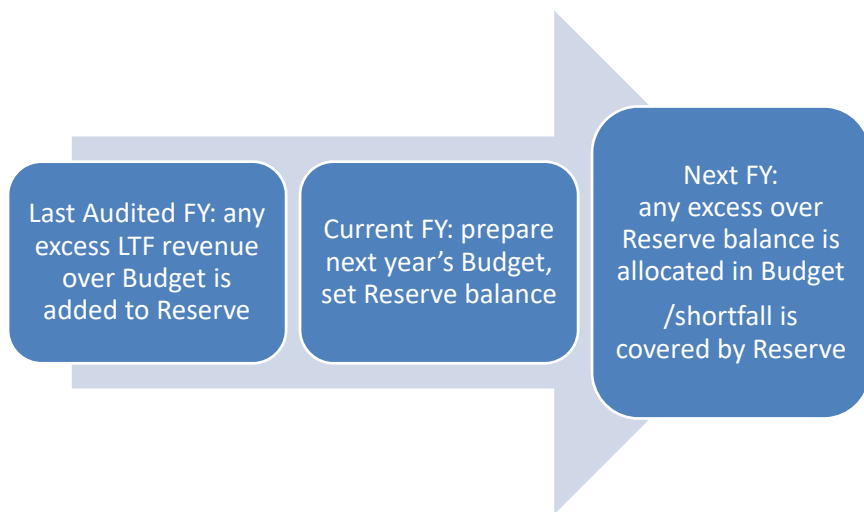
LTF Revenues & Allocations - Trend 6



STA Revenues & Allocations - Trend 7

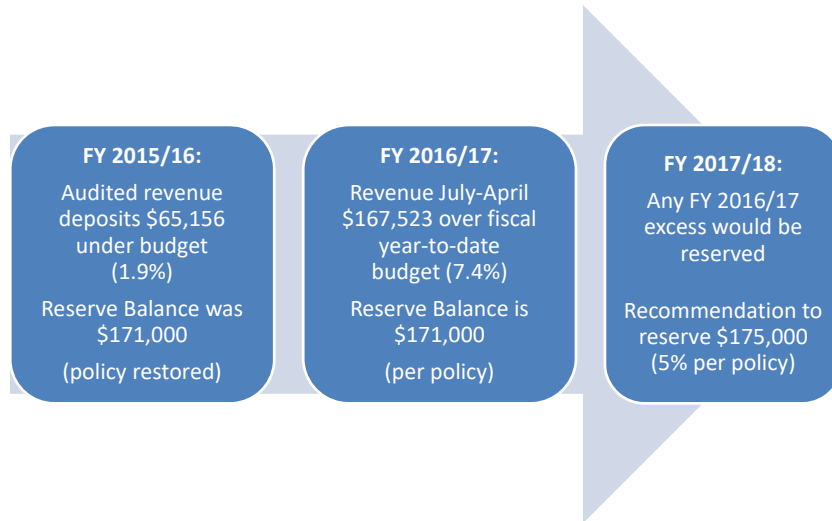


LTF Reserve Policy since 1999 8



LTF Reserve Process for 2017/18

9



LTF Allocation Priorities

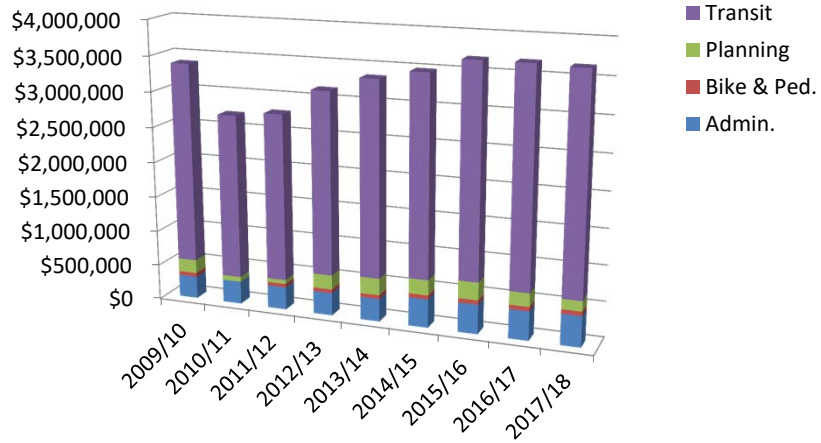
10

Consistent with TDA:

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

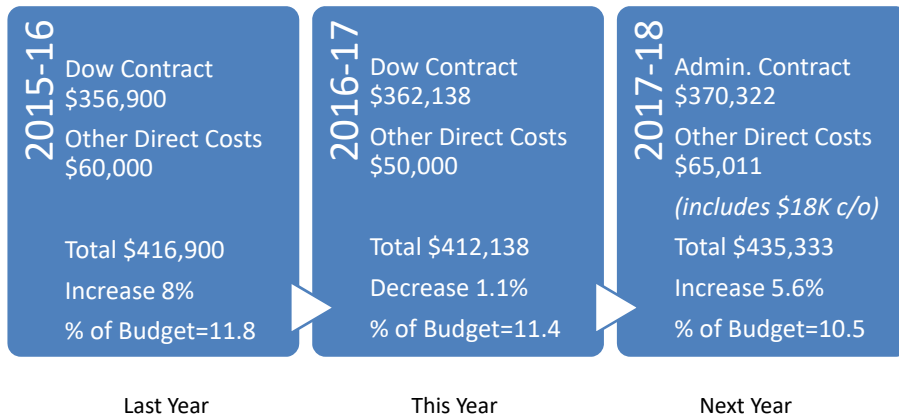
LTF Allocations - Trend

11



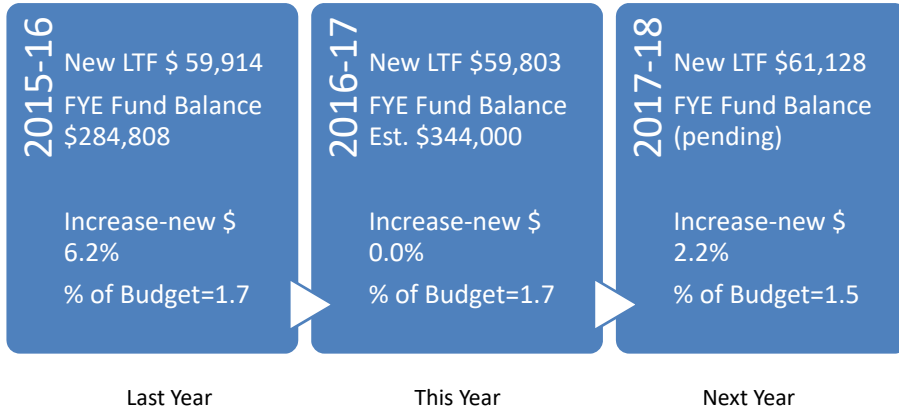
LTF Allocations – Admin.

12



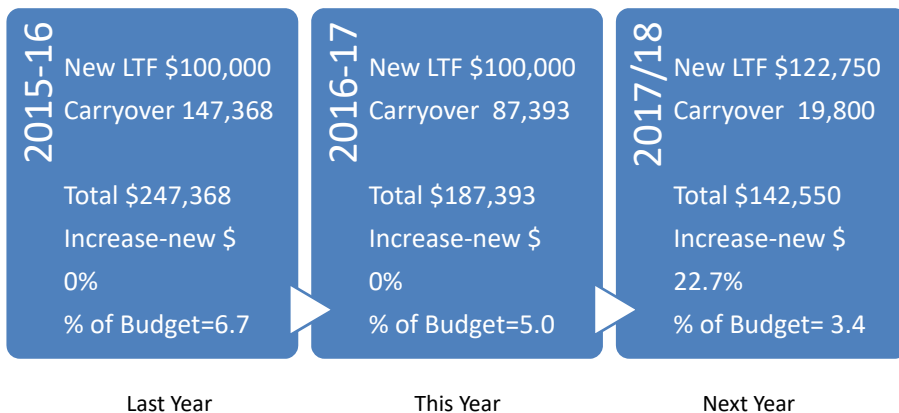
LTF Allocations – Bike & Ped

13



LTF Allocations – Planning

14



All Allocations – Planning

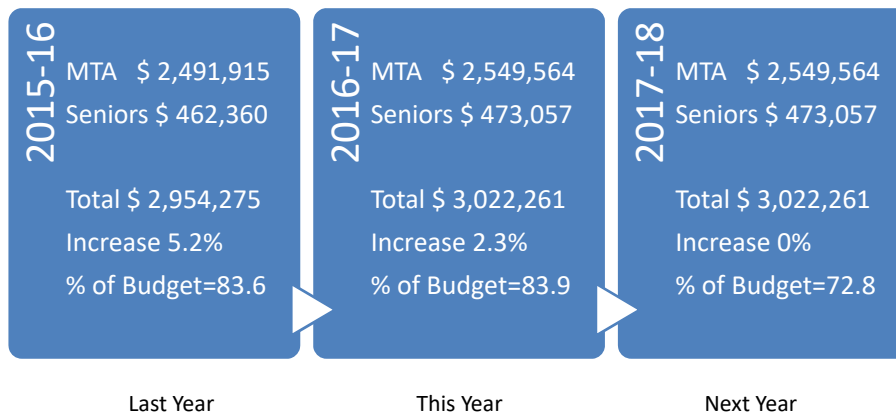
15

Draft FY 2017/18 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergovt'l Coordination	MCOG	LTF, State RPA	81,975
2	Planning Mgmt. & General Coordination	MCOG	LTF	90,700
3	Community Transportation Planning	MCOG	LTF	14,750
4	Sustainable Transportation Planning	MCOG	State RPA	10,000
5	Comprehensive ADA Access Plan Update	Ukiah	State PPM	35,000
6	Combined Special Studies	MCDOT	State RPA	60,000
7	Planning, Programming & Monitoring	MCOG	State PPM	64,025
8	Public Participation Plan Update	MCOG	LTF, State RPA	5,250
9	Street Safety Plan	Ft. Bragg	State PPM	64,975
10	Regional Transportation Plan – <i>carryover</i>	MCOG	State RPA	25,000
11	Traffic Analysis for Realignmt. of Talmage Rd.	Ukiah	State RPA	25,000
14	Training	MCOG	LTF	21,000
15	Bus Stop Review, Phase 4	MTA	State RPA	25,000
16	Multi-Modal Transportation Planning	MCOG	State RPA	20,000
18	Geographic Information System Activities	MCOG	LTF, State RPA	5,600
20	Grant Development & Assistance	MCOG	LTF	15,000
22	Safe Routes to School ATP – <i>carryover</i>	MCOG	State ATP	25,000
NA	<i>Reserved for Future Projects - TBD</i>		State RPA	37,275
	TOTAL			625,550

LTF Allocations – Transit

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(Fun Facts – Transportation as Art)

17



Leadership Lessons from Unconventional Sustainability: The Black Rock City Experience
Credit: Harley Dubois, Burning Man LLC

(Fun Facts – Transportation as Art)

18



Leadership Lessons from Unconventional Sustainability: The Black Rock City Experience
Credit: Harley Dubois, Burning Man LLC

Budget Summary – RSTP Funds

19

Summary Page Mendocino Council of Governments
Regional Transportation Planning Agency - Fiscal Year 2017/18 Budget
Continued Reconciliation of Commission (Doc. TAC, TPC) and Staff for Board (Working) May 1, 2017

REVENUE	LOCAL			STATE		FEDERAL		Other	Total	TOTAL
	LTP	ETA	CRP	FFM	RFA	Grants	RSTP			
201713 LTP Admin & County Auditor's Estimate	1,422,171									1,422,171
201817 Auditor's Anticipated Unrecovered Balance	(122,252)									(122,252)
Total Local Transportation Fund LTP Estimate	1,300,000									1,300,000
201713 Auditor's Anticipated & Unrecovered Balance - Revenue	(54,250)									(54,250)
LTP "Budget" - Revenue Estimate - Includes for all revenues	1,245,750									1,245,750
FF 201612 Strategic Work Load Allocation for Health Employees										10,111
RFA FY 2016 in Field Audit - includes amount payable to MCOG										93,987
Commuter - Planning, Travel, State Program										10,800
201718 State Transit Assistance - SCC's Preliminary Estimate										382,312
State Transit Assistance - Fund Estimate Available for Allocation										60,170
MCOG's Capital Reserve Fund - Estimate Available for Transit										323,240
RFA Reimburse Categories from 201617										0
201718 STP Planning, Programming & Monitoring (PPM)										104,000
201718 State & Federal Planning Grants - grants due 2017/18 estimate										249,000
Regional Surface Transportation Program - State Transportation Development										20,000
Regional Surface Transportation Program - State Transportation Development										743,743
201718 LTP (Unallocated) Estimate - Revenue Shortfall	(48,169)									(48,169)
Auditor's LTP Revenue Balance as of 5/31/2018	203,241									203,241
Less LTP Revenue Allocated for FY 2018/17	(122,152)									(122,152)
Less LTP Revenue Minimum Balance per State (MTRM 43300)	(170,200)									(170,200)
Amount Based on State Estimate as of 5/31/2018	(122,152)									(122,152)
TOTAL REVENUES	4,037,855	421,910	103,240	124,000	264,000	20,000	0	0	0	4,726,995
ALLOCATIONS										
Revised LTP year-over unallocated revenues	421,250									421,250
Revised LTP year-over unallocated revenues	60,204									60,204
201718 Admin & Planning	428,333									428,333
201718 Admin & Planning - 2017/18 LTP New Admin & PD	17,120									17,120
201718 Planning Council Work Program (CWPP) - New Funds	122,750									122,750
Commuter Funds - for local revenues	10,800									10,800
Year Administration, M&P, Planning and Revenues	1,139,454	0	0	104,000	264,000	20,000	0	0	0	1,727,454
BALANCE AVAILABLE FROM REVENUES	3,902,921	421,910	103,240	0	0	0	0	0	0	4,427,971
201718 Mendocino Transit Authority Claims	2,542,502									2,542,502
RFA - Composites	0									0
Local Transit Needs	0									0
Local Transit Operations	473,087									473,087
Capital Reserve Fund Contributions	0									0
Capital Program, RFA & Section Current Year	100,000									100,000
Capital Program, Transit Section Current Year	0									0
Capital Program, Long Term (Park Trip Plan)	0									0
Capital Program, Long Term (Park Trip Plan)	0									0
Local Transit Operations	1,032,424									1,032,424
Other Allocations - RSTP for MTRM Reimburse	0									0
Other Allocations - RSTP for MTRM Reimburse	0									0
Other Allocations - RSTP for MTRM Reimburse	0									0
TOTAL ALLOCATIONS	4,037,855	421,910	103,240	104,000	264,000	20,000	0	0	0	4,726,995
Revenues Reimbursed to Other Allocations	0									0

RSTP Allocation Priorities

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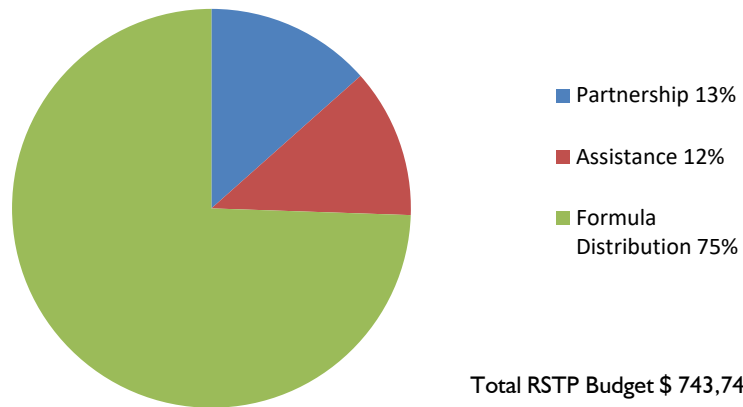
MCOG Policy for Regional Surface Transportation Program, Section 182.6(d)(1):

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

RSTP Allocations

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FY 2017/18 Proposed Budget



What's Not in the Budget

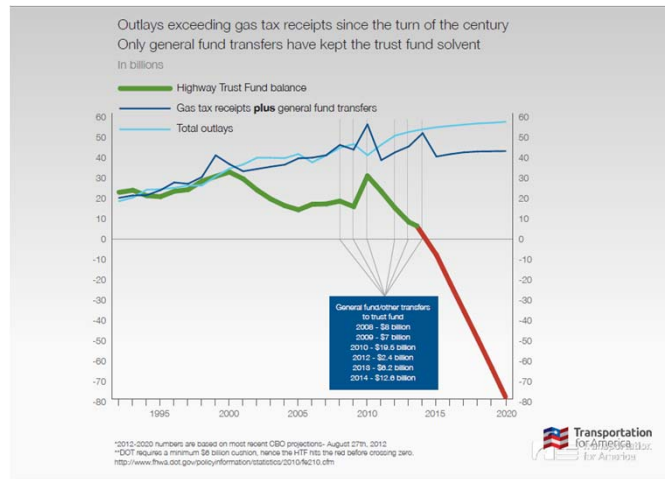
22

- Regional/State Transportation Improvement Program (RTIP, STIP)
 - Capital programming, no cash flow

- Service Authority for Freeway Emergencies (Mendocino SAFE)
 - Separate 5-Year financial plan approved 2017

(Federal Highway Trust Fund)

23

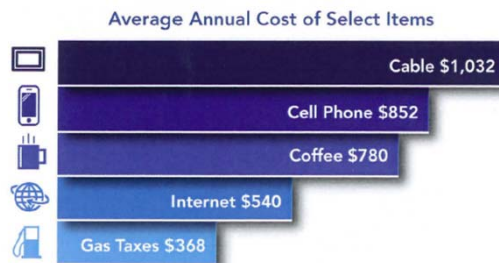


Credit: Transportation for America

www.t4america.org

(Californians' Expenditures on Gas Tax)

24



The amount the average California driver pays to support maintenance and repair of our roadways is significantly less than what they spend for other necessities.

(California Road Charge Pilot Program) 25



<http://www.californiaroadchargepilot.com>

(SB 1 – Road Repair & Accountability Act) 26

- \$52 billion of new revenue over 10 years
- Funds road repairs, transit, rail, planning, congestion, SHOPP, loan repayments
- Funding sources:
 - 12 cent/gal. gas tax increase
 - Vehicle registration surcharge
 - 20 cent/gal. diesel excise tax increase
 - 4 percent diesel sales tax increase
 - \$100 zero-emission vehicle fee starting 2020

Budget Adoption FY 2017/18

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- **Recommendations:**
 - Staff – Admin & Planning
 - Executive Committee – Feb. 21
 - Technical Advisory Committee – Feb. 15
 - Transit Productivity Committee – April 19

- **Adopt Budget June 5, 2017**
- **Can amend during Fiscal Year**

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Questions?

Thank You!

Presentation by:
Janet Orth, Deputy Director/CFO

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

Credits:
Cover photos by Caltrans
Graphics from Burning Man LLC, Transportation For America. CalSTA, and
CA Road Charge Pilot



Mendocino Council of Governments
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2015/16, ended June 30, 2016. The discussion and analysis serves as an introduction to the Council's audited financials, which comprise the Council's official financial statements of record.

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

Economic Trends

One major indication of the economic climate is the sales tax. Actual revenue from sales tax to the Local Transportation Fund leveled off a trend of economic recovery since the recession that began in 2008. Local sales tax revenues have remained above \$3 million for four consecutive years now, reaching \$3.4 million in FY 2014/15, and dipping to \$3.3 million (down two percent) in FY 2015/16. (Note that 14 months were counted in the 2015/16 audit, reflecting a transition to synchronize with the County Auditor's accounting method; the difference in revenue will be addressed in the next budget.) The revenue estimates for 2016/17 and 2017/18 remain above \$3.4 million, actual results pending.

The Council's management has been encouraged by the steady sales tax revenues, a core source of Council funding. Other indicators are revenues that originate from gasoline taxes through federal and state funding sources, which have been trending downward. Stakeholders are actively seeking and testing alternative revenue streams, such as the California Road Charge Pilot, and legislators continue to sponsor bills to address the statewide transportation funding crisis.

Funding sources available to the Council have remained fairly steady over the past five years. Planning grants have continued to be quite active over the past several years, as management has consistently delivered grant products and secured new grants that benefit the Council's membership and the region. Added to these were the new Active Transportation Program state grants, so that for the first time, the Council is going beyond planning to build an infrastructure project, in response to crucial safety needs.

Net assets have been typically in the range of \$1.5 million in Governmental funds and \$3.5 million in Fiduciary funds. 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). (One of these was added in the past year to separately track the grants for the Council's first infrastructure project managed in house, to design and construct a multi-use trail in Round Valley; in the audit the grant reimbursements are reported under Infrastructure Grant.) The audit report classifies them as either Governmental Funds or Fiduciary Funds. These are presented separately in the statements. The reader will find more

detailed descriptions of these funds and accounting policies in the Notes section prepared by the independent auditor.

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

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

The Expendable Trust funds are:

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

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

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

The Council's fiduciary LTF Two Percent Bicycle & Pedestrian Program fund is considered "due to" the original Local Transportation Fund (LTF), the Expendable Trust fund from which the program revenues were allocated. The cash balances of both Reserve funds also are considered "due to" the LTF fund, detailed on Page 35.

Capital Assets & Long-Term Liabilities

In the Council's case, the only capital assets are the SAFE program's motorist aid call boxes and associated computer equipment, which are represented separately from the SAFE fund in the Statement of Net Position and further detailed in Note 4 – Capital Assets.

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

Analysis of Governmental Funds

Special Revenue Funds revenue was \$1,390,453, an increase of \$90,505 over the previous fiscal year, mainly due to increased planning grants. Expenditures were \$1,656,116, an increase of \$148,292. Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2014/15.

Table 1

Governmental Net Position at June 30	2016	2015	Change
Current Assets	\$ 1,010,976	\$ 1,402,309	\$ (391,333)
Capital Assets, Net of Accumulated Depreciation	621,508	367,454	254,054
Total Assets	1,632,484	1,769,736	(137,279)
Current Liabilities	414,634	540,306	(125,672)
Total Liabilities	414,634	540,306	(125,672)
Net Position			
Investment in Capital Assets	621,508	367,454	254,054
Restricted	596,343	862,003	(265,661)
Total Net Position	\$ 1,217,850	\$ 1,229,457	\$ (11,607)

Net position comprised the following:

- Cash and investments of \$723,087 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$287,889;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$213,871;
- Inter-fund operating transfers, due to Expendable Trust funds, of \$200,763;
- Depreciated capital assets of \$621,508. (*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 \$416,900 from the Local Transportation Fund for administration of all the Council's activities, including the second year of a new contract effective October 1, 2014 as a result of the Council's procurement for Administrative & Fiscal Services, with a scheduled inflation increase of 1.8 percent. This budget had remained at the same level for five successive fiscal years, an indication of management's careful use of public monies and efforts to contain costs. The cost increased for FY 2014/15 due to efficiencies lost by the separation of administration and planning contractors. Most of the Administration budget is allocated to the contract for administrative staffing, office and equipment, with the remainder to direct costs.

Planning

Over the past several years, the Transportation Planning Overall Work Program (OWP) typically has had a budget of approximately \$1.6 million annually (refer to the Governmental Funds for sources). In FY

2015/16, this was increased to \$2,047,233 due to a multi-year Active Transportation Program grant of more than \$1 million. The OWP funded 19 project work elements that benefited the five member agencies, Mendocino Transit Authority, and Caltrans. In FY 2014/15 there were 25 work elements.

SAFE Program

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

Approximately \$700,000 of new equipment purchases were made and installed by Mendocino SAFE on the state highways during this three-year period, increasing the depreciated capital asset by over 300 percent, from \$149,984 to \$621,508. This included the first call boxes in the nation using satellite technology, testing and demonstrating early adoption of equipment for use in remote areas where little or no cellular reception is available.

Table 2

Changes in Governmental Net Position	2016	2015	Change
Expenses – Administration and Planning	\$ 1,402,063	\$ 1,401,394	669
Revenues			
Program Revenues:			
Local Transportation Funds	516,900	504,230	12,670
DMV Fees	104,981	103,713	1,268
Aid from State Governments	765,918	690,620	75,298
Total Program Revenues	1,387,799	1,298,563	89,236
General Revenues:			
Use of Money and Property	2,654	2,969	(315)
Total Revenues	1,390,453	1,301,532	88,921
Change in Net Position	\$ (11,610)	\$ (99,862)	\$ 88,252

Contacting the Council’s Financial Management

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

Prepared by Janet M. Orth, Deputy Director/CFO