



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2020/21

BUDGET



June 1, 2020



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency

Fiscal Year 2020/21

BUDGET

Prepared by

Janet M. Orth
MCOG Deputy Director & CFO

Adopted by

MCOG Board of Directors

June 1, 2020

Cover Photo:
Great Redwood Trail
City of Ukiah
By J. Orth February 7, 2020

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MENDOCINO COUNCIL OF GOVERNMENTS

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May 20, 2020

To: MCOG Board of Directors

From: Nephele Barrett, Executive Director

Prepared by Janet M. Orth, Deputy Director & CFO

Re: Regional Transportation Planning Agency (RTPA) Fiscal Year 2020/21 Budget

This budget is submitted to you for adoption at our meeting on June 1, 2020. It represents all recommendations made over the past several months by the Executive Committee, Technical Advisory Committee, Transit Productivity Committee, Social Services Transportation Advisory Council, and staff, progress of which we have reported to you along the way. This introduction is a brief summary of the main components of the RTPA budget. Four resolutions are prepared for adoption of the required findings and budget allocations. Two summary formats present different views of the information as usual. Note that a portion of the Local Transportation Funds (LTF) remains in reserve as agreed. Total available revenues from all sources are **\$12,857,452**, and total proposed allocations amount to **\$10,925,755**.

The COVID-19 pandemic has impacted the nation's economy and is expected to affect this budget. This year's initial estimate of sales tax revenue to LTF reached \$4 million for the first time, outpacing the rate of inflation (3.0% CA-CPI). Although we do not have revised local projections yet, the momentum of growth over the past few years has likely reached its peak and may take years more to recover. Two sources augment this budget: CARES Act federal funds for public transit at \$1.2 million and \$2.67 million from the ATP grant for Covelo trail construction. Local revenues can be expected to decline from the Auditor's estimate, as can state revenues. The proposed budget, although conservative, assumes that amendments will be likely. For the coming fiscal year, MCOG will be able to fund programs of the Regional Transportation Planning Agency and Mendocino Transit Authority with careful stewardship of the funds.

Administration

In the Transportation Development Act (TDA), funds for Administration of the agency are the first allocation priority, in amounts "as necessary." The Executive Committee concurred with staff's initial draft budget for Administration, which comprises several funding sources. The Board of Directors approved a second contract extension for Administration & Fiscal Services on March 2, 2020. The proposal includes scheduled COLA increases to the contract. TDA/LTF costs for Administration have dropped slightly to 11.6 percent of the Auditor's estimate, with total costs at just 4.5 percent of the total RTPA budget. The Administration budget proposal (excluding RSTP and SAFE) is \$485,808.

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. In this proposal, the available \$73,771 is set aside in a temporary reserve until amendments are considered. The Bicycle & Pedestrian budget allocation is \$0.

Planning

As a major function and responsibility of the RTPA, Planning is managed in the Overall Work Program (OWP). MCOG has customarily provided Local Transportation Funds (LTF) to Planning after Administration and Bicycle & Pedestrian allocations. In addition, several other available sources are combined to fund the Planning program.

All details of the OWP are presented in a separate document. The Executive Committee concurred with staff's proposed allocation of \$159,501 of new LTF funds. The Technical Advisory Committee works closely with our planning staff to develop this program each year and on May 20 recommended all proposed allocations, including FY 2019/20 estimated carryover and grants. The total Planning budget proposal is \$968,745.

Transit

After all of the above allocations, the remaining balance of LTF is made available to fund public transit. Also available are State Transit Assistance (STA) funds and federal Section 5311 funds (approved in February 2020 at \$531,772). 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 again recommended setting aside five percent (\$209,000) for 2020/21, fully funding the reserve. MTA has claimed the same amounts of LTF funds as last year; projected LTF increase is reserved. The Transit Productivity Committee (TPC) met in April and recommended full funding of MTA's claim as presented, with the expectation that one or more revised claims will be necessary later in the year, as more information becomes available. The federal CARES Act fund estimate of \$1,206,413, meant to offset losses of local and state funding, is shown in this proposal as revenues not yet allocated. The TPC also recommends a finding that *"there are no unmet transit needs that are reasonable to meet for Fiscal Year 2020/21."* The Social Services Transportation Advisory Council will meet May 26 to consider a recommendation on unmet transit needs. The total Transit budget proposal is \$5,600,053.

Surface Transportation Block Grant Program (STBGP)

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 not yet received a preliminary estimate of new revenues for Mendocino County under the federal FAST Act. Pending a new estimate, 2019/20 actual revenue is proposed for the STBGP budget at \$796,494.

Active Transportation Program (ATP)

MCOG is responsible for management of four state grants awarded in 2014/15 and 2015/16. These consist of one countywide non-infrastructure grant, one infrastructure grant in Covelo that includes a non-infrastructure component, and two infrastructure grants in the Covelo area. The non-infrastructure components were completed in FY 2018/19. The infrastructure components are project development activities for construction of the State Route 162 Corridor Multi-Purpose Trail, Phases 1 and 2 – Preliminary Engineering and Right-of-Way. This is an exceptional function for MCOG, approved by separate resolution. The infrastructure grant funding carried over is estimated at \$190,000 and new Construction funds to be allocated at \$2,672,000, for a total in 2020/21 of \$2,862,000.

Service Authority for Freeway Emergencies (SAFE)

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

Regional/State Transportation Improvement Program (R/STIP)

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

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

Mendocino Council of Governments

Regional Transportation Planning Agency - Fiscal Year 2020/21 Budget

Adopted by Board of Directors June 1, 2020

REVENUES	Trans. Devt. Act (TDA)			State			Federal		Local Agencies	TOTALS
	LTF	STA	CRF	PPM	RPA	Grants	STBGP	5311		
2020/21 LTF Official County Auditor's Estimate	4,174,378									4,174,378
2019/20 Auditor's Anticipated Unrestricted Balance	200,426									200,426
Total Local Transportation Fund (LTF) Estimate	4,374,804									4,374,804
2019/20 Auditor's Anticipat'd Unrestricted Balance - Reversal	-200,426									-200,426
Reserved LTF prior-year unallocated revenues	29,135									29,135
Carryover - Planning Overall Work Program and RSTP Local Assistance	56,333							222,728		279,061
2020/21 State Transit Assistance - SCO's Preliminary Estimate		834,637								834,637
2020/21 State of Good Repair - SCO's Preliminary Estimate						133,525				133,525
STA and SGR - Fund Balance Available for Allocati		368,444				586				369,030
MCOG's Capital Reserve Fund - Balance Available for Transi			685,021							685,021
Federal Transit Administration (FTA) Section 5311 Program - CARES Ac								1,206,413		1,206,413
FTA Section 5311 Program - Annual Regional Apportionmen								531,772		531,772
2020/21 STIP Planning, Programming & Monitoring (PPM)				106,000						106,000
2020/21 Rural Planning Assistance					294,000					294,000
2020/21 State Active Transportation Program (ATP) - grants & carryover						2,862,000				2,862,000
2019/20 Transportation Planning Program carryover				106,925	35,000	30,986				172,911
2020/21 Local Road Safety Plans (LRSP) - New									180,000	180,000
Surface Transportation Block Grant Program - last year's actual pending new estimate							796,494			796,494
LTF Reserve:										
2018/19 LTF Unrestricted Balance - audited	215,766									
LTF Reserve Balance as of 6/30/2019 - audited	571,943									
Less LTF Reserve Allocated for FY 2019/20	375,634									
Subtotal	412,075									
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	209,000									(Per policy, Reserve is 5% of County Auditor's estimate of new revenue, to nearest 1,000.)
Amount Available for Allocation in FY2020/21	203,075									203,075
TOTAL REVENUES	4,462,921	1,203,081	685,021	212,925	329,000	3,027,097	1,019,222	1,738,185	180,000	12,857,452
ALLOCATIONS										
Temporary Reserves - LTF prior-year unallocated revenues	29,135									29,135
Temporary Reserves - LTF 2% Bicycle & Pedestrian Program	73,771									73,771
2020/21 Administration	485,808							90,000		575,808
2% Bicycle & Pedestrian - 2020/21 LTF Estimate less Admin. x .02	0									0
2020/21 Planning Overall Work Program (OWP) - New Funds	159,501			106,000	294,000				180,000	
Carryover Funds - See OWP Summary	56,333			106,925	35,000	30,986			Total OWP:	968,745
Total Administration, Bike & Ped., and Planning	804,548	0	0	212,925	329,000	30,986	90,000	0	180,000	1,647,459
Partial reserve of Auditor's \$321,735 projected 2020/21 increase	109,750									
BALANCE AVAILABLE FOR TRANSIT	3,548,623	1,203,081	685,021	0	0	134,111	0	1,738,185	0	7,309,021
2020/21 Mendocino Transit Authority Claim:										
MTA Operations	2,993,124	834,637						531,772		4,359,533
Unmet Transit Needs	0							Approved Feb. 2020		0
Senior Centers Operations	555,499									555,499
Capital Reserve Fund Contribution										0
Capital Program, MTA & Seniors Current Year										0
Capital Program, Senior Centers Current Year										0
Capital Program, Long Term (Five Year Plan)			685,021							685,021
Total Transit Allocations	3,548,623	834,637	685,021					531,772		5,600,053
Other Allocations - RSTP for MCOG Partnership Fund								100,000		100,000
Other Allocations - RSTP for County & Cities Projects by Formula								606,494		606,494
Other Allocations - ATP Infrastructure Grants - SR162 Corridor Multi-Purpose Trail						2,862,000				
TOTAL ALLOCATIONS	4,462,921	834,637	685,021	212,925	329,000	2,892,986	796,494	531,772	180,000	10,925,756
Balance Remaining for Later Allocation	0	368,444	0	0	0	134,111	222,728	1,206,413	0	1,931,696



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2020/21 BUDGET SUMMARY

Adopted by Board of Directors June 1, 2020

Supplemental Format

REVENUES	FY 2019/20 Budget as Amended	FY 2020/21 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:	Oct. 7, 2019				
Local Transportation Funds (LTF)					Transportation Development Act (TDA) Funds
LTF Official County Auditor's Estimate	\$ 3,852,643	\$ 4,174,378	\$ 321,735	8.4%	3-year av. 3.6%. Recommend no alloc'n of increase due to COVID-19 impact.
Auditor's Anticipated Unrestricted Balance - Current Year	\$ 163,519	\$ 200,426	\$ 36,907	22.6%	Monitoring this due to changes in forecast - refer to staff report.
Total Local Transportation Fund (LTF) Estimate	\$ 4,016,162	\$ 4,374,804	\$ 358,642	8.9%	
Auditor's Anticipat'd Unrestricted Balance - Reversal	\$ (163,519)	\$ (200,426)			Per policy, any excess flows through LTF Reserve
LTF Unallocated - Accounting transition to County's accrual method	\$ 29,135	\$ 29,135	\$ -	0.0%	One-time funds, represents 2 months of sales tax revenue
Prior Year Balance Remaining for Later Allocation	\$ -	\$ -			
MTA Fiscal Audit - Amount returned to MCOG, if any	\$ -	\$ -			FY 2018/19 verification of full eligibility for funds received pending fiscal audit
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 53,281	\$ 56,333	\$ 3,052	5.7%	FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of May 14
Total Local Transportation Funds:	\$ 3,935,059	\$ 4,259,846	\$ 324,787	8.3%	OWP carryover is offset by equivalent allocation
LTF Reserve Funds					
LTF "Unrestricted Balance" of Unallocated Revenue	\$ 378,614	\$ 215,766	\$ (162,848)	-43.0%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate
LTF Reserve Fund Balance	\$ 250,018	\$ 571,943	\$ 321,925	128.8%	Reserve used to cover transit allocation shortfalls and claims per policy
Less/Plus Current Year Reserve Allocation	\$ (59,998)	\$ 375,634	\$ 435,632	-726.1%	Prior year unrestricted "excess revenue" above fund balance
Subtotal	\$ 568,634	\$ 412,075	\$ (156,559)	-27.5%	
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	\$ (193,000)	\$ (209,000)	\$ (16,000)	8.3%	Per policy, Reserve is 5% of County Auditor's est. of new revenue, nearest 1,000.
LTF Reserve Available for Allocation:	\$ 375,634	\$ 203,075	\$ (172,559)	-45.9%	From increase in prior-year LTF sales tax revenues
TOTAL LTF REVENUES	\$ 4,310,693	\$ 4,462,921	\$ 152,228	3.5%	
Capital Reserve Funds Total Capital Reserve Fund	\$ 674,846	\$ 685,021	\$ 10,175	1.5%	Fund balance available for transit claim based on 5-Year Capital Program
Local Agency Contributions	\$ -	\$ 180,000			New Planning Work Element 9 for Local Road Safety Plans
Total Local/Regional Revenues:	\$ 4,985,539	\$ 5,327,942	\$ 342,403	6.9%	
STATE:					
Planning Programming & Monitoring (PPM) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 90,000	\$ 106,000	\$ 16,000	17.8%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 152,445	\$ 106,925			FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of May 14
Total PPM Funds:	\$ 242,445	\$ 212,925	\$ (29,520)	-12.2%	
State Transit Assistance (STA) Funds					TDA Funds
State Controller's Estimate	\$ 946,179	\$ 834,637	\$ (111,542)	-11.8%	Revised 2019/20 SCO est. \$839,780, Preliminary 2020/21 likely to change
Estimated Fund Balance Available for Allocation	\$ 463,957	\$ 368,444	\$ (95,513)	-20.6%	Based on cash in account and revised estimate of 2019/20 activity
Total State Transit Assistance Funds:	\$ 1,410,136	\$ 1,203,081	\$ (207,055)	-14.7%	
State of Good Repair (SGR) Funds					
State Controller's Estimate	\$ 131,002	\$ 133,525	\$ 2,523	1.9%	Transit funding program in Senate Bill 1
Estimated Fund Balance Available for Allocation	\$ 258,181	\$ 586			First 3 years were allocated by MCOG, saving for MTA project
Total State of Good Repair Funds:	\$ 389,183	\$ 134,111	\$ (255,072)	-65.5%	Includes actual revenues 2017/18 and 2018/19
Rural Planning Assistance Funds (RPA)					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program - Carryover	\$ 28,314	\$ 35,000			FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of May 14
Total RPA Funds:	\$ 322,314	\$ 329,000	\$ 6,686	2.1%	

California Active Transportation Program (ATP)					
ATP Infrastructure Projects - New Revenue	\$ -	\$ 2,672,000			SR-162 Corridor Multi-Purpose Trail construction, to be allocated by CTC
ATP Infrastructure Projects - Carryover	\$ 200,000	\$ 190,000	\$ (10,000)	-5.0%	Estimated funds to carry over to next FY of 3-yr trail project for right-of-way
Total ATP Funds:	\$ 200,000	\$ 2,862,000			
Caltrans Sustainable Communities Planning Grants					
FY 2019/20 Sustainability Grant awarded	\$ 119,516	\$ -			SB 743 VMT Regional Baseline Study - WE 5 to be completed in FY 2019/20
FY 2019/20 Adaptation Grant awarded	\$ 247,884	\$ 30,986			Fire Vulnerability Assessment & Emergency Preparedness - WE 8 carryover
Total Planning Grants:	\$ 367,400	\$ 30,986	\$ (336,414)	-91.6%	
Total State Revenues:	\$ 2,931,478	\$ 4,772,103	\$ 1,840,625	62.8%	
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311f Intercity Bus Program	\$ 300,000	pending			Competitive grants include Operating Assistance and Capital Projects
FTA Section 5311 Program - Regional Apportionment	\$ 503,210	\$ 531,772	\$ 28,562	5.7%	Annual apportionment to Mendocino County for transit operations/capital
FTA Section 5311 Program - CARES Act		\$ 1,206,413			Appx. 68% of formula funds in CARES Act following Round 1 in FY 2019/20
Surface Transportation Block Grant Program (STBGP)	\$ 796,494	\$ 796,494	\$ -	0.0%	Actual 2019/20 revenue pending Prelim. estimate - exchanged for State funds
STBGP Carryover/Balance Available for Later Allocation	\$ 141,977	\$ 222,728	\$ 80,751	56.9%	Updated bal. under Admin for Local Assistance, per audits thru 6.30.2019
Total Federal Revenues:	\$ 1,741,681	\$ 2,757,407	\$ 1,015,726	58.3%	
TOTAL REVENUES	\$ 9,658,698	\$ 12,857,452	\$ 3,198,754	33.1%	

ALLOCATIONS	FY 2019/20 Budget as Amended	FY 2020/21 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
Local Transportation Funds (LTF)					
Temporary Reserves - LTF prior-year unallocated revenues	\$ 29,135	\$ 29,135			Balance remaining of \$596,200 from FY 2014/15 accrual revenues
Temporary Reserves - LTF 2% Bicycle & Pedestrian Program Administration:	\$ -	\$ 73,771			Allocation decision deferred to future amendment
Admin. & Fiscal Services Contract	\$ 410,271	\$ 426,513	\$ 16,242	3.96%	Includes COLA of 3.69% and 3.0% per CPI rates; contract allows up to 4%
Other Direct Costs	\$ 53,795	\$ 59,295	\$ 5,500	10.2%	
Total Administration Allocations:	\$ 464,066	\$ 485,808	\$ 21,742	4.7%	Admin. & Fiscal Services contract 2014/15 - 2018/19 plus two 1-yr extensions
Two Percent LTF Bicycle & Pedestrian Program	\$ 67,772	\$ -	\$ (67,772)	-100.0%	Opt. 2% of LTF Estimate (less Admin. allocation) = \$73,771; proposal \$0
Planning Overall Work Program (OWP) - New Funds	\$ 147,816	\$ 159,501	\$ 11,685	7.9%	OWP includes a Project Reserve
OWP Carryover from Previous Fiscal Year	\$ 53,281	\$ 56,333			FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of May 14
Total Admin., Bike & Ped., Planning, Reserves:	\$ 762,070	\$ 730,777	\$ (31,293)	-4.1%	
Balance Available For Transit	\$ 3,548,623	\$ 3,732,144	\$ 183,521	5.2%	
Proposed partial reserve Auditor's \$321,735 projected 2020/21 increase	NA	183,521			Remainder of projected FY increased LTF revenues = \$138,214
BALANCE AVAILABLE FOR TRANSIT - adjusted	NA	\$ 3,548,623			
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$ 2,993,124	\$ 2,993,124	\$ -	0.0%	Public Utilities Code (PUC) Sec. 99260a
Unmet Transit Needs	\$ -	\$ -			PUC Section 99260a
Senior Centers Operations	\$ 555,499	\$ 555,499	\$ -	0.0%	PUC Section 99400c
MTA Capital Program - Current Year	\$ -	\$ -			
Capital Reserve Fund Contribution	\$ -	\$ -			CA Code of Regulations (CCR) Sec. 6648
Total LTF Transit Claim:	\$ 3,548,623	\$ 3,548,623	\$ -	0.0%	
Total LTF Allocations:	\$ 4,310,693	\$ 4,462,921	\$ 152,228	3.5%	
Capital Reserve Funds					
Mendocino Transit Authority (MTA) Claim:					
Capital Program, MTA - Current Year	\$ -	\$ -			CCR Section 6648
Capital Program, Senior Centers - Current Year	\$ -	\$ -			CCR Section 6648
Capital Program - Long Term	\$ 674,846	\$ 685,021	\$ 10,175	1.5%	CCR Section 6631

Total CRF Allocations:	\$ 674,846	\$ 685,021	\$ 10,175	1.5%	
<u>Local Agency Contributions</u>	\$ -	\$ 180,000			New Planning Work Element 9 for Local Road Safety Plans
Total Local/Regional Allocations:	\$ 4,985,539	\$ 5,327,942	\$ 342,403	6.9%	
STATE:					
<u>Planning Programming & Monitoring (PPM) Funds</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 90,000	\$ 106,000	\$ 16,000	17.8%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 152,445	\$ 106,925			FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of May 14
Total PPM Allocations:	\$ 242,445	\$ 212,925	\$ (29,520)	-12.2%	
<u>State Transit Assistance (STA) Funds</u>					
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$ 946,179	\$ 834,637	\$ (111,542)	-11.8%	CCR Section 6730a
Capital Program, MTA & Seniors - Current Year	\$ -	\$ -			CCR Section 6730b
Capital Reserve Fund Contribution	\$ -	\$ -			CCR Section 6631
Total STA Allocations:	\$ 946,179	\$ 834,637	\$ (111,542)	-11.8%	
<u>State of Good Repair (SGR) Funds</u>	\$ 388,597	\$ -			Total SGR funds approved for MTA project as submitted to Caltrans Aug. 29
<u>Rural Planning Assistance Funds (RPA)</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 28,314	\$ 35,000			FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of May 14
Total RPA Allocations:	\$ 322,314	\$ 329,000	\$ 6,686	2.1%	
<u>California Active Transportation Program (ATP)</u>					
ATP Infrastructure Projects - New Revenue	\$ -	\$ 2,672,000			SR-162 Corridor Multi-Purpose Trail construction, to be allocated by CTC
ATP Infrastructure Projects - Carryover	\$ 200,000	\$ 190,000	\$ (10,000)	-5.0%	Estimated funds to carry over to next FY of 3-yr trail project for right-of-way
Total ATP Allocations	\$ 200,000	\$ 2,862,000	\$ 2,662,000	1331.0%	
<u>Caltrans Sustainable Communities Planning Grant</u>					
FY 2019/20 Sustainability Grant awarded	\$ 119,516	\$ -			SB 743 VMT Regional Baseline Study - WE 5 to be completed in FY 2019/20
FY 2019/20 Adaptation Grant awarded	\$ 247,884	\$ 30,986			Fire Vulnerability Assessment & Emergency Preparedness - WE 8 carryover
Total Planning Grants:	\$ 367,400	\$ 30,986	\$ (336,414)	-91.6%	
Total State Funds Allocations:	\$ 2,466,935	\$ 4,269,548	\$ 1,802,613	73.1%	
FEDERAL:					
<u>Federal Grant Programs and Regional Apportionments</u>					
FTA Section 5311f Intercity Bus Program	\$ 300,000	pending			Application submitted, pending award, inc. \$150K + \$150K toll credits
FTA Section 5311 Program - Regional Apportionment:	\$ 503,210	\$ 531,772	\$ 28,562	5.7%	MTA is eligible, MCOG approved programming Feb. 3, 2020
FTA Section 5311 Program - CARES Act	\$ -	pending			Available for eligible public transit operators pending applications to Caltrans
<u>Surface Transportation Block Grant Program (STBGP)</u>					
MCOG Partnership Funding Program	\$ 100,000	\$ 100,000	\$ -	0.0%	Regional capital project funds "off the top"
Local Assistance - Project Delivery - Administration	\$ 90,000	\$ 90,000	\$ -	0.0%	Staff - Regional Project Manager under Admin. Contract and direct costs
Formula Distribution to MCOG Member Agencies:					
Mendocino County Dept. of Transportation	\$ 127,229	\$ 130,566	\$ 3,337	2.6%	FY 2020/21 formula allocations are pending Fund Estimate
City of Ukiah	\$ 171,222	\$ 175,713	\$ 4,491	2.6%	
City of Fort Bragg	\$ 114,321	\$ 117,320	\$ 2,999	2.6%	
City of Willits	\$ 107,301	\$ 110,115	\$ 2,814	2.6%	
City of Point Arena	\$ 70,919	\$ 72,780	\$ 1,861	2.6%	
Total RSTP Formula Distribution	\$ 590,992	\$ 606,494	\$ 15,502	2.6%	
Total RSTP Allocations:	\$ 780,992	\$ 796,494	\$ 15,502	2.0%	Formula allocation by policy, distribution pending State processing of funds
Total Federal Funds Allocations:	\$ 1,284,202	\$ 1,328,266	\$ 44,064	3.4%	
Total Transit Allocations	\$ 5,558,245	\$ 5,600,053	\$ 41,808	0.8%	
Total Overall Work Program (OWP)	\$ 1,133,256	\$ 968,745	\$ (164,511)	-14.5%	FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of May 14
TOTAL ALLOCATIONS	\$ 8,736,676	\$ 10,925,756	\$ 2,189,080	25%	Rounding error of \$1
Balance Remaining for Later Allocation/Difference of Actuals	\$ 922,022	\$ 1,931,696	\$ 1,009,674	110%	Transit (STA, SGR, CARES Act) and STBGP

MENDOCINO COUNCIL OF GOVERNMENTS

2020/21 Budget

Explanatory Notes on Funding Sources

5/21/2020 rev.

LTF - Local Transportation Fund

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

LTF Reserve Fund

- Allowed under TDA, Section 6655, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at five percent of County Auditor-Controller's LTF estimate.
- Surplus allocated through annual budget process.
- To be used *"for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation."*
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to meet the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTF Reserve policy, releasing two years of surplus for allocation between \$100,000 and \$200,000, then a shortfall of \$65,000, a surplus of \$71,000, and for 2019/20 (from 2017/18 revenue) a record surplus of \$375,634. Audited surplus from 2018/19 is 215,766, for allocation in 2020/21.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This was re-set with SB 1, the Road Repair & Accountability Act of 2017. Gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10 – 2015/16 during the Recession.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that *"rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, would instead reduce the operator's operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified."* – from SB 508, Chapter 716, preamble
- State Controller provides fund estimate—"Preliminary" in January, "Revised" after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG's fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000; now they are in the range of \$800-900,000 with support of SB 1.

Capital Reserve Fund

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

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

- Under ISTEA legislation originally, subsequently under TEA21, SAFETEA-LU, MAP-21 and FAST Act. Formerly named Regional Surface Transportation Program (RSTP).

- Section d(1) is for regional discretionary transportation uses, in compliance with U.S. Code, Title 23 and California Constitution, Article 19.
- As allowed, MCOG exchanges for state funds by agreement with Caltrans, eliminating federal requirements.
- MCOG allocated the early fund cycles by regional competition; all of those projects were closed out.
- Subsequent MCOG policy allocated new RSTP d(1) apportionments by formula to County and Cities.
- In FY 2003/04, MCOG staff introduced new administrative procedures in order to comply with new clauses in Caltrans' fund transfer agreement. MCOG requires local claimants to provide a list of eligible projects for which they plan to spend the formula funds, and an authorized officer must sign a certification document (replaced in 2017/18 with a master Subrecipient Agreement). Also they must report prior-year expenditures when claiming new funds.
- For the FY 2005/06 funding cycle and going forward, MCOG approved recommendations of staff and the Technical Advisory Committee to revise MCOG's allocation formula such that a portion would be reserved for MCOG's use on regional projects, aka "Partnership Funding Program" (see allocating resolution). To date the Council has allocated \$813,485 of Partnership funds to eight projects.
- Starting FY 2011/12, MCOG approved \$90,000 annually from RSTP for a Regional Project Manager.
- In FY 2015/16 and 2016/17, funds not expended for the project manager position were approved for direct costs that are consistent with the intended scope of Local Assistance; \$20,000 has been allocated.
- Total unexpended Local Assistance funds have accumulated due to a temporary vacancy in the position and funding limits of the staffing contract, with a balance as of June 30, 2019 of \$222,728.

PPM - Planning, Programming & Monitoring / SB 45

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

RPA - Rural Planning Assistance

- Traditionally, either State or Federal funds have been provided in some form of subvention.
- This program is funded by the State for required Overall Work Program mandated planning functions.
- Competitive RPA grants include MCOG's 2013 Zero Emission Vehicle (ZEV) Regional Readiness Plan.

Caltrans Sustainable Transportation and Climate Adaptation Planning Grant Program

- This program replaced the Consolidated Planning Grant Program, which included Community Based Transportation Planning, Environmental Justice, and Transit Planning grants.
- Funded by Federal Transit Administration (FTA, Section 5304) and State Highway Account.
- MCOG was awarded seven annual Community Based Transportation Planning grants and one Environmental Justice grant as a sponsor, administered through the Planning Overall Work Program, including projects for Gualala, Laytonville, Point Arena, Westport, Ukiah Rails-With-Trails, Covelo/Round Valley, and Anderson Valley/SR-128 Trail.
- City of Willits completed the grant-funded Willits Main Street Corridor Enhancement Plan.
- MCOG completed its Pedestrian Facility Needs Engineered Feasibility Study in 2019. Current projects: SB 743 Vehicle Miles Travelled Regional Baseline Study and Mendocino County Fire Vulnerability Assessment & Emergency Preparedness Plan.

Active Transportation Program (ATP)

- Competitive State grant program combining state and federal funds for bicycle and pedestrian projects.
- Cycles 1 and 2 funded MCOG's Covelo SR 162 Corridor Multi-Purpose Trail, in progress.
- In 2018, MCOG completed Safe Routes to School Non-Infrastructure ATP grant projects in Covelo and countywide.

Local Agency Match

- Local matching funds are required for some state and federal grants, typically provided by MCOG.
- Mendocino Transit Authority has contributed the required local match for their projects.
- Gualala, Laytonville, and Westport have provided in-kind local match contributions.
- This year MCOG member agencies are contributing funds for Local Road Safety Plans.

MENDOCINO COUNCIL OF GOVERNMENTS

Transportation Development Act (TDA) Budget Calendar

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

I.
Administration,
Planning and
Reserves

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2020-04

ALLOCATING FISCAL YEAR 2020/21 FUNDS and 2019/20 CARRYOVER FUNDS for ADMINISTRATION, PLANNING and RESERVES

WHEREAS,

1. Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
2. The total 2020/21 Local Transportation Fund (LTF) revenue has been estimated at \$4,174,378 by the Mendocino County Auditor-Controller, in addition to carryover of various funds and \$29,135 of prior-year unallocated LTF revenues;
3. The LTF Reserve fund balance available for allocation is \$196,309, and the 2018/19 fiscal audit identified unallocated “excess revenue” or Unrestricted Balance at \$215,766; the Executive Committee recommendation is to set aside \$209,000 of this combined amount for the FY 2020/21 LTF Reserve fund balance (five percent of the County Auditor-Controller’s fund estimate according to policy), and to release for allocation the remaining \$203,075;
4. Total revenue from all LTF sources available for allocation is estimated at **4,462,921**; other funding sources include Regional Surface Transportation Program, Service Authority for Freeway Emergencies (SAFE), and grants;
5. Following the Executive Committee’s meeting of February 24, 2020, the COVID-19 pandemic began to impact the nation’s economy; staff and the Transit Productivity Committee on April 13, 2020 re-evaluated the draft budget and reported new recommendations at the May 4, 2020 Board of Directors budget workshop meeting, with general consensus to reserve from allocation early estimates of revenue increases and to anticipate one or more amendments to the budget during the fiscal year;
6. SAFE funds are documented in a separate budget and financial plan, referenced in exhibits to this resolution to conform with MCOG’s staffing contracts;
7. Dow & Associates shall have the management responsibility for the 2020/21 overall approved Administration budget of up to \$575,808 (Total Administration \$614,317 less SAFE contract \$38,509), attached and incorporated herein as **Exhibit A**, which includes contracts for professional services and other direct costs;
8. Dow & Associates shall have the management responsibility for Surface Transportation Block Grant Program funds for the Regional Project Manager or equivalent position and budgeted direct costs, also referred to as Local Assistance-Project Delivery, as approved in its contract, identified in **Exhibits A and C**;
9. Dow & Associates shall have the management responsibility for Active Transportation Program state grants for the SR 162 Corridor Multipurpose Trail in Covelo, Phases I and II at an estimated \$2,672,000 of new constructions funds and \$190,000 carried over;

10. Davey-Bates Consulting shall have the management responsibility for the 2020/21 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 \$968,745; the Davey-Bates Consulting contract funding is summarized in **Exhibit D**;
11. The Planning allocation to the 2020/21 Overall Work Program, for transportation planning and related projects, will be provided from 2020/21 LTF revenues, reallocation of prior year local carryover funds, state and federal sources, and local member agency contributions; and
12. Allocation for Bicycle & Pedestrian facilities are allowable at no more than two percent (2%) of the LTF funds remaining after allocation for Administration; \$73,771 shall be reserved for consideration of later allocation pending amended fund estimates for 2020/21; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2020/21 as follows.

USE	AUTHORITY	SOURCE	FISCAL YEAR	AMOUNT	TOTALS
Temporary Reserves	TDA, CCR Sec. 6655.1	Local Transportation Fund (LTF)	2016/17	29,135	102,906
			2020/21	73,771	
MCOG Administration	PUC Sec. 99233.1	LTF	2020/21	485,808	485,808
	Surface Transportation Block Grant Program (STBGP)	MCOG Local Assistance – Project Delivery	2020/21	90,000	90,000
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2020/21	2,672,000	2,862,000
			2019/20	190,000	
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2020/21	0	0
Planning Overall Work Program (OWP)	CCR Sec. 99402	LTF	2020/21	159,501	215,834
			2019/20	56,333	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2020/21	106,000	212,925
			2019/20	106,925	
	State Highway Account (SHA)	Rural Planning Assistance (RPA)	2020/21	294,000	329,000
			2019/20	35,000	
	Senate Bill 1 - Public Transportation Account	Adaptation Planning Grants	2019/20	30,986	30,986
	Highway Safety Improvement Program (HSIP)	MCOG Member Local Agency Contributions from Grant Funds	2020/21	180,000	180,000
			Subtotal OWP	968,745	
			Total Allocations		4,509,459

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 Brown, seconded by Director Stranske, and approved on this 1st day of June, 2020, by the following roll call vote:

AYES: Directors Brown, Stranske, Carter, Albin-Smith, Haschak,
Jackman (Caltrans/PAC), and Gjerde
NOES: None
ABSTAINING: None
ABSENT: Director Wasserman

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

/s/

ATTEST: Nephele Barrett, Executive Director

/s/

Dan Gjerde, Chair

**MCOG Administration
 FY 2020/21 Budget**

**Executive Committee Recommendations
 As of February 24, 2020**

Funding Source	TDA/LTF	STBGP	SAFE	Total	%	Note
Administration						A - SAFE B - TDA
TOTAL Admin. Budget Proposed	485,808	90,000	38,509	614,317	100%	
Staffing Contract						
Dow & Associates new 2020/21 Base Rate + 6 years COLA	426,513	86,061	38,509	551,083		C
Total Contract FY 2020/21	426,513	86,061	38,509	551,083	90%	
Other Direct Costs						
Memberships - CALCOG, NSSR	4,000	-	-	4,000	0.7%	
Fiscal Audits of MCOG and MTA	26,500	-	-	26,500	4.3%	D
Performance Audit	7,500	-	-	7,500	1.2%	E
County Auditor-Controller	5,000	-	-	5,000	0.8%	
Legal Counsel	3,750	-	-	3,750	0.6%	
Travel and Training	7,500	-	-	7,500	1.2%	
Communications	2,250	-	-	2,250	0.4%	F
Contingency / Miscellaneous	2,795	-	-	2,795	0.5%	
Local Assistance	-	3,939	-	3,939	0.6%	
Total Other Direct Costs	59,295	3,939	-	63,234	10%	
Balance Available for Later Allocation	0	0	0	0	0%	

LEGEND

TDA/LTF = Transportation Development Act, source of Local Transportation Funds (1/4 cent sales tax)
 STBGP = Surface Transportation Block Grant Program (federal source exchanged for state funds)
 SAFE = Mendocino County Service Authority for Freeway Emergencies (\$1 DMV fee)

NOTES

- A) The Mendocino County SAFE program is not made a part of MCOG's overall budget, since it was formed as a separate agency. The SAFE budget is found in the Five-Year Strategic and Financial Plan adopted March 2017.
- B) TDA Admin. at \$485,808 is 11.6% of County Auditor's Estimate of sales tax revenues (\$4,174,378), down from 12.0% last year.
- C) Dow & Assoc.'s contract is calculated by adding each year's COLA increase: first to base proposal, then to result of each previous step. This process was approved in the original contract proposal - table of calculations available on request. Dow & Associates' contract limits annual COLA to 4 percent. Increase is calculated on California CPI Annual Average 2018 to 2019. 2019 Average 280.638 less 2018 Average 272.510 = 8.128 divided by 272.51 = 0.0298264283879491 increase, rounded to 3.0%. <https://www.dir.ca.gov/oprl/CAPriceIndex.htm> Using California statewide, All Urban Consumers
- D) Fiscal Audit costs previous year: MCOG \$12,000; Mendocino Transit Authority \$13,500; add'l services as needed \$1,000.
- E) The Triennial Performance Audit expense occurs in FY 2021/22 at budget of \$21,000. FY 2019/20 started a 3-year cycle of setasides for the next audit (\$7,500 annually).
- F) Communications expenses include website hosting, meeting space rentals, meals, video production, and miscellaneous printing.

**MENDOCINO COUNCIL OF GOVERNMENTS
FY 2020/21 (FINAL) OVERALL WORK PROGRAM
SUMMARY OF FUNDING SOURCES**

Reso. M2020-04
Exhibit B
1 Page

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	STATE SB 1 Adaptation Grant	OTHER	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$ -	\$ -	\$ 114,500	\$ -	\$ -	\$ 114,500
2	MCOG - Planning Management & General Coordination (Non-RPA)	\$ 97,559	\$ -	\$ -	\$ -	\$ -	\$ 97,559
4	MCOG - Sustainable Transportation Planning	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
6	Co. DOT - Combined Special Studies	\$ -	\$ -	\$ 54,000	\$ -	\$ -	\$ 54,000
7	MCOG - Planning, Programming & Monitoring		\$ 48,024	\$ 35,000	\$ -	\$ -	\$ 83,024
8	MCOG - Mendoc. Co. Fire Vulnerability Assessment & Emergency Preparedness - <i>Carryover (2-year project)</i>	\$ 4,015	\$ -	\$ -	\$ 30,986	\$ -	\$ 35,001
9	MCOG - Regional and Active Transportation Plans Update - NEW	\$ -	\$ -	\$ 65,500	\$ -	\$ -	\$ 65,500
10	Pavement Management Program (PMP) Update - NEW	\$ 34,460	\$ 115,540	\$ -	\$ -	\$ -	\$ 150,000
11	MCOG - Local Road Safety Plans (LRSP) - NEW	\$ -	\$ 8,000	\$ -	\$ -	\$ 180,000	\$ 188,000
12	Ukiah - Sidewalk Maintenance and ADA Curb Ramp Inventory	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
14	MCOG - Training	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ 13,000
15	Fort Bragg - Transp. Planning for Mill Site Reuse & Rezoning - <i>Carryover</i>	\$ -	\$ 41,361	\$ -	\$ -	\$ -	\$ 41,361
16	MCOG - Multi-Modal Transportation Planning	\$ -	\$ -	\$ 32,000	\$ -	\$ -	\$ 32,000
18	MCOG - Geographic Information System (GIS) Activities	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ 3,000
20	MCOG - Grant Development & Assistance	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000
	<i>PROJECT RESERVE</i>	\$ 11,800	\$ -	\$ -	\$ -	\$ -	\$ 11,800
	TOTAL	\$ 215,834	\$212,925	\$ 329,000	\$ 30,986	\$ 180,000	\$ 968,745
TOTAL WORK PROGRAM SUMMARY/PROGRAM MATCH							
Local		\$215,834	22%	Local LTF 2020/21 Alloc.			\$159,501
State		\$572,911	59%	Local LTF <i>Carryover</i>			\$56,333
Federal		\$0	0%	State PPM 2020/21 Alloc.			\$106,000
Other		\$180,000	19%	State PPM <i>Carryover</i>			\$106,925
TOTAL WORK PROGRAM SUMMARY							
		\$968,745	100%	State RPA 2020/21 Alloc.			\$294,000
				State RPA <i>Carryover</i>			\$35,000
				State SB 1 Adaptation Grant			\$30,986
				Federal			\$0
				Other			\$180,000
				TOTAL			\$968,745

Dow & Associates
ADMINISTRATIVE & FISCAL SERVICES
Allocation Summary
Fiscal Year 2020/21

1. **Budget.** Total approved funding for the services of Dow & Associates is **\$551,083**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Administrative & Fiscal Services contract between MCOG and Dow & Associates shall be as originally submitted in the Dow & Associates proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

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

- 3(a) **MCOG Administration.** The funding source is Local Transportation Fund (LTF). Contractor’s portion of the MCOG administrative budget totals **\$426,513**. This amount is to be routinely submitted as a monthly claim, at \$35,542 for the first 11 months, then at \$35,551 for the final month.
- 3(b) **MCOG Regional Project Coordinator** (or equivalent position). The funding source is Regional Surface Transportation Program (RSTP). Contractor’s portion of the MCOG administrative budget totals **\$86,061**. The Regional Project Coordinator position is part time. This staff time, also referred to as Local Assistance, shall be billed on a monthly reimbursable basis for actual hours worked at a fully-weighted hourly rate.

MCOG’s adopted policy allocates \$90,000 to this staff position. Under the approved contract, the full amount 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 # M2020-07.)

FY 2019/20 Allocation per Policy		\$ 90,000
Contracted rate as adjusted by cumulative COLA	\$80.64/hour	Up to \$ 86,061
Available for Local Assistance Direct Costs		\$ 3,939

- 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 2020/21 Administration Budget, to include line items for Travel, Communications, Contingency/Miscellaneous, and Local Assistance.

4. **SAFE Administration.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles. Contractor's portion of the SAFE administrative budget totals **\$38,509** to cover SAFE administrative staff time and direct costs incurred by the Contractor. This amount is to be routinely submitted as a monthly claim, at \$3,210 for the first 11 months, then at \$3,199 for the final month.

Davey-Bates Consulting

PLANNING SERVICES

Allocation Summary

Fiscal Year 2020/21

1. **Budget.** Total approved funding for the services of Davey-Bates Consulting is **\$423,401**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Transportation Planning Services contract between MCOG and Davey-Bates Consulting shall be as originally submitted in the Davey-Bates Consulting proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair. On March 4, 2019, the Board approved a one-year extension of the contract through September 30, 2020. On March 2, 2020, the Board approved a second one-year extension through September 30, 2021.
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 2020/21 Work Program (as may be amended). Total approved funding for MCOG planning duties in FY 2020/21 is **\$405,755**.
4. **SAFE Planning & Operations.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles. SAFE planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates. Total approved funding for SAFE planning and operations in FY 2020/21 is **\$17,646**.

Davey-Bates Consulting

FISCAL YEAR 2020/21 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 2020/21 Transportation Planning Overall Work Program.

Lisa Davey-Bates, Principal	\$ 133.10
Deputy Planner	\$ 119.38
Program Manager	\$ 94.55
Associate Program Planner/Administrator	\$ 64.93
Executive Assistant	\$ 38.26

II.
Unmet
Transit Needs

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2020-05

FINDING THAT
THERE ARE NO UNMET TRANSIT NEEDS
THAT ARE REASONABLE TO MEET
FOR FISCAL YEAR 2020/21

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 2020/21 on February 3, 2020, accepting as testimony a list of five (5) needs compiled by the Social Services Transportation Advisory Council (SSTAC) on December 9, 2019, 13 needs from Mendocino Transit Authority (MTA) from public meetings during the year, and six (6) needs from testimony at the public hearing, for a total list of 24 items;
- On February 3, 2020, MCOG referred all unmet transit needs testimony received from the SSTAC, MTA and the public hearing, attached as **Exhibit B**, to MTA for analysis, cost projections and prioritization, then to be referred to the Transit Productivity Committee for a recommendation of “reasonableness” according to MCOG’s process;
- The Transit Productivity Committee met and reviewed MTA’s report, attached as **Exhibit C**, and recommended to MCOG that “*there are no unmet transit needs that are reasonable to meet*” for Fiscal Year 2020/21, as reflected in the Transit Productivity Committee minute order of April 13, 2020, attached as **Exhibit D**;
- MTA did not include any unmet transit needs in their 2020/21 claim for funds;
- The Social Services Transportation Advisory Council met again on May 26, 2020 (minutes to follow when available) to review MTA’s report and concurred with the Transit Productivity Committee recommendation; therefore, be it

RESOLVED, THAT:

MCOG finds that there are no unmet transit needs that are reasonable to meet for Fiscal Year 2020/21.

ADOPTION OF THIS RESOLUTION was moved by Director Brown, seconded by Director Stranske, and approved on this 1st day of June, 2020, by the following roll call vote:

AYES: Directors Brown, Stranske, Carter, Albin-Smith, Haschak,
Jackman (Caltrans/PAC), and Gjerde
NOES: None
ABSTAINING: None
ABSENT: Director Wasserman

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

/s/

/s/

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

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

MENDOCINO COUNCIL OF GOVERNMENTS

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

Introduction

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

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

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

Definitions

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

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

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

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

Page 2 of 2

12/7/98

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

/le
/jmo



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2020/21 Unmet Transit Needs Testimony Heard in Public Hearing

February 3, 2020
(not in any order of priority)

Needs Identified at the SSTAC workshop:

1. Passenger van for expanded service to remote or inaccessible areas in Ukiah Senior Center's service territory
2. Reconsider a pulse system at the Navarro Junction for buses to Fort Bragg, Ukiah, Gualala and Point Arena
3. Service for disabled transit riders on inaccessible roads and driveways
4. Wheelchair accessible door-through-door assisted services for seniors and disabled adults on Wednesdays in the Ukiah area
5. Weekend and after-hours rides for seniors and disabled adults.

Needs Identified by Mendocino Transit Authority (MTA):

1. Increased round trips between Ukiah and Hopland – evening, morning and weekend
2. Increased weekend round trips between Santa Rosa and Fort Bragg
3. Increased service along Highway 1 to and from Fort Bragg
4. Increased service between Willits and Fort Bragg, and Fort Bragg and Mendocino
5. Service to The Woods retirement community in Little River, either fixed route or as needed
6. Summer service to Todd Grove Park in Ukiah
7. Additional northbound stops in Willits
8. Brooktrails service
9. Connection with Humboldt Transit
10. Service to Covelo, Leggett, and Laytonville
11. Round trip to City of Ten Thousand Buddhas Temple in Ukiah/Talmage
12. Saturday service on Willits Local Route 1
13. Additional stop in Willits at Food Bank.

Needs Identified in Public Hearing:

The following includes both testimony received from the public at MCOG's office in advance of the hearing and testimony received in person at the hearing.

1. Non-emergency, wheelchair-accessible medical transport
2. Transportation service to the Little River area including older adults
3. Transportation to the Sanford Ranch Road area bordering Ukiah/Talmage
4. Non-emergency medical transportation need for Howard Hospital patients in Willits:
 - Patients that are being discharged and don't have anyone to take them home
 - Patients that arrived at the emergency room in an ambulance, but then must return home when they're done
 - Outpatients that need to get to appointments at the clinic.
5. Additional drivers for respite on Route 65 between Willits and Fort Bragg
6. Wednesday bus rides for adults/seniors in Ukiah

TOTAL of 24 Recommended Unmet Transit Needs for Analysis by MTA

MTA Analysis of Unmet Transit Needs for 2020-21

This analysis includes 24 Unmet Needs identified by the SSTAC (Social Services Technical Advisory Committee, Mendocino Transit Authority) from letters, phone calls and public meetings and additional items as received. These have been placed in the following categories.

- **Already Exists (9)**
- **High Priority (Consider for FY 20/21) (4)**
- **Medium Priority (3)**
- **Low Priority (7)**
- **Not an Unmet Need....(1)**

Already Exists

Needs Identified at the SSTAC workshop:

1. Passenger van for expanded service to remote or inaccessible areas in Ukiah Senior Center's service territory.
 - 5310 Grant award for accessible mini-van.
3. Service for disabled transit riders on inaccessible roads and driveways.
 - This is a requirement of the American's with Disabilities Act. Transit cannot refuse a passenger due to conditions of roads and driveways.
4. Wheelchair accessible door-through-door assisted services for seniors and disabled adults on Wednesdays in the Ukiah area.
 - MTA's paratransit/ADA service Dial-A-Ride service provides this service on Wednesdays in Ukiah.
5. Weekend and after-hours rides for seniors and disabled adults.
 - MTA is required under ADA to provide Dial-A-Ride services for all hours the transit system operates. In addition, the evening Local #9 is a fixed-route deviated route.

Needs as Identified by Mendocino Transit Authority (MTA):

6. Summer service to Todd Grove Park in Ukiah

- Was implemented this past year.

Needs Identified in Public Hearings:

1. Non-emergency, wheelchair-accessible medical transport.
 - This service is provided through MTA's Dial-A-Ride service and the Senior Center Services.
3. Transportation to the Sanford Ranch Road area bordering Ukiah/Talmage
 - This area is included in the MTA Dial-A-Ride service area.
4. Non-emergency medical transportation need for Howard Hospital patients in Willits:
 - Patients that are being discharged and don't have anyone to take them home.
 - Patients that arrived at the emergency room in an ambulance, but then must return home when they're done.
 - Outpatients that need to get to appointments at the clinic.
 - MTA sub-contracts Dial-A-Ride with the Willits Senior Center. These are trips that can be requested of the Senior Center for reimbursement from MTA. MTA staff will verify that this service is being provided as contracted.
6. Wednesday bus rides for adults/seniors in Ukiah.
 - MTA operates both fixed route and Dial-A-Ride services in Ukiah on Wednesday's.

High Priority – Consider for FY 2020/21 (not in priority order)

Needs Identified at the SSTAC workshop:

None

Needs as Identified by Mendocino Transit Authority (MTA):

1. Increased round-trips between Ukiah and Hopland – evening, morning and weekend.
 - MTA agrees that additional service to meet the needs of low-income service workers in the Hopland area is justified. However, due to financial constraints and that the existing service is restricted by grant funding, MTA is unable to expand service at this time. This should remain on the planning expansion list for future service expansion needs.

11. Round trip to City of Ten Thousand Buddhas Temple in Ukiah/Talmage.

- MTA realizes the need for increased service to the community but is limited by financial constraints at this time. Should funding become available, MTA would consider this a high-priority service addition. This should remain on the planning expansion list for future service expansion needs.

12. Saturday service on Willits Local Route 1.

- MTA realizes the need for increased service to the community but is limited by financial constraints at this time. Should funding become available, MTA would consider this a high-priority service addition. This should remain on the planning expansion list for future service expansion needs.

13. Additional stop in Willits at Food Bank.

- MTA is currently in the process of working with the City of Willits to establish a designated stop.

Medium Priority – (not in priority order)

Needs Identified at the SSTAC workshop:

None

Needs Identified by Mendocino Transit Authority (MTA):

5. Service to The Woods retirement community in Little River, either fixed route or as needed.

The Woods is a retirement community south of Mendocino on Hwy 1. Service to this area would be of benefit to residents who can no longer drive and/or choose not to drive. MTA realized the need for this service, but, is limited by financial constraints at this time.

7. Additional northbound stops in Willits.

- This will be referred to the MTA Route Committee for review.

8. Brooktrails Service.

Additional service to the Brooktrails community in addition to the current service provided for seniors/disabled by the Willits Senior Center would be of benefit to this rural community. MTA

realizes the need for increased service to the community but is limited by financial constraints at this time.

Needs Identified in Public Hearings:

None

Low Priority – (not in priority order)

Needs Identified at the SSTAC workshop:

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

Needs Identified by Mendocino Transit Authority (MTA):

2. Increased weekend round-trips between Santa Rosa and Fort Bragg
3. Increases service along Highway 1 to and from Fort Bragg
4. Increased service between Willits and Fort Bragg and Fort Bragg and Mendocino.
9. Connection with Humboldt Transit
10. Service to Covelo, Leggett and Laytonville.

Needs Identified in Public Hearing:

2. Transportation service to the Little River area including older adults.

Non-Qualifying Unmet Needs

5. Additional drivers for respite on Route 65 between Willits and Fort Bragg.

MINUTE ORDER

Transit Productivity Committee – Unmet Transit Needs

April 13, 2020

Teleconference Only - Remote Zoom Meeting

PRESENT:

MCOG Board Members: Mike Carter, Jim O. Brown
MTA Board Members: Jim Tarbell, Saprina Rodriguez
Senior Centers Rep.: Diana Clarke, Ukiah Senior Center; Richard Baker, Willits Senior Center
Jill Rexrode, Redwood Coast Seniors (Alt.)
Staff & Others: Nephele Barrett, Janet Orth, and Monica Galliani, MCOG
Carla Meyer, MTA
Rachel McDavid, Ukiah Senior Center

ABSENT:

None

1. Call to Order. Nephele called the meeting to order at 1:05 p.m. Self-introductions were made. Rachel is the new Executive Director of Ukiah Senior Center, with Diana assisting with the transition. Mike Carter arrived soon after. (Note: while Richard had been appointed the senior centers representative at MCOG's April 6 board meeting, by informal agreement Diana served for one more TPC meeting before retirement.)

6. Review and Recommendation on MTA's Analysis and Prioritization of 2020/21 Unmet Transit Needs.

Janet introduced the annual process, noting this year's financial constraints. MTA's analysis was provided in the agenda packet. Carla reported status of last year's needs found reasonable to meet. The first two (bus stop on Gobbi Street and more service on Talmage Road, both in Ukiah) were implemented. The third (reconsider pulse system for buses at Navarro junction) was considered and determined by MTA that it would cause a "route degradation," so no change would be made to the service there. Carla also noted the economy has compelled MTA to make layoffs and cuts to service due to COVID-19 pandemic restrictions on travel. Questions and discussion included:

- Can MTA take advantage of the new federal Paycheck Protection program as Ukiah Seniors did? No, it is open to nonprofits but MTA is not eligible. The CARES Act has new funding for transit operators through FTA Section 5311 program. (Diana, Carla)
- Discussion of new federal relief funding, how California will roll out these programs, and what expenses are eligible, such as COVID costs. Timelines are not yet known. (Group)
- It would be logical to find none of the needs reasonable to meet, however MTA and/or the senior centers could apply for available grant funds to implement needs on their own. (Nephele)

Recommendation:

Upon motion by Carter, seconded by Brown, and carried unanimously by roll call vote (*5 Ayes – Carter, Brown, Tarbell, Rodriguez, Clarke; 0 Noes; 0 Absent*), the TPC recommended a finding that based on the current fiscal situation "there are no unmet transit needs that are reasonable to meet" for Fiscal Year 2020/21.

9. Adjournment. The meeting was adjourned at 3:00 p.m.

Submitted by Janet Orth, Deputy Director / CFO

III.
Mendocino
Transit Authority

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2020-06

ALLOCATING FISCAL YEAR 2020/21 LTF, STA, and FY 2019/20 CARRYOVER CAPITAL RESERVE FUNDS to MENDOCINO TRANSIT AUTHORITY

WHEREAS,

- The Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- The Mendocino Transit Authority (MTA) is designated as the Consolidated Transportation Services Agency (CTSA) for Mendocino County by MCOG and has submitted a claim for funding for public transportation purposes in accordance with the Transportation Development Act (TDA), which provides for the needs of MTA and Senior Centers in Mendocino County with Local Transportation Funds (LTF) funds, State Transit Assistance (STA) funds, and Capital Reserve Funds;
- This claim, attached hereto as **Exhibit A**, was reviewed by MCOG staff and the Transit Productivity Committee (TPC), and the MTA Board of Directors may make revisions according to budget development and TPC recommendations, as allowed by adopted MCOG policy, and staff and the TPC recommended full funding of MTA's claim as presented, with the expectation that one or more revised claims will be necessary later in the year, as more information becomes available;
- According to MCOG's adopted Capital Reserve Fund policies, eligible applicants under contract with MTA may request capital funds, providing that a five-year capital program and contract between the claimant and MTA is on file with the RTPA;
- Capital claims must be identified in accordance with TDA: 1) to reflect capital needs that will be expended during the fiscal year so claimed under Public Utilities Code 6648 and 2) filed to reflect specific capital improvements of a long-term nature up to five years, or for matching purposes in applying for federal transportation grants under P.U.C. 6631;
- MTA is the only eligible claimant of State Transit Assistance, for which eligibility for Operations funding is to be determined by performance reviews and fiscal audits;
- State of Good Repair program funding is available through the RTPA from Senate Bill 1, the Road Repair & Accountability Act of 2017; and
- Based on allocations in accordance with TDA for Administration, Planning, and Reserves, the 2020/21 LTF funds available for transportation services are \$3,548,623; STA funds available for 2020/21 are estimated at \$1,203,081 (\$834,637 of new State funds and \$368,444 of accumulated fund balance including 2019/20 revised estimate); State of Good Repair funds are estimated at \$134,111 (preliminary estimate of new funds at \$133,525 and \$586 prior-year unallocated fund balance); and the Capital Reserve Fund balance is estimated

at \$685,021; The total amount available for transportation services from these four funding sources is estimated at **\$5,570,836**; therefore, be it

RESOLVED, THAT:

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

1.

AUTHORITY		SOURCE	USE	AMOUNT
A.	PUC Sec. 99260(a)	Local Transportation Fund (LTF)	MTA Operations	2,993,124
	PUC Sec. 99260(a)		Unmet Transit Needs	0
	PUC Sec. 99400(c)		Senior Center Operations	555,499
	PUC Sec. 99260(a)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total LTF	3,548,623
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	834,637
	CCR Sec. 6731(b)		Senior Center Operations	0
	CCR Sec. 6730(b)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total STA	834,637
C.	CCR Sec. 6648	Capital Reserve Fund (CRF)	Current Year - MTA	0
	CCR Sec. 6648		Current Year – Senior Centers	0
	CCR Sec. 6631		Long Term – MTA and Seniors	685,021
	CCR Sec. 6648		LTF/STA allocated to CRF above	0
			Total CRF	685,021
D.	Senate Bill 1	State of Good Repair (SGR)	To Be Determined	0
			Total SGR	0
Total LTF, STA, and Capital Reserve Allocations				5,068,281
Balance Remaining for Later Allocation				502,555
Total Estimated 2020/21 Funds Available for Transit				5,570,836

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

- A. MCOG as the regional entity may allocate funds to an operator or a transit service claimant on the basis of all these findings:
 - a. The claimant’s proposed expenditures are in conformity with the Regional Transportation Plan.
 - b. The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of Public Utilities Code (PUC) Section 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant. The most recent fiscal audit dated June 30, 2019 confirmed that MTA’s farebox ratio of 10.1% had met the 10% ratio required by Senate Bill 508, effective July 1, 2016. From unaudited data, MTA more than met the

required 10% for the most recent period reviewed by the TPC, March 1, 2017 through December 31, 2019.

- c. The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended, now referred to as the Federal Transit Administration (FTA).
 - d. Of five measures for analysis on eligibility for Capital and Operations for use by both LTF and STA funds that were applied by the independent auditor in the most recent fiscal audit, all were met according to the auditor's report.
 1. The sum of the claimant's allocations from STA did not exceed the amount the claimant is eligible to receive during the fiscal year for operations purposes. For the fiscal year audited (ending June 30, 2019), the funds were claimed by MTA for both operating and capital purposes.
 2. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for operating.
 3. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for capital.
 4. The claimant's subcontractors (senior centers) did not exceed the eligibility criteria for LTF and STA funds during the fiscal year.
 5. The fifth measure pertains to passenger rail eligibility and was not applicable for the fiscal year audited.
- B. MCOG as the regional entity may allocate funds to an operator for any transit-related purpose (as specified in Section 6730) on the basis of all these findings:
- a. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them. On April 13, 2020, the Transit Productivity Committee (TPC) reviewed performance data through December 31, 2019 and recommended that that MCOG reconsider the Passengers per Hour standard for Short Distance Bus Routes. In 2019 the TPC identified three internal action items for the next performance review process, to be later reported. All action items were implemented: that MTA move Route 20 Willits/Ukiah performance reporting to Long Distance Bus Routes category, that the TPC continue to watch Farebox Ratio performance of Senior Centers, and that MCOG staff research options for Passengers per Hour standard.
 - b. The California Highway Patrol has certified, within the last 13 months and prior to filing claims, that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by PUC Section 99251.

- c. The operator is in compliance with the eligibility requirements of PUC Section 99314 as applicable (relative to STA funds).
3. In accordance with Section 99405(c) of the Public Utilities Code, MCOG adopts and sets forth the local match requirements for senior centers claimed under Article 8 at a minimum of 10 percent, consistent with Senate Bill 508, signed into law October 9, 2015, amending the Transportation Development Act.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$681,819 as of June 30, 2019, less 2019/20 allocations of \$0, and the addition of \$3,202 earned interest recorded as of the first budget draft in February 2020, provides a total estimated balance of \$685,021. MTA has requested no funds for FY 2020/21 current-year capital projects and the TPC and MCOG staff have recommended full funding of MTA's claim, therefore the entire available balance of \$685,201 is hereby allocated to capital needs for MTA as identified in #1(C) above and to be referenced in MTA's Capital Plan.
5. The above allocations are to be paid to MTA in conformance with allocation instructions as submitted by MCOG's Executive Director to the County Auditor-Controller.
6. MTA will be required to incorporate all TDA requirements for these allocations in their upcoming 2020/21 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2020.

ADOPTION OF THIS RESOLUTION was moved by Director Brown, seconded by Director Stranske, and approved on this 1st day of June, 2020, by the following roll call vote:

AYES: Directors Brown, Stranske, Carter, Albin-Smith, Haschak,
Jackman (Caltrans/PAC), and Gjerde
NOES: None
ABSTAINING: None
ABSENT: Director Wasserman

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

/s/

/s/

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair



SERVING MENDOCINO COUNTY SINCE 1976

April 1, 2020

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

Dear Nephele,

Attached is MTA's claim for funds for fiscal year 2020/2021. Due to the COVID19 Crisis, the MTA Board has not yet been able to review the proposed budget and we hope to discuss at the April, 2019 meeting. In summary, MTA is requesting:

\$ 3,548,623 from the Local Transportation Fund (LTF), and
\$ 834,637 in State Transit Assistance funds

Local Transportation Fund

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

State Transit Assistance Fund

The Claim includes a total of \$834,637 of MTA's share of the Governor's State budget for STA funds to be used for Operating assistance.

Capital Reserve

The Capital Program for FY2020/21 balance will remain in the Long-Term Capital Reserve for future use.

MTA Operations

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

Senior Center Subsidy Program

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

MTA and Senior Center Capital Program

The Capital Program for the budget year FY20/21 will reflect only projects which MTA will pay for from its own reserve account. However, should the VW Settlement funds become available during this fiscal year and should MTA be successful in obtaining said funds, MTA will submit a revised Capital Plan and request an amendment to the Capital Budget claim to purchase, hopefully, one (1) all-electric cutaway bus and a potential amendment should MTA be awarded 5339 grant funds through the California Consolidated Grant for one battery-electric 35-foot Gillig bus.

Uncertainty

As always, the creation of a budget in March is highly uncertain. This year especially when we are in uncharted COVID19 impacts to our Federal and state funding, the long-term effects will not be known until well after our fiscal year begins. We are submitting the best information we have at this time, but respectfully request your understanding and support in the event that a revised claim is necessary.

Sincerely,

Carla A. Meyer

Carla Meyer
General Manager

Cc: Budget File

Mendocino Transit Authority

Summary of 2020/2021 Claim for Funds

4/9/20

Source	Authority	Purpose	FY 2019/20 Amount	FY 2020/21 Amount
Local Transportation Fund:				
	PUC, Sec. 99260(a)	MTA Operations	\$2,993,124	\$2,993,124
	PUC, Sec. 99260(a)	Unmet Transit Needs		\$0
	PUC, Sec. 99400(c)	Senior Center Operations	\$555,499	\$555,499
	PUC, Sec. 99260(a)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
	PUC, Sec. 99260.6	Rail Passenger Subsidy	\$0	\$0
Total			\$3,548,065	\$3,548,623
State Transit Assistance Fund:				
	CCR, Sec. 6730(a)	MTA Operations	\$946,179	\$834,637
	CCR, Sec. 6731(b)	Senior Center Operations	\$0	\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital		
	CCR, Sec. 6752	Reclaim for MTA Capital		\$685,021
	CCR, Sec. 6648	Transit Capital Reserve		\$0
Total			\$946,179	\$1,519,658
Capital Reserve				
	CCR, Sec. 6648	MTA Capital		\$0
	CCR, Sec. 6648	Senior Capital	\$0	
	CCR, Sec. 6631	Long-Term Capital	\$674,846	\$685,021
Total			\$674,846	\$685,021
Total Claim			\$5,169,648	\$5,753,302

IV.
Surface Transportation
Block Grant Program

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2020-07

ALLOCATING SURFACE TRANSPORTATION BLOCK GRANT PROGRAM FUNDS
for FISCAL YEAR 2020/21
MCOG PARTNERSHIP FUNDING PROGRAM, LOCAL ASSISTANCE,
AND DISTRIBUTION BY FORMULA TO MEMBER AGENCIES

WHEREAS,

- Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- Surface Transportation Block Grant Program (STBGP), formerly known as Regional Surface Transportation Program (RSTP), revenue is based on estimates provided by the California Department of Transportation under federal legislation; the FAST Act (Fixing America's Surface Transportation Act) is due to expire in September 2020 and a preliminary estimate of revenue is not yet available for FY 2020/21, therefore the actual amount received in 2019/20 is proposed for purposes of this budget at **\$796,494**;
- Customarily MCOG has exchanged its annual federal STBGP/RSTP apportionment for more flexible state funds through State of California's optional Federal Apportionment Exchange Program;
- On June 5, 2006, MCOG adopted a simplified version of its existing RSTP distribution formula, such that 60 percent of the annual regional apportionment is divided equally among the five MCOG member jurisdictions as a base amount, and 40 percent is divided by the Federal Aid Urban (FAU) equivalent road miles percentage for each jurisdiction;
- On June 5, 2006, MCOG also created a capital fund from RSTP revenues, for MCOG regional safety, operational and capacity-increasing projects that stimulate partnerships, in specified amounts of each annual regional apportionment, before distribution to the five MCOG member jurisdictions, and this set-aside is referred to as MCOG's Partnership Funding Program;
- On October 4, 2010, MCOG confirmed four agreements in concept as a result of the Council's Strategic Planning Workshop of August 9, 2010:
 - 1) MCOG will be responsible for project development for priority projects to ensure project readiness.
 - 2) MCOG's Partnership Funding Program, initiated several years ago with RSTP funding, will be continued through the life of the next federal transportation bill.
 - 3) MCOG will pursue expansion of the level of local assistance for its member agencies.
 - 4) MCOG will expand project selection criteria to increase the relative importance of leveraging and to reflect outcomes of this workshop.
- On February 7, 2011, MCOG approved Dow & Associates' staffing contract extension, to include RSTP funds for a new "local assistance" staff position with the goal of increased project delivery, consistent with the Council's strategic planning of the previous August; this new position of Regional Project Manager (now referred to as Regional Project Coordinator) was initiated in FY 2011/12 at \$90,000 per year;

- Under the approved five-year contract and extensions for Administration & Fiscal Services that began October 1, 2014, Dow & Associates shall have the management responsibility for the Partnership Funding Program in the amount of approximately **\$1,040,766** (\$840,766 audited fund balance at June 30, 2019, \$100,000 allocated for FY 2019/20, \$100,000 anticipated for FY 2020/21); this amount includes two open Partnership project balances assigned by the Council of \$291,087 and an estimated \$749,679 available for later allocation;
- Dow & Associates also shall have the management responsibility for the Local Assistance budget of \$90,000 and an estimated unexpended program fund balance of \$222,728 through FY 2018/19; the amount of \$90,000 shall be allocated to continue Local Assistance services to member agencies in Fiscal Year 2020/21, to include the actual personnel cost according to contract (up to \$86,061) 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 \$3,939), subject to periodic reports to the Board of Directors; and
- It is MCOG’s intention to reevaluate its STBGP formula for distribution to the member agencies if a forthcoming federal transportation legislative bill substantially changes the amount of, or designated use of, STBGP funds; therefore, be it

RESOLVED, THAT: MCOG hereby allocates estimated new RSTP revenues for FY 2020/21 as follows.

PROGRAM		AMOUNT	TOTALS
MCOG Partnership Funding		100,000	100,000
Local Assistance – Project Delivery		90,000	90,000
Formula Distribution to MCOG Member Agencies (rounded to nearest dollar)	Mendocino County Dept. of Transportation	130,566	606,494
	City of Ukiah	175,713	
	City of Fort Bragg	117,320	
	City of Willits	110,115	
	City of Point Arena	72,780	
Total FY 2020/21 Allocations			796,494

ADOPTION OF THIS RESOLUTION was moved by Director Brown, seconded by Director Stranske, and approved on this 1st day of June, 2020, by the following roll call vote:

- AYES: Directors Brown, Stranske, Carter, Albin-Smith, Haschak,
Jackman (Caltrans/PAC), and Gjerde
- NOES: None
- ABSENT: Director Wasserman

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

/s/ _____
ATTEST: Nephele Barrett, Executive Director

/s/ _____
Dan Gjerde, Chair

Appendices



MCOG Budget Workshop

May 4, 2020



FY 2020-21 DRAFT BUDGET

Caveat that much of this is based on estimates that are likely to change due to the pandemic and resulting economic crisis, so revisions are anticipated for the coming fiscal year.

Funding Sources in Annual Budget 3

Transportation Development Act (TDA)

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

Local & State Planning Funds: LTF and

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

Federal Funds

- Surface Transportation Block Grant Program (aka RSTP)
- CARES Act thru FTA Section 5311 Program

Budget Summary 4


In the agenda packet:

Summary Page Mendocino Council of Governments 4/27/2020
Regional Transportation Planning Agency - Fiscal Year 2020/21 Budget
Administration, Bicycle & Pedestrian, Planning and Transit Allocations - Staff and Committee Recommendations for Board Workshop 3/4/2020

REVENUES	LTF	LOCAL	CNP	PPM	STATE	GRANTS	FEDERAL	LOCAL	TOTALS
		STP			REG		RSTP	5311	
2020/21 LTF Office County Auditor's Estimate	4,174,378								4,174,378
2019/20 Auditor's Anticipated Unrestricted Balance	200,426								200,426
Total Local Transportation Funds (LTF) Estimate	4,374,804								4,374,804
2019/20 Auditor's Anticipated Unrestricted Balance - Reversal	(200,426)								(200,426)
Revenues LTF prior year unallocated revenues	28,138								28,138
Carriers - Planning Overlap Work Program and RSTP Local Assistance	62,318					322,728			385,046
2020/21 State Transit Assistance - SOC's Preliminary Estimate		834,637			133,625				968,262
2020/21 State of Solid Repair - SOC's Preliminary Estimate		368,444			0				368,444
MTA's Capital Reserve Funds - Balance Available for Transit		686,021							686,021
Federal Transit Administration (FTA) Section 5311 Program - CARES Act							1,208,413		1,208,413
2020/21 LTF Planning, Programming & Monitoring (PPM)				106,000					106,000
2020/21 Rural Planning Assistance					294,000				294,000
2020/21 State Active Transportation Program (ATP) - grants & stipend					2,862,000				2,862,000
2019/20 Transportation Planning Program (ATP) - grants & stipend					65,854	pending	pending		65,854
Regional Curbside Transportation Program - Case Study Estimate (FY 2020/21)								796,454	796,454
LTF Reserve:									
2018/19 Unrestricted Balance - reserves	216,766								216,766
LTF Reserve Balance as of 6/30/2019 - audited	671,843								671,843
Local LTF Reserve Allocated for FY 2019/20	(375,654)								(375,654)
Subtotal	472,955								472,955
Local LTF Reserve Minimum Balance per Policy 6.02001	200,000								200,000
Amount Available for Allocation in FY2020/21	272,955								272,955
TOTAL REVENUES	4,648,809	1,208,981	686,021	171,864	294,000	2,868,628	1,019,223	1,208,413	12,058,752
ALLOCATIONS									
Revenues LTF prior year unallocated revenues	28,138						90,000		28,138
2020/21 Administration	495,808								495,808
2% Bicycle & Pedestrian - 2020/21 LTF Estimate less Admin. v. 20	199,801						0		199,801
2020/21 Planning Overlap Work Program (OWP) - New Funds	62,318				106,000	294,000			462,318
Total Administrative, B&P & Ped. and Planning	798,767				65,854	pending	90,000		874,621
Total Administrative, B&P & Ped. and Planning	798,767				65,854	pending	90,000		874,621
SAVINGS AVAILABLE FOR TRANSIT	7,743,144	1,203,281	686,021	0	0	133,525	0	1,208,413	9,766,384
Net: Proposed same level of Auditor's 621,758 proposed 2020/21 income	193,821								193,821
2020/21 Mendocino Transit Authority Comm.	2,993,124	834,637						pending	3,827,761
Local Transit Needs	0								0
Senior Centers Operations	655,499								655,499
Capital Reserve Fund Contribution	0								0
Capital Program, MTA & Seniors Current Year	0								0
Capital Program, Senior Centers Current Year	0								0
Capital Program, Long Term (Five Year Plan)	0								0
Total Transit Allocations	3,648,653	834,637	686,021	0	0	0	0	pending	4,969,311
Other Allocations - RSTP for SOC's Proposed RPA	180,000						180,000		180,000
Other Allocations - LTF for County's Other Projects by Formula	606,489								606,489
Other Allocations - LTF for Inclusive Dev't - 2015's Contra Multi-Purpose Plan	0								0
TOTAL ALLOCATIONS	4,435,142	834,637	686,021	0	0	2,862,000	796,480	0	10,192,262
Balance Remaining for Later Allocation	0	368,444	0	0	0	133,625	222,729	1,208,413	1,931,111

Budget Summary – Detail Format 5

Also in agenda packet:



MENDOCINO COUNCIL OF GOVERNMENTS
FY 2020/21 BUDGET SUMMARY
For Board of Directors Workshop May 4, 2020
Supplemental Format

REVENUES	FY 2019/20 Budget or Amended	FY 2020/21 Budget Proposed	\$ Change	% Change	NOTES
LOCAL REVENUES:					
Local Transportation Funds (LTF):					
LTP Official County Auditor's Estimate	\$ 3,852,843	\$ 4,174,318	\$ 321,735	8.4%	Transportation Development Act (TDA) Funds
Auditor's Anticipated Unrestricted Balance - Current Year	\$ 163,319	\$ 209,426	\$ 46,907	28.8%	(\$ year vs. 3.6%. Recommendation no allocation of income due to COVID-19 impact)
Total Local Transportation Fund LTP Estimate	\$ 4,016,162	\$ 4,383,744	\$ 367,582	9.2%	(Revising this due to changes in forecast - refer to staff report)
Auditor's Anticipated Unrestricted Balance - Revenue	\$ (143,319)	\$ (209,426)	\$ (66,107)	46.2%	Per policy, any excess flows through LTP Reserve
LTP Unrestricted - Accounting Variation to County's annual method	\$ 25,747	\$ 25,747	\$ -	0.0%	One-time funds, represents 2 months of sales tax revenue
MTA Fiscal Audit - Amount returned to MCOG, Fany	\$ -	\$ -	\$ -	-	FY 2018/19 verification of full eligibility for funds received pending fiscal audit
Planning Council Work Program (OWP) - Carryover from Previous FY	\$ 33,281	\$ 82,318	\$ 49,037	147.4%	FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of Feb. 24
Total Local Transportation Funds:	\$ 3,932,783	\$ 4,283,337	\$ 350,772	8.9%	OWP carryover is offset by equivalent allocation
LTP Reserve Funds:					
LTP Unrestricted Balance of Unrestricted Revenue	\$ 379,814	\$ 219,768	\$ (160,046)	-42.1%	Last audited year, actual LTP revenue excess/shortfall per Auditor's Estimate
LTP Reserve Fund Balance	\$ 203,019	\$ 571,363	\$ 368,344	181.4%	Revenue used to cover transit allocation shortfalls and claims per policy
Less/Plus Current Year Revenue Allocation	\$ (89,988)	\$ 275,624	\$ 365,612	406.3%	2019 year-unrestricted "excess revenue" above fund balance
Subtotal	\$ 289,826	\$ 412,075	\$ 122,249	42.2%	
Less: LTP Reserve Minimum Balance per Policy adopted 4/22/2017	\$ (193,000)	\$ (200,000)	\$ (7,000)	-3.6%	Per policy, Reserve is 5% of County Auditor's est. of new revenue, nearest 1,000
LTP Reserve Available for Allocation:	\$ 96,826	\$ 212,075	\$ 115,249	119.0%	2019 year-unrestricted "excess revenue" above fund balance
TOTAL LTP REVENUES	\$ 4,319,609	\$ 4,695,412	\$ 375,803	8.7%	
Capital Sources Funds:					
Total Capital Revenue Fund	\$ 674,846	\$ 680,001	\$ 5,155	0.8%	Fund balance available for transit claim based on 5-Year Capital Program
Local Agency Contributions:					
Total Local Agency Contributions:	\$ 4,995,530	\$ 5,345,377	\$ 349,847	7.0%	In-kind match for any planning grants
STATE:					
Planning, Programming, & Monitoring (PPM) Funds:					
Planning Council Work Program (OWP) - New Revenue	\$ 90,000	\$ 196,000	\$ 106,000	118.9%	FY 2019/20 OWP as amended Oct. 7, 2019; 2020/21 carryover as of Feb. 24
Planning Council Work Program (OWP) - Carryover from Previous FY	\$ 182,448	\$ 65,864	\$ (116,584)	-63.9%	
Total PPM Funds:	\$ 272,448	\$ 261,864	\$ (10,584)	-3.9%	
State Transit Assistance (STA) Funds:					
State Controller's Estimate	\$ 946,179	\$ 834,837	\$ (111,342)	-11.8%	Revised 2019/20 SCC est. \$839,740, preliminary 2020/21 likely to change
Estimated Fund Balance Available for Allocation	\$ 453,982	\$ 284,442	\$ (169,540)	-37.4%	Based on cash in account and revised estimate of 2019/20 activity
Total State Transit Assistance Funds:	\$ 1,400,161	\$ 1,119,279	\$ (280,882)	-20.1%	
State Capital Funds:					
State Controller's Estimate	\$ 131,002	\$ 133,825	\$ 2,823	1.9%	Transit funding program in Senate Bill 1
Estimated Fund Balance Available for Allocation	\$ 258,181	\$ 193,537	\$ (64,644)	-25.0%	First 3 years were allocated by MCOG, saving for MTA project
Total State Capital Funds:	\$ 389,183	\$ 327,362	\$ (61,821)	-15.9%	Includes actual revenues 2017/18 and 2018/19
State Planning Assistance Funds (SPA):					
Planning Council Work Program (OWP) - New Revenue	\$ 284,000	\$ 284,000	\$ -	0.0%	
Planning Council Work Program (OWP) - Carryover	\$ 28,314	\$ -	\$ (28,314)	-100.0%	
Total SPA Funds:	\$ 312,314	\$ 284,000	\$ (28,314)	-9.1%	

Prep'd by J. Ohi 4-27-2020, Page 1 of 3

Funding Sources – More Info 6

“Explanatory Notes on Funding Sources” in agenda packet

MENDOCINO COUNCIL OF GOVERNMENTS
2020/21 Budget
Explanatory Notes on Funding Sources
4/24/2020

LTF - Local Transportation Fund

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

LTP Reserve Fund

- Allowed under TDA, Section 6635, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at five percent of County Auditor/Controller's LTP 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 LTP revenues fall short of LTP budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation."
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to meet the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTP Reserve policy, releasing two years of surplus for allocation between \$100,000 and \$200,000, then a shortfall of \$65,000, a surplus of \$71,000, and for 2019/20 (from 2017/18 revenue) a record surplus of \$373,634. Audited surplus from 2018/19 is 213,766, for allocation in 2020/21.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March, 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10 - 2015/16 during the Recession.
- 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 failure to meet the efficiency standards, would instead reduce the operator's operating

Highlights of This Year's Budget

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REDUCTIONS:

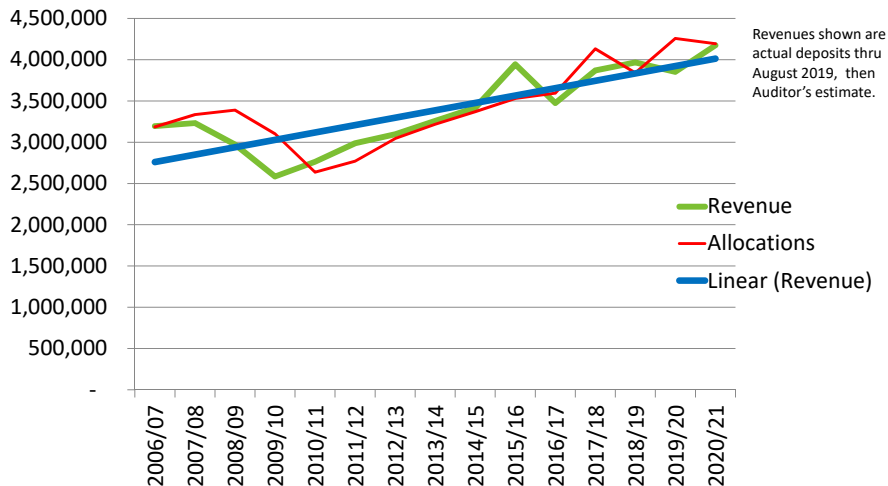
- Local Transportation Fund (LTF) sales tax revenue estimated in January at all-time high of \$4.17M now expected to drop
- Proposal to reserve projected increase, limit allocations
- State Transit Assistance (STA) from gas taxes also likely to drop
- Revised estimates expected after first months of actuals

ADDITIONS:

- Transit funding relief from federal CARES Act – est. \$1.20M
- ATP grant for Covelo Trail project for construction at \$2.67M
- These help inflate the total draft budget to ~\$12 million

LTF Revenues & Allocations - Trend

8



LTF Revenues FYTD 2019/20

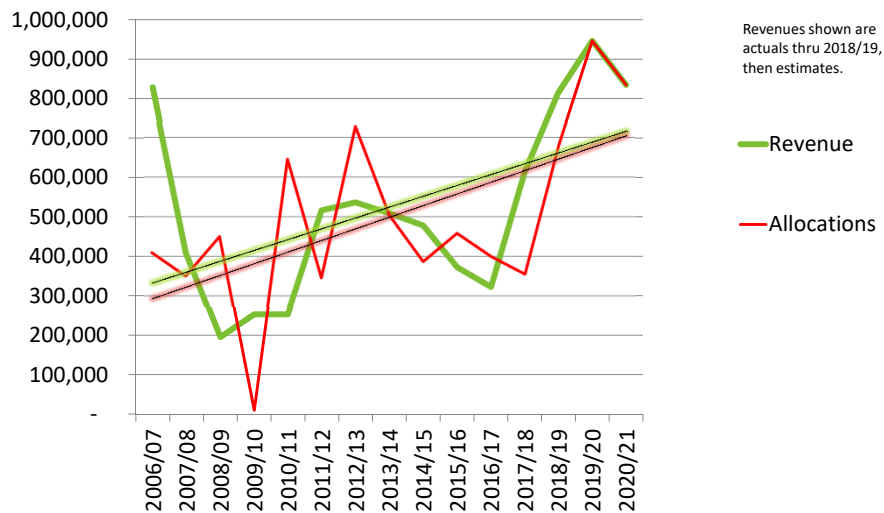
9

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

	<u>BUDGET</u>	<u>ACTUAL</u>
Auditor's FY Estimate	\$ 3,852,643	
Budget FYTD	2,568,429	\$ 2,811,776
Excess FYTD		243,347 (6.3%)
4 mos. remaining	1,284,214	1,040,867 need
Auditor's FYE estimate	\$ 200,246 (5.2%)	

STA Revenues & Allocations - Trend

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LTF Reserve Policy since 1999

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

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

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

LTF Allocation Priorities

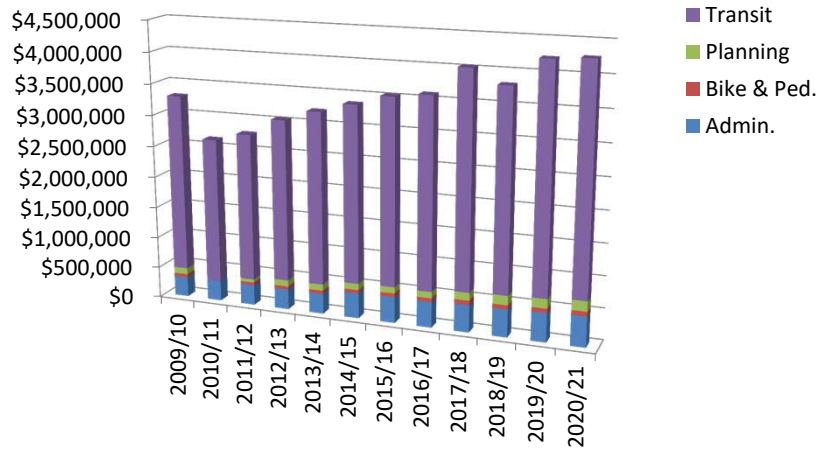
12

Consistent with TDA:

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

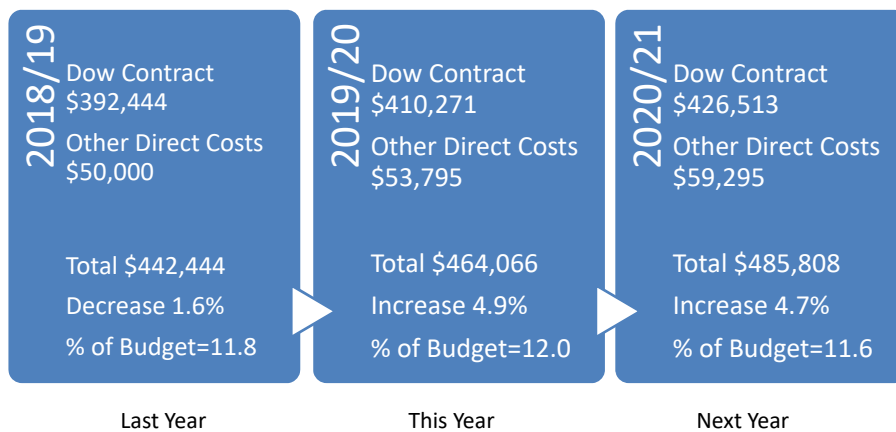
LTF Allocations - Trend

13



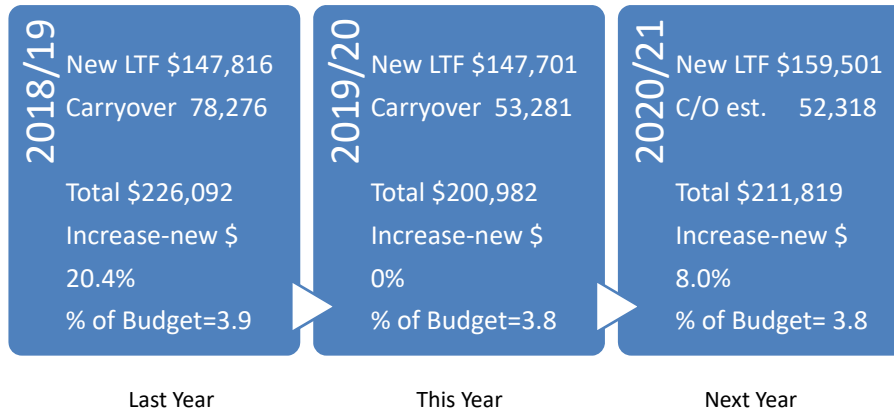
LTF Allocations – Admin.

14



LTF Allocations – Planning

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All Allocations – Planning

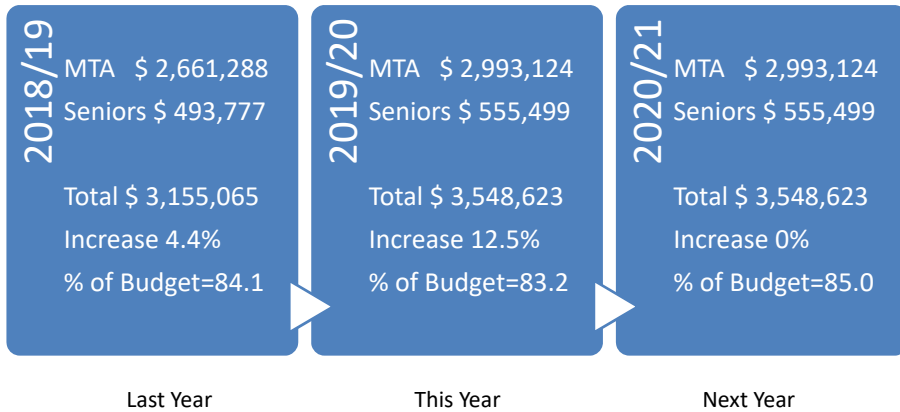
16

Draft FY 2020/21 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergov'tl Coordination	MCOG	State RPA	114,500
2	Planning Mgmt. & General Coordination	MCOG	LTF	97,559
4	Sustainable Transportation Planning	MCOG	LTF	10,000
6	Combined Special Studies	MCDOT	State RPA	54,000
7	Planning, Programming & Monitoring	MCOG	State PPM	56,024
8	Fire Vulnerability / Emergency Plan - <i>Carryover</i>	MCOG	LTF, State Grant	TBD
9	Regional / Active Transportation Plans Update	MCOG	State RPA	65,500
10	Pavement Management Program Update	MCOG	LTF, State PPM	150,000
12	Sidewalk Maint. / ADA Curb Ramp Inventory	Ukiah	LTF	45,000
14	Training	MCOG	LTF	13,000
15	Trans. Planning for Mill Site Reuse - <i>Carryover</i>	Fort Bragg	State PPM	TBD
16	Multi-Modal Transportation Planning	MCOG	State RPA	32,000
18	Geographic Information System Activities	MCOG	State RPA	3,000
20	Grant Development & Assistance	MCOG	State RPA	25,000
	<i>PROJECT RESERVE</i>	MCOG	LTF	11,800
	TOTAL			677,383

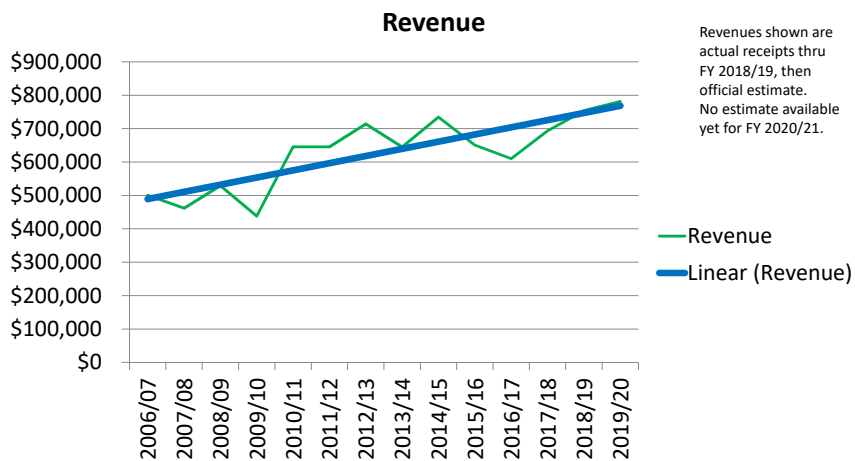
LTF Allocations – Transit

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STBGP Revenues – Trend

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STBGP Allocation Priorities

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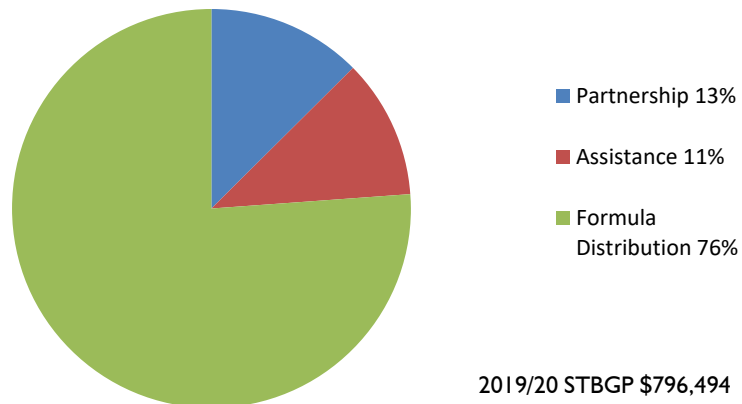
MCOG Policy for Surface Transportation Block Grant Program, Section 182.6(d)(1):

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

STBGP Allocations

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FY 2020/21 Proposed Budget – No Fund Estimate Yet



Funding Available to MCOG from SB I 21

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

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)
 - Motorist Aid Call Box System
 - Separate 5-Year Financial Plan approved 2017

Budget Adoption FY 2020/21

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- **Recommendations:**
 - Staff – Admin & Planning
 - Executive Committee – Feb. 24
 - Technical Advisory Committee – Feb. 19
 - Transit Productivity Committee – April 13
 - SSTAC pending

- **Adopt Budget June 1, 2020**
- **Expect to amend during Fiscal Year**

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Questions?

Thank You!

Presentation by:
Janet Orth, Deputy Director & CFO

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Mendocino Council of Governments
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2018/19, ended June 30, 2019. The discussion and analysis serves as an introduction to the Council's audited financials, which comprise the Council's official financial statements of record.

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

Economic Trends

One major indication of the economic climate is the sales tax. Actual revenue from sales tax to the Local Transportation Fund (LTF) continued a trend of economic recovery since the Great Recession began in 2008. LTF revenues came in 5.75 percent above the budget estimate. Local sales tax revenues had been around \$3 million annually until the low point in 2009/10 of \$2.58 million. Since then annual revenues have grown steadily to \$3.97 million in FY 2018/19. The new estimate for 2020/21 is above \$4 million.

The Council's management is encouraged by the growth in sales tax revenues, a core source of Council funding. Other indicators are revenues that originate from gasoline taxes through federal and state funding sources, which had been trending downward until the Legislature addressed the statewide transportation funding crisis by passing Senate Bill 1, the Road Repair and Accountability Act. Signed into law in April 2017, SB 1 invests over \$5 billion a year in state and local transportation needs. The infusion of revenues from SB 1 has increased State Transit Assistance by over 150 percent since FY 2016/17. It is projected that 10-12 years from now, SB 1 revenues will level off as vehicles become more fuel efficient and transition to electricity. For the future, alternative revenue streams are being tested, notably the California Road Charge Pilot, completed in 2017.

Grants and other revenue sources available to the Council have remained stable or increased. New opportunities are available from SB 1 programs. Planning grants have continued to be active over the past several years, as management has consistently delivered grant products and helped to secure new grants that benefit the Council's membership and the region. In 2016 the Council was awarded funds in the first cycle of Active Transportation Program state grants, for a multi-use trail on SR 162 in Covelo, in response to crucial safety needs, and later for countywide safe routes to school plans and training. Since then the Council's transportation planning program has received grants for a technical study in response to new environmental requirements and for a countywide fire vulnerability assessment with evacuation preparedness plan.

Net assets have long been in the range of \$1.5 million in Governmental funds and \$3.5 million in Fiduciary funds. As large projects such as the SAFE call box program have been completed, in 2019 the Governmental net assets were down to about \$700,000 and fiduciary funds at \$6.2 million.

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

Fund Classifications

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

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

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

The Expendable Trust funds are:

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

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

- The LTF-derived Capital Reserve Fund, which is set aside for claiming by Mendocino Transit Authority (MTA) based on their Five-Year Capital Program of infrastructure and vehicle replacement, as allowed under TDA statutes; and

- The Council’s LTF Reserve Fund, which is meant to fulfill transit allocations in the event budget estimates do not materialize as actual tax revenues, or to provide for extraordinary costs, for the benefit of Mendocino Transit Authority.

The Council’s fiduciary LTF Two Percent Bicycle & Pedestrian Program fund is considered “due to” the original Local Transportation Fund (LTF), the Expendable Trust fund from which the program revenues were allocated. The cash balances of both Reserve funds also are considered “due to” the LTF fund, detailed on Page 31.

Capital Assets & Long-Term Liabilities

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

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

Analysis of Governmental Funds

Special Revenue Funds revenue was \$1,650,254, a decrease of \$148,125 (8.2%) compared to the previous fiscal year, mainly due to variable levels of state aid. Expenditures were \$1,747,436, a decrease of \$138,184 (7.3%). Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2017/18.

Table 1

Governmental Net Position at June 30	2019	2018	Change
Current Assets	\$ 858,828	\$ 1,218,170	\$ (359,342)
Capital Assets, Net of Depreciation	187,133	330,749	(143,616)
Total Assets	1,045,961	1,548,919	(502,958)
Current Liabilities	341,707	755,471	(413,764)
Total Liabilities	341,707	755,471	(413,764)
Net Position			
Investment in Capital Assets	187,133	330,749	(143,616)
Restricted	517,121	462,699	54,422
Total Net Position	\$ 704,254	\$ 793,448	\$ (89,194)

Net position comprised the following:

- Cash and investments of \$569,700 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$289,128;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$119,987;
- Inter-fund operating transfers, due to Expendable Trust funds, of \$247,754;
- Depreciated capital assets of \$187,133. (*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 \$464,066 from the Local Transportation Fund for administration of all the Council's activities, including the fifth year of a contract effective October 1, 2014 as a result of the Council's procurement for Administrative & Fiscal Services, with a scheduled inflation increase of 3.69 percent. This budget had remained at the same level for five successive fiscal years, an indication of management's careful use of public monies and efforts to contain costs. The cost increased in FY 2014/15 due to efficiencies lost by the separation of administration and planning contractors. Most of the Administration budget is allocated to the contract for administrative staffing, office and equipment, with the remainder to direct costs. The budget for Direct Costs remained between \$50,000 and \$60,000, consistent with the previous four years.

Planning

Over the past five years, the Transportation Planning Overall Work Program (OWP) budget has averaged \$1.6 million annually (refer to the Governmental Funds for sources). In FY 2015/16, this had increased to \$2,047,233 due to a multi-year Active Transportation Program grant of up to \$1 million. By FY 2018/19, the budget had decreased to \$1.38 million as projects were implemented. The OWP funded 20 project work elements that benefited the five member agencies, Mendocino Transit Authority, and Caltrans.

SAFE Program

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

Table 2

Changes in Governmental Net Position	2019	2018	Change
Expenses – Administration and Planning	\$ 1,747,436	\$ 1,885,620	\$ (138,184)
Revenues			
Program Revenues:			
Local Transportation Funds	590,260	558,082	32,178
DMV Fees	107,131	107,473	(342)
Aid from State Governments	952,863	1,132,824	(179,961)
Total Program Revenues	1,650,254	1,798,379	(148,125)
General Revenues:			
Use of Money and Property	7,998	5,759	2,239
Total Revenues	1,658,252	1,804,138	(145,886)
Change in Net Position	\$ (89,184)	\$ (81,482)	\$ (7,702)

Contacting the Council's Financial Management

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

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