



## MCOG Budget Workshop

May 1, 2023

## Funding Sources in Annual Budget 2

### Transportation Development Act (TDA)

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

### Local & State Funds: LTF – Planning

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

### Federal Funds

- Surface Transportation Block Grant (STBG, aka RSTP)



# Funding Sources – More Info

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

“Explanatory Notes on  
Funding Sources”  
in agenda packet

**LTF - Local Transportation Fund**

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

**LTF Reserve Fund**

- Approved under TDA, Section 6645, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at minimum five percent of County Auditor/Controller's LTF estimate.
- Surplus allocated through annual budget process.
- To be used "for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual financial 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 \$45,000, a surplus of \$11,000, and for 2019-20 (from 2017-18 revenue) a record surplus of \$175,614. Audited surplus from 2020-21 is \$54,417, a new record, for allocations in 2022-23.
- With no maximum by policy, in 2021-22 ten percent was reserved, the 2022-23 proposal is 15 percent.

**STA - State Transit Assistance**

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators (MTA in Mendocino County).
- May be used for other Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009-10 - 2015-16 during the Recession, again waived for the pandemic.
- Senate Bill 101, effective July 1, 2016, provides more flexibility, so that "rather than making an operator eligible 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 standard, as specified." - from SB 101, Chapter 715, preamble
- State Controller provides fund estimate—"Preliminary" in January, "Revised" after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG's fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings, as is the case this year.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000; two years ago in the range of \$600,000,000 with support of SB 1. During the pandemic, fuel tax revenues dropped 20%. Preliminary estimate for 2022-23 is \$666,476.

**Capital Reserve Fund**

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

# Highlights of This Year's Budget

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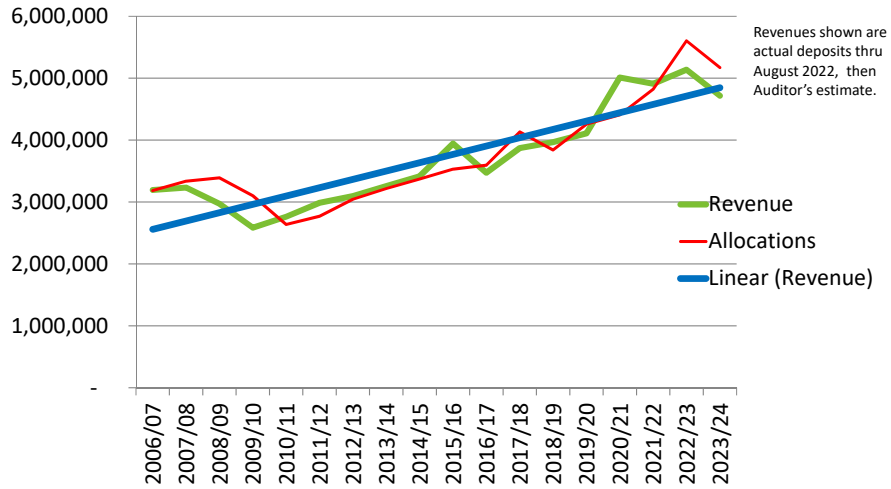
**REVENUES:**

- Local Transportation Fund (LTF) sales tax revenue estimated by County Auditor at \$4.9M, still high while trending downward
- State Transit Assistance (STA) from gas taxes est'd at high of \$1M
- 2021/22 surplus available to help cover shortfall
- Recommendation to keep LTF in Reserve at 15%

**ALLOCATIONS:**

- LTF for MTA & Senior Centers down 6.5%, tho up 6.9% from 21/22
- LTF shortfall for FY 2022/23 could affect 23/24 transit allocation
- Increase in STA helps make MTA claim whole – total TDA available down just \$23K or 0.3% from 2022/23

## LTF Revenues & Allocations - Trend 7



## LTF Revenues FYTD 2022/23 8

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

	<u>BUDGET</u>	<u>ACTUAL</u>	
Auditor's FY Estimate	\$ 5,137,383		
Budget FYTD	3,424,922	\$ 3,029,622	
Shortfall FYTD		395,300 (7.7%)	
4 mos. remaining	1,712,461	2,107,761 need	
Auditor's FYE estimate	\$ 185,956	(3.6%) shortfall	

## LTF Revenues – Process

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REVENUES	Trans. Devt. Act (TDA)		
	LTF	STA	CRF
2023/24 LTF Official County Auditor's Estimate	4,901,913		
2022/23 Auditor's Anticipated Shortfall	-185,956		
Total Local Transportation Fund (LTF) Estimate	4,715,957		
LTF 2014/15 prior-year unallocated revenues - reserved 2017/18	29,135		
Carryover - Planning Overall Work Program and RSTP Local Assistance	pending		
2023/24 State Transit Assistance - SCO's Preliminary Estimate		1,073,881	
2023/24 State of Good Repair - SCO's Preliminary Estimate			
STA and SGR - Fund Balance Available for Allocation		369,690	
MCOG's Capital Reserve Fund - Balance Available for Transit			705,462
<b>LTF Reserve:</b>			
Audited 2021/22 LTF Unrestricted Balance	384,429		
Audited LTF Reserve Balance as of 6/30/2022	1,212,745		
Less LTF Reserve Allocated for FY 2022/23	437,150		
Subtotal	1,160,024		
Less LTF Reserve per Policy adopted 4/2/2001 - 15%	735,000	(Per policy, minimum Reserve is 5%)	
Amount Available for Allocation in FY 2023/24	425,024		
<b>TOTAL REVENUES</b>	<b>5,170,116</b>	<b>1,443,571</b>	<b>705,462</b>

## 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

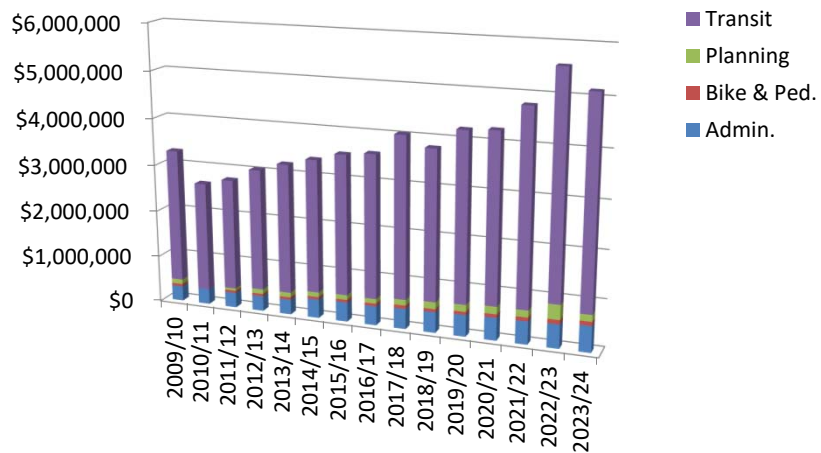
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### Consistent with TDA:

- Administration
- 2% Bicycle & Pedestrian (opt.)
- Planning Program ~3%
- Transit – MTA
  - Operations
  - Senior Center Contracts
  - Capital Reserve – 5 Year Plan
  - Unmet Transit Needs
  - Transit Planning

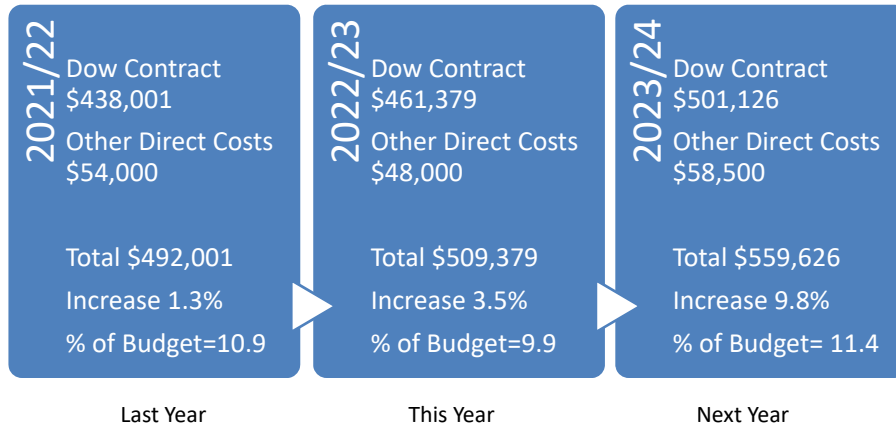
## LTF Allocations - Trend

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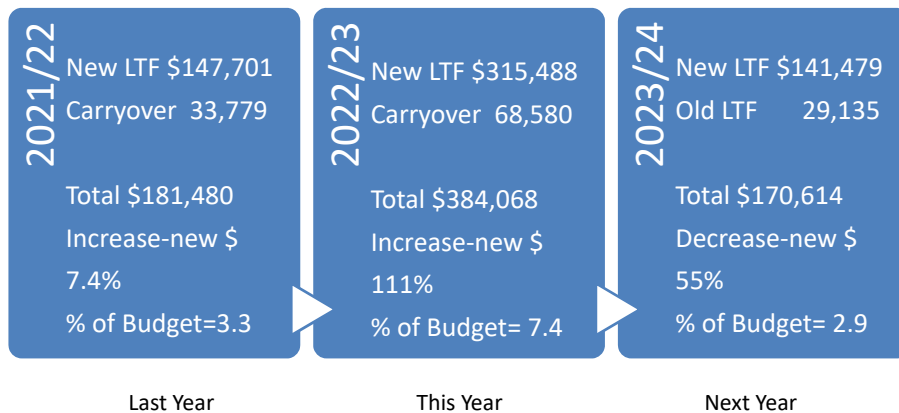
## LTF Allocations – Admin.

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## LTF Allocations – Planning

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## All Allocations – Planning

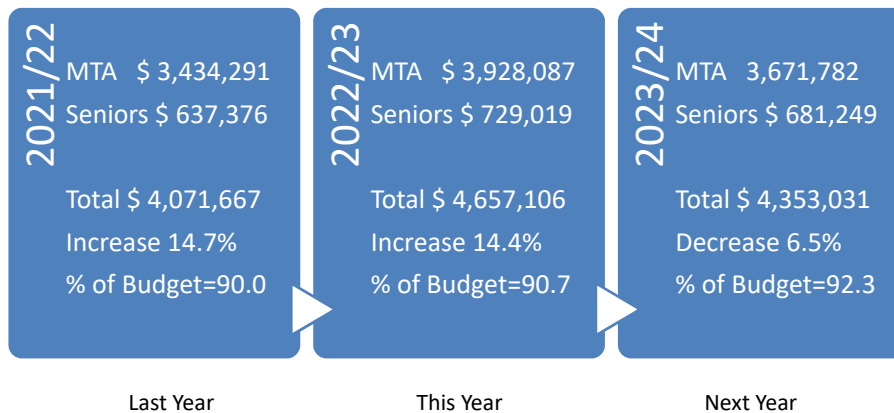
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### Draft FY 2023/24 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergov't'l Coordination	MCOG	State RPA	142,000
2	Planning Mgmt. & General Coordination	MCOG	LTF, PPM	120,000
3	MTA Feasibility Study – Ukiah Transit Center–c/o	MCOG	LTF	pending
4	Sustainable Transportation Planning	MCOG	LTF	20,000
5	Mobility Solutions – Feasibility Study Rural – c/o	MCOG	State Grant, LTF	pending
6	Combined Special Studies	MCDOT	State RPA	54,000
7	Planning, Programming & Monitoring	MCOG	State PPM, RPA	94,500
12	Truck Route Study – <i>carryover</i>	Ukiah	State PPM	pending
13	Central Business District Parking Evaluation – c/o	Fort Bragg	LTF	pending
14	Training – <i>carryover</i>	MCOG	LTF	pending
15	Downtown Parking Master Plan - New	Pt. Arena	State PPM	48,375
16	Multi-Modal Transportation Planning	MCOG	State RPA	45,000
18	Geographic Information System Activities	MCOG	State RPA	5,798
20	Grant Development & Assistance	MCOG	LTF, State RPA	51,000
	<i>PROJECT RESERVE</i>	MCOG	LTF, State PPM	78,691
	<b>TOTAL</b>			<b>659,364</b>

## LTF Allocations – Transit

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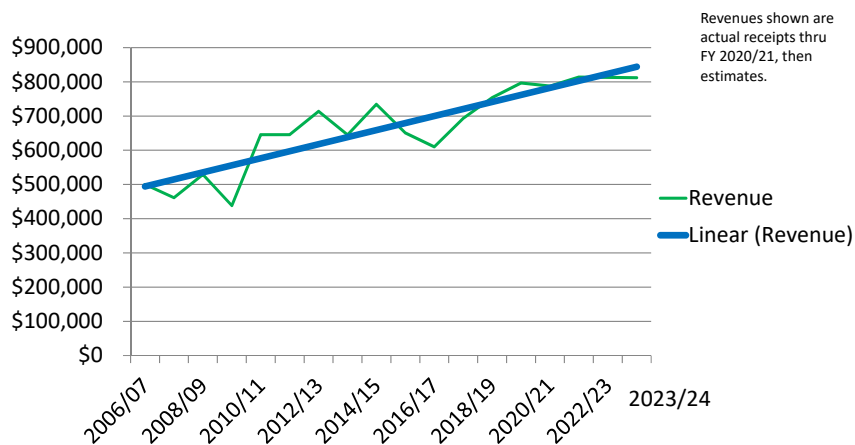
## State Funding from SB I

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

## STBG Revenues – Trend

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## STBG Allocation Priorities

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

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

2023/24 STBG = **\$811,848**

## What's Not in the Budget

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

## Budget Adoption FY 2023/24

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- **Recommendations:**
  - Staff – Admin & Planning
  - Executive Committee – Feb. 24
  - Technical Advisory Committee – Feb. 15
  - Transit Productivity Committee – May 3
  - SSTAC – May 10
  
- **Adopt Budget June 5, 2023**
- **Can amend during Fiscal Year**

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## Questions?

## Thank You!

**Presentation by:**  
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**Credits:**  
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