



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency
and Council of Governments

Fiscal Year 2024/25

BUDGET



June 3, 2024

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MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency
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Fiscal Year 2024/25

BUDGET

Prepared by

Janet M. Orth
MCOG Deputy Director & CFO

For adoption by

MCOG Board of Directors

June 3, 2024

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Contents

Executive Director's Introduction

Summary of Regional Transportation Planning Agency and COG Budget - Fiscal Year 2024/25

Budget Summary – Supplemental Format with FY 2023/24 Comparison

Explanatory Notes on Funding Sources

MCOG's Transportation Development Act (TDA) Budget Calendar

Resolutions:

- I. **#M2024-03 – "Allocating Fiscal Year 2024/25 Funds and 2023/24 Carryover Funds for Administration, Bicycle & Pedestrian Facilities, Planning and Reserves"**
 - **Exhibit A** – MCOG Administration Budget
 - **Exhibit B** – Final Planning Overall Work Program - Summary of Funding Sources
- II. **#M2024-04 – "Finding That There Are Unmet Transit Needs That Are Reasonable To Meet for Fiscal Year 2024/25"**
 - **Exhibit A** – MCOG's "Unmet Transit Needs" and "Reasonable to Meet" Process
 - **Exhibit B** – Unmet Transit Needs Testimony
 - **Exhibit C** – MTA's Unmet Transit Needs Analysis
 - **Exhibit D** – Transit Productivity Committee Meeting Minute Order of May 2, 2024
- III. **#M2024-05 – "Allocating Fiscal Year 2024/25 Local Transportation Funds and State Transit Assistance to Mendocino Transit Authority"**
 - **Exhibit A** – Mendocino Transit Authority's FY 2024/25 Claim for Funds
- IV. **#M2024-06 – "Allocating Surface Transportation Block Grant Funds for Fiscal Year 2024/25 MCOG Partnership Funding Program, Local Assistance, and Distribution By Formula To Member Agencies"**
- V. **#M2024-07 – "Allocating Fiscal Year 2023/24 Carryover Regional Early Action Planning (REAP) Program Grant Funds for Fiscal Year 2024/25"**
- VI. **#M2024-08 – "Allocating SB 125 Formula-Based TIRCP and ZETCP Funds for FY 2024/25"**

Appendices:

A - MCOG Budget Workshop Presentation of May 6, 2024

B - MCOG Fiscal Audit for the Year Ended June 30, 2023: Management's Discussion & Analysis

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MENDOCINO COUNCIL OF GOVERNMENTS

525 South Main Street~Ukiah~California~95482
www.mendocinocog.org

NEPHELE BARRETT, EXECUTIVE DIRECTOR

Administration: Suite B
(707) 463-1859
Transportation Planning: Suite G
(707) 234-3434

May 28, 2024

To: MCOG Board of Directors
From: Nephele Barrett, Executive Director
Prepared by Janet M. Orth, Deputy Director & CFO
**Re: Regional Transportation Planning Agency (RTPA) and Council of Governments
Fiscal Year 2024/25 Budget**

This budget is submitted to you for adoption at our meeting on June 3, 2024, representing all recommendations made over the past several months by the Executive Committee, Technical Advisory Committee, Transit Productivity Committee, and staff, reported in our May budget workshop. This introduction is a brief summary of the main components of the RTPA budget. Six resolutions are prepared for adoption of the required findings and budget allocations. Two summary formats present different views of the information as usual. Total available revenues from all sources are **\$16,442,032**, and total proposed allocations amount to **\$9,849,165**. The major difference will be resolved after release of state funds, pending budget adoption by the Legislature.

As previously reported, this year's estimate of the local sales tax revenues (Local Transportation Fund – LTF) is flat with no increase over FY 2023/24 and, we now know, will not be revised in the near term. Gains of the pandemic period were unusual, and those budget surpluses have been depleted to cover later shortfalls. The revenues have returned from a high of \$5 million to pre-pandemic levels closer to \$4 million annually, while costs have increased with inflation. On the positive side, state fuel tax revenues have been rising, and SB 125 provides relief for public transit operations (new state funds pending release noted above). For the coming year, MCOG will be able to fund programs of the Regional Transportation Planning Agency and Mendocino Transit Authority, with more reliance on state and federal sources to augment local funds.

Administration

In the Transportation Development Act (TDA), funds for Administration of the agency are the first allocation priority, in amounts “as necessary.” MCOG has relied heavily on LTF to fund administration, while oversight of other programs has increased. With LTF revenues slowing, staff has looked to other sources such as Surface Transportation Block Grant (STBG) funds that can fill the gap responsibly, consistent with MCOG policies. The Executive Committee recommended an estimated placeholder amount during staffing procurement and contract negotiations, to be approved in August (before contracts expire September 30). Dow & Associates’ proposal is reflected in the allocating resolution, though an amendment may become appropriate. LTF costs for Administration will be 13 percent of the Auditor’s estimate, or 3.5 percent of the total RTPA budget. The total Administration budget proposal including STBG is \$670,713.

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. The FY 2023/24 budget amendment rescinded the allocation. For the coming fiscal year, the Executive Committee recommends allocation of two percent (2%). The total Bicycle & Pedestrian budget proposal is \$73,770.

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. Details of the OWP are presented in a separate document. The Executive Committee concurred with staff's proposed allocation of \$127,301 of new LTF funds. The Technical Advisory Committee works closely with our planning staff to develop this program each year and on April 24 recommended all proposed allocations, including FY 2023/24 estimated carryover, adopted by the Council on May 6. The total Planning budget proposal is \$970,166.

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 we look forward to the new SB 125 Formula-Based transit funds (refer to notes and resolution attached). In our region, the only eligible claimant is Mendocino Transit Authority (MTA). Additionally, MCOG adopted a regional policy in 1999 (amended in 2023) to set aside an LTF Reserve for transit purposes at a minimum \$100,000 or five percent (5%) of the County Auditor's estimate of new LTF revenues. This year, with MTA's concurrence, staff and the Executive Committee recommended setting aside in reserve twice the policy minimum, to ten percent (\$424,000). LTF Balance Available for Transit is \$3,240,044, down seven percent (\$244,986) from last year's amended budget, well below the \$4 million of the previous two years. The Transit Productivity Committee (TPC) met on May 2 and recommended full funding of MTA's claim. (Since then, we found more STA revenues, shown as "for Later Allocation.") The TPC also recommends a finding that "*there are unmet transit needs that are reasonable to meet for Fiscal Year 2024/25.*" The Social Services Transportation Advisory Council (SSTAC) will meet May 30 and make a recommendation on unmet needs, to be reported. Including TDA (LTF and STA combined) and pending SB 125 funds, the total Transit budget proposal until revised is \$4,437,822.

Surface Transportation Block Grant (STBG) Program

MCOG adopted a policy in June 2006 to set aside a portion for regional projects, so a fund balance is available to MCOG for allocation consistent with this policy, called the Partnership Funding Program. Also, as a result of the Council's strategic planning workshop of August 2010, a portion of STBG funds is used to provide Local Assistance to the five MCOG member agencies, beginning in FY 2011/12. This is meant to help increase project delivery, to assist with new funding applications, and to provide related technical support. A resolution in this budget documents the STBG background and proposed allocations. Caltrans' revised 2024/25 fund estimate for the STBG budget is \$1,045,738.

Active Transportation Program (ATP)

MCOG is responsible for management of state grants awarded in 2014/15 and 2015/16 for the Covelo State Route 162 Corridor Multi-Purpose Trail, due for completion in 2024. This is an exceptional function for MCOG, approved by separate resolution. The ATP infrastructure grant funding carried forward is estimated at \$1,422,305, with supplemental Caltrans Complete Streets funds carryover of \$1,104,114, for a total 2024/25 budget of \$2,526,419.

Regional Early Action Planning (REAP)

In FY 2021/22, state funding was provided for planning related to housing production and the Regional Housing Needs Allocation (RHNA) for which MCOG is responsible. Our Joint Powers Agreement was amended to include housing matters as a specific power. While a portion is allocated to grant administration and management, most of the \$383,245 grant is sub-allocated to the member local agencies; carryover to 2024/25 is estimated at \$186,878.

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 & COG - Fiscal Year 2024/25 Budget

Administration, Bicycle & Pedestrian, Planning, Transit Allocations and Reserves - For Board Adoption 6/3/2024

REVENUES	Trans. Devt. Act (TDA)			State			Federal		Local Agencies	TOTALS
	LTF	STA	CRF	PPM	RPA	Various	STBG	5311		
2024/25 LTF Official County Auditor's Estimate	4,243,383									4,243,383
2023/24 Auditor's Anticipated Shortfall	-658,530									-658,530
Total Local Transportation Fund (LTF) Estimate	3,584,853									3,584,853
2023/24 Auditor's Anticipat'd Unrestricted Balance - Reversed	658,530									658,530
Carryover - Planning Overall Work Program and RSTP Local Assistance	59,028						301,017			360,045
2024/25 State Transit Assistance - SCO's Preliminary Estimate, PUC Sec. 99313 and 99314		1,144,521								1,144,521
2024/25 State of Good Repair - SCO's Preliminary Estimate, PUC Sec. 99313 and 99314						159,010				159,010
STA and SGR - Fund Balance Available for Allocation		131,543				5,732				137,275
MCOG's Capital Reserve Fund - Balance Available for Transit			10,654							10,654
FTA Section 5311 Program - Annual Regional Apportionment								738,115		738,115
2024/25 STIP Planning, Programming & Monitoring (PPM)				200,000						200,000
2024/25 Rural Planning Assistance					294,000					294,000
2023/24 Transportation Planning Program carryover				88,042	69,000	132,795				289,837
2024/25 Surface Transportation Block Grant (STBG) Program							1,045,738			1,045,738
HCD Regional Early Action Planning (REAP) Housing Funds - est. carryover						186,878				186,878
2024/25 State Active Transportation Program (ATP) - SR-162 Corridor Multi-Purpose Trail						1,422,305				1,422,305
SHOPP Complete Streets Program - SR-162 Corridor Multi-Purpose Trail						1,104,114				1,104,114
NEW: SB 125 Formula-Based Transit & Intercity Rail Capital Program (TIRCP) & Zero Emission Transit Capital Program (ZETCP)						5,353,525				5,353,525
LTF Reserve:										
Audited 2022/23 LTF Unrestricted Balance / Shortfall	-593,588									
Audited LTF Reserve Balance as of 6/30/2023	788,712									
2023/24 Reserve activity - transfer in 2021/22 LTF surplus	384,429									
Subtotal	579,553									
2023/24 Reserve activity - estimated additions & withdrawals	-402,921									
Subtotal - carryover to 2024/25	176,632									
Less LTF Reserve per Policy amended 8.14.2023 - balance at 10%	424,000									
Amount Available for Allocation in FY 2024/25 / Backfill Reserve	-247,368									-247,368
TOTAL REVENUES	4,055,043	1,276,064	10,654	288,042	363,000	8,364,359	1,346,755	738,115	0	16,442,032
ALLOCATIONS										
2024/25 Administration	554,900						115,813			670,713
2% Bicycle & Pedestrian - 2024/25 LTF Estimate less Admin. x .02	73,770									73,770
2024/25 Planning Overall Work Program (OWP) - new funds at 3% per TDA	127,301			200,000	294,000					
Carryover Funds - See OWP Summary	59,028			88,042	69,000	132,795			Total OWP:	970,166
Total Administration, Bike & Ped., and Planning	814,999	0	0	288,042	363,000	132,795	115,813	0	0	1,714,649
Less Non-Transit Funding Sources - ATP, SHOPP and SB 125 Admin.						-2,637,055				
BALANCE AVAILABLE FOR TRANSIT	3,240,044	1,276,064	10,654	0	0	5,727,304	0	738,115	0	10,992,181
2024/25 Mendocino Transit Authority Claim - due April 1:										
MTA Operations	2,721,637	1,197,778								3,919,415
Unmet Transit Needs	0									0
Senior Centers Operations	518,407									518,407
Transit Planning										0
Capital Reserve Fund Contribution				0						0
Capital Program, MTA & Seniors Current Year				0						0
Capital Program, Long Term (Five Year Plan)				0						0
Total Transit Allocations	3,240,044	1,197,778	0	288,042	363,000	2,873,751	1,071,551	0	0	4,437,822
Other Allocations - RSTP for MCOG Partnership Fund							100,000			100,000
Other Allocations - RSTP for County & Cities Projects by Formula							855,738			855,738
Other Allocations - New SB 125 for Administration						27,659				
Other Allocations - REAP for Admin., County & Cities Projects by Formula						186,878				186,878
Other Allocations - ATP Infrastructure Grants - SR162 Corridor Multi-Purpose Trail						1,422,305				1,422,305
Other Allocations - SHOPP Complete Streets for SR-162 Corridor Multi-Purpose Trail						1,104,114				1,104,114
TOTAL ALLOCATIONS	4,055,043	1,197,778	0	288,042	363,000	2,873,751	1,071,551	0	0	9,849,165
Balance Remaining for Later Allocation	0	78,286	10,654	0	0	5,490,608	275,204	738,115	0	6,592,867

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MENDOCINO COUNCIL OF GOVERNMENTS

FY 2024/25 BUDGET SUMMARY

For Board Adoption June 3, 2024

Supplemental Format

REVENUES	FY 2023/24 Budget Amended	FY 2024/25 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:		*			
Local Transportation Funds (LTF)					Transportation Development Act (TDA) Funds
LTF Official County Auditor's Estimate	\$ 4,243,383	\$ 4,243,383	\$ -	0.0%	FY 2023/24 revised January 18, 2024, down \$658,530 from \$4,901,913
Auditor's Anticipated Unrestricted Balance - Current Year	\$ (185,956)	\$ (658,530)	\$ (472,574)	254.1%	FY 2022/23 and 2023/24 respectively
Total Local Transportation Fund (LTF) Estimate	\$ 4,057,427	\$ 3,584,853	\$ (472,574)	-11.6%	
Auditor's Anticipat'd Unrestricted Balance - Reversal	\$ 185,956	\$ 658,530	\$ 472,574	254.1%	Per policy, any excess/shortfall flows through LTF Reserve
Reserved LTF Prior-year Unallocated Revenues	\$ 29,135	\$ -	\$ -		Available for TDA allowable purposes (no new revenue, in fund balance)
MTA Fiscal Audit - Amount returned to MCOG, if any	\$ -	\$ -	\$ -		2022/23 MTA audit states TDA funds received exceeds eligibility - TBD
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 265,868	\$ 59,028	\$ -206,840	-77.8%	FY 2023/24 OWP as amended Nov. 2023
Subtotal Local Transportation Funds:	\$ 4,538,386	\$ 4,302,411	\$ (235,975)	-5.2%	OWP carryover is offset by equivalent allocation
LTF Reserve Funds					
Audited LTF "Unrestricted Balance" of Unallocated Revenue / Shortfall	\$ 384,429	\$ (593,588)	\$ (978,017)	-254.4%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate
LTF Reserve Fund Balance	\$ 788,712	\$ 579,553	\$ (209,159)	-26.5%	Reserve used to cover transit allocation shortfalls and claims per policy
Less/Plus Current Year Reserve Allocation	\$ -	\$ -	\$ -		Prior year unrestricted surplus above fund balance
Less Net Withdrawals from Reserve to Cover Shortfall	\$ (593,389)	\$ (402,921)	\$ 190,468	-32.1%	2024/25 is anticipated net amount to cover 2023/24 shortfall
Subtotal	\$ 579,752	\$ 176,632	\$ (403,120)	-69.5%	
Less LTF Reserve Balance per Policy amended 8/14/2023 - at 15%, 10%	\$ 637,000	\$ 424,000	\$ (213,000)	-33.4%	Per policy, min. Reserve 5% of County Auditor's est. of new LTF, nearest 1,000.
LTF Reserve Available for Allocation / Replenish Reserve	\$ (57,248)	\$ (247,368)	\$ (190,120)	332.1%	From increase in prior-year sales tax revenues & current year actual shortfall
TOTAL LTF REVENUES	\$ 4,481,138	\$ 4,055,043	\$ (426,095)	-9.5%	Available for allocation
Capital Reserve Funds					
Total Capital Reserve Fund	\$ 705,462	\$ 10,654	\$ (694,808)	-98.5%	Fund balance available for transit claim based on 5-Year Capital Program
Local Agency Contributions					
	\$ 38,500	\$ -	\$ -38,500	-100.0%	Local agencies' Rural Counties Task Force dues collected by MCOG
Total Local/Regional Revenues:	\$ 5,225,100	\$ 4,065,697	\$ (1,159,403)	-22.2%	
STATE:					
Planning Programming & Monitoring (PPM) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 141,000	\$ 200,000	\$ 59,000	41.8%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 154,001	\$ 88,042	\$ (65,959)	-42.8%	FY 2023/24 OWP as amended Nov. 2023
Total PPM Funds:	\$ 295,001	\$ 288,042	\$ (6,959)	-2.4%	
State Transit Assistance (STA) Funds					TDA Funds
State Controller's Estimate	\$ 1,103,018	\$ 1,144,521	\$ 41,503	3.8%	Revised 2023/24 SCO estimate. PUC Sections 99313 and 99314
Estimated Fund Balance Available for Allocation	\$ 369,690	\$ 131,543	\$ (238,147)	-64.4%	
Total State Transit Assistance Funds:	\$ 1,472,708	\$ 1,276,064	\$ (196,644)	-13.4%	
State of Good Repair (SGR) Funds					SGR=transit funding in Senate Bill 1, allocated to MTA by separate resolution
State Controller's Estimate	\$ 154,817	\$ 159,010	\$ 4,193	2.7%	PUC Sections 99313 and 99314
Estimated Fund Balance Available for Allocation	\$ -	\$ 5,732	\$ 5,732		Allocated to MTA projects through 2023/24, fund balance dif btwn est/actual
Total State of Good Repair Funds:	\$ 154,817	\$ 164,742	\$ 9,925	6.4%	
Rural Planning Assistance Funds (RPA)					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program - Carryover	\$ 18,314	\$ 4,000	\$ (14,314)	-78.2%	FY 2023/24 OWP as amended Nov. 2023
Planning Overall Work Program (OWP) - RPA Grant - Carryover	\$ 125,000	\$ 65,000	\$ (60,000)	-48.0%	Local Road Safety/Action Plans and Leadership Training
Total RPA Funds:	\$ 437,314	\$ 363,000	\$ (74,314)	-17.0%	

California Active Transportation Program (ATP)						
ATP Infrastructure Projects - Carryover	\$ 2,672,000	\$ 1,422,305	\$ (1,249,695)	-46.8%	Estimated funds carried over for Covelo Trail project - Construction	
Total ATP Funds:	\$ 2,672,000	\$ 1,422,305				
SHOPP Complete Streets Program						
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$ -	\$ -			2021/22 funding through Caltrans to supplement ATP funds; completed	
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$ 3,828,000	\$ 1,104,114	\$ (2,723,886)	-71.2%	2021/22 funding through Caltrans carried over, inc. new funds 3/23/2023	
Total Complete Streets Funds:	\$ 3,828,000	\$ 1,104,114				
Caltrans Sustainable Communities Planning Grants						
FY 2022/23 Grant Funded Feasibility Study - completed	\$ 17,875	\$ -			Mobility Solutions for Rural Communities of Inland Mendocino County	
Total State-funded Planning Grants:	\$ 17,875	\$ -				
HCD Regional Early Action Planning (REAP) Housing Funds	\$ 348,736	\$ 186,878	\$ (161,858)	-46.4%	2020/21 grant from Housing & Community Devt. Dept., carried over	
NEW: SB 125 Formula-Based TIRCP & ZETCP	\$ -	\$ 5,353,525			Transit funds, frozen by Governor as of April 30 pending State budget	
Total State Revenues:	\$ 9,226,451	\$ 10,158,670	\$ 932,219	10.1%		
FEDERAL:						
Federal Grant Programs and Regional Apportionments						
Planning Overall Work Program (OWP) - FTA Section 5304	\$ 190,340	\$ 132,795	\$ (57,545)	-30.2%	FY 2023/24 grant funded Noyo Harbor Multimodal Circulation Plan	
FTA Section 5311f Intercity Bus Program - FFY 2024 apps due 5/30/2024	pending	pending			Competitive grants include Operating Assistance and Capital Projects	
FTA Section 5311 Program - Regional Apportionment - cycle as above	\$ -	\$ 738,115			Annual apportionment to Mendocino County for transit operations/capital	
Surface Transportation Block Grant Program (STBG)	\$ 988,523	\$ 1,045,738	\$ 57,215	5.8%	Actual revenue 2023/24, estimated 2024/25 - exchanged for State \$	
STBG Carryover/Balance Available for Later Allocation	\$ 278,545	\$ 301,017	\$ 22,472	8.1%	Updated bal. of Admin contract savings, per audits thru 6.30.2023	
Total Federal Revenues:	\$ 1,457,408	\$ 2,217,665	\$ 760,257	52.2%		
TOTAL REVENUES	\$ 15,908,959	\$ 16,442,032	\$ 533,073	3.4%		

ALLOCATIONS	FY 2023/24 Budget Amended	FY 2024/25 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
Local Transportation Funds (LTF)					
Administration:					
Admin. & Fiscal Services Contract	\$ 501,126	\$ 498,520	\$ (2,606)	-0.52%	Admin. & Fiscal Services new 5-year contract starts Oct. 1, 2024
Other Direct Costs	\$ 58,500	\$ 56,380	\$ (2,120)	-3.6%	Admin. costs outside the staffing contract
Total Administration Allocations:	\$ 559,626	\$ 554,900	\$ (4,726)	-0.8%	
Two Percent LTF Bicycle & Pedestrian Program	\$ -	\$ 73,770			Opt. 2% of LTF Estimate (less Admin. allocation) per TDA, waived 2023/24
Planning Overall Work Program (OWP) - New Funds	\$ 141,479	\$ 127,301	\$ (14,178)	-10.0%	
LTF Prior-year Unallocated Revenues	\$ 29,135	\$ -			Allocated remainder of prior-year revenues reserved in 2017
OWP Carryover from Previous Fiscal Year	\$ 265,868	\$ 59,028	\$ (206,840)	-77.8%	FY 2023/24 OWP as amended Nov. 2023
Total Admin., Bike & Ped., Planning, Reserves:	\$ 996,108	\$ 814,999	\$ (181,109)	-18.2%	
Balance Available For Transit	\$ 3,485,030	\$ 3,240,044	\$ (244,986)	-7.0%	
Mendocino Transit Authority (MTA) Claim:					
MTA Operations	\$ 3,214,150	\$ 2,721,637	\$ (492,513)	-15.3%	TDA Authority: Public Utilities Code (PUC) Sec. 99260a
Unmet Transit Needs	\$ 50,000	\$ -	\$ (50,000)	-100.0%	PUC Section 99260a
Senior Centers Operations	\$ 681,249	\$ 518,407	\$ (162,842)	-23.9%	PUC Section 99400c
MTA Capital Program - Current Year	\$ -	\$ -			
Capital Reserve Fund Contribution	\$ -	\$ -			CA Code of Regulations (CCR) Sec. 6648
Total LTF Transit Claim:	\$ 3,945,399	\$ 3,240,044	\$ (705,355)	-17.9%	MTA revised claim 2023/24 per LTF funds available, approved November
Total LTF Allocations:	\$ 4,941,507	\$ 4,055,043	\$ (886,464)	-17.9%	

Capital Reserve Funds					
Mendocino Transit Authority (MTA) Claim:					
Capital Program, MTA - Current Year	\$ 705,462	\$ -			CCR Section 6648
Capital Program, Senior Centers - Current Year	\$ -	\$ -			CCR Section 6648 - MTA revised claim to spend funds in current year
Capital Program - Long Term	\$ -	\$ -			CCR Section 6631
Total CRF Allocations:	\$ 705,462	\$ -	\$ (705,462)	-100.0%	
Local Agency Contributions					
	\$ 38,500	\$ -	\$ (38,500)	-100.0%	Local agencies' Rural Counties Task Force dues collected by MCOG
Total Local/Regional Allocations:	\$ 5,685,469	\$ 4,055,043	\$ (1,630,426)	-28.7%	
STATE:					
Planning Programming & Monitoring (PPM) Funds					
Planning Overall Work Program (OWP) - New Revenue	\$ 141,000	\$ 200,000	\$ 59,000	41.8%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 154,001	\$ 88,042	\$ (65,959)	-42.8%	FY 2023/24 OWP as amended Nov. 2023
Total PPM Allocations:	\$ 295,001	\$ 288,042	\$ (6,959)	-2.4%	
State Transit Assistance (STA) Funds					
Mendocino Transit Authority (MTA) Claim:					
MTA Operations	\$ 1,443,571	\$ 1,197,778	\$ (245,793)	-17.0%	TDA Authority: CCR Section 6730a
Capital Program, MTA & Seniors - Current Year	\$ -	\$ -			CCR Section 6730b
Capital Reserve Fund Contribution	\$ -	\$ -			CCR Section 6631
Total STA Allocations:	\$ 1,443,571	\$ 1,197,778	\$ (245,793)	-17.0%	
	\$ -	\$ -			SGR=transit funding in Senate Bill 1, allocated to MTA by separate resolution
State of Good Repair (SGR) Funds					
Rural Planning Assistance Funds (RPA)					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 18,314	\$ 4,000			FY 2023/24 OWP as amended Nov. 2023
Planning Overall Work Program (OWP) - RPA Grant - Carryover	\$ 125,000	\$ 65,000			Local Road Safety/Action Plans and Leadership Training
Total RPA Allocations:	\$ 437,314	\$ 363,000	\$ (74,314)	-17.0%	
California Active Transportation Program (ATP)					
ATP Infrastructure Projects - Carryover	\$ 2,672,000	\$ 1,422,305	\$ (1,249,695)	-46.8%	Estimated funds carried over for Covelo Trail project - Construction
Total ATP Allocations	\$ 2,672,000	\$ 1,422,305			
SHOPP Complete Streets Program					
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$ -	\$ -			2021/22 funding through Caltrans to supplement ATP funds; completed
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$ 3,828,000	\$ 1,104,114			2021/22 funding through Caltrans carried over, inc. new funds 3/23/2023
Total Complete Streets Funds:	\$ 3,828,000	\$ 1,104,114			
Caltrans Sustainable Communities Planning Grant					
FY 2022/23 Grant Funded Feasibility Study - completed	\$ 17,875	\$ -			Mobility Solutions for Rural Communities of Inland Mendocino County
Total Caltrans Planning Grants:	\$ 17,875	\$ -	\$ (17,875)	-100.0%	State-only funds
HCD Regional Early Action Planning (REAP) Housing Funds					
MCOG Administration and Management	\$ 20,197	\$ 15,417			Allocated to Admin., County & Cities Projects by Formula, carried over
Formula Distribution to MCOG Member Agencies:					5% grant administration, 5% management/participation, total 10%
Mendocino County Dept. of Transportation	\$ 177,228	\$ 125,051			Suballocation formula adopted Nov. 2, 2020
City of Ukiah	\$ 69,536	\$ -			Projects carried over to 2022/23 and 2023/24, to be completed Aug. 2024
City of Fort Bragg	\$ 46,410	\$ 46,410			Ukiah's grant funds fully claimed
City of Willits	\$ 35,365	\$ -			Unclaimed to date
City of Point Arena	\$ -	\$ -			Willits' grant funds fully claimed
Total REAP Formula Distribution	\$ 328,539	\$ 171,461	\$ (157,078)	-47.8%	Point Arena's grant funds fully claimed
Total REAP Allocations:	\$ 348,736	\$ 186,878			Carryover from total grant of \$383,245
	\$ -	\$ 27,659			Transit funds, frozen by Governor as of April 30 pending State budget
NEW: SB 125 Formula-Based TIRCP & ZETCP	\$ -	\$ 27,659			Admin. portion of SB 125 for staffing contract
Total State Funds Allocations:	\$ 9,042,497	\$ 4,589,776	\$ (4,452,721)	-49.2%	

FEDERAL:					
Federal Grant Programs and Regional Apportionments					
Planning Overall Work Program (OWP) - FTA Section 5304	\$ 190,340	\$ 132,795			Noyo Harbor Multimodal Circulation Plan
FTA Section 5311f Intercity Bus Program - FFY 2024 apps due 5/30/2024	pending	pending			MTA awarded \$300K for Route 65 in 2021/22.
FTA Section 5311 Program - Regional Apportionment - cycle as above	-	pending			MTA is eligible, MCOG approves programming; resolution adopted 5/2/2022
					Last 5311 cycle covered two years
Surface Transportation Block Grant Program (STBG)					
MCOG Partnership Funding Program	\$ 100,000	\$ 100,000	\$ -	0.0%	STBG budget allocations are based on estimates
Local Assistance - Project Delivery - Administration	\$ 90,000	\$ 90,000	\$ -	0.0%	Regional capital project funds "off the top"
	\$ 11,116	\$ 25,813			Staff - regional project management activities under Admin. contract
Formula Distribution to MCOG Member Agencies:					
Mendocino County Dept. of Transportation	\$ 171,906	\$ 184,223	\$ 12,317	7.2%	From cumulative Admin. contract savings
City of Ukiah	\$ 231,348	\$ 247,924	\$ 16,576	7.2%	Actual revenue 2023/24, estimated 2024/25 - exchanged for State \$
City of Fort Bragg	\$ 154,466	\$ 165,534	\$ 11,068	7.2%	
City of Willits	\$ 144,980	\$ 155,368	\$ 10,388	7.2%	
City of Point Arena	\$ 95,823	\$ 102,689	\$ 6,866	7.2%	
Total RSTP Formula Distribution	\$ 798,523	\$ 855,738	\$ 57,215	7.2%	
Total RSTP Allocations:	\$ 999,639	\$ 1,071,551	\$ 71,912	7.2%	Formula allocation by policy, distribution pending State processing of funds
Total Federal Funds Allocations:	\$ 1,189,979	\$ 1,204,346	\$ 14,367	1.2%	
Total Transit Allocations	\$ 6,284,772	\$ 4,437,822	\$ (1,846,950)	-29.4%	
Total Overall Work Program (OWP)	\$ 1,377,012	\$ 970,166	\$ (406,846)	-29.5%	FY 2023/24 OWP as amended Nov. 2023
TOTAL ALLOCATIONS	\$ 15,917,945	\$ 9,849,165	\$ (6,068,780)	-38%	
Balance for Later Allocation/Over-allocation/Dif. of Actuals	\$ (8,986)	\$ 6,592,867	\$ 6,601,853	-73468%	FY 2024/25 = CRF, STA, SGR, FTA 5311, and SB 125 (\$5.3M)

INFORMATION		FY 2023/24	FY 2024/25		NOTES
STATE / FEDERAL:					
Other Funds Available Outside MCOG's Budget Process					
FTA Section 5311 Program - CARES Act - Ph.1 Fund Balance	\$ -	\$ -			Refer to Explanatory Notes on Funding Sources for details
FTA Section 5311(f) Program - CARES Act - Ph.1 Fund Balance	\$ 144,998	\$ -	\$ (144,998)	-100.0%	Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020)
FTA Section 5311 Program - CARES Act - Ph.2 Fund Balance	\$ 847,271	\$ -			
FTA Section 5311(f) Program - CARES Act - Ph.2 Fund Balance	\$ 295,042	\$ -			
Total CARES Act Funds	\$ 1,287,311	\$ -	\$ (1,287,311)	-100.0%	
CRRSAA Fund Balance	\$ 1,459,704	\$ -	\$ (1,459,704)	-100.0%	Coronavirus Response & Relief Supplemental Appropriations Act of 2021
Total Coronavirus Relief Funds	\$ 2,747,015	\$ -	\$ (2,747,015)	-100.0%	CARES and CRRSAA funds fully claimed and received by MTA
FTA Section 5311 Program - ARPA Fund Balance	\$ 700,650	\$ 251,057	\$ (449,593)	-64.2%	American Rescue Plan Act (ARPA) of 2021
FTA Section 5311(f) Program - ARPA Fund Balance	\$ 208,681	\$ 166,801	\$ (41,880)	-20.1%	
Total ARPA Funds	\$ 909,331	\$ 417,858			
State Transportation Improvement Program (STIP) Project Totals	\$ 1,725,000	\$ 2,525,000	\$ 800,000	46.4%	Programmed by MCOG in Regional TIP for State \$ directly to local agencies
					2023/24 major project Fort Bragg SR-1/So. Main St. bike & ped improvmts.
					2024 major projects are County's Mountain View Road, Ukiah's roundabout.

MENDOCINO COUNCIL OF GOVERNMENTS

2024/25 Budget

Explanatory Notes on Funding Sources

4/29/2024

LTF - Local Transportation Fund

- Generated from quarter-cent sales tax on all sales countywide. Fund estimate provided by County Auditor-Controller/Treasurer Tax-Collector. 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 in 2001 and 2023.
- Fund balance adjusted annually at minimum five percent of County Auditor-Controller's LTF estimate.
- Any audited surplus or shortfall 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 cover the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTF Reserve policy, releasing audited surplus for allocation from a low of \$100,000 to a high of 754,417 resulting from the 2020/21 pandemic, allocated in 2022/23. The audited surplus for 2021/22 was \$384,429, followed by budget shortfalls that have depleted the fund.
- With no maximum by policy, the reserve has been set at 10% and 15% for 2021/22 through 2023/24.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10–2015/16 during the Recession; again waived for the pandemic by AB 90, still in effect.
- 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; at \$325,000 in 2016/17; since then stabilized and growing under SB 1. During the pandemic, fuel tax revenues dropped 20%, later more than recovered. Preliminary estimate for 2024/25 is \$1,066,235.

Capital Reserve Fund

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

Surface Transportation Block Grant (STBG) Program

- Under ISTEA legislation originally, later TEA21, SAFETEA-LU, MAP-21, FAST Act, and currently from Infrastructure Investment & Jobs Act (IIJA). Formerly Regional Surface Transportation Program (RSTP).
- Regional discretionary transportation uses are to comply with U.S. Code, Title 23, California Constitution Article 19, and California Streets and Highways Code Section 182.6(d)(1).
- As allowed, MCOG exchanges for state funds by Caltrans agreements, 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. About three-quarters of annual revenue is allocated to the local member agencies.
- In FY 2003/04, MCOG staff introduced new administrative procedures in order to comply with new clauses in Caltrans' fund transfer agreement. In 2021, MCOG amended claim requirements to better align with its master Subrecipient Cooperative Agreement with the member agencies (started in 2017/18), which flow down terms and conditions of the various public funds received and administered by MCOG. Rather than by advances, all claims are now paid on a reimbursement basis.
- 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 over \$1 million of Partnership funds to nine projects, the largest being the Covelo State Route 162 Corridor Multi-Purpose Trail.
- 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 temporary vacancies in the position and funding limits of the staffing contract, with a balance as of June 30, 2023 of \$301,017.
- In California, 2021 federal coronavirus relief funds were apportioned partly by STBG formula, partly through the State Transportation Improvement Program (STIP), as well as for transit programs. - *see Page 3*

PPM - Planning, Programming & Monitoring / SB 45

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

RPA - Rural Planning Assistance

- Traditionally, either State or Federal funds have been provided in some form of subvention.
- This program is funded by the State for required Overall Work Program mandated planning functions.
- Competitive RPA grants include MCOG's 2013 Zero Emission Vehicle (ZEV) Regional Readiness Plan and 2024 Local Road Safety/Action Plan Updates for Mendocino County & Cities.

Caltrans Sustainable Transportation Planning Grant Program

- This program replaced the Consolidated Planning Grant Program, which included Community Based Transportation Planning, Environmental Justice, and Transit Planning grants.
- Funded by Federal Transit Administration (FTA, Section 5304) and State Highway Account.
- MCOG was awarded seven annual Community Based Transportation Planning grants and one Environmental Justice grant as a sponsor, administered through the Planning Overall Work Program, including projects for Gualala, Laytonville, Point Arena, Westport, Ukiah Rails-With-Trails, Covelo/Round Valley, and Anderson Valley/SR-128 Trail.
- City of Willits completed the grant-funded Willits Main Street Corridor Enhancement Plan.
- MCOG completed its Pedestrian Facility Needs Engineered Feasibility Study in 2019. The SB 743 Vehicle Miles Travelled Regional Baseline Study and Mendocino County Fire Vulnerability Assessment & Emergency Preparedness Plan were completed in 2020. In 2021/22 MCOG was awarded a grant for a Feasibility Study: Mobility Solutions for Rural Communities of Inland Mendocino County, completed in 2023.

Active Transportation Program (ATP)

- Competitive State grant program combining state and federal funds for bicycle and pedestrian projects.

- Cycles 1 and 2 funded MCOG's Covelo SR 162 Corridor Multi-Purpose Trail, in progress.
- In 2018, MCOG completed Safe Routes to School Non-Infrastructure ATP grant projects in Covelo and countywide. In 2022 MCOG was awarded funds for Gualala Downtown Streetscape Enhancement project.

Local Agency Match

- Local matching funds are required for some state and federal grants.
- Mendocino Transit Authority has contributed the required local match for their projects.
- Gualala, Laytonville, and Westport have provided in-kind local match contributions.
- MCOG typically provides required cash match from local planning funds in Overall Work Program.
- FY 2020/21 included \$308,900 from the five member local agencies for Local Road Safety Plans, from state grants and ten percent matching funds, to pool resources for consultant services through the OWP.

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

- [Signed into law in March 2020](#), funds are available to transit operators through FTA's 5311 programs.
- MCOG included CARES in its adopted FY 2020/21 budget at \$1,206,413, including Phase 1 and 2 balance of funds available at the time, to offset a potential shortfall of local funds for transit. As these funds do not flow through MCOG's cash accounts, balances are listed as Information in the budget.
- *"Funding is provided at a 100-percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19."* [\[from FTA website\]](#)

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

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

Federal Transit Administration (FTA) Section 5311 and 5311f

- MCOG's budget includes these programs, as funds for MTA are approved by MCOG resolution, although cash does not flow through MCOG's accounts.
- Annual 5311 regional apportionments are typically used by MTA for operations, at \$700,000 to \$800,000.
- MTA has been successful in winning competitive 5311f Intercity Bus Program grants, typically about \$300,000, for Route 65 operations and/or vehicles, with a required funding match.
- CARES and CRRSAA funds for transit flow through FTA's programs, subject to MCOG's approval and claimed directly through Caltrans. From CARES Phase 1, MTA was allocated \$557,349, fully claimed to date. In August 2020, MCOG approved 5311 CARES Phase 2 funds for MTA at \$1,068,573.

Regional Early Action Planning (REAP) for Housing

- Created by AB 101, state funding is provided for regional planning related to housing production and implementation of the Regional Housing Needs Allocation (RHNA).
- In 2020, MCOG amended its Joint Powers Agreement to include housing matters as a specific power.
- MCOG's 2020/21 budget was amended to add a grant of \$383,245, suballocated to member local agencies at 90 percent, by an adopted distribution formula. The grant is to be expended by November 2024.
- A new master agreement with the Department of Housing & Community Development has been executed to receive the grant funds.
- Eligible activities include providing technical assistance, performing infrastructure planning, and conducting feasibility studies.

SB 125 Formula-Based Transit & Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP)

- The TIRCP competitive program was created in 2014 and modified in 2015, to provide grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion.
- SB 125 (Chapter 54, Statutes of 2023) and Assembly Bill 102 (Chapter 38, Statutes of 2023) amended the Budget Act of 2023 to appropriate \$4 billion of General Fund to the TIRCP over the next two fiscal years as well as \$910 million of GGRF funding and \$190 million of Public Transportation Account funding over the next four fiscal years to establish the Zero-Emission Transit Capital Program (ZETCP).
- SB 125 guides the distribution of TIRCP funds on a population-based formula to regional transportation planning agencies, which will have the flexibility to use the money to fund transit operations or capital improvements, and AB 102 is to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations.
- MCOG will receive an estimated total of \$11,063,615 in a separate cash account over the four-year period, including \$110,636 for Administration of the program, and shall be responsible for reporting of data and expenditures and other requirements.
- In December 2023, MCOG adopted and submitted to the California State Transportation Agency (CalSTA) its first Allocation Plan in consultation with Mendocino Transit Authority, for a total of \$5,353,525, added to the FY 2024/25 Draft Budget.
- More information: [SB 125 Transit Program | CalSTA](#)

MENDOCINO COUNCIL OF GOVERNMENTS

Transportation Development Act (TDA) Budget Calendar

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

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Administration,
Bike & Ped,
Planning and
Reserves

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2024-03

ALLOCATING FISCAL YEAR 2024/25 FUNDS and 2023/24 CARRYOVER FUNDS for ADMINISTRATION, BICYCLE & PEDESTRIAN FACILITIES, PLANNING and RESERVES

WHEREAS,

1. Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
2. The total 2024/25 Local Transportation Fund (LTF) revenue has been estimated at \$4,243,383 by the Acting Mendocino County Auditor-Controller/Treasurer-Tax Collector, less an estimated shortfall of \$658,530 from prior-year allocated LTF revenues;
3. The LTF Reserve fund balance is \$579,553 after withdrawals of an audited 2022/23 budget shortfall of Local Transportation Funds at \$593,588; further net withdrawals of \$402,921 are anticipated for FY 2023/24, leaving an estimated balance of \$176,632; the Executive Committee recommended setting aside \$424,000 for the FY 2024/25 LTF Reserve fund balance (at least five percent of the County Auditor-Controller's fund estimate according to policy), requiring \$247,368 of new LTF revenue;
4. Total revenue from all LTF sources available for allocation is estimated at **\$4,065,697** after back-filling the LTF Reserve; other funding sources include Surface Transportation Block Grant (STBG) program and state grants;
5. Dow & Associates shall have the management responsibility for the 2024/25 overall approved Administration budget of up to \$713,789 from several funding sources, attached and incorporated herein as **Exhibit A**, which includes professional services and other direct costs;
6. Dow & Associates shall have the management responsibility for Surface Transportation Block Grant Program funds for regional project management activities, also referred to as Local Assistance-Project Delivery, itemized in **Exhibit A**;
7. Dow & Associates shall have the management responsibility for Active Transportation Program (ATP) state grants for the SR 162 Corridor Multipurpose Trail in Covelo, Phases I and II at an estimated \$1,422,305 of ATP and \$1,104,114 of Complete Streets SHOPP funds, for a total of \$2,526,419 carried over;
8. Davey-Bates Consulting shall have the management responsibility for the 2024/25 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 \$970,166;
9. The Planning allocation to the 2024/25 Overall Work Program, for transportation planning and related projects, will be provided from 2024/25 LTF revenues, reallocation of prior-year local carryover funds, state and federal sources;

10. Dow & Associates and Davey-Bates Consulting shall be responsible for providing grant administration and management of Regional Early Action Planning (REAP) prior-year funds carried forward from California Department of Housing and Community Development (HCD), allocated by separate budget resolution;
11. Dow & Associates shall have the management responsibility for the new SB 125 Formula-Based Transit & Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP) when released in the State budget, allocated by separate resolution; and
12. Allocation for Bicycle & Pedestrian facilities are allowable at no more than two percent (2%) of the LTF funds remaining after allocation for Administration; \$73,770 shall be allocated for 2024/25; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2024/25 as follows.

USE	AUTHORITY	SOURCE	FISCAL YEAR	AMOUNT	TOTALS
LTF Reserve	MCOG Policy per CCR Sec. 6655.1, 6655.5	LTF	2024/25	247,368	247,368
MCOG Administration	PUC Sec. 99233.1	LTF	2024/25	554,900	554,900
	Surface Transportation Block Grant Program (STBG)	MCOG Local Assistance – Project Delivery	2024/25	115,813	115,813
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2020/21	1,422,305	1,422,305
	State Highway Operations & Protection Program (SHOPP)	Complete Streets Program	2022/23	1,104,114	1,104,114
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2024/25	73,770	73,770
Planning Overall Work Program (OWP)	CCR Sec. 99233.2	LTF	2024/25	127,301	186,329
			2023/24	59,028	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2024/25	200,000	288,042
			2023/24	88,042	
	State Highway Account (SHA)	Rural Planning Assistance (RPA)	2024/25	294,000	363,000
			2024/25	65,000	
			2023/24	4,000	
Federal Transit Administration (FTA) Section 5304	Caltrans Sustainable Transportation Planning Grant	2023/24	132,795	132,795	
			Subtotal OWP	970,166	
			Total Allocations		4,488,436

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

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2024, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

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**MCOG Administration
FY 2024/25 Budget**

Executive Committee Recommendation
Revised during Budget Development
As of May 23, 2024

Note:

Funding Source	TDA/LTF	STBG	Other	Total	%
Proposed Administration Budget	554,900	115,813	43,076	713,789	100%
Staffing Contract					
Dow & Associates proposal--revised, subject to amendment	498,520	115,813		614,333	86%
Other funds that may be claimed in place of LTF or STBG:					
Up to amount of REAP carryover available for Admin.			15,417		2%
Up to amount of portion SB 125 allocated for Admin.			27,659		4%
Other Direct Costs					
Memberships - CALCOG, NSSR, CALACT	5,580	-	-	5,580	0.8%
Fiscal Audits of MCOG and MTA	26,000	-	-	26,000	3.6%
Performance Audit	7,500	-	-	7,500	1.1%
County Auditor-Controller	5,000	-	-	5,000	0.7%
Legal Counsel	1,200	-	-	1,200	0.2%
Travel and Training	7,500	-	-	7,500	1.1%
Communications	2,400	-	-	2,400	0.3%
Contingency / Miscellaneous	1,200	-	-	1,200	0.2%
Total Other Direct Costs	56,380	-	-	56,380	8%

A - TDA
B - STBG

C
D

E
F

G

LEGEND

TDA/LTF = Transportation Development Act, source of Local Transportation Funds (1/4 cent sales tax)
STBG = Surface Transportation Block Grant Program, aka RSTP (federal source exchanged for state funds)
REAP = Regional Early Action Planning from State Housing & Community Devt. for housing activities
SB 125 = Senate Bill program started in 2023 for Transit Capital and Zero Emission Transit (see Note C)

NOTES

- A) TDA/LTF Admin. at \$554,900 is 13.1% of County Auditor's Estimate of new sales tax revenues (\$4,243,383), up from 11.4% last year.
- B) \$90,000 of new funds and \$25,813 of prior-year unexpended funds (due to staff position vacancies) from STBG program, a.k.a. RSTP.
- C) When REAP funds are claimed, contractor's invoice reduces LTF claimed; the same process will be followed for SB 125 administration claims, not to exceed the total Dow & Associates staffing contract.
- D) SB 125 created the Formula-Based Transit & Intercity Rail Capital Program (TIRCP) & Zero Emission Transit Capital Program (ZETCP).
- E) A new 5-year procurement is required. Estimated Fiscal Audit costs for 2024: MCOG \$12,500; Mendocino Transit Authority \$13,500.
- F) The Triennial Performance Audit expense occurs in FY 2024/25 at budget of \$22,500.
FY 2022/23 started a 3-year cycle of setasides for the next audit (\$7,500 annually).
- G) Communications expenses have included website hosting, meeting space rentals, meals, miscellaneous legal notices and printing.

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**MENDOCINO COUNCIL OF GOVERNMENTS
FY 2024/25 (FINAL) OVERALL WORK PROGRAM
SUMMARY OF FUNDING SOURCES**

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	OTHER / GRANT	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$ -	\$ 25,000	\$ 122,000	\$ -	\$ 147,000
2	MCOG - Planning Management & General Coordination (Non-RPA)	\$ 59,540	\$ 29,500	\$ -	\$ -	\$ 89,040
3	MCOG - Regional Transportation Plan/Active Transportation Plan - 2026 Update (NEW)	\$ -	\$ 45,000	\$ 10,000	\$ -	\$ 55,000
4	MCOG - Sustainable Transportation Planning	\$ 23,000	\$ -	\$ 2,000	\$ -	\$ 25,000
6	Co. DOT - Combined Special Studies	\$ -	\$ -	\$ 54,000	\$ -	\$ 54,000
7	MCOG - Planning, Programming & Monitoring	\$ -	\$ 105,500	\$ 4,000	\$ -	\$ 109,500
8	MCOG - Regional Leadership Training	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000
9	MCOG - Noyo Harbor Multimodal Circulation Plan - <i>Carryover</i>	\$ 17,205	\$ -	\$ -	\$ 132,795	\$ 150,000
10	MCOG - Update/Expand Local Road Safety/Action Plans in Mendocino Co.	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
14	MCOG - Training	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
15	Point Arena - Downtown Parking Master Plan - <i>Carryover</i>	\$ -	\$ 48,375	\$ -	\$ -	\$ 48,375
16	MCOG - Multi-Modal Transportation Planning	\$ -	\$ -	\$ 55,000	\$ -	\$ 55,000
18	MCOG - Geographic Information System (GIS) Activities	\$ -	\$ -	\$ 6,500	\$ -	\$ 6,500
20	MCOG - Grant Development & Assistance	\$ -	\$ 10,500	\$ 44,500	\$ -	\$ 55,000
	<i>PROJECT RESERVE</i>	\$ 76,584	\$ 24,167	\$ -	\$ -	\$ 100,751
	TOTAL	\$ 186,329	\$ 288,042	\$ 363,000	\$ 132,795	\$ 970,166

TOTAL WORK PROGRAM SUMMARY/PROGRAM MATCH			
Local	\$186,329	19%	Local LTF 2024/25 - 3% Alloc. \$127,301 Local LTF <i>Carryover</i> \$59,028
State	\$651,042	67%	State PPM 2024/25 Alloc. \$200,000 State PPM <i>Carryover</i> \$88,042
Federal	\$132,795	14%	State RPA 2024/25 Alloc. \$294,000
Other	\$0	0%	State RPA Grant Funds \$65,000 State RPA <i>Carryover</i> \$4,000
TOTAL WORK PROGRAM SUMMARY	\$970,166	100%	Federal Grant (FTA 5304) <i>Carryover</i> \$132,795 TOTAL \$970,166

**MENDOCINO COUNCIL OF GOVERNMENTS
 FY 2024/25 (FINAL) OVERALL WORK PROGRAM
 FUNDING ALLOCATION & EXPENDITURE SUMMARY**

NO.	WORK ELEMENT TITLE	COUNTY DOT	CITIES	MCOG STAFF	CONSULT/ OTHERS/ DIRECT COSTS	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination			\$ 145,000	\$ 2,000	\$ 147,000
2	MCOG - Planning Management & General Coordination (Non-RPA)			\$ 85,540	\$ 3,500	\$ 89,040
3	MCOG - Regional Transportation Plan/Active Transportation Plan - 2026 Update (NEW)			\$ 55,000		\$ 55,000
4	MCOG - Sustainable Transportation Planning			\$ 15,000	\$ 10,000	\$ 25,000
6	Co. DOT - Combined Special Studies	\$ 54,000				\$ 54,000
7	MCOG - Planning, Programming & Monitoring			\$ 100,000	\$ 9,500	\$ 109,500
8	MCOG - Regional Leadership Training - <i>Carryover</i>				\$ 15,000	\$ 15,000
9	MCOG - Noyo Harbor Multimodal Circulation Plan - <i>Carryover</i>			\$ 7,500	\$ 142,500	\$ 150,000
10	MCOG - Update/Expand Local Road Safety/Action Plans - <i>Carryover</i>			\$ 2,000	\$ 48,000	\$ 50,000
14	MCOG - Training				\$ 10,000	\$ 10,000
15	Point Arena - Downtown Parking Master Plan - <i>Carryover</i>		\$ 48,375			\$ 48,375
16	MCOG - Multi-Modal Transportation Planning			\$ 55,000		\$ 55,000
18	MCOG - Geographic Information System (GIS) Activities			\$ 6,500		\$ 6,500
20	MCOG - Grant Development & Assistance			\$ 55,000		\$ 55,000
	<i>PROJECT RESERVE</i>				\$ 100,751	\$ 100,751
	TOTAL	\$ 54,000	\$ 48,375	\$ 526,540	\$ 341,251	\$ 970,166

Note: Reimbursement Rates Used for Calculating Days Programmed (estimate only). County/Cities/Local Agencies (\$75/hr.); Consultants (\$125/hr.); MCOG Planning Staff (est. @ approx. \$38-\$130/hr. - various positions).

II.
Unmet
Transit Needs

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2024-04

FINDING THAT
THERE ARE UNMET TRANSIT NEEDS
THAT ARE REASONABLE TO MEET
FOR FISCAL YEAR 2024/25

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 2024/25 on February 5, 2024, accepting as testimony a list of six (6) needs compiled by the Social Services Transportation Advisory Council (SSTAC) on November 29, 2023, one (1) need from Mendocino Transit Authority (MTA) from public meetings during the year, and five (5) needs from testimony at the public hearing, for a total list of 12 items;
- On February 5, 2024, 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 (TPC) met and reviewed MTA’s report, attached as **Exhibit C**, and recommended to MCOG that “*there are unmet transit needs that are reasonable to meet*” for Fiscal Year 2024/25, contingent on certain funding availability, as reflected in the TPC minute order of May 2, 2024, attached as **Exhibit D**;
- The Social Services Transportation Advisory Council (SSTAC) met again May 30, 2024 (minutes to follow when available) to review MTA’s report and their recommendation will be reported to the Council on June 3, 2024; therefore, be it

RESOLVED, THAT:

MCOG finds that there are unmet transit needs that are reasonable to meet for Fiscal Year 2024/25, as identified on the FY 2024/25 list:

- #S-1 Service/micro transit for Covelo and Laytonville
– *contingent on SB 125 funding availability*
- #P-3 Evening service 6pm to 10pm for all routes, primarily in Ukiah
– *Ukiah service is reasonable contingent on funding partnership with Mendocino College*

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2024, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

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

MENDOCINO COUNCIL OF GOVERNMENTS

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

Introduction

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

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

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

Definitions

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

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

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

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

Page 2 of 2

12/7/98

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

/le
/jmo



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2024/25 Unmet Transit Needs

Testimony Heard in Public Hearing

March 4, 2024

(not in any order of priority)

Needs Identified at the SSTAC workshop:

1. Service/micro transit for Covelo, Laytonville, Brooktrails, Hopland, and Potter Valley
2. Mobility solutions for remote coastal communities
3. Continue restoration of temporary pandemic-related service suspensions
4. Service to Noyo Harbor and downtown Fort Bragg central business district (visitor and local serving)
5. Non-emergency medical service, including after-hours/weekends for hospital release and out of county
6. Wednesday service for Ukiah Senior Center transportation

Needs Identified by Mendocino Transit Authority (MTA):

1. Service from Golden Rule to Ukiah and/or Willits for seniors

Needs Identified in Public Hearing:

1. Expanded transit service along SR 222/Talmage Road
2. More Dial-a-Ride drivers in order to meet demand and decrease wait times
3. Evening service 6pm to 10pm for all routes, primarily in Ukiah
4. One daily trip to-from Hopland and Ukiah for seniors
5. Great Redwood Trail service connecting Sonoma County line to Hopland and Redwood Valley to Willits, including bicycle and e-bike racks for trail users.

TOTAL of 12 Recommended Unmet Transit Needs for Analysis by MTA

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Analysis of the recommendations for Unmet Needs by MTA FY 2024/2025

High Priority – Consider for FY 2024/25

S-1 Service/micro transit for Covelo, Laytonville, Brooktrails, Hopland, and Potter Valley

Will start the planning phase in 24/25 for the Covelo and Laytonville portion since we secured funding through SB 125

S-3 Continue restoration of temporary pandemic-related service suspensions.

With funding from SB125 MTA will complete the final phase of service restoration in fiscal year 24/25.

P-3 Evening service 6pm to 10pm for all routes, primarily in Ukiah

With funding from SB125 MTA will restore evening service in fiscal year 24/25.

Medium Priority – Consider for FY 2024/25

M-1 Service from Golden Rule to Ukiah and/or Willits for seniors

MTA will continue to study the feasibility and ridership demand for this need.

S-4 Service to Noyo Harbor and downtown Fort Bragg central business district (visitor and local serving)

MTA will continue to study the feasibility and ridership demand for this need.

Low Priority – Consider for FY 2024/25

S-2 Mobility solutions for remote coastal communities

MTA will continue to study the feasibility and ridership demand for this need.



P-1 Expanded transit service along SR 222/Talmage Road

MTA will continue to study the feasibility and ridership demand for this need.

P-4 One daily trip to-from Hopland and Ukiah for seniors

MTA will continue to study the feasibility and ridership demand for this need.

S-5 Non-emergency medical service, including after-hours/weekends for hospital release and out of county

MTA will continue to study the feasibility and ridership demand for this need.

Already Exists

S-6 Wednesday service for Ukiah Senior Center transportation

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

Not Feasible

P-2 More Dial-a-Ride drivers in order to meet demand and decrease wait times

Since the end of the pandemic MTA has added two additional operators daily. At this time the number of operators is adequate.

P-5 Great Redwood Trail service connecting Sonoma County line to Hopland and Redwood Valley to Willits, including bicycle and e-bike racks for trail users.

The Great Redwood Trail Agency will consider all comments on the Draft Master Plan and may make revisions based on feedback before adopting the Master Plan in Summer 2025 (tentative). MTA will be watching for the final plan. For the purposes of this year's unmet needs this request cannot be considered.

MENDOCINO COUNCIL OF GOVERNMENTS

Reso. M2024-04

Exhibit D

2 Pages

MINUTE ORDER *

Transit Productivity Committee – Unmet Transit Needs

May 2, 2024

Primary Location:

MCOG / Dow & Associates Offices
525 S. Main St., Suite G, Ukiah

Teleconference Location:

Redwood Coast Senior Center, 490 N. Harold St., Fort Bragg

General Public Teleconference by Zoom

PRESENT:

MCOG Board Members:	Dan Gjerde, Mike Carter
MTA Board Members:	Jim Tarbell, Saprina Rodriguez
Senior Centers Rep.:	Jill Rexrode, Redwood Coast Seniors (Alt.)
Staff & Others	Nephele Barrett, Janet Orth, and Jody Lowblad, MCOG Jacob King, Dawn White and Mark Harvey, MTA

ABSENT: None

1. Call to Order. Chair Gjerde called the meeting to order at 10:02 a.m. Participants on the call were identified: Dan, Mike, Jacob, Dawn, Nephele, Janet and Jody in Ukiah; Jill in Fort Bragg; Jim and Mark joining by Zoom. Dan explained that Jim would not be allowed to vote as he did not attend at one of the two Brown Act noticed locations on the agenda. It was determined that a quorum of three voting members was present. Saprina arrived at 10:10 a.m. during Agenda #3, for a quorum of four.

2. Public Expression. None.

3. Review and Recommendation on MTA’s Analysis and Prioritization of 2024/25 Unmet Transit Needs.

Janet reviewed the annual process, current status and the recommended action. Included in the agenda packet was MTA’s analysis of the list of all testimony compiled by MCOG from the Social Services Transportation Advisory Council (SSTAC), Mendocino Transit Authority (MTA) and the February public hearing. The report was ranked by five categories: *High Priority* (3), *Medium Priority* (2), *Low Priority* (4), *Already Exists* (1), and *Not Feasible* (2) for a total of 12 needs. Jacob then reviewed the top four needs on the list, with staff and group discussion.

- “High Priority–Consider for FY 2024/25” – #S-1, Service/micro transit for Covelo, Laytonville, Brooktrails, Hopland, and Potter Valley, is partially written into MCOG’s SB 125 Formula-Based Transit and Intercity Rail Capital Program (TIRCP) & Zero Emission Transit Capital Program (ZETCP) Allocation Package, to start with a pilot project serving Covelo and Laytonville, so this should be reasonable to meet. However, it was learned earlier this week that the SB 125 funds were frozen by the Governor in the State budget’s May Revise, pending budget adoption in June. Fiscal Year 2024/25 would be a planning year, 2025/26 would start some level of service, and 2025/26 would be determined by results of the pilot to date.

#S-3, Continue restoration of temporary pandemic-related service suspensions, has largely been completed, with evening service the remaining piece, so is essentially the same as #P-3.

#P-3, Evening service 6pm to 10pm for all routes, primarily in Ukiah, would be reasonable to meet with funding participation by Mendocino College, as a majority of rides are to-from the campus.

- “Medium Priority–Consider for FY 2024/25” – #M-1, Service from Golden Rule to Ukiah and/or Willits for seniors, would not be feasible for fixed route as there is no safe stop on northbound US-101, and this need would be better served by either the Willits or Ukiah senior center assisted transportation programs. This was discussed at the November 2023 SSTAC meeting and needs further study. One opportunity would be a competitive FTA Section 5310 operations grant, when the next cycle opens in 2025. This would not be ready in FY 2024/25.

#S-4, Service to Noyo Harbor and downtown Fort Bragg central business district (visitor and local serving) will be addressed in MCOG’s Noyo Harbor Multimodal Circulation Plan later this year.

- There was no discussion of “Low Priority,” “Already Exists” or “Not Feasible” (or else not an unmet need by definition).

Questions and discussion included:

- MCOG and MTA staff met May 1 and discussed whether the needs could be met with SB 125 funding, if or when available. This source is meant to reduce greenhouse gas (GHG) emissions, increase ridership, and avoid service budget cuts, i.e. address the transit “fiscal cliff.” (Nephele)
- Covelo-Laytonville is a lifeline service, starting one day per week. Electric vehicle (EV) range will be tested for these trips. Seasonal temperatures, heat and cooling are factors of energy use. (Jacob, Dan)
- One idea for this project has been to deploy the EV on a city route and a gas/diesel vehicle on the longer-distance route; however, that might not meet the GHG requirement for funding. Other agencies have used the emission credits market to accomplish a similar goal. Hybrid electric vehicles also qualify for SB 125 funding. (Janet, Jacob)
- MTA does not want to start a service that will later be taken away. SB 125 is a temporary funding source, though has no expenditure deadline. (Jacob, Janet, Nephele)
- Covelo and Laytonville service are needs that have been on the unmet list for many years; this is the closest we have come to meeting them. Transit is needed for medical and other essential trips. (Janet, Jacob)
- The restoration and evening services are interrelated though listed twice, since one need came from SSTAC and the other from public hearing. MTA would ask Mendocino College to be a funding partner for participation in costs. This is a recurring need heard in MTA board meetings and should be restored. (Jacob)
- Further details of service to Golden Rule retirement community. This would qualify for a FTA Section 5310 service expansion grant. MTA could assist with certain aspects of service. This can be reviewed more at MCOG’s next Senior Centers Transportation workshop later this month. (Jacob, Nephele)
- Discussion of whether any needs are reasonable to meet and how best to recommend. There is no LTF funding available for unmet needs this coming fiscal year, so feasibility will depend on other sources. Staff anticipates operational demands on SB 125 besides these needs, so funding should be stated separately in the recommendation. (Dan, Janet, Nephele)

Recommendations:

Upon motion by Rodriguez, seconded by Carter, and carried unanimously by roll call vote (4 Ayes – Gjerde, Carter, Rodriguez and Rexrode; 0 Noes; 1 Absent – Tarbell not voting), the TPC recommended a finding that “there are unmet transit needs that are reasonable to meet” for Fiscal Year 2024/25 contingent on available funds, as identified on the FY 2024/25 list:

- #S-1 Service/micro transit for Covelo and Laytonville
– *contingent on SB 125 funding availability*
- #P-3 Evening service 6pm to 10pm for all routes, primarily in Ukiah
– *Ukiah service is reasonable contingent on funding partnership with Mendocino College*

8. Adjournment. The meeting was adjourned at 11:53 a.m.

Submitted by Janet Orth, Deputy Director & CFO

* Minutes will be on the MCOG Board agenda for approval June 3, 2024.

III.
Mendocino
Transit Authority

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2024-05

ALLOCATING FISCAL YEAR 2024/25 LOCAL TRANSPORTATION FUNDS
and STATE TRANSIT ASSISTANCE 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 no Capital Reserve Funds;
- This claim, attached hereto as **Exhibit A**, was reviewed by MCOG staff and the Transit Productivity Committee (TPC), and the MTA Board of Directors may make revisions according to budget development and TPC recommendations, as allowed by adopted MCOG policy; staff and the TPC recommended full funding of MTA's claim as submitted;
- According to MCOG's adopted Capital Reserve Fund policies, eligible applicants under contract with MTA may request capital funds, providing that a five-year capital program and contract between the claimant and MTA is on file with the RTPA;
- Capital claims must be identified in accordance with TDA: 1) to reflect capital needs that will be expended during the fiscal year so claimed under Public Utilities Code 6648 and 2) filed to reflect specific capital improvements of a long-term nature up to five years, or for matching purposes in applying for federal transportation grants under P.U.C. 6631;
- MTA is the only eligible claimant of State Transit Assistance, for which eligibility for Operations funding is to be determined by performance reviews, fiscal audits, and state legislation;
- State of Good Repair program funding is available through the RTPA from Senate Bill 1, the Road Repair & Accountability Act of 2017, with allocations approved by separate MCOG resolution with a Project list; and
- Based on allocations in accordance with TDA for Administration, Planning, and Reserves, the 2024/25 LTF funds available for transportation services are \$3,240,044; STA funds available for 2024/25 are estimated at \$1,197,778 (\$1,066,235 of new State funds and \$131,543 of audited and anticipated fund balance); State of Good Repair funds are estimated at \$153,866 (preliminary estimate of new funds); and the Capital Reserve Fund balance is estimated at \$10,654; The total amount available for transportation services from these four funding sources is estimated at **\$4,602,342**; 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	2,721,637
	PUC Sec. 99260(a)		Unmet Transit Needs	0
	PUC Sec. 99400(c)		Senior Center Operations	518,407
	PUC Sec. 99262		Transit Planning	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total LTF	3,240,044
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	1,197,778
	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	1,197,778
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	0
	CCR Sec. 6648		LTF/STA allocated to CRF above	0
			Total CRF	0
D.	Senate Bill 1	State of Good Repair (SGR)	To Be Determined	0
			Total SGR	0
			Total LTF, STA, and Capital Reserve Allocations	4,437,822
			Balance Remaining for Later Allocation (SGR, CRF)	164,520
			Total Estimated 2024/25 Funds Available for Transit	4,602,342

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, 2023 confirmed that MTA’s farebox ratio of 3.5% had not met the ten percent ratio required by Senate Bill 508, (effective July 1, 2016); however, State legislation continued to waive this regulation under COVID-19 pandemic relief.

- c. The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended, now referred to as the Federal Transit Administration (FTA). Operating assistance funds were claimed in FY 2022/23 for COVID-19 pandemic relief that caused MTA to exceed eligibility for TDA funds received in that audited fiscal year.
- 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 (ending June 30, 2023), two were not met, one was met, and one was waived by legislation according to the auditor's report, and the remaining measure did not apply to MTA.
 1. The sum of the claimant's allocations from LTF (TDA) did exceed the amount the claimant is eligible to receive during the fiscal year for operating.
 2. The sum of the claimant's allocations from LTF (TDA) did exceed the amount the claimant is eligible to receive during the fiscal year for capital.
 3. The claimant's subcontractors (senior centers) did not exceed the eligibility criteria for LTF and STA funds during the fiscal year.
 4. The sum of the claimant's allocations from STA did exceed the amount the claimant is eligible to receive during the fiscal year for operations purposes according to efficiency standards. For the fiscal year audited, all of the STA funds claimed by MTA were for operating purposes. State Assembly Bill 90 provided statutory relief due to the COVID-19 pandemic.
 5. The fifth measure pertains to passenger rail eligibility and was not applicable for the fiscal year audited.

An estimated \$1,750,000 of LTF operations funding, and an amount of capital funds to be determined, will be recovered by MCOG through a process to be negotiated with MTA and re-allocated in an amendment and/or future budgets.

- 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 May 2, 2024, the Transit Productivity Committee (TPC) reviewed performance data through December 31, 2023 reporting improvement in fixed route performance, maintenance of effort by DAR and by Senior Centers specialized services as a whole, and cost reduction for all service types over the past year, and also noting opportunities to support and market specialized transportation services provided by the Senior Centers to help increase ridership.

- b. The California Highway Patrol has certified, within the last 13 months and prior to filing claims, that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by PUC Section 99251.
 - c. The operator is not in compliance with the eligibility requirements of PUC Section 99314 as applicable (relative to STA funds); however, State Assembly Bill 90 provided statutory relief due to COVID-19.
3. In accordance with Section 99405(c) of the Public Utilities Code, MCOG adopted and set forth the local match requirements for senior centers claimed under Article 8 at a minimum of ten percent, consistent with Senate Bill 508, signed into law October 9, 2015, amending the Transportation Development Act; local match required in the form of fare revenues, including local and federal funds, continue to be temporarily waived by state legislation.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$716,069 as of June 30, 2023, less 2023/24 allocations of \$705,462, provides an approximate balance of \$10,607 from interest earnings. MTA has requested no funds for capital projects in its Fiscal Year 2024/25 claim.
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 2024/25 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2024.

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2024, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair



SERVING MENDOCINO COUNTY SINCE 1976

March 29th, 2024

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

Dear Nephele,

Attached is MTA's claim for funds for fiscal year 2024/2025.

In summary, MTA is requesting:

\$ 3,240,044	from the Local Transportation Fund (LTF), and
\$ 1,197,788	in State Transit Assistance funds

Local Transportation Fund

The Claim includes the amount recommended by MCOG's Board of Directors on March 4th 2024 as available for Transit. Of that amount, \$ 2,721,637 would be used to support MTA's General Public Operations and \$518,407 for Senior Center operations

State Transit Assistance Fund

The Claim includes a total of \$1,197,778 of MTA's share of the Governor's State budget for STA funds, all to be used for Operating.

Capital Reserve

The Capital Program for FY2023/24 balance was transferred to the MTA Capital section for use in FY 2023-2024. Since there is a reduction in LTF for 24/25 we are not applying any LTF to the Capital Program.

MTA Operations

The Auditor's Estimate of LTF Revenues FY24/25 will be utilized to augment MTA operating costs. We understand this estimate is subject to revision.

Senior Center Subsidy Program

Senior Center Subsidy for fiscal 24/25 is \$518,407 for Senior Center operations.

MTA and Senior Center Capital Program

The Capital Program for the budget year FY24/25 will reflect only projects which MTA will pay for from its Capital funds on deposit with Mendocino County and grant funding.

Uncertainty

We are submitting the best information we have currently, but respectfully request your understanding and support if a revised claim is necessary.

Regards,

Jacob King
Executive Director



Cc: Budget File

Mendocino Transit Authority Summary of 2024/2025 Claim for Funds

3/28/24

Source	Authority	Purpose	FY 2023/24 Amount	FY 2024/25 Amount
Local Transportation Fund:				
	PUC, Sec. 99260(a)	MTA Operations	\$3,214,150	\$2,721,637
	PUC, Sec. 99260(a)	Unmet Transit Needs	\$50,000	\$0
	PUC, Sec. 99400(c)	Senior Center Operations	\$681,249	\$518,407
	PUC, Sec. 99260(a)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
	PUC, Sec. 99262	Transit Planning	\$0	\$0
Total			\$3,945,399	\$3,240,044
State Transit Assistance Fund:				
	CCR, Sec. 6730(a)	MTA Operations	\$1,293,571	\$1,197,778
	CCR, Sec. 6731(b)	Senior Center Operations	\$0	\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital	\$150,000	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
Total			\$1,443,571	\$1,197,778
Capital Reserve				
	CCR, Sec. 6648	MTA Capital	\$705,462	\$0
	CCR, Sec. 6648	Senior Capital	\$0	\$0
	CCR, Sec. 6631	Long-Term Capital	\$0	\$0
Total			\$705,462	\$0
Total Claim			\$6,094,432	\$4,437,822

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IV.
Surface Transportation
Block Grant Program

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2024-06

ALLOCATING SURFACE TRANSPORTATION BLOCK GRANT PROGRAM FUNDS
for FISCAL YEAR 2024/25
MCOG PARTNERSHIP FUNDING PROGRAM, LOCAL ASSISTANCE,
AND DISTRIBUTION BY FORMULA TO MEMBER AGENCIES

WHEREAS,

- Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- Surface Transportation Block Grant (STBG) program, formerly known as Regional Surface Transportation Program (RSTP), revenue is based on estimates provided by the California Department of Transportation under federal legislation; the Infrastructure Investment & Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law, continued the program in its authorizing legislation, providing a preliminary estimate of revenue for FY 2024/25 of **\$1,045,738**;
- Customarily MCOG has exchanged its annual federal STBG/RSTP apportionment for more flexible state funds through State of California's optional Federal Apportionment Exchange Program;
- On June 5, 2006, MCOG adopted a simplified version of its existing RSTP distribution formula, such that 60 percent of the annual regional apportionment is divided equally among the five MCOG member jurisdictions as a base amount, and 40 percent is divided by the Federal Aid Urban (FAU) equivalent road miles percentage for each jurisdiction;
- On June 5, 2006, MCOG also created a capital fund from RSTP revenues, for MCOG regional safety, operational and capacity-increasing projects that stimulate partnerships, in specified amounts of each annual regional apportionment, before distribution to the five MCOG member jurisdictions, and this set-aside is referred to as MCOG's Partnership Funding Program;
- On October 4, 2010, MCOG confirmed four agreements in concept as a result of the Council's Strategic Planning Workshop of August 9, 2010:
 - 1) MCOG will be responsible for project development for priority projects to ensure project readiness.
 - 2) MCOG's Partnership Funding Program, initiated several years ago with RSTP funding, will be continued through the life of the next federal transportation bill.
 - 3) MCOG will pursue expansion of the level of local assistance for its member agencies.
 - 4) MCOG will expand project selection criteria to increase the relative importance of leveraging and to reflect outcomes of this workshop.
- On February 7, 2011, MCOG approved Dow & Associates' staffing contract extension, to include RSTP funds for a new "local assistance" staff position with the goal of increased project delivery, consistent with the Council's strategic planning of the previous August; this new position of Regional Project Manager (now referred to as Regional Project Coordinator) was initiated in FY 2011/12 at \$90,000 per year;

- Under the new five-year contract for Administration & Fiscal Services to be approved August 12, 2024, Dow & Associates shall have the management responsibility for the Partnership Funding Program in the amount of an estimated **\$721,896** (\$521,896 fund balance at June 30, 2023, \$100,000 allocated for FY 2023/24, \$100,000 anticipated for FY 2024/25), available for allocation before FY 2023/24 expenditures; the program includes one open Partnership project fully claimed to date and needing additional funds for the Covelo Trail;
- Dow & Associates also shall have the management responsibility for the Local Assistance current-year budget of \$90,000 and an unexpended program fund balance of \$301,016 through FY 2022/23; the amount of \$90,000 of new funds and additional personnel cost according to the new contract shall be allocated to continue Local Assistance services to member agencies in Fiscal Year 2024/25, and other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion; and
- It is MCOG’s intention to reevaluate its STBG formula for distribution to the member agencies if a forthcoming federal transportation legislative bill substantially changes the amount of, or designated use of, STBG funds; therefore, be it

RESOLVED, THAT: MCOG hereby allocates estimated new STBG revenues for FY 2024/25 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	184,223	855,738
	City of Ukiah	247,924	
	City of Fort Bragg	165,534	
	City of Willits	155,368	
	City of Point Arena	102,689	
Total FY 2024/25 Allocations			1,045,738

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2024, by the following roll call vote:

AYES:
 NOES:
 ABSENT:

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

 ATTEST: Nephele Barrett, Executive Director

 Dan Gjerde, Chair

V.
REAP
Housing Grants

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2024-07

ALLOCATING FISCAL YEAR 2023/24 CARRYOVER REGIONAL EARLY ACTION PLANNING (REAP) PROGRAM GRANT FUNDS FOR FY 2024/25

WHEREAS,

- The California Department of Housing and Community Development (HCD) is authorized to provide up to \$125,000,000 under the Local Government Planning Support Grants Program to Councils of Governments and other Regional Entities (as described in Health and Safety Code section 50515.02), including the Regional Early Action Planning (REAP) Program;
- The Mendocino Council of Governments (MCOG) is the Regional Entity in Mendocino County eligible to apply for and receive said funds and may execute a Master Fund Agreement with HCD;
- To this end, MCOG amended its Joint Powers Agreement (JPA) in 2020 to add housing matters as a specific power, with all five member agencies approving by resolution;
- REAP funds were available to MCOG at \$383,245 for activities that “increase housing planning and accelerate housing production” with eligible activities that include providing technical assistance, performing infrastructure planning, and conducting feasibility studies;
- Funds may be suballocated to cities and counties for these activities, MCOG staff consulted with member agencies’ staff, and on November 2, 2020, MCOG approved a distribution formula for suballocation and amended the budget December 7, 2020; a REAP application was submitted January 29, 2021, revised May 11, 2021, and a Master Agreement with HCD was executed February 11, 2022 to receive the funds; and
- A portion of the \$38,325 (ten percent) for Grant Administration & Management was expended in Fiscal Years 2020/21, 2021/22, 2022/23 and 2023/24, and City and County suballocations were partially or fully expended; therefore, be it

RESOLVED, THAT:

1. MCOG hereby carries over estimated REAP funds to 2024/25, allocated as follows.

RECIPIENT	AMOUNT	TOTALS
MCOG Grant Administration & Management		15,417
Formula Distribution to MCOG Member Agencies (rounded to nearest dollar)	County of Mendocino	125,051
	City of Ukiah	0
	City of Fort Bragg	46,410
	City of Willits	0
	City of Point Arena	0
		171,461
		186,878

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2024, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephel Barrett, Executive Director

Dan Gjerde, Chair

VI.
SB 125
Formula-Based
Transit

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MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2024-08

ALLOCATING SB 125 FORMULA-BASED TIRCP AND ZETCP FUNDS FOR FISCAL YEAR 2024/25

WHEREAS,

- The Transit & Intercity Rail Capital Program (TIRCP) competitive program was created in 2014 and modified in 2015, to provide grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion;
- SB 125 (Chapter 54, Statutes of 2023) and Assembly Bill 102 (Chapter 38, Statutes of 2023) amended the Budget Act of 2023 to appropriate \$4 billion of General Fund to the TIRCP over the next two fiscal years as well as \$910 million of GGRF funding and \$190 million of Public Transportation Account funding over the next four fiscal years to establish the Zero-Emission Transit Capital Program (ZETCP);
- SB 125 guides the distribution of TIRCP funds on a population-based formula to regional transportation planning agencies, which will have the flexibility to use the money to fund transit operations or capital improvements, and AB 102 is to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations;
- Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County and will receive an estimated total of \$11,063,615 in a separate cash account over the four-year period, including \$110,636 for Administration of the program, and shall be responsible for reporting of data and expenditures and other requirements;
- In December 2023, MCOG adopted and submitted to the California State Transportation Agency (CalSTA) its first Allocation Plan in consultation with Mendocino Transit Authority, for a total of \$5,353,525, added to the FY 2024/25 Budget;
- On or about April 30, 2024, the Governor's Office instituted a discretionary spending freeze across all state agencies and departments, temporarily pausing release of the Formula-Based TIRCP and ZETCP funding approved in the Fiscal Year 2023/24 budget; and
- These funds are identified in MCOG's budget in anticipation of their release in FY 2024/25, subject to potential amendment; therefore, be it

RESOLVED, THAT:

MCOG hereby makes preliminary SB 125 TIRCP & ZETCP allocations for 2024/25 as follows.

RECIPIENT	AMOUNT	TOTALS
MCOG Administration & Management – Year 1	27,659	
MCOG Administration & Management – Balance	82,977	110,636
Mendocino Transit Authority for multi-year project, pending claim procedures	5,325,866	
Total FY 2024/25 Allocations		27,659

ADOPTION OF THIS RESOLUTION was moved by Director _____, seconded by Director _____, and approved on this 3rd day of June, 2024, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

Appendices

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MCOG Budget Workshop

May 6, 2024

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

5

MENDOCINO COUNCIL OF GOVERNMENTS
2024/25 Budget
Explanatory Notes on Funding Sources
4/26/2024

“Explanatory Notes on
Funding Sources”
in agenda packet

LTF - Local Transportation Fund

- Generated from quarter-cost sales tax on all sales countywide. Fund estimate provided by County Auditor-Controller/Treasurer Tax-Collector. 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 in 2001 and 2023.
- Fund balance adjusted annually at maximum five percent of County Auditor-Controller's LTF estimate.
- Any audited surplus or shortfall 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 cover the FY 2015/16 shortfall of \$68,864.
- Since 2015/16, MCOG has fully renewed the LTF Reserve policy, releasing audited surplus for allocation from a low of \$100,000 to a high of \$754,417 resulting from the 2020/21 pandemic, allocated in 2022/23. The audited surplus for 2021/22 was \$384,429, followed by budget shortfalls that have depleted the fund.
- With no maximum by policy, the reserve has been set at 10% and 15% for 2021/22 through 2023/24.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Crag 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 Operation, 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 by AB 90, still in effect.
- 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, at \$325,000 in 2016/17, since then stabilized and growing under SB 1. During the pandemic, fuel tax revenues dropped 20%, less more than recovered. Preliminary estimate for 2024/25 is \$1,066,335.

Capital Reserve Fund

- Created and controlled by MCOG as allowed by Transportation Development Act (TDA), Section 6648.
- 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

6

REVENUES:

- Local Transportation Fund (LTF) sales tax revenue estimate by County Auditor is flat at \$4.2M pending new info
- Audited LTF revenues were \$4.5M in 2022/23
- No prior-year surplus, reserves depleted—"Covid bump" is over
- Recommendation to set LTF Reserve at 10%, needs \$247K new \$
- State Transit Assistance (STA) from gas taxes est'd at >\$1M
- New SB 125 TIRCP-ZETCP funds frozen until Gov.'s May Revise = \$5.3M in this draft budget for multi-year projects
- Total all sources = \$15.5M with TIRCP or \$10.2M without

Uncertainties to be resolved in Final Budget or a later Amendment.

Highlights of This Year's Budget

7

ALLOCATIONS:

- Administration costs are uncertain pending staffing contracts and release of SB 125 revenues by CalSTA, may impact LTF
- STBG fund balance could be considered for minor Admin. gap
- Planning funds are stable with multiple sources
- LTF for MTA & Senior Centers down 25% from the original 2023/24 budget, and down 18% from the amended budget
- Total TDA available = LTF and STA combined, down \$2M or 31% from original 2023/24 budget, down \$1.1M or 21% from revised
- MTA has claimed all available TDA, its budget short ~\$1M.

MTA must rely less on local and more on state and federal sources.

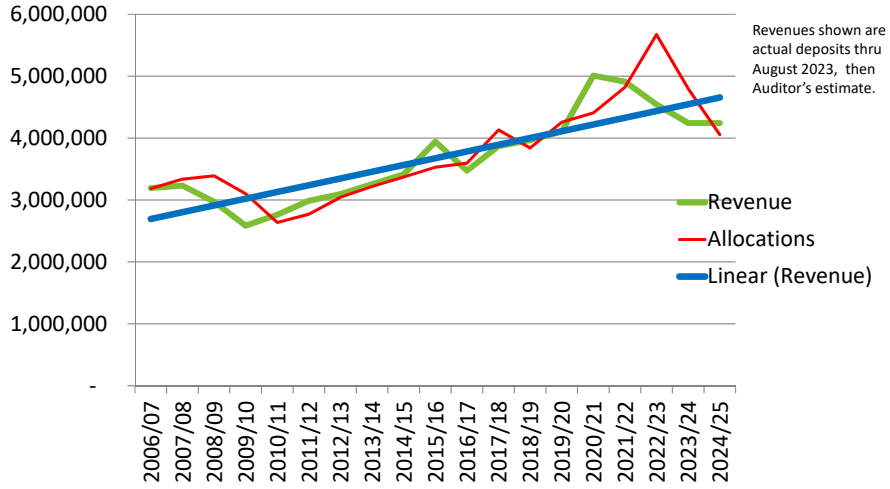
LTF Revenues FYTD 2023/24

8

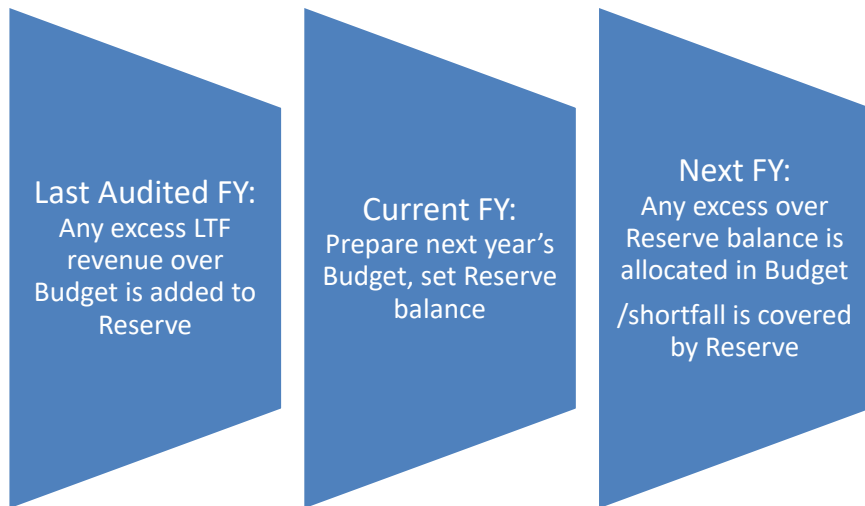
LTF budget compared to actual receipts July through February - 8 months, accrual basis:

	<u>BUDGET</u>	<u>ACTUAL</u>
Auditor's FY Est.-rev.	\$ 4,243,383	
Budget FYTD	2,828,922	\$ 2,932,184
Increase FYTD		103,262 (2.4%)
4 mos. remaining	1,414,461	1,311,199 need
Auditor's FYE estimate \$	658,530	(13.4%) shortfall from <u>orig.</u> estimate

LTF Revenues & Allocations - Trend 9



LTF Reserve Policy since 1999 10



LTF Revenues – Process

11

Excerpt of Summary Page:

REVENUES	FY 2023/24 Budget Amended	FY 2024/25 Budget Proposed
LOCAL/REGIONAL:		*
LTF Reserve Funds		
Audited LTF "Unrestricted Balance" of Unallocated Revenue / Shortfall	\$ 384,429	\$ (593,588)
LTF Reserve Fund Balance	\$ 788,712	\$ 579,553
Less/Plus Current Year Reserve Allocation	\$ -	\$ -
Less Net Withdrawals from Reserve to Cover Shortfall	\$ (593,389)	\$ (402,921)
Subtotal	\$ 579,752	\$ 176,632
Less LTF Reserve Balance per Policy amended 8/14/2023 - at 15%, 10%	\$ 637,000	\$ 424,000
LTF Reserve Available for Allocation/Replenish Reserve in 2023/24	\$ (57,248)	\$ (247,368)

LTF Allocation Priorities

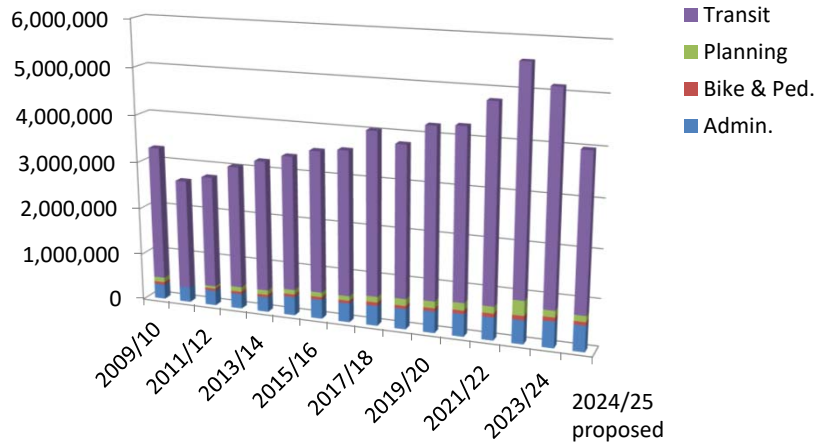
12

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

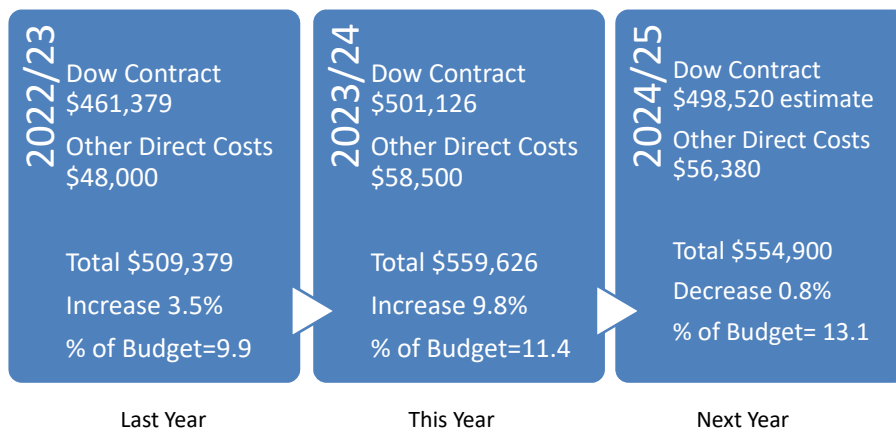
LTF Allocations - Trend

13



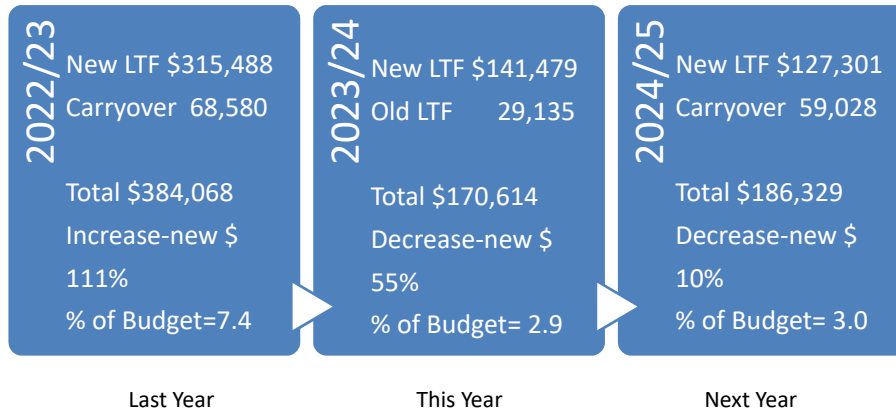
LTF Allocations – Admin.

14



LTF Allocations – Planning

15



All Allocations – Planning

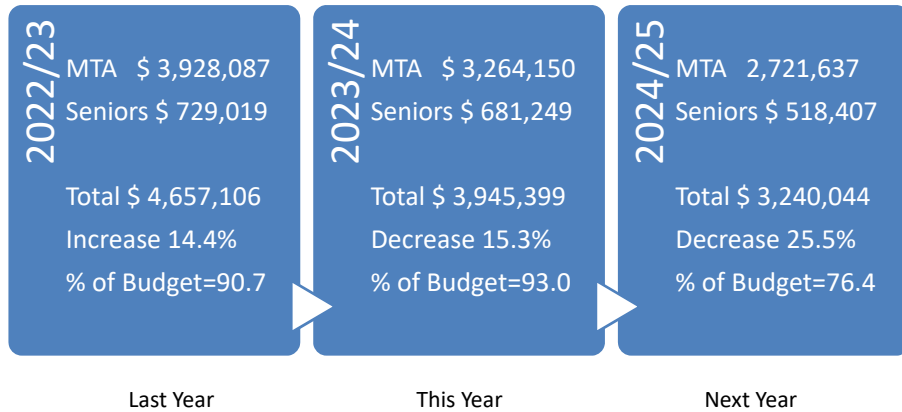
16

Draft FY 2024/25 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergov'tl Coordination	MCOG	State RPA	147,000
2	Planning Mgmt. & General Coordination	MCOG	LTF, PPM	89,040
3	RTP & ATP 2026 Update	MCOG	State PPM, RPA	55,000
4	Sustainable Transportation Planning	MCOG	LTF, RPA	25,000
6	Combined Special Studies	MCDOT	State RPA	54,000
7	Planning, Programming & Monitoring	MCOG	State PPM, RPA	109,500
8	Regional Leadership Training	MCOG	State RPA	15,000
9	Noyo Harbor Multimodal Circulation Plan	MCOG	LTF, Fed Grant	150,000
10	Local Road Safety/Action Plans	MCOG	State RPA	50,000
14	Training	MCOG	LTF	10,000
15	Downtown Parking Master Plan - <i>carryover</i>	Pt. Arena	PPM	48,375
16	Multimodal Transportation Planning	MCOG	State RPA	55,000
18	Geographic Information System Activities	MCOG	State RPA	6,500
20	Grant Development & Assistance	MCOG	PPM, RPA	55,000
	<i>PROJECT RESERVE</i>		LTF, PPM	100,751
	TOTAL			970,166

LTF Allocations – Transit

17



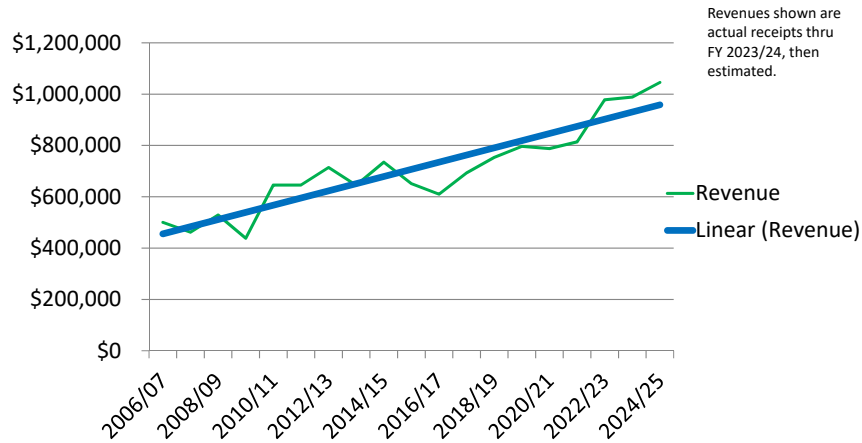
State Funding from SB I

18

- 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

19



STBG Allocation Priorities

20

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 = \$ 988,523 actual

2024/25 **1,045,738** estimate

What's Not in the Budget

21

- **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 2024/25

22

- **Recommendations:**
 - Staff – Admin & Planning
 - Executive Committee – Feb. 29
 - Technical Advisory Committee – Apr. 24
 - Transit Productivity Committee – May 2
 - SSTAC – TBA

- **Adopt Budget June 3, 2024**
- **Can amend during Fiscal Year**

Questions?

Thank You!

Presentation by:

Janet Orth, Deputy Director & CFO

Mendocino Council of Governments

525 S. Main St., Suite B, Ukiah, CA 95482

orthj@dow-associates.com

www.mendocinocog.org

Credits:

Cover photo by Janet



Mendocino Council of Governments
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2022/23, ended June 30, 2023. 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

The sales tax is an essential economic indicator tracked by the Council, as the largest single source of Council funding. Revenue from the dedicated quarter-cent sales tax to the Local Transportation Fund (LTF) continued a trend of economic recovery and growth since the Great Recession began in 2008. Local sales tax revenues had been around \$3 million annually until the low point in 2009/10 of \$2.6 million. Annual revenues grew steadily to \$5 million in FY 2020/21 during the coronavirus pandemic, when LTF revenues came in a full 20 percent above the budget estimate. In 2021/22, there was again a substantial unallocated surplus, though slowing to 8.5%. Fiscal year 2022/23 actual revenues of \$4.5 million were a disappointing 11.6% below the budget estimate, though remained higher than 2019/20. Another substantial budget shortfall is projected for 2023/24, suggesting the growth trend is flattening to pre-pandemic levels. While sales tax revenues are expected to be slightly higher than four years ago, costs have risen with inflation. The Council has wisely set aside reserves during this period, which have buffered against shortfalls to date.

In a different trajectory, the State Transit Assistance (STA) fund from fuel taxes rebounded from its drop during the first pandemic year. The infusion of revenues from Senate Bill 1, the Road Repair & Accountability Act of 2017, had more than doubled STA annual revenues since its ten-year low point in FY 2016/17 of \$325,000, to a high of \$815,000 in 2018/19. While the ensuing pandemic impacted driving behavior, resulting in a loss of 20% in 2020/21, travel later resumed and revenues recovered, with 2021/22 in excess of both the estimates and pre-pandemic actual revenues. Fiscal year 2022/23 actual revenues approached \$1.3 million, an all-time high. STA is vital for transit operations and capital.

Revenues that originate from gasoline and diesel taxes through federal and state funding sources had been trending downward until the Legislature addressed the statewide transportation funding crisis by passing SB 1, which invests over \$5 billion a year in state and local transportation needs. It has been projected that 10 or so years from now, SB 1 revenues will level off as vehicles become more fuel efficient and transition to electricity. A combination of factors will make fuel taxes lose value in the coming years. For the future, alternative revenue streams are being tested, notably the California Road Charge Pilot completed in 2017. In 2021 the State tested how a road charge could work with four technologies: usage-based insurance, ridesharing, EV charging stations/pay-at-the-pump systems, and

autonomous vehicles. In 2023 the Public/Private Roads Project gathered essential information for planning how a road charge program could address travel on and off public, private, and tribal roadways, with rural and tribal community members participating in a six-month pilot. More information: [California Road Charge \(caroadcharge.com\)](https://caroadcharge.com). Also, the federal Bipartisan Infrastructure Law, also known as the Investments in Infrastructure & Jobs Act (IIJA) includes a five-year Road User Fee National Pilot.

Grants and other revenue sources available to the Council have remained stable, with increasing opportunities ahead from state and federal funds. Various SB 1 programs have benefited local member agencies. Planning grants have continued to be active over the past several years, as management has consistently delivered grant products and helped to secure new grants that benefit the Council's membership and the region. Climate resiliency and adaptation are priorities of many grant programs.

For many years, MCOG's net assets were in the range of \$1.5 million in Governmental funds and \$3.5 million in Fiduciary funds. Since large projects such as the SAFE call box program have been completed, balances have changed. FY 2022/23 closing resulted in Governmental net position of approximately \$944,000 and Fiduciary funds of \$6 million.

The Council's management continues to carefully monitor expenditures and is 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, including 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 Supplementary Information.

The Fiduciary Funds are those held in trust for allocation to Council activities and to other entities for which the Council acts as an agent. These are in two categories: 1) Private Purpose Trust and 2) Custodial Funds. Fiduciary Fund activity is detailed under Supplemental Information representing these six funds: LTF, STA, STBG, LTF Bicycle & Pedestrian fund and two Reserves. (State of Good Repair program revenues are held within the STA fund, while activity is tracked separately as shown.)

The Private Purpose Trust funds are:

- The Transportation Development Act (TDA) mandated funds, which consist of the Local Transportation Fund (LTF), from the quarter-cent transportation sales tax collected in county, and State Transit Assistance (STA), from statewide taxes on diesel fuel and gasoline; and
- The Surface Transportation Block Grant (STBG) Program (formerly known as Regional Surface Transportation Program or RSTP) is funded by the federal transportation authorizing legislation (now IIJA), and the Council typically opts to exchange these funds for more flexible State Highway Account funds. The Council has authority to allocate the entire STBG Mendocino County apportionment for regional transportation uses, not necessarily to other units of government. The Council's long-standing policy is to allocate most, but not all, of the STBG/RSTP revenues to its member governments by formula. The Council maintains a Partnership Funding Program for projects of regional significance. Additionally, a portion is set aside for a Regional Project Manager providing Local Assistance.

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

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

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

Capital Assets & Long-Term Liabilities

In the Council's case, the only capital assets are the SAFE program's motorist aid call boxes and associated computer equipment, which are represented separately from the SAFE fund in the Statement of Net Position and further detailed in Note 4 – Capital Assets. These have a declining fund balance as the major system components have been depreciated. 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 \$1,887,396, an increase of \$257,679 (16%) compared to the previous fiscal year, mainly due to variable levels of state aid activity. Expenditures were \$1,573,919, an increase of \$34,943 (2%). Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2021/22.

Table 1

Governmental Net Position at June 30	2023	2022	Change
Current Assets	\$ 1,203,940	\$ 1,012,207	\$ 191,733
Capital Assets, Net of Depreciation	23,654	32,006	(8,352)
Total Assets	1,227,594	1,044,213	183,381
Current Liabilities	259,810	381,386	(121,576)
Total Liabilities	259,810	381,386	(121,576)
Net Position			
Investment in Capital Assets	23,654	32,006	(8,352)
Restricted	984,109	630,821	353,288
Unrestricted	(39,979)	-	(39,979)
Total Net Position	\$ 967,784	\$ 662,827	\$ 304,957

Net position comprised the following:

- Cash and investments of \$507,148 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$604,083;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$259,810;
- Inter-fund receivables, due from Expendable Trust funds, of \$92,709;
- Depreciated capital assets of \$23,654. *(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 \$509,379 from the Local Transportation Fund for administration of all the Council's activities, including the ninth 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 4.2 percent. Most of the Administration budget is allocated to the contract for administrative staffing, office and equipment, with the remainder to direct costs. The budget for Direct Costs dipped to \$48,000, below the \$50,000 to \$60,000 customary over the previous seven years, due to pandemic savings.

Planning

Over the past five years, the Transportation Planning Overall Work Program (OWP) budget has averaged \$1.2 million annually (refer to the Governmental Funds for sources). For FY 2022/23, the amended budget was slightly over \$1.2 million, consistent with this trend. The OWP funded 14 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. Budgets are adopted annually. Revenues have been consistently above \$100,000 annually from vehicle registration fees countywide. Five-Year Strategic & Financial Plans have been adopted to reflect operation and

maintenance of the system, most recently in 2017. A brief history: a series of technical and legal issues delayed implementation over several years of system development. The cash fund balance had accumulated nearly \$1 million in 2013; this was reduced as expenditures were made to implement the SAFE Plan during FY 2013/14 through 2016/17. The plan was fully implemented on state highways in FY 2017/18. Mendocino SAFE operates 45 boxes using satellite technology, as the first in the nation to test and demonstrate early adoption of equipment for use in remote areas where little or no cellular reception is available. These are more expensive to operate. The other 96 call boxes have cellular service, recently subject to costly cellular network changes by the service operator. With reduced funding available, the current focus is on maintenance of the existing system.

Table 2

Changes in Governmental Net Position	2023	2022	Change
Expenses – Administration and Planning	\$ 1,582,271	\$ 1,581,797	\$ 474
Revenues			
Program Revenues:			
Local Transportation Funds	824,867	639,702	185,165
DMV Fees	105,971	107,368	(1,397)
Aid from State Governments	913,420	894,476	18,944
Total Program Revenues	1,844,258	1,641,546	202,712
General Revenues:			
Interest income	43,138	3,755	39,383
Total General Revenues	1,887,396	3,755	39,383
Total Revenues		1,645,301	242,095
Change in Net Position	\$ 305,125	\$ 63,504	\$ 241,621

Contacting the Council’s Financial Management

This annual financial report is intended to provide citizens, taxpayers, member local governments, and funding agencies with a general overview of finances under the Council’s authority. Please direct any questions about this report to Mendocino Council of Governments, Attn. Administration, 525 South Main St., Suite B, Ukiah, CA 95482. Further contact information is available at the Council’s website: www.mendocinocog.org.

Prepared by Janet M. Orth, Deputy Director & CFO