



MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency
and Council of Governments

Fiscal Year 2021/22

BUDGET



June 7, 2021



MENDOCINO COUNCIL OF GOVERNMENTS

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and Council of Governments

Fiscal Year 2021/22

BUDGET

Prepared by

Janet M. Orth

MCOG Deputy Director & CFO

Adopted by

MCOG Board of Directors

June 7, 2021

Cover Photo:
View of US-101 from
Ridgewood Ranch, Willits
By J. Orth April 17, 2021

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MENDOCINO COUNCIL OF GOVERNMENTS

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May 28, 2021

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 2021/22 Budget**

This budget is submitted to you for adoption at our meeting on June 7, 2021. It represents all recommendations made over the past several months by the Executive Committee, Technical Advisory Committee, Transit Productivity Committee, Social Services Transportation Advisory Council, and staff, progress of which we have reported to you along the way. This introduction is a brief summary of the main components of the RTPA budget. Five resolutions are prepared for adoption of the required findings and budget allocations. Two summary formats present different views of the information as usual. Total available revenues from all sources are **\$13,329,631**, and total proposed allocations amount to **\$12,954,485**.

Over the past year, the coronavirus pandemic has impacted regional and national economies in various ways. So we have seen some shifting of the transportation funding streams, though not actual net losses. LTF funds to Mendocino County have grown, fuel tax revenues have decreased along with driving behavior, and new federal legislation has emerged to provide economic relief and stimulus, flowing down through existing government programs. According to The New York Times on May 18, 2021, *“State officials expected the virus to be devastating. But they overestimated the economic damage to skilled workers and underestimated the flood of money that would arise from the booming stock market.”*

Releasing temporary reserves held in 2020/21 adds \$247,964 to the budget for allocation. The budget proposal doubles the LTF Reserve for transit to \$452,000 and still adds 14.7 percent (\$523,044) for MTA’s claim, reaching \$4 million for the first time. For the coming fiscal year, MCOG will be able to fund programs of the Regional Transportation Planning Agency and Mendocino Transit Authority with a steady increase of sales tax revenues, augmented by state and federal funding sources.

Administration

In the Transportation Development Act (TDA), funds for Administration of the agency are the first allocation priority, in amounts “as necessary.” The Executive Committee concurred with staff’s initial draft budget for Administration, which comprises several funding sources. The Board of Directors approved a third contract extension for Administration & Fiscal Services on April 5, 2021. The proposal includes scheduled COLA increases to the contract. TDA/LTF costs for Administration have again dropped slightly, to 10.9 percent of the Auditor’s estimate, with total costs holding at below four percent of the total RTPA/COG budget. The Administration budget proposal (excluding STBG and SAFE) is \$492,001.

Bicycle & Pedestrian

TDA allows up to two percent of Local Transportation Funds (LTF) available each year, after Administration is allocated, to provide for facilities “for the exclusive use of pedestrians and bicycles.” MCOG has customarily allocated the full two percent (2%) annually to a separate fund, and has awarded the funds on a competitive application basis. For the coming fiscal year, the Executive Committee recommends allocation of two percent (2%). The total Bicycle & Pedestrian budget proposal is \$80,676.

Planning

As a major function and responsibility of the RTPA, Planning is managed in the Overall Work Program (OWP). MCOG has customarily provided Local Transportation Funds (LTF) to Planning after Administration and Bicycle & Pedestrian allocations. In addition, several other available sources are combined to fund the Planning program. All details of the OWP are presented in a separate document. The Executive Committee concurred with staff's proposed allocation of \$147,701 of new LTF funds. The Technical Advisory Committee works closely with our planning staff to develop this program each year and on May 19 recommended all proposed allocations, including FY 2019/20 estimated carryover. The total Planning budget proposal is \$862,480.

Transit

After all of the above allocations, the remaining balance of LTF is made available to fund public transit. Also available are State Transit Assistance (STA) funds and federal Section 5311 funds (most recently approved in May 2021 at \$552,134). In our region, the only currently eligible claimant is Mendocino Transit Authority (MTA). Additionally, MCOG adopted a regional policy in 1999 (amended in 2001) to set aside an LTF Reserve for transit purposes of \$100,000 or five percent (5%) of the County Auditor's estimate of new LTF revenues. This year, with MTA's concurrence, staff and the Executive Committee recommended setting aside in reserve twice the policy minimum, to ten percent (\$452,000). The Transit Productivity Committee (TPC) met in April and recommended full funding of MTA's claim as presented. The federal Coronavirus Response & Relief Supplemental Appropriations Act of 2021 (CRRSAA) fund estimate (\$1,459,704) and 2020 CARES Act funds carried over (\$1,508,613) are to be claimed by MTA directly to Caltrans, shown in this proposal as information only. The TPC also recommends a finding that *"there are no unmet transit needs that are reasonable to meet for Fiscal Year 2021/22."* The Social Services Transportation Advisory Council (SSTAC) met May 17 and concurred with the TPC's recommendation on unmet needs. The total Transit budget proposal (minus CRRSAA) is \$5,423,184.

Surface Transportation Block Grant (STBG) Program

MCOG adopted a policy in June 2006 to start setting aside a portion for regional projects, so a fund balance is available to MCOG for allocation consistent with this policy, called the Partnership Funding Program. Also, as a result of the Council's strategic planning workshop of August 2010, a portion of STBG funds is used to provide Local Assistance to the five MCOG member agencies, beginning in FY 2011/12. This is meant to help increase project delivery, to assist with new funding applications, and to provide related technical support. A resolution in this budget documents the STBG background and proposed allocations. We have not yet received a preliminary estimate of new revenues for Mendocino County under the federal FAST Act. Pending a new estimate, 2020/21 actual revenue is proposed for the RSTP budget at \$787,764.

Active Transportation Program (ATP)

MCOG is responsible for management of state grants awarded in 2014/15 and 2015/16. The infrastructure components in progress are project development activities for construction of the State Route 162 Corridor Multi-Purpose Trail, Phases 1 and 2 – Preliminary Engineering and Right-of-Way. This is an exceptional function for MCOG, approved by separate resolution. The infrastructure grant funding carried over is estimated at \$221,000 of preconstruction and \$2,672,000 of construction funds, for total carryover to 2021/22 of \$2,893,000. A new Caltrans Complete Streets grant adds \$2,011,000 to the project, for a total of \$4,904,000.

Regional Early Action Planning (REAP)

Last year, state funding was provided for planning related to housing production and the Regional Housing Needs Allocation (RHNA) for which MCOG is responsible. Our Joint Powers Agreement was amended to include housing matters as a specific power. Most of the grant is sub-allocated to the member local agencies and carried over to 2021/22 at \$375,245.

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

Service Authority for Freeway Emergencies (SAFE)

Not included in this budget is the SAFE motorist aid call box program, which is set up as a separate agency under the same council representation as MCOG. An updated budget for Administration, Operations, and Capital Programs is on the Council's June agenda for approval.

Regional/State Transportation Improvement Program (R/STIP)

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

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

Mendocino Council of Governments

Regional Transportation Planning Agency & COG Fiscal Year 2021/22 Budget

Adopted by Board of Directors June 7, 2021

REVENUES	Trans. Devt. Act (TDA)			State			Federal		Local Agencies	TOTALS
	LTF	STA	CRF	PPM	RPA	Grants	STBG	5311		
2021/22 LTF Official County Auditor's Estimate	4,525,780									4,525,780
2020/21 Auditor's Anticipated Unrestricted Balance	219,584									219,584
Total Local Transportation Fund (LTF) Estimate	4,745,364									4,745,364
2020/21 Auditor's Anticipat'd Unrestricted Balance - Reversal	-219,584									-219,584
Reserved LTF prior-year unallocated revenues <i>inc. 2020/21 \$247,964 partial reserve</i>	277,099									277,099
Carryover - Planning Overall Work Program and RSTP Local Assistance	33,779						235,406			269,185
2021/22 State Transit Assistance - SCO's Preliminary Estimate		653,365								653,365
2021/22 State of Good Repair - SCO's Preliminary Estimate						139,740				139,740
STA and SGR - Fund Balance Available for Allocation		1,856				0				1,856
MCOG's Capital Reserve Fund - Balance Available for Transit			696,296							696,296
Federal Transit Administration (FTA) Sec. 5311 Program- CRRSAA								To Info Supp.		0
FTA Section 5311 Program - Annual Regional Apportionment								pending		0
2021/22 STIP Planning, Programming & Monitoring (PPM)				106,000						106,000
2021/22 Rural Planning Assistance					294,000					294,000
2021/22 State Active Transportation Program (ATP - grants & carryover)						2,893,000				2,893,000
2020/21 Transportation Planning Program carryover				48,000	33,000					81,000
2020/21 Local Road Safety Plans (LRSP) carryover									200,000	200,000
Surface Transportation Block Grant Program last year's actual pending new estimate							787,764			787,764
HCD Regional Early Action Planning (REAP) Housing Funds - carryover						375,245				375,245
SHOPP Complete Streets Program - SR-162 Corridor Multi-Purpose Trail						2,011,000				2,011,000
LTF Reserve:										
2019/20 LTF Unrestricted Balance- audited	256,982									
LTF Reserve Balance as of 6/30/2020- audited	416,394									
Less LTF Reserve Allocated for FY 2020/21	203,075									
Subtotal	470,301									
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001 - double at 10%	452,000									(Per policy, Reserve is 5% of County Auditor's estimate of new revenue, to nearest 1,000.)
Amount Available for Allocation in FY 2021/22	18,301									18,301
TOTAL REVENUES	4,854,959	655,221	696,296	154,000	327,000	5,418,985	1,023,170	0	200,000	13,329,631
ALLOCATIONS										
Temporary Reserves - LTF prior-year unallocated revenues	29,135									29,135
2021/22 Administration	492,001						90,000			582,001
2% Bicycle & Pedestrian - 2021/22 LTF Estimate less Admin. x .02	80,676									80,676
2020/21 Planning Overall Work Program (OWP) - New Funds	147,701			106,000	294,000				200,000	
Carryover Funds - See OWP Summary	33,779			48,000	33,000	0			Total OWP:	862,480
Total Administration, Bike & Ped., and Planning	783,292	0	0	154,000	327,000	0	90,000	0	200,000	1,554,292
BALANCE AVAILABLE FOR TRANSIT	4,071,667	655,221	696,296	0	0	139,740	0	0	0	5,562,924
2021/22 Mendocino Transit Authority Claim- due April 1:										
MTA Operations	3,434,291	455,221						pending		3,889,512
Unmet Transit Needs										0
Senior Centers Operations	637,376									637,376
Capital Reserve Fund Contribution										0
Capital Program, MTA Current Year		200,000								200,000
Capital Program, Senior Centers Current Year										0
Capital Program, Long Term (Five Year Plan)			696,296							696,296
Total Transit Allocations	4,071,667	655,221	696,296	0	0	0	0	0	0	5,423,184
Other Allocations- RSTP for MCOG Partnership Fund							100,000			100,000
Other Allocations- RSTP for County & Cities Projects by Formula							597,764			597,764
Other Allocations- ATP Infrastructure Grants for SR162 Corridor Multi-Purpose Trail						2,893,000				2,893,000
Other Allocations- REAP for Admin., County & Cities Projects by Formula						375,245				375,245
Other Allocations- SHOPP Complete Streets for SR-162 Corridor Multi-Purpose Trail						2,011,000				2,011,000
TOTAL ALLOCATIONS	4,854,959	655,221	696,296	154,000	327,000	5,279,245	787,764	pending	200,000	12,954,485
Balance Remaining for Later Allocator	0	0	0	0	0	139,740	235,406	0	0	375,146



MENDOCINO COUNCIL OF GOVERNMENTS

FY 2021/22 BUDGET SUMMARY

Adopted by Board of Directors June 7, 2021

Supplemental Format

REVENUES	FY 2020/21 Budget as Amended	FY 2021/22 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:	April 5, 2021				
<u>Local Transportation Funds (LTF)</u>					Transportation Development Act (TDA) Funds
LTF Official County Auditor's Estimate	\$ 4,174,378	\$ 4,525,780	\$ 351,402	8.4%	
Auditor's Anticipated Unrestricted Balance - Current Year	\$ 200,426	\$ 219,584	\$ 19,158	9.6%	
Total Local Transportation Fund (LTF) Estimate	\$ 4,374,804	\$ 4,745,364	\$ 370,560	8.5%	
Auditor's Anticipat'd Unrestricted Balance - Reversal	\$ (200,426)	\$ (219,584)			Per policy, any excess flows through LTF Reserve
Reserved LTF Prior-year Unallocated Revenues	\$ 29,135	\$ 277,099	\$ 247,964	851.1%	Available for any TDA allowable purpose (no new revenue, in fund balance)
MTA Fiscal Audit - Amount returned to MCOG, if any	\$ -	\$ -			2019/20 MTA audit verified full eligibility for funds received, with state waivers
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 121,187	\$ 33,779	\$ (87,408)	-72.1%	FY 2020/21 OWP as amended Apr. 5, 2021; 2021/22 carryover as of May 24
Subtotal Local Transportation Funds:	\$ 4,324,700	\$ 4,836,658	\$ 511,958	11.8%	OWP carryover is offset by equivalent allocation
<u>LTF Reserve Funds</u>					
LTF "Unrestricted Balance" of Unallocated Revenue	\$ 215,766	\$ 256,982	\$ 41,216	19.1%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate
LTF Reserve Fund Balance	\$ 571,943	\$ 416,394	\$ (155,549)	-27.2%	Reserve used to cover transit allocation shortfalls and claims per policy
Less/Plus Current Year Reserve Allocation	\$ (375,634)	\$ (203,075)	\$ 172,559	-45.9%	Prior year unrestricted "excess revenue" above fund balance
Subtotal	\$ 412,075	\$ 470,301	\$ 58,226	14.1%	
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	\$ (209,000)	\$ (452,000)	\$ (243,000)	116.3%	Per policy, min. Reserve 5% of County Auditor's est. of new LTF, nearest 1,000.
LTF Reserve Available for Allocation:	\$ 203,075	\$ 18,301	\$ (184,774)	-91.0%	From increase in prior-year LTF sales tax revenues
TOTAL LTF REVENUES	\$ 4,527,775	\$ 4,854,959	\$ 327,184	7.2%	
<u>Capital Reserve Funds</u> Total Capital Reserve Fund	\$ 685,021	\$ 696,296	\$ 11,275	1.6%	Fund balance available for transit claim based on 5-Year Capital Program
<u>Local Agency Contributions</u>	\$ 308,900	\$ 200,000	\$ (108,900)	-35.3%	Local agencies' match for planning grants: Local Road Safety Plans
Total Local/Regional Revenues:	\$ 5,521,696	\$ 5,751,255	\$ 229,559	4.2%	
STATE:					
<u>Planning Programming & Monitoring (PPM) Funds</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 106,000	\$ 106,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 144,343	\$ 48,000	\$ (96,343)	-66.7%	FY 2020/21 OWP as amended Apr. 5, 2021; 2021/22 carryover as of May 24
Total PPM Funds:	\$ 250,343	\$ 154,000	\$ (96,343)	-38.5%	
<u>State Transit Assistance (STA) Funds</u>					TDA Funds
State Controller's Estimate	\$ 492,043	\$ 653,365	\$ 161,322	32.8%	Revised 2020/21 SCO est. \$492,043, Preliminary 2021/22 may change
Estimated Fund Balance Available for Allocation	\$ 344,450	\$ 1,856	\$ (342,594)	-99.5%	FY 2020/21 fund balance revised per 2019/20 fiscal audit
Total State Transit Assistance Funds:	\$ 836,493	\$ 655,221	\$ (181,272)	-21.7%	
<u>State of Good Repair (SGR) Funds</u>					
State Controller's Estimate	\$ 133,525	\$ 139,740	\$ 6,215	4.7%	Transit funding program in Senate Bill 1
Estimated Fund Balance Available for Allocation	\$ 586	\$ -	\$ (586)	-100.0%	First 3 years thru 2019/20 were allocated by MCOG, saving for MTA project
Total State of Good Repair Funds:	\$ 134,111	\$ 139,740	\$ 5,629	4.2%	
<u>Rural Planning Assistance Funds (RPA)</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program - Carryover	\$ 49,627	\$ 33,000	\$ (16,627)	-33.5%	FY 2020/21 OWP as amended Apr. 5, 2021; 2021/22 carryover as of May 24
Total RPA Funds:	\$ 343,627	\$ 327,000	\$ (16,627)	-4.8%	
<u>California Active Transportation Program (ATP)</u>					
ATP Infrastructure Projects - New Revenue	\$ 2,672,000	\$ -	\$ (2,672,000)	-100.0%	SR-162 Corridor Multi-Purpose Trail construction, to be allocated by CTC
ATP Infrastructure Projects - Carryover	\$ 190,000	\$ 2,893,000	\$ 2,703,000	1422.6%	Re-estimated funds to carry over to next FY of trail project for R/W, construction
Total ATP Funds:	\$ 2,862,000	\$ 2,893,000	\$ 31,000	1.1%	

SHOPP Complete Streets Program					
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$	-	\$	500,000	
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$	-	\$	1,511,000	
Total Complete Streets Funds:	\$	-	\$	2,011,000	
Caltrans Sustainable Communities Planning Grants					
FY 2021/22 Grant Application for Feasibility Study	\$	-		pending	
FY 2019/20 Grant Application 2 - awarded	\$	29,278	\$	-	
Total Caltrans Planning Grants:	\$	29,278	\$	-	\$(29,278) -100.0%
HCD Regional Early Action Planning (REAP) Housing Funds					
	\$	383,245	\$	375,245	\$(8,000) -2.1%
Total State Revenues:	\$	4,839,097	\$	6,555,206	\$ 1,716,109 35.5%
FEDERAL:					
Federal Grant Programs and Regional Apportionments					
FTA Section 5311f Intercity Bus Program	\$	272,708		pending	
FTA Section 5311 Program - Regional Apportionment	\$	552,134		pending	
Surface Transportation Block Grant Program (STBG)	\$	787,764	\$	787,764	\$ - 0.0%
STBG Carryover/Balance Available for Later Allocation	\$	222,728	\$	235,406	\$ 12,678 5.7%
Total Federal Revenues:	\$	1,835,334	\$	1,023,170	\$(812,164) -44.3%
TOTAL REVENUES	\$	12,196,127	\$	13,329,631	\$ 1,133,504 9.3%

ALLOCATIONS	FY 2020/21 Budget as Amended	FY 2021/22 Budget Proposed	\$ Change	% Change	NOTES
LOCAL/REGIONAL:					
Local Transportation Funds (LTF)					
Reserved LTF Prior-year Unallocated Revenues Administration:	\$	29,135	\$	29,135	Balance remaining after allocations from Prior-Year Unallocated Revenues
Admin. & Fiscal Services Contract	\$	426,513	\$	438,001	\$ 11,488 2.69% Includes COLA of 3.0% and 1.67% per CPI rates; contract allows up to 4%
Other Direct Costs	\$	59,295	\$	54,000	\$ (5,295) -8.9%
Total Administration Allocations:	\$	485,808	\$	492,001	\$ 6,193 1.3% Admin. & Fiscal Services contract 2014/15 - 2018/19 plus three 1-yr extensions
Two Percent LTF Bicycle & Pedestrian Program	\$	73,771	\$	80,676	\$ 6,905 9.4% Opt. 2% of LTF Estimate (less Admin. allocation) per TDA
Planning Overall Work Program (OWP) - New Funds	\$	159,501	\$	147,701	\$ (11,800) -7.4% OWP includes a Project Reserve of \$25,000
OWP Carryover from Previous Fiscal Year	\$	121,187	\$	33,779	FY 2020/21 OWP as amended Apr. 5, 2021; 2021/22 carryover as of May 24
Total Admin., Bike & Ped., Planning, Reserves:	\$	869,402	\$	783,292	\$ (86,110) -9.9%
Balance Available For Transit	\$	3,658,373	\$	4,071,667	\$ 413,294 11.3%
Proposed partial reserve Auditor's \$321,735 projected 2020/21 increase	\$	109,750	\$	-	Temp reserve of LTF Prior-year Unallocated released as Revenues for 2021/22
BALANCE AVAILABLE FOR TRANSIT - adjusted	\$	3,548,623	\$	4,071,667	\$ 523,044 14.7%
Mendocino Transit Authority (MTA) Claim:					
MTA Operations	\$	2,993,124	\$	3,434,291	\$ 441,167 14.7% TDA Authority: Public Utilities Code (PUC) Sec. 99260a
Unmet Transit Needs	\$	-	\$	-	PUC Section 99260a
Senior Centers Operations	\$	555,499	\$	637,376	\$ 81,877 14.7% PUC Section 99400c
MTA Capital Program - Current Year	\$	-	\$	-	
Capital Reserve Fund Contribution	\$	-	\$	-	CA Code of Regulations (CCR) Sec. 6648
Total LTF Transit Claim:	\$	3,548,623	\$	4,071,667	\$ 523,044 14.7%
Total LTF Allocations:	\$	4,418,025	\$	4,854,959	\$ 436,934 9.9%
Capital Reserve Funds					
Mendocino Transit Authority (MTA) Claim:					
Capital Program, MTA - Current Year	\$	-	\$	-	CCR Section 6648
Capital Program, Senior Centers - Current Year	\$	-	\$	-	CCR Section 6648
Capital Program - Long Term	\$	685,021	\$	696,296	\$ 11,275 1.6% CCR Section 6631

Total CRF Allocations:	\$ 685,021	\$ 696,296	\$ 11,275	1.6%	
<u>Local Agency Contributions</u>	\$ 308,900	\$ 200,000	\$ (108,900)	-35.3%	Local agencies' match for planning grants: Local Road Safety Plans
Total Local/Regional Allocations:	\$ 5,411,946	\$ 5,751,255	\$ 339,309	6.3%	
STATE:					
<u>Planning Programming & Monitoring (PPM) Funds</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 106,000	\$ 106,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 144,343	\$ 48,000	\$ (96,343)	-66.7%	FY 2020/21 OWP as amended Apr. 5, 2021; 2021/22 carryover as of May 24
Total PPM Allocations:	\$ 250,343	\$ 154,000	\$ (96,343)	-38.5%	
<u>State Transit Assistance (STA) Funds</u>					
Mendocino Transit Authority (MTA) Claim:					<u>TDA Authority:</u>
MTA Operations	\$ 834,637	\$ 455,221	\$ (379,416)	-45.5%	CCR Section 6730a
Capital Program, MTA & Seniors - Current Year	\$ -	\$ 200,000	\$ 200,000		CCR Section 6730b
Capital Reserve Fund Contribution	\$ -	\$ -	\$ -		CCR Section 6631
Total STA Allocations:	\$ 834,637	\$ 655,221	\$ (179,416)	-21.5%	
<u>State of Good Repair (SGR) Funds</u>	\$ -	\$ -			First 3 years thru 2019/20 were allocated by MCOG, saving for MTA project
<u>Rural Planning Assistance Funds (RPA)</u>					
Planning Overall Work Program (OWP) - New Revenue	\$ 294,000	\$ 294,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 49,627	\$ 33,000	\$ (16,627)	-33.5%	FY 2020/21 OWP as amended Apr. 5, 2021; 2021/22 carryover as of May 24
Total RPA Allocations:	\$ 343,627	\$ 327,000	\$ (16,627)	-4.8%	
<u>California Active Transportation Program (ATP)</u>					
ATP Infrastructure Projects - New Revenue	\$ 2,672,000	\$ -			SR-162 Corridor Multi-Purpose Trail construction, to be allocated by CTC
ATP Infrastructure Projects - Carryover	\$ 190,000	\$ 2,893,000			Re-estimated funds to carry over to next FY of trail project for R/W, construction
Total ATP Allocations	\$ 2,862,000	\$ 2,893,000	\$ 31,000	1.1%	
<u>SHOPP Complete Streets Program</u>					
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$ -	\$ 500,000			New funding through Caltrans to supplement Covelo ATP project
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$ -	\$ 1,511,000			New funding through Caltrans to supplement Covelo ATP project
Total Complete Streets Funds:	\$ -	\$ 2,011,000			
<u>Caltrans Sustainable Communities Planning Grant</u>					
FY 2021/22 Grant Application for Feasibility Study	\$ -	pending			Mobility Solutions for Rural Communities of Inland Mendocino County
FY 2019/20 Grant Application 2 - awarded	\$ 29,278	\$ -			Fire Vulnerability Assessment & Emergency Preparedness completed 2020/21
Total Caltrans Planning Grants:	\$ 29,278	\$ -	\$ (29,278)	-100.0%	
<u>HCD Regional Early Action Planning (REAP) Housing Funds</u>					
MCOG Administration and Management	\$ 38,325	\$ 30,325	\$ (8,000)	-20.9%	Allocated to Admin., County & Cities Projects by Formula, carried over
Formula Distribution to MCOG Member Agencies:					5% grant administration, 5% management/participation, total 10% Suballocation formula adopted Nov. 2, 2020
Mendocino County Dept. of Transportation	\$ 177,228	\$ 177,228			Project carried over to 2021/22
City of Ukiah	\$ 69,536	\$ 69,536			
City of Fort Bragg	\$ 46,410	\$ 46,410			
City of Willits	\$ 35,365	\$ 35,365			
City of Point Arena	\$ 16,381	\$ 16,381			
Total REAP Formula Distribution	\$ 344,920	\$ 344,920	\$ -	0.0%	
Total REAP Allocations:	\$ 383,245	\$ 375,245	\$ (8,000)	-2.1%	
Total State Funds Allocations:	\$ 4,703,130	\$ 6,415,466	\$ 1,712,336	36.4%	
FEDERAL:					
<u>Federal Grant Programs and Regional Apportionments</u>					
FTA Section 5311f Intercity Bus Program	\$ 272,708	pending			2020/21 proposal submitted April 30. MTA rec'd \$300K for Rte 65 in 2019/20
FTA Section 5311 Program - Regional Apportionment:	\$ 552,134	pending			MTA is eligible, MCOG approves programming

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"
Formula Distribution to MCOG Member Agencies:					Staff - Regional Project Manager under Admin. Contract and direct costs
Mendocino County Dept. of Transportation	\$ 128,687	\$ 128,687	\$ -	0.0%	FY 2021/22 formula allocations are pending Fund Estimate
City of Ukiah	\$ 173,184	\$ 173,184	\$ -	0.0%	
City of Fort Bragg	\$ 115,631	\$ 115,631	\$ -	0.0%	
City of Willits	\$ 108,530	\$ 108,530	\$ -	0.0%	
City of Point Arena	\$ 71,732	\$ 71,732	\$ -	0.0%	
Total RSTP Formula Distribution	\$ 597,764	\$ 597,764	\$ -	0.0%	
Total RSTP Allocations:	\$ 787,764	\$ 787,764	\$ -	0.0%	Formula allocation by policy, distribution pending State processing of funds
Total Federal Funds Allocations:	\$ 1,612,606	\$ 787,764	\$ (824,842)	-51.1%	
Total Transit Allocations	\$ 5,893,123	\$ 5,423,184	\$ (469,939)	-8.0%	
Total Overall Work Program (OWP)	\$ 1,212,836	\$ 862,480	\$ (350,356)	-28.9%	FY 2020/21 OWP as amended Apr. 5, 2021; 2021/22 carryover as of May 24
TOTAL ALLOCATIONS	\$ 11,727,682	\$ 12,954,485	\$ 1,226,803	10%	
Balance Remaining for Later Allocation/Difference of Actuals	\$ 468,445	\$ 375,146	\$ (93,299)	-20%	LTF, STA, SGR, STBG

INFORMATION	FY 2020/21	FY 2021/22			NOTES
STATE / FEDERAL:					
Other Funds Available Outside MCOG's Budget Process					
FTA Section 5311 Program - CARES Act and new CRRSAA - Revenue	\$ 2,065,962	\$ 2,968,317	NA	NA	Total CARES and CRRSAA apportionment, 2021/22 inc. carryover Actual MTA expenditures FY 2020/21 to date
FTA Section 5311 Program - CARES Act and new CRRSAA - Expended	\$ 557,349	\$ -			
Balance of 5311 CARES Act and CRRSAA	\$ 1,508,613	\$ 2,968,317			The California Transportation Commission (CTC) chose a hybrid formula based on the STIP and STBG programs to distribute these federal coronavirus relief funds. No cash is received in MCOG's account. Funds for approved project lists will be reimbursable upon invoicing by local implementing agencies. MCOG Board approved CRRSAA distribution formula by separate resolution on May 3, 2021. See Explanatory Notes on Funding Sources in this budget for details.
CRRSAA / STIP - Revenues	\$ -	\$ 1,198,132			
CRRSAA / STBG - Revenues	\$ -	\$ 423,875			
Total CRRSAA / STIP & STBG Revenues:	\$ -	\$ 1,622,007			
State Transportation Improvement Program (STIP) - Project Totals	\$ 1,142,000	\$ 1,756,000			

MENDOCINO COUNCIL OF GOVERNMENTS

2021/22 Budget

Explanatory Notes on Funding Sources

5/28/2021

LTF - Local Transportation Fund

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

LTF Reserve Fund

- Allowed under TDA, Section 6655, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at five percent of County Auditor-Controller's LTF estimate.
- Surplus allocated through annual budget process.
- To be used *“for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation.”*
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to meet the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTF Reserve policy, releasing two years of surplus for allocation between \$100,000 and \$200,000, then a shortfall of \$65,000, a surplus of \$71,000, and for 2019/20 (from 2017/18 revenue) a record surplus of \$375,634. Audited surplus from 2019/20 is 256,982, for allocation in 2021/22.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10 – 2015/16 during the Recession; again waived for the pandemic.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that *“rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, would instead reduce the operator's operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified.”* – from SB 508, Chapter 716, preamble
- State Controller provides fund estimate—“Preliminary” in January, “Revised” after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG's fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings, as is the case this year.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000; two years ago in the range of \$800-900,000 with support of SB 1. With the coronavirus, fuel tax revenues dropped ~40%. Preliminary estimate for 2021/22 is \$653,365.

Capital Reserve Fund

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

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

- Under ISTEA legislation originally, subsequently under TEA21, SAFETEA-LU, MAP-21 and FAST Act. Formerly named Regional Surface Transportation Program (RSTP).
- Section d(1) is for regional discretionary transportation uses, in compliance with U.S. Code, Title 23 and California Constitution, Article 19.
- As allowed, MCOG exchanges for state funds by agreement with Caltrans, eliminating federal requirements.
- MCOG allocated the early fund cycles by regional competition; all of those projects were closed out.
- Subsequent MCOG policy allocated new RSTP d(1) apportionments by formula to County and Cities.
- In FY 2003/04, MCOG staff introduced new administrative procedures in order to comply with new clauses in Caltrans' fund transfer agreement. MCOG requires local claimants to provide a list of eligible projects for which they plan to spend the formula funds, and an authorized officer must sign a certification document (replaced in 2017/18 with a master Subrecipient Agreement). Also they must report prior-year expenditures when claiming new funds.
- For the FY 2005/06 funding cycle and going forward, MCOG approved recommendations of staff and the Technical Advisory Committee to revise MCOG's allocation formula such that a portion would be reserved for MCOG's use on regional projects, aka "Partnership Funding Program" (see allocating resolution). To date the Council has allocated \$1,113,485 of Partnership funds to nine projects.
- Starting FY 2011/12, MCOG approved \$90,000 annually from RSTP for a Regional Project Manager.
- In FY 2015/16 and 2016/17, funds not expended for the project manager position were approved for direct costs that are consistent with the intended scope of Local Assistance; \$20,000 has been allocated.
- Total unexpended Local Assistance funds have accumulated due to a temporary vacancy in the position and funding limits of the staffing contract, with a balance as of June 30, 2020 of \$229,846.
- In California, 2021 federal coronavirus relief funds will be apportioned partly by STBG formula, partly through the State Transportation Improvement Program (STIP), as well as for transit programs. - *see Page 3*

PPM - Planning, Programming & Monitoring / SB 45

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

RPA - Rural Planning Assistance

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

Caltrans Sustainable Transportation Planning Grant Program

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

Active Transportation Program (ATP)

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

Local Agency Match

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

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

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

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

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

Federal Transit Administration (FTA) Section 5311 and 5311f

- MCOG's budget includes these programs, as funds for MTA are approved by MCOG resolution, although cash does not flow through MCOG's accounts.
- Annual 5311 regional apportionments are typically used by MTA for operations, at over \$500,000.
- MTA has been successful in winning competitive 5311f Intercity Bus Program grants, typically about \$300,000, for Route 65 operations and/or vehicles, with a required funding match.
- CARES and CRRSAA funds for transit flow through FTA's programs, subject to MCOG's approval and claimed directly through Caltrans. From CARES Phase 1, MTA was allocated \$557,349, fully claimed to date. In August 2020, MCOG approved 5311 CARES Phase 2 funds for MTA at \$1,068,573.

Regional Early Action Planning (REAP) for Housing

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

MENDOCINO COUNCIL OF GOVERNMENTS

Transportation Development Act (TDA) Budget Calendar

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

I.
Administration,
Planning and
Reserves

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2021-04

ALLOCATING FISCAL YEAR 2021/22 FUNDS and 2020/21 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 2021/22 Local Transportation Fund (LTF) revenue has been estimated at \$4,525,780 by the Mendocino County Auditor-Controller, in addition to carryover of various funds and \$277,099 of prior-year unallocated LTF revenues;
3. The LTF Reserve fund balance available for allocation is \$213,319, and the 2019/20 fiscal audit identified unallocated “excess revenue” or Unrestricted Balance at \$256,982; the Executive Committee recommendation is to set aside \$452,000 of this combined amount for the FY 2021/22 LTF Reserve fund balance (five percent of the County Auditor-Controller’s fund estimate according to policy), and to release for allocation the remaining \$18,301;
4. Total revenue from all LTF sources available for allocation is estimated at **4,854,959**; other funding sources include Surface Transportation Block Grant (STBG) program, Service Authority for Freeway Emergencies (SAFE), and grants;
5. SAFE funds are documented in a separate budget and financial plan, referenced in exhibits to this resolution to conform with MCOG’s staffing contracts;
6. Dow & Associates shall have the management responsibility for the 2021/22 overall approved Administration budget of up to \$582,001 (Total Administration \$621,548 less SAFE contract \$39,547), attached and incorporated herein as **Exhibit A**, which includes contracts for professional services and other direct costs;
7. Dow & Associates shall have the management responsibility for Surface Transportation Block Grant Program funds for the Regional Project Manager or equivalent position and budgeted direct costs, also referred to as Local Assistance-Project Delivery, as approved in its contract, identified in **Exhibits A and C**;
8. Dow & Associates shall have the management responsibility for Active Transportation Program state grants for the SR 162 Corridor Multipurpose Trail in Covelo, Phases I and II at an estimated \$2,893,000 carried over;
9. Davey-Bates Consulting shall have the management responsibility for the 2021/22 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 \$862,480; the Davey-Bates Consulting contract funding is summarized in **Exhibit D**;

10. The Planning allocation to the 2021/22 Overall Work Program, for transportation planning and related projects, will be provided from 2021/22 LTF revenues, reallocation of prior year local carryover funds, state and federal sources, and local member agency contributions; and
11. Dow & Associates and Davey-Bates Consulting shall be responsible for providing grant administration and management of Regional Early Action Planning (REAP) funds from California Department of Housing and Community Development (HCD), as identified in **Exhibits C and D** and allocated by separate budget resolution; and
12. Allocation for Bicycle & Pedestrian facilities are allowable at no more than two percent (2%) of the LTF funds remaining after allocation for Administration; \$80,676 shall be allocated for 2021/22; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2021/22 as follows.

USE	AUTHORITY	SOURCE	FISCAL YEAR	AMOUNT	TOTALS
Temporary Reserves	TDA, CCR Sec. 6655.1	Local Transportation Fund (LTF)	2016/17	29,135	29,135
MCOG Administration	PUC Sec. 99233.1	LTF	2021/22	492,001	492,001
	Surface Transportation Block Grant Program (STBG)	MCOG Local Assistance – Project Delivery	2021/22	90,000	90,000
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2021/22	0	2,893,000
			2020/21	2,893,000	
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2021/22	80,676	80,676
Planning Overall Work Program (OWP)	CCR Sec. 99402	LTF	2021/22	147,701	181,480
			2020/21	33,779	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2021/22	106,000	154,000
			2020/21	48,000	
	State Highway Account (SHA)	Rural Planning Assistance (RPA)	2021/22	294,000	327,000
			2020/21	33,000	
Highway Safety Improvement Program (HSIP)	MCOG Member Local Agency Contributions from Grant Funds	2020/21	200,000	200,000	
			Subtotal OWP	862,480	
			Total Allocations		4,447,292

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 Albin-Smith, seconded by Director Brown, and approved on this 7th day of June, 2021, by the following roll call vote:

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

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

/s/

/s/

ATTEST: Nephele Barrett, Executive Director

Dan Gjerde, Chair

MCOG Administration
 FY 2021/22 Budget

Executive Committee Recommendations
 As of February 25, 2021

Funding Source	TDA/LTF	RSTP	SAFE	Total	%	
Administration						
TOTAL Admin. Budget Proposed	492,001	90,000	39,547	621,548	100%	
Staffing Contract						
Dow & Associates new 2020/21 Base Rate + 7 years COLA	438,001	88,379	39,547	565,927		
Total Contract FY 2021/22	438,001	88,379	39,547	565,927	91%	
Other Direct Costs						
Memberships - CALCOG, NSSR	4,000	-	-	4,000	0.6%	
Fiscal Audits of MCOG and MTA	26,500	-	-	26,500	4.3%	
Performance Audit	7,500	-	-	7,500	1.2%	
County Auditor-Controller	5,000	-	-	5,000	0.8%	
Legal Counsel	3,500	-	-	3,500	0.6%	
Travel and Training	3,000	-	-	3,000	0.5%	
Communications	2,000	-	-	2,000	0.3%	
Contingency / Miscellaneous	2,500	-	-	2,500	0.4%	
Local Assistance	-	1,621	-	1,621	0.3%	
Total Other Direct Costs	54,000	1,621	-	55,621	9%	
Balance Available for Later Allocation	0	0	0	0	0%	

Note
 A - SAFE
 B - TDA

C

D

E

F

LEGEND

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

NOTES

- A) The Mendocino County SAFE program is not made a part of MCOG's overall budget, since it was formed as a separate agency. The SAFE budget is found in the Five-Year Strategic and Financial Plan adopted March 2017.
- B) TDA Admin. at \$492,001 is 10.9% of County Auditor's Estimate of sales tax revenues (\$4,525,780), down from 11.6% last year.
- C) Dow & Assoc.'s contract is calculated by adding each year's COLA increase: first to base proposal, then to result of each previous step. This process was approved in the original contract proposal - table of calculations available on request. Dow & Associates' contract limits annual COLA to 4 percent. Increase is calculated on California CPI Annual Average 2019 to 2020. 2020 Average 285.315 less 2019 Average 280.638 = 4.677 divided by 280.638 = 0.0166655976738717 increase, rounded to 1.67%. <https://www.dir.ca.gov/oprl/CAPriceIndex.htm> Using California statewide, All Urban Consumers
- D) Fiscal Audit costs previous year: MCOG \$12,000; Mendocino Transit Authority \$13,500; add'l services as needed \$1,000.
- E) The Triennial Performance Audit expense occurs in FY 2021/22 at budget of \$22,500. FY 2019/20 started a 3-year cycle of setasides for the next audit (\$7,500 annually).
- F) Communications expenses include website hosting, meeting space rentals, meals, video production, and miscellaneous printing.

**MENDOCINO COUNCIL OF GOVERNMENTS
FY 2021/22 (FINAL) OVERALL WORK PROGRAM
SUMMARY OF FUNDING SOURCES**

Reso. M2021-04
Exhibit B
1 Page

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	OTHER	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$ -	\$ -	\$ 122,500	\$ -	\$ 122,500
2	MCOG - Planning Management & General Coordination (Non-RPA)	\$ 107,480	\$ -	\$ -	\$ -	\$ 107,480
4	MCOG - Sustainable Transportation Planning	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
6	Co. DOT - Combined Special Studies	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
7	MCOG - Planning, Programming & Monitoring	\$ 31,500	\$ 35,750	\$ 8,000	\$ -	\$ 75,250
9	MCOG - Regional and Active Transportation Plans Update - <i>Carryover</i>	\$ -	\$ 16,500	\$ 61,500	\$ -	\$ 78,000
10	Pavement Management Program (PMP) Update - <i>Carryover</i>	\$ -	\$ 48,000	\$ -	\$ -	\$ 48,000
11	MCOG - Local Road Safety Plans (LRSP) - <i>Carryover</i>	\$ 7,500	\$ -	\$ -	\$ 200,000	\$ 207,500
12	Ukiah - Trench Cut Fee Study and Implementation Services - <i>Carryover</i>	\$ -	\$ -	\$ -	\$ -	\$ -
14	MCOG - Training	\$ -	\$ -	\$ -	\$ -	\$ -
15	Point Arena - Local Street Assessment and Shared Roadway Agreement - NEW	\$ -	\$ 53,750	\$ -	\$ -	\$ 53,750
16	MCOG - Multi-Modal Transportation Planning	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000
18	MCOG - Geographic Information System (GIS) Activities	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
20	MCOG - Grant Development & Assistance	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
	<i>PROJECT RESERVE</i>	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
	TOTAL	\$ 181,480	\$154,000	\$ 327,000	\$ 200,000	\$ 862,480

TOTAL WORK PROGRAM SUMMARY/PROGRAM MATCH					
Local	\$181,480	21%	Local LTF 2021/22 Alloc.	\$147,701	
State	\$481,000	56%	Local LTF <i>Carryover</i>	\$33,779	
Federal	\$0	0%	State PPM 2021/22 Alloc.	\$106,000	
Other	\$200,000	23%	State PPM <i>Carryover</i>	\$48,000	
TOTAL WORK PROGRAM SUMMARY	\$862,480	100%	State RPA 2021/22 Alloc.	\$294,000	
			State RPA <i>Carryover</i>	\$33,000	
			Federal	\$0	
			Other	\$200,000	
			TOTAL	\$862,480	

Dow & Associates
ADMINISTRATIVE & FISCAL SERVICES
Allocation Summary
Fiscal Year 2021/22

1. **Budget.** Total approved funding for the services of Dow & Associates is **\$565,927**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “The scope of work and cost for the Administrative & Fiscal Services contract between MCOG and Dow & Associates shall be as originally submitted in the Dow & Associates proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

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

- 3(a) **MCOG Administration.** The funding sources are Local Transportation Fund (LTF) and Regional Early Action Planning (REAP) grant funds. Contractor’s portion of the MCOG administrative budget totals **\$438,001**. This amount is to be routinely submitted as a monthly claim, at \$36,500 for the first 11 months, then at \$36,501 for the final month. REAP costs will be billed on a reimbursable basis for actual hours worked. On invoices that include REAP reimbursement, LTF billing will be reduced by an equal amount.

- 3(b) **MCOG Regional Project Coordinator** (or equivalent position). The funding source is Regional Surface Transportation Program (RSTP). Contractor’s portion of the MCOG administrative budget totals **\$88,379**. The Regional Project Coordinator position is part time. This staff time, also referred to as Local Assistance, shall be billed on a monthly reimbursable basis for actual hours worked at a fully-weighted hourly rate.

MCOG’s adopted policy allocates \$90,000 to this staff position. Under the approved contract, the full amount will not be claimed, so a balance remains. This amount will be made available for other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion, such as outside professional services required for grant applications by partner agencies. (Refer to Resolution #M2021-07.)

FY 2021/22 Allocation per Policy		\$ 90,000
Contracted rate as adjusted by cumulative COLA	\$82.71/hour	Up to \$ 88,379
Available for Local Assistance Direct Costs		\$ 1,621

- 3(c) Reimbursable Direct Costs.** The funding sources are Local Transportation Fund (LTF) and Surface Transportation Block Grant (STBG) Program. In addition to staffing services, Contractor may claim certain direct costs for reimbursement as necessary, identified in MCOG's FY 2021/22 Administration Budget, to include line items for Travel & Training, Communications, Contingency/Miscellaneous, and Local Assistance.
- 4. SAFE Administration.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles. Contractor's portion of the SAFE administrative budget totals **\$39,547** to cover SAFE administrative staff time and direct costs incurred by the Contractor. This amount is to be routinely submitted as a monthly claim, at \$3,295 for the first 11 months, then at \$3,302 for the final month.

Davey-Bates Consulting

PLANNING SERVICES

Allocation Summary

Fiscal Year 2021/22

1. **Budget.** Total approved funding for the services of Davey-Bates Consulting is **\$434,692**.
2. **Scope of Work and Cost.** As approved by the Board of Directors on September 29, 2014: “the scope of work and cost for the Transportation Planning Services contract between MCOG and Davey-Bates Consulting shall be as originally submitted in the Davey-Bates Consulting proposal, except that annual Cost of Living Adjustments (COLA) shall be limited to four percent, and if cost inflation exceeds four percent in a year, the contractor may negotiate directly with the Board of Directors; and the Chair is authorized to execute the contract.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by County Counsel, as the Board’s designated negotiator, and executed by the Chair. On March 4, 2019, the Board approved a one-year extension of the contract through September 30, 2020. On March 2, 2020, the Board approved a second one-year extension through September 30, 2021. On April 5, 2021, the Board approved a third one-year extension through September 30, 2022.
3. **MCOG Planning.** Multiple funding sources are identified in the Overall Work Program. MCOG planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates, and pursuant to the approved 2021/22 Work Program (as may be amended). Total approved funding for MCOG planning duties in FY 2021/22 is **\$416,582**.
4. **REAP Program.** The funding source is Regional Early Action Planning (REAP) grant funds from California Department of Housing and Community Development (HCD). REAP costs will be billed on a reimbursable basis for actual hours worked, not to exceed the portion allocated for MCOG grant activities, as identified in the allocating resolution.
5. **SAFE Planning & Operations.** The funding source is Vehicle Registration Fees collected by the California Department of Motor Vehicles. SAFE planning staff costs shall be billed on a monthly reimbursable basis for actual hours worked at the attached fully-weighted hourly rates. Total approved funding for SAFE planning and operations in FY 2021/20 is **\$18,110**.

Davey-Bates Consulting

FISCAL YEAR 2021/22 PLANNING CHARGE RATES

The following rates have been approved for transportation and housing planning services performed under the contract. These will be applied to work done on tasks identified in MCOG's 2021/22 Transportation Planning Overall Work Program and the REAP grant.

Lisa Davey-Bates, Principal	\$ 136.88
Deputy Planner	\$ 122.77
Program Manager	\$ 97.23
Associate Program Planner/Administrator	\$ 68.77
Executive Assistant	\$ 40.52

II.
Unmet
Transit Needs

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2021-05

FINDING THAT
THERE ARE NO UNMET TRANSIT NEEDS
THAT ARE REASONABLE TO MEET
FOR FISCAL YEAR 2021/22

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 2021/22 on December 7, 2020, accepting as testimony a list of nine (9) needs compiled by the Social Services Transportation Advisory Council (SSTAC) on November 16, 2020, five (5) needs from Mendocino Transit Authority (MTA) from public meetings during the year, and no needs from testimony at the public hearing, for a total list of 14 items;
- On December 7, 2020, MCOG referred all unmet transit needs testimony received from the SSTAC, MTA and the public hearing, attached as **Exhibit B**, to MTA for analysis, cost projections and prioritization, then to be referred to the Transit Productivity Committee for a recommendation of “reasonableness” according to MCOG’s process;
- The Transit Productivity Committee met and reviewed MTA’s report, attached as **Exhibit C**, and recommended to MCOG that “*there are no unmet transit needs that are reasonable to meet*” for Fiscal Year 2021/22, as reflected in the Transit Productivity Committee minute order of April 26, 2021, attached as **Exhibit D**;
- MTA did not include any unmet transit needs in their 2021/22 claim for funds;
- The Social Services Transportation Advisory Council met again on May 17, 2021 (minutes to follow when available) to review MTA’s report and concurred with the Transit Productivity Committee recommendation; therefore, be it

RESOLVED, THAT:

MCOG finds that there are no unmet transit needs that are reasonable to meet for Fiscal Year 2021/22.

ADOPTION OF THIS RESOLUTION was moved by Director Albin-Smith, seconded by Director Brown, and approved on this 7th day of June, 2021, by the following roll call vote:

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

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

/s/

ATTEST: Nephele Barrett, Executive Director

/s/

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 2021/22 Unmet Transit Needs

Testimony Heard in Public Hearing

December 7, 2020

(not in any order of priority)

Needs Identified at the SSTAC workshop:

1. Non-emergency medical transportation for patients discharged from hospitals during transit service off-hours
2. Wednesday service for Ukiah Senior Center
3. Brooktrails fixed-route service
4. Willits weekday door-through-door service after 4pm and weekend service
5. Restoration of COVID-related temporary service cuts
6. Fixed-route service to Hopland
7. Fixed-route service to Potter Valley
8. Service to Covelo and Laytonville
9. Mobility solutions for remote communities.

Needs Identified by Mendocino Transit Authority (MTA):

1. Full service the day after Thanksgiving holiday
2. Additional Ukiah-Hopland round trip
3. Research on clean mobility grants for bikes and scooters
4. Resumption of Route 65 service
5. Round-trip service from Ukiah to South Coast and from Ukiah to Fort Bragg/Mendocino

Needs Identified in Public Hearing:

No further testimony was heard.

TOTAL of 14 Recommended Unmet Transit Needs for Analysis by MTA

MTA Analysis of Unmet Transit Needs for 2021-22

This analysis includes 14 Unmet Needs identified by the SSTAC (Social Services Technical Advisory Committee, Mendocino Transit Authority) from letters, phone calls and public meetings and additional items as received. These have been placed in the following categories.

- **Already Exists (5)**
- **High Priority (Consider for FY 21/22) (4)**
- **Medium Priority (3)**
- **Low Priority (1)**
- **Not an Unmet Need (1)**

Already Exists

Needs Identified at the SSTAC workshop:

- S-5. Restoration of COVID-related temporary service cuts:
 - On Going, MTA is using a phased approach to restoring service per CDC and Local guidelines.
- S-4. Willits weekday door-through-door service after 4pm and weekend service:
 - MTA sub-contracts Dial-A-Ride with the Willits Senior Center. These are trips that can be requested of the Senior Center for reimbursement from MTA. MTA staff will verify that this service is being provided as contracted.
- S-2. Wednesday service for Ukiah Senior Center:
 - MTA operates both fixed route and Dial-A-Ride services in Ukiah on Wednesdays.
- S-6. Fixed-route service to Hopland:
 - Pre Covid the MTA had two route # 65's that pass-through Hopland. Two Southbound and two Northbound trips currently only one Northbound and one southbound trip due to covid. On Going, MTA is using a phased approach to restoring service.

Needs as Identified by Mendocino Transit Authority (MTA):

- M-4. Resumption of Route 65 service:
 - Partial service increases ongoing, MTA is using a phased approach to restoring service.

High Priority – Consider for FY 2021/22 (not in priority order)

Needs Identified at the SSTAC workshop:

S-9. Mobility solutions for remote communities:

- MTA realizes the need for increased service to the community, a Grant (Sustainable Communities Grant Caltrans) has been applied for to study feasibility and whether or not to include in short range plan.

S-7. Fixed-route service to Potter Valley:

- MTA realizes the need for increased service to the community, a Grant (Sustainable Communities Grant Caltrans) has been applied for to study feasibility and whether or not to include in short range plan.

S-8. Service to Covelo and Laytonville:

- MTA realizes the need for increased service to the community, a Grant (Sustainable Communities Grant Caltrans) has been applied for to study feasibility and whether or not to include in short range plan.

Needs as Identified by Mendocino Transit Authority (MTA):

M-2. Additional Ukiah-Hopland round trip:

- MTA realizes the need for increased service to the community, a Grant (Sustainable Communities Grant Caltrans) has been applied for to study feasibility and whether or not to include in short range plan. MTA agrees that additional service to meet the needs of low-income service workers in the Hopland area is justified.

Medium Priority – (not in priority order)

Needs Identified by Mendocino Transit Authority (MTA):

M-5. Round-trip service from Ukiah to South Coast and from Ukiah to Fort Bragg/Mendocino:

- MTA realizes the need for increased service to the community, a Grant (Sustainable Communities Grant Caltrans) has been applied for to study feasibility and whether or not to include in short range plan.

Needs Identified at the SSTAC workshop:

S-3. Brooktrails fixed-route service:

- Additional service to the Brooktrails community in addition to the current service provided for seniors/disabled by the Willits Senior Center would be of benefit to this rural community. MTA realizes the need for increased service to the community.
- MTA realizes the need for increased service to the community, a Grant (Sustainable Communities Grant Caltrans) has been applied for to study feasibility and whether or not to include in short range plan.

S-1. Non-emergency medical transportation for patients discharged from hospitals during transit service off-hours:

- Further investigation and analysis into this type of service and more communication with Adventist Health is needed before moving forward. We are continuing to look into this.

Low Priority – (not in priority order)

Needs Identified at the SSTAC workshop:

None

Needs Identified by Mendocino Transit Authority (MTA):

M-3. Research on clean mobility grants for bikes and scooters:

- MTA realizes the need for increased service to the community, a Grant (Sustainable Communities Grant) has been applied for to study feasibility and whether or not to include in short range plan.

Non-Qualifying Unmet Needs

M-1. Full service the day after Thanksgiving holiday:

- Local 665 Union Contract prohibits full service. Partial Service is in place.

Needs Identified in Public Hearing:

None

MINUTE ORDER

Transit Productivity Committee – Unmet Transit Needs

April 26, 2021

Audio-video Teleconference

PRESENT:

MCOG Board Members: Dan Gerde, Jim O. Brown
MTA Board Members: Jim Tarbell, Tess Albin-Smith
Senior Centers Rep.: Jill Rexrode, Redwood Coast Seniors (Alt.)
Staff & Others: Nephele Barrett, Janet Orth, James Sookne and Monica Galliani, MCOG
Jacob King, Mark Harvey, Dawn White, MTA
Rachael McDavid, Ukiah Senior Center

ABSENT:

None

1. **Call to Order.** Chair Gjerde called the meeting to order at 3:04 p.m. Participants on the call were identified.

2. **Public Expression.** None.

3. **Review and Recommendation on MTA’s Analysis and Prioritization of 2021/22 Unmet Transit Needs.**

Janet introduced the annual process and current status. 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 December public hearing was included in the agenda packet. The report was ranked by five categories: *Already Exists* (5), *High Priority–Consider for FY 21/22* (4), *Medium Priority* (3), *Low Priority* (1), and *Non-Qualifying Unmet Needs* (1), for a total of 14 needs. Jacob and the group reviewed each need on the list.

- “Already Exists” – Jacob assured that **#S-5**, Restoration of COVID-related service cuts and **#M-4**, Resumption of Route 65 service, are both in progress with a phased approach as quickly as MTA can deliver full service; Route 65 (to/from Sonoma County) is at 50 percent service now. **#S-4**, Willits weekday door-through-door service after 4pm and weekend service, is provided by Willits Seniors through a Dial-A-Ride contract with MTA. Rachael will research background on how **#S-2**, Wednesday service for Ukiah Senior Center was cut back. Jacob noted **#S-6**, Fixed Route service to Hopland, is provided by Route 65 currently with one trip each direction until restored to two trips.
- “High Priority–Consider for FY 2021/22” – Nephele explained that all four needs are inter-related: **#S-9**, Mobility solutions for remote communities; **#S-7**, Fixed-route service to Potter Valley; **#S-8**, Service to Covelo and Laytonville; and **#M-2**, Additional Ukiah-Hopland round trip. MCOG has applied for a Caltrans planning grant for a feasibility study on innovative approaches to serve remote inland communities in Mendocino County, such as micro-transit and ride/car sharing. Caltrans expects to announce awards in June.
- “Medium Priority” – Under **#M-5**, Round-trip service from Ukiah to South Coast and from Ukiah to Fort Bragg/Mendocino, Jacob reported that MTA is adding service to a segment on Route 60 for between Navarro and The Woods in Little River, increasing the availability of rides to a whole community. **#S-3**, Brooktrails fixed-route service, is part of the grant proposal for study. **#S-1**, Non-emergency medical transportation for patients discharged from hospitals during transit off-hours, was discussed at length. – *see below*
- “Low Priority” – **#M-3**, Research on clean mobility grants for bikes and scooters, also had extensive discussion and interest. Another term than “low priority” might be more apropos. This type of service is not found in the Transportation Development Act (TDA) and could not meet the four conditions for “reasonable to meet” by MCOG’s adopted definition.
- “Non-Qualifying Unmet Needs” – **#M-1**, Full service the day after Thanksgiving holiday, could not be met due to MTA’s contract with the labor union. Partial service is in place.

Questions and discussion included:

- The transformative COVID pandemic economy caused MTA to make layoffs and cuts to service; restoring service involves difficulties of recruiting and hiring. (Jacob)
- #S-1, Non-emergency medical trips for patients discharged from hospitals, was first introduced by Adventist Health in Willits. In MCOG's updated Coordinated Public Transit – Human Services Transportation Plan, options are identified for funding; MediCal is a primary source. Unsure of FTA Section 5310 potential. What would be a reasonable range/distance for such trips? According to Adventist Health, currently Redwood Taxi is providing trips; however the fares are too high for some. (Group)
- #M-3, Research into bicycles and scooters, has merit. These could help to meet first/last mile needs. Who would administer such a program? MTA has looked at rentals; issues included numerous variables such as fare structure, maintenance, vandalism. Private companies are more appropriate managers than transit operators for a bike sharing enterprise. This works better in an urban setting. One model is that a large company establishes and a local nonprofit takes over service. Walk & Bike Mendocino is a possible candidate. This could be part of the scope of MCOG's proposed planning grant to study feasibility of mobility solutions in remote communities. (Group)
- Suggestion to add climate adaptation to definitions of unmet transit needs. MCOG's definitions were adopted in 1998 and are due for review. Climate and sustainability are part of current grants and plans. (Tess, Janet)

Jim Brown moved to recommend on three approaches identified during discussion for further research, study and partnerships; seconded by Jim Tarbell. **Discussion on the motion:** It was noted that MTA also has applied for a Caltrans planning grant, to update its Short Range Transit Development Plan, which will provide analysis and help to identify strategies. The motion makers accepted a friendly amendment to add MTA's proposal to the recommended actions. Ukiah Senior Center will explore meeting needs for its transportation services, including potential FTA Section 5310 grant funding. Janet asked for a separate motion on the formal unmet needs finding to be reported to Caltrans, also agreed to. The committee found it premature to attempt additional service under the continuing pandemic conditions. Both motions carried as detailed below.

Recommendations:

Upon motion by Tarbell, seconded by Brown, and carried unanimously by roll call vote (*5 Ayes – Gjerde, Brown, Tarbell, Albin-Smith, Rexrode; 0 Noes; 0 Absent*), the TPC recommended a finding that “there are no unmet transit needs that are reasonable to meet” for Fiscal Year 2021/22.

Upon motion by Brown, seconded by Tarbell, and carried unanimously by roll call vote (*5 Ayes – Gjerde, Brown, Tarbell, Albin-Smith, Rexrode; 0 Noes; 0 Absent*), the TPC further recommended that:

- 1) The MCOG Board of Directors support further study through Caltrans planning grant proposals submitted in the current cycle by MCOG and MTA staffs, to be better positioned to meet several of the listed needs, such as #S-9 “*Mobility solutions for remote communities*” and related service to Brooktrails, Potter Valley, Covelo, and Laytonville.
- 2) MTA staff research opportunities with outside partners such as Adventist Health to meet #S-1 “*Non-emergency medical transportation for patients discharged from hospitals during transit service off-hours.*”
- 3) MCOG staff work with Walk & Bike Mendocino meet #M-3 “*Research on clean mobility grants for bikes and scooters.*”

8. Adjournment. The meeting was adjourned at 4:51 p.m.

III.
Mendocino
Transit Authority

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2021-06

ALLOCATING FISCAL YEAR 2021/22 LTF, STA, and FY 2020/21 CARRYOVER CAPITAL RESERVE FUNDS to MENDOCINO TRANSIT AUTHORITY

WHEREAS,

- The Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- The Mendocino Transit Authority (MTA) is designated as the Consolidated Transportation Services Agency (CTSA) for Mendocino County by MCOG and has submitted a claim for funding for public transportation purposes in accordance with the Transportation Development Act (TDA), which provides for the needs of MTA and Senior Centers in Mendocino County with Local Transportation Funds (LTF) funds, State Transit Assistance (STA) funds, and Capital Reserve Funds;
- This claim, attached hereto as **Exhibit A**, was reviewed by MCOG staff and the Transit Productivity Committee (TPC), and the MTA Board of Directors may make revisions according to budget development and TPC recommendations, as allowed by adopted MCOG policy, and staff and the TPC recommended full funding of MTA's claim as presented;
- According to MCOG's adopted Capital Reserve Fund policies, eligible applicants under contract with MTA may request capital funds, providing that a five-year capital program and contract between the claimant and MTA is on file with the RTPA;
- Capital claims must be identified in accordance with TDA: 1) to reflect capital needs that will be expended during the fiscal year so claimed under Public Utilities Code 6648 and 2) filed to reflect specific capital improvements of a long-term nature up to five years, or for matching purposes in applying for federal transportation grants under P.U.C. 6631;
- MTA is the only eligible claimant of State Transit Assistance, for which eligibility for Operations funding is to be determined by performance reviews and fiscal audits;
- State of Good Repair program funding is available through the RTPA from Senate Bill 1, the Road Repair & Accountability Act of 2017; and
- Based on allocations in accordance with TDA for Administration, Planning, and Reserves, the 2021/22 LTF funds available for transportation services are \$4,071,667; STA funds available for 2021/22 are estimated at \$655,221 (\$653,365 of new State funds and \$1,856 of accumulated fund balance); State of Good Repair funds are estimated at \$139,740 (preliminary estimate of new funds); and the Capital Reserve Fund balance is estimated at \$696,296; The total amount available for transportation services from these four funding sources is estimated at **\$5,562,924**; therefore, be it

RESOLVED, THAT:

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

1.

AUTHORITY		SOURCE	USE	AMOUNT
A.	PUC Sec. 99260(a)	Local Transportation Fund (LTF)	MTA Operations	3,434,291
	PUC Sec. 99260(a)		Unmet Transit Needs	0
	PUC Sec. 99400(c)		Senior Center Operations	637,376
	PUC Sec. 99260(a)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
			Total LTF	4,071,667
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	455,221
	CCR Sec. 6731(b)		Senior Center Operations	0
	CCR Sec. 6730(b)		MTA and Seniors Capital	200,000
	CCR Sec. 6648		Capital Reserve Fund	0
			Total STA	655,221
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	696,296
	CCR Sec. 6648		LTF/STA allocated to CRF above	0
			Total CRF	696,296
D.	Senate Bill 1	State of Good Repair (SGR)	To Be Determined	0
			Total SGR	0
Total LTF, STA, and Capital Reserve Allocations				5,423,184
Balance Remaining for Later Allocation (SGR)				139,740
Total Estimated 2021/22 Funds Available for Transit				5,562,924

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, 2020 confirmed that MTA’s farebox ratio of 7.4% had not met the 10% ratio required by Senate Bill 508, (effective July 1, 2016); however the State had waived this regulation under COVID-19 as pandemic crisis relief. From unaudited data, MTA more than met the required 10% for the most recent period reviewed by the TPC, January 1 through December 31, 2020.

- c. The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended, now referred to as the Federal Transit Administration (FTA).
 - d. Of five measures for analysis on eligibility for Capital and Operations for use by both LTF and STA funds that were applied by the independent auditor in the most recent fiscal audit, most were met according to the auditor's report, and the remaining measure was waived by legislation.
 1. The sum of the claimant's allocations from STA did exceed the amount the claimant is eligible to receive during the fiscal year for operations purposes. For the fiscal year audited (ending June 30, 2020), the funds were claimed by MTA for operating purposes. State Assembly Bill 90 provided statutory relief due to COVID-19.
 2. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for operating.
 3. The sum of the claimant's allocations from LTF did not exceed the amount the claimant is eligible to receive during the fiscal year for capital.
 4. The claimant's subcontractors (senior centers) did not exceed the eligibility criteria for LTF and STA funds during the fiscal year.
 5. The fifth measure pertains to passenger rail eligibility and was not applicable for the fiscal year audited.
- B. MCOG as the regional entity may allocate funds to an operator for any transit-related purpose (as specified in Section 6730) on the basis of all these findings:
- a. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them. On April 26, 2021, the Transit Productivity Committee (TPC) reviewed performance data through December 31, 2020 and recommended acknowledgement of good performance by MTA and the Senior Centers under the difficulties and challenges of this past year with the pandemic.
 - b. The California Highway Patrol has certified, within the last 13 months and prior to filing claims, that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by PUC Section 99251.
 - c. The operator is not in compliance with the eligibility requirements of PUC Section 99314 as applicable (relative to STA funds); however, State Assembly Bill 90 provided statutory relief due to COVID-19.

3. In accordance with Section 99405(c) of the Public Utilities Code, MCOG adopts and sets forth the local match requirements for senior centers claimed under Article 8 at a minimum of 10 percent, consistent with Senate Bill 508, signed into law October 9, 2015, amending the Transportation Development Act.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$694,653 as of June 30, 2020, less 2020/21 allocations of \$0, and the addition of \$1,643 earned interest recorded as of the first budget draft in February 2021, provides a total estimated balance of \$696,296. MTA has requested no funds for FY 2021/22 current-year capital projects and the TPC and MCOG staff have recommended full funding of MTA's claim, therefore the entire available balance of \$696,296 is hereby allocated to capital needs for MTA as identified in #1(C) above and to be referenced in MTA's Capital Plan.
5. The above allocations are to be paid to MTA in conformance with allocation instructions as submitted by MCOG's Executive Director to the County Auditor-Controller.
6. MTA will be required to incorporate all TDA requirements for these allocations in their upcoming 2021/22 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2021.

ADOPTION OF THIS RESOLUTION was moved by Director Albin-Smith, seconded by Director Brown, and approved on this 7th day of June, 2021, by the following roll call vote:

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

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

/s/

ATTEST: Nephele Barrett, Executive Director

/s/

Dan Gjerde, Chair



SERVING MENDOCINO COUNTY SINCE 1976

April 1, 2021

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 2020/2021. Due to the COVID19 Crisis, the MTA Board has not yet been able to review the proposed budget and we hope to discuss at the April, 2020 meeting. In summary, MTA is requesting:

\$ 4,071,667	from the Local Transportation Fund (LTF), and
\$ \$655,221	in State Transit Assistance funds

Local Transportation Fund

The Claim includes the amount recommended by MCOG's Executive Committee as available for Transit. Of that amount, \$3,434,291 would be used to support MTA's General Public Operations and \$637,376 for Senior Center operations. No funds would be used for the Unmet Transit Needs List referred to MTA by your Board.

State Transit Assistance Fund

The Claim includes a total of \$655,221 of MTA's share of the Governor's State budget for STA funds to be used for Operating assistance.

Capital Reserve

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

MTA Operations

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

Senior Center Subsidy Program

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

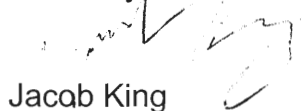
MTA and Senior Center Capital Program

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

Uncertainty

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

Sincerely,



Jacob King
Executive Director

Cc: Budget File

Mendocino Transit Authority
Summary of 2021/2022 Claim for Funds

4/1/21

Source	Authority	Purpose	FY 2020/21 Amount	FY 2021/22 Amount
Local Transportation Fund:				
	PUC, Sec. 99260(a)	MTA Operations	\$2,993,124	\$3,434,291
	PUC, Sec. 99260(a)	Unmet Transit Needs	\$0	\$0
	PUC, Sec. 99400(c)	Senior Center Operations	\$555,499	\$637,376
	PUC, Sec. 99260(a)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
	PUC, Sec. 99260.6	Rail Passenger Subsidy	\$0	\$0
Total			\$3,548,623	\$4,071,667
State Transit Assistance Fund:				
	CCR, Sec. 6730(a)	MTA Operations	\$834,637	\$455,221
	CCR, Sec. 6731(b)	Senior Center Operations	\$0	\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital	\$0	\$200,000
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
Total			\$834,637	\$655,221
Capital Reserve				
	CCR, Sec. 6648	MTA Capital	\$0	\$0
	CCR, Sec. 6648	Senior Capital	\$0	\$0
	CCR, Sec. 6631	Long-Term Capital	\$685,021	\$696,296
Total			\$685,021	\$696,296
Total Claim			\$5,068,281	\$5,423,184

IV.
Surface Transportation
Block Grant Program

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2021-07

ALLOCATING SURFACE TRANSPORTATION BLOCK GRANT PROGRAM FUNDS
for FISCAL YEAR 2021/22
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 FAST Act (Fixing America's Surface Transportation Act) is due to expire in September 2021 and a preliminary estimate of revenue is not yet available for FY 2021/22, therefore the actual amount received in 2020/21 is proposed for purposes of this budget at **\$787,764**;
- Customarily MCOG has exchanged its annual federal STBG/RSTP apportionment for more flexible state funds through State of California's optional Federal Apportionment Exchange Program;
- On June 5, 2006, MCOG adopted a simplified version of its existing RSTP distribution formula, such that 60 percent of the annual regional apportionment is divided equally among the five MCOG member jurisdictions as a base amount, and 40 percent is divided by the Federal Aid Urban (FAU) equivalent road miles percentage for each jurisdiction;
- On June 5, 2006, MCOG also created a capital fund from RSTP revenues, for MCOG regional safety, operational and capacity-increasing projects that stimulate partnerships, in specified amounts of each annual regional apportionment, before distribution to the five MCOG member jurisdictions, and this set-aside is referred to as MCOG's Partnership Funding Program;
- On October 4, 2010, MCOG confirmed four agreements in concept as a result of the Council's Strategic Planning Workshop of August 9, 2010:
 - 1) MCOG will be responsible for project development for priority projects to ensure project readiness.
 - 2) MCOG's Partnership Funding Program, initiated several years ago with RSTP funding, will be continued through the life of the next federal transportation bill.
 - 3) MCOG will pursue expansion of the level of local assistance for its member agencies.
 - 4) MCOG will expand project selection criteria to increase the relative importance of leveraging and to reflect outcomes of this workshop.
- On February 7, 2011, MCOG approved Dow & Associates' staffing contract extension, to include RSTP funds for a new "local assistance" staff position with the goal of increased project delivery, consistent with the Council's strategic planning of the previous August; this new position of Regional Project Manager (now referred to as Regional Project Coordinator) was initiated in FY 2011/12 at \$90,000 per year;

- Under the approved five-year contract and extensions for Administration & Fiscal Services that began October 1, 2014, Dow & Associates shall have the management responsibility for the Partnership Funding Program in the amount of approximately **\$978,094** (\$778,094 audited fund balance at June 30, 2020, \$100,000 allocated for FY 2020/21, \$100,000 anticipated for FY 2021/22); this amount includes three open Partnership project balances assigned by the Council of \$428,415 and an estimated \$549,679 available for later allocation before FY 2020/21 expenditures;
- Dow & Associates also shall have the management responsibility for the Local Assistance budget of \$90,000 and an audited unexpended program fund balance of \$229,704 through FY 2019/20; the amount of \$90,000 shall be allocated to continue Local Assistance services to member agencies in Fiscal Year 2021/22, to include the actual personnel cost according to contract (up to \$88,379) and other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion, such as engineer’s services for member agency grant proposals (up to \$1,621), subject to periodic reports to the Board of Directors; and
- It is MCOG’s intention to reevaluate its STBG formula for distribution to the member agencies if a forthcoming federal transportation legislative bill substantially changes the amount of, or designated use of, STBG funds; therefore, be it

RESOLVED, THAT: MCOG hereby allocates estimated new STBG revenues for FY 2021/22 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	128,687	597,764
	City of Ukiah	173,184	
	City of Fort Bragg	115,631	
	City of Willits	108,530	
	City of Point Arena	71,732	
Total FY 2021/22 Allocations			787,764

ADOPTION OF THIS RESOLUTION was moved by Director Albin-Smith, seconded by Director Brown, and approved on this 7th day of June, 2021, by the following roll call vote:

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

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

/s/ _____
 ATTEST: Nephele Barrett, Executive Director

/s/ _____
 Dan Gjerde, Chair

V.
REAP
Housing Grants

MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2021-08

ALLOCATING FISCAL YEAR 2020/21 CARRYOVER REGIONAL EARLY ACTION PLANNING (REAP) PROGRAM GRANT FUNDS FOR FY 2021/22

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 will be executed to receive the funds; and
- A portion of the \$38,325 (ten percent) for Grant Administration & Management will have been expended in FY 2020/21; therefore, be it

RESOLVED, THAT:

1. MCOG hereby carries over estimated REAP funds to 2020/21, allocated as follows.

RECIPIENT	AMOUNT	TOTALS
MCOG Grant Administration & Management		30,325
Formula Distribution to MCOG Member Agencies (rounded to nearest dollar)	County of Mendocino	177,228
	City of Ukiah	69,536
	City of Fort Bragg	46,410
	City of Willits	35,365
	City of Point Arena	16,381
		344,920
		375,245

ADOPTION OF THIS RESOLUTION was moved by Director Albin-Smith, seconded by Director Brown, and approved on this 7th day of June, 2021, by the following roll call vote:

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

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

/s/

ATTEST: Nephela Barrett, Executive Director

/s/

Dan Gjerde, Chair

Appendices



MCOG Budget Workshop
May 3, 2021



Last Year
2020-21



This Year
2021-22

Budget Summary – Detail Format 5

Also in agenda packet:

MENDOCINO COUNCIL OF GOVERNMENTS
FY 2021/22 BUDGET SUMMARY
 For Board of Directors Working May 5, 2021
 Supplemental Format

REVENUES	FY 2020/21 Budget as Amended	FY 2021/22 Budget Proposed	% Change	% Change	NOTES
LOCAL GOVERNMENT					
Local Transportation Funds (LTF)					Transportation Development Act (TDA) Funds
LTF 50% State Auditor's Estimate	\$ 4,174,319	\$ 4,542,789	\$ 368,470	8.8%	
Auditor's Unallocated Unavailable Balance - Current Year	\$ (205,425)	\$ (219,584)	\$ (14,159)	6.9%	
Total Local Transportation Fund LTF Estimate	\$ 4,214,204	\$ 4,323,205	\$ 109,001	2.6%	
Auditor's Unallocated Unavailable Balance - Reserve	\$ (205,400)	\$ (219,560)	\$ (14,160)	6.9%	Per policy, any monies flow through LTF Reserve
Revenue: LTF 50% year Unavailable Revenue	\$ 39,150	\$ 277,099	\$ 237,949	605.1%	Available for any TDA allowable purpose (no new revenue, no fund balance)
MFA Fund Audit amount related to MCOG Entry	\$ 0	\$ 0	\$ 0	0%	2019/20 MFA audit reflected eligibility for funds received, with state waiver
Planning Council Work Program (OWP) - Carryover from Previous FY	\$ (51,180)	\$ (51,778)	\$ (598)	-1.2%	FY 2020/21 OWP as amended Apr. 5, 2021, 2021/22 carryover as of Feb. 22
Subtotal Local Transportation Funds:	\$ 4,232,104	\$ 4,885,086	\$ 652,982	15.4%	OWP carryover is offset by requested allocation
LTF Reserve Funds					
LTF Unavailable Reserve of Unavailable Revenue	\$ (219,784)	\$ (236,962)	\$ (17,178)	7.8%	and audited year, when LTF revenue was insufficient per Auditor's Estimate
LTF Reserve Fund Revenue	\$ 479,261	\$ 496,364	\$ 17,103	3.6%	Revenue used to cover transfer allocation available and shown per policy
Less Plus Current Year Reserve Allocation	\$ (219,634)	\$ (236,978)	\$ (17,344)	7.9%	Four year unallocated "success monies" above fund balance
Subtotal	\$ (219,634)	\$ (236,978)	\$ (17,344)	7.9%	
Less LTF Reserve Minimum Balance per Policy adopted 4/20/21	\$ (299,200)	\$ (342,200)	\$ (43,000)	14.4%	Per policy, min. Revenue 5% of County Auditor's estimate of new LTF, revised 1/20/21
LTF Reserve Available for Allocation	\$ (219,634)	\$ (236,978)	\$ (17,344)	7.9%	Four year increase in per year LTF fees to be received
TOTAL LTF RESERVE FUNDS	\$ 4,812,770	\$ 5,048,008	\$ 235,238	4.9%	
Capital Assets Funds - Total Capital Reserve Fund	\$ 685,221	\$ 686,298	\$ 1,077	0.2%	Fund balance available for bond claim based on 5 Year Capital Program
Local Agency Contributions	\$ 389,892	\$ 389,892	\$ 0	0%	and approved "needs" for planning specific Local Road Safety Plans
Total Local Government Revenues	\$ 5,877,683	\$ 6,133,928	\$ 256,245	4.4%	
STATE					
Planning Programming & Monitoring (PPM) Funds					
Planning Council Work Program (OWP) - New Revenue	\$ 100,000	\$ 100,000	\$ 0	0%	
Planning Council Work Program (OWP) - Carryover from Previous FY	\$ (146,262)	\$ (146,262)	\$ 0	0%	FY 2020/21 OWP as amended Apr. 5, 2021, 2021/22 carryover as of Feb. 22
State Transit Assistance (STA) Funds					
State Transit Assistance (STA) Funds	\$ (204,343)	\$ 100,000	\$ 304,343	149.0%	STA Funds
State Commuter Expense	\$ 462,343	\$ 462,343	\$ 0	0%	Revised 2020/21 SCC vs. SARE, MAs, Revisions 2021/22 may change
State Commuter Expense - Allocation	\$ 1,908	\$ 1,908	\$ 0	0%	48.74% FY 2020/21 fund balance received per 2019/20 local audit
Total State Transit Assistance Funds	\$ 260,008	\$ 565,048	\$ 305,040	117.3%	
State of Good Hope (SGH) Funds					
State of Good Hope (SGH) Funds - Allocation	\$ (133,521)	\$ (133,742)	\$ (221)	-0.2%	Travel funding program in Service 58 1
State of Good Hope (SGH) Funds - Revenue	\$ 89	\$ 89	\$ 0	0%	and 2 years thru 2019/20 were allocated by MCOG, saving for MFA project
Estimated Fund Balance Available for Allocation	\$ 134,111	\$ 133,742	\$ (369)	-0.3%	
Planning Council Work Program (OWP) - New Revenue	\$ 264,000	\$ 264,000	\$ 0	0%	
Planning Council Work Program (OWP) - Carryover	\$ 49,227	\$ 49,227	\$ 0	0%	
Total STA Funds	\$ 313,227	\$ 293,067	\$ (20,160)	-6.4%	FY 2020/21 OWP as amended Apr. 5, 2021, 2021/22 carryover as of Feb. 22
California Active Transportation Program (ATP)					
ATP Infrastructure Projects - New Revenue	\$ 2,872,000	\$ 2,872,000	\$ 0	0%	2019/20 Consider Multi-Purpose Trail construction, to be allocated by CTC
ATP Infrastructure Projects - Carryover	\$ (180,000)	\$ (173,000)	\$ (7,000)	-3.9%	Estimated funds to carry over to next FY for project for right-of-way
Total ATP Funds	\$ 2,692,000	\$ 2,699,000	\$ 7,000	0.3%	Approved by a. Cor. 4/26/2021, Page 1 of 2

Funding Sources – More Info 6

“Explanatory Notes on Funding Sources” in agenda packet

MENDOCINO COUNCIL OF GOVERNMENTS
 2021/22 Budget
 Explanatory Notes on Funding Sources
 4/23/2021

LTF - Local Transportation Fund

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

LTF Reserve Fund

- Allowed under TDA, Section 6451, adopted by MCOG on June 7, 1999, revised April 2, 2001.
- Fund balance adjusted annually at five percent of County Auditor/Controller's LTF estimate.
- Surplus allocated through annual budget process.
- To be used "for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation."
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy revised in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to meet the FY 2011/16 shortfall of \$65,364.
- Since 2015/16, MCOG has fully resumed the LTF Reserve policy, releasing two years of surplus for allocation between \$100,000 and \$200,000, then a shortfall of \$47,000, a surplus of \$71,000, and for 2019/20 (from 2017/18 revenue) a record surplus of \$379,624. Audited surplus from 2019/20 is \$246,922, for allocation in 2021/22.

STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Survey of March, 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This stopped with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10 - 2015/16 during the Recession; again waived for the pandemic.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that "rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, would instead reduce the operator's operating allocations 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 estimates - Preliminary in January, Revised when State Budget adopted.
- Regional allocation policy. Respond to fluctuating revenues by releasing approved allocations to MTA, when received in MCOG's fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings, as is the case this year.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$110,000, two years ago in the range of \$800-900,000 with support of SB 1. With the coronavirus, fuel tax revenues dropped ~40%. Preliminary estimates for 2021/22 is \$433,365.

Highlights of This Year's Budget

7

REVENUES:

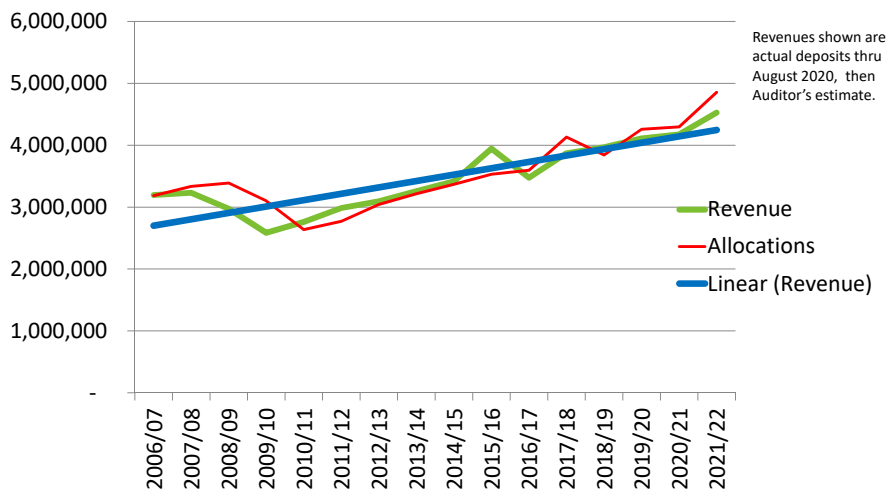
- Local Transportation Fund (LTF) sales tax revenue estimated by County Auditor at all-time high of \$4.5M
- State Transit Assistance (STA) from gas taxes remains low
- Temp 2020-21 LTF reserves released at \$248K for allocation, enabling formal transit reserve to be doubled to \$452K (10%)
- New federal CRRSAA funds

ALLOCATIONS:

- MTA and Senior Centers get 14.7% LTF increase
- Transit funds from federal CRRSAA of \$1.46M
- Infrastructure funds from CRRSAA of \$424K

LTF Revenues & Allocations - Trend

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LTF Revenues FYTD 2020/21

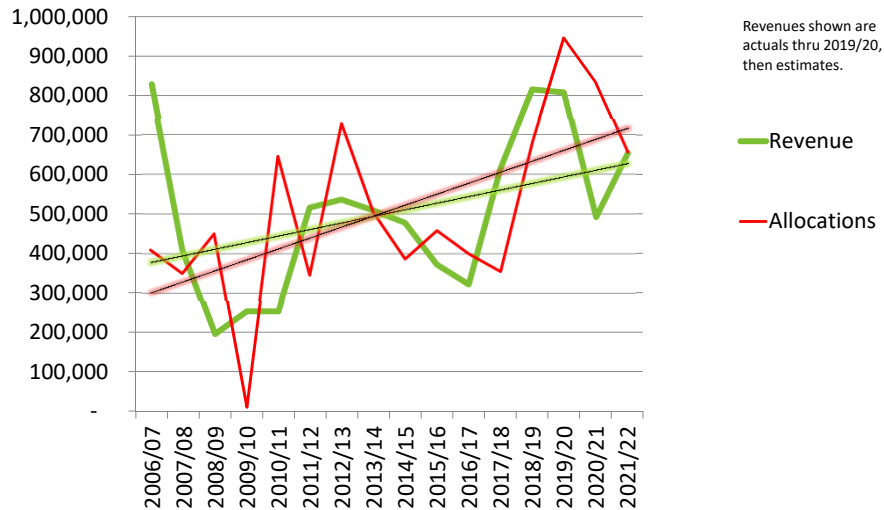
9

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

	<u>BUDGET</u>	<u>ACTUAL</u>
Auditor's FY Estimate	\$ 4,174,378	
Budget FYTD	2,782,919	\$ 3,198,916
Excess FYTD		415,997 (10.0%)
4 mos. remaining	1,391,459	975,462 need
Auditor's FYE estimate	\$ 219,584 (5.3%) surplus	

STA Revenues & Allocations - Trend

10



LTF Reserve Policy since 1999

11

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

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

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

LTF Allocation Priorities

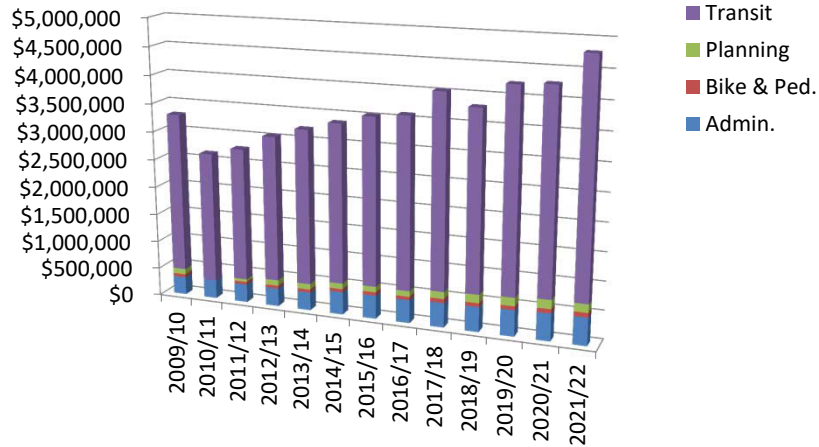
12

Consistent with TDA:

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

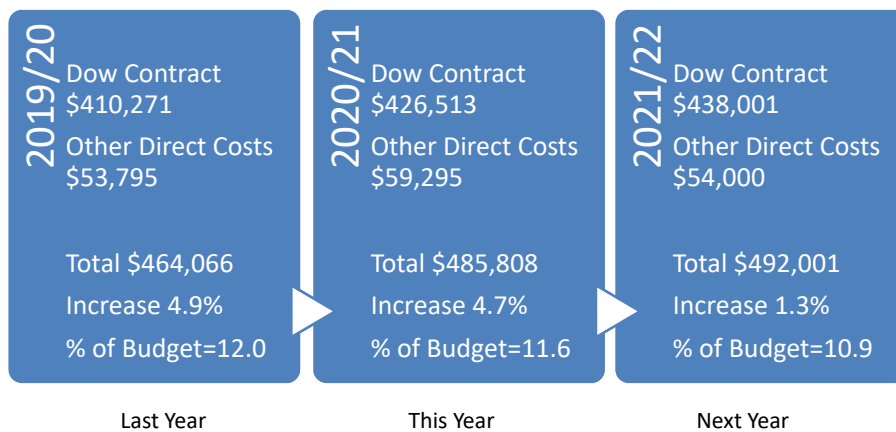
LTF Allocations - Trend

13



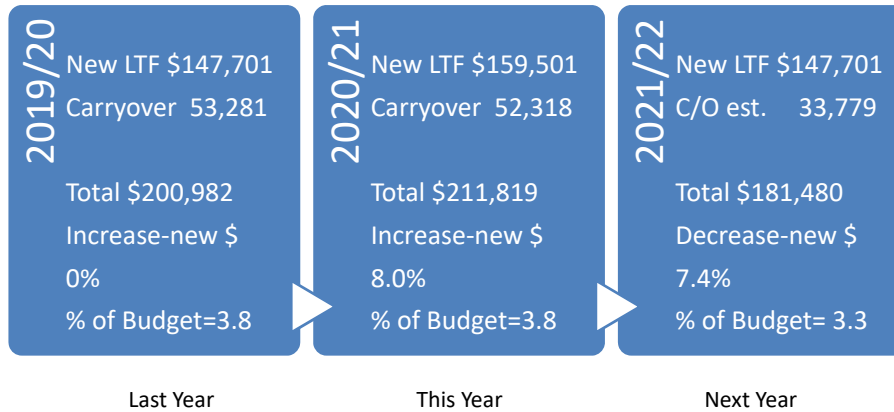
LTF Allocations – Admin.

14



LTF Allocations – Planning

15



All Allocations – Planning

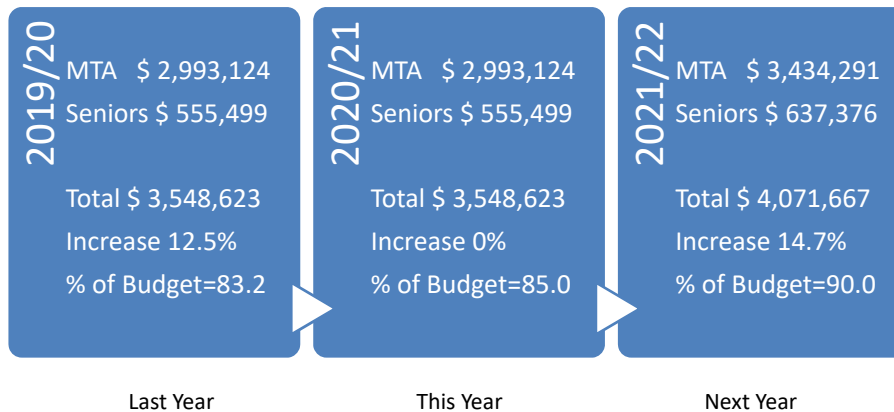
16

Draft FY 2021/22 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergov'tl Coordination	MCOG	State RPA	122,500
2	Planning Mgmt. & General Coordination	MCOG	LTF	107,480
4	Sustainable Transportation Planning	MCOG	LTF	10,000
6	Combined Special Studies	MCDOT	State RPA	60,000
7	Planning, Programming & Monitoring	MCOG	LTF, State PPM	67,250
9	Regional / Active Transportation Plans Update	MCOG	State PPM, RPA	53,000
10	Pavement Management Program Update – c/o	MCOG	LTF, State PPM	0
11	Local Road Safety Plans – carryover	MCOG	LTF	7,500
12	Sidewalk Maint/ADA Curb Ramp Inventory– c/o	Ukiah	LTF	0
14	Training	MCOG	LTF	0
15	Local Street Assessment/Shared Roadway Agrmt.	Pt. Arena	State PPM	53,750
16	Multi-Modal Transportation Planning	MCOG	State RPA	40,000
18	Geographic Information System Activities	MCOG	State RPA	5,000
20	Grant Development & Assistance	MCOG	State RPA	30,000
	PROJECT RESERVE	MCOG	LTF	25,000
	TOTAL			581,480

LTF Allocations – Transit

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State Funding from SB I

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- Planning Grants
 - Sustainable Communities (competitive)
- Active Transportation Program (ATP)
 - Covelo SR 162 Corridor Multi-Purpose Trail
 - Stakeholders calling for more funding to ATP
- State of Good Repair – transit
 - MCOG approves MTA project funding

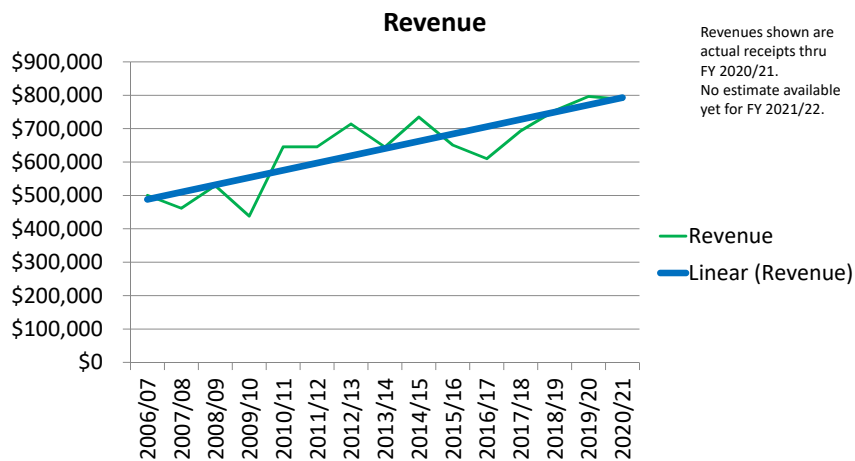
Federal COVID Relief Funds

19

- **CARES Act**
 - Enacted March 2020
 - > \$2M total available for MTA
 - Claims through FTA Section 5311 and 5311f
 - 100% federal with no local match required
- **CRRSAA**
 - Enacted December 2020
 - \$1.46M for MTA thru FTA Section 5311
 - \$1.6M for MCOG thru STIP and STBG to County & Cities
 - 100% federal with no local match required

STBG Revenues – Trend

20



STBG Allocation Priorities

21

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

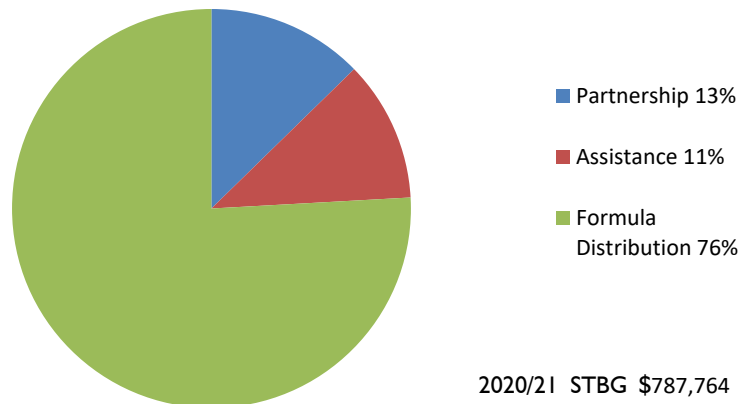
- Partnership Funding Program
- Regional Mgr. & Local Assistance – Project Delivery
- County & Cities Projects – by formula

Plus new CRRSAA \$

STBG Allocations

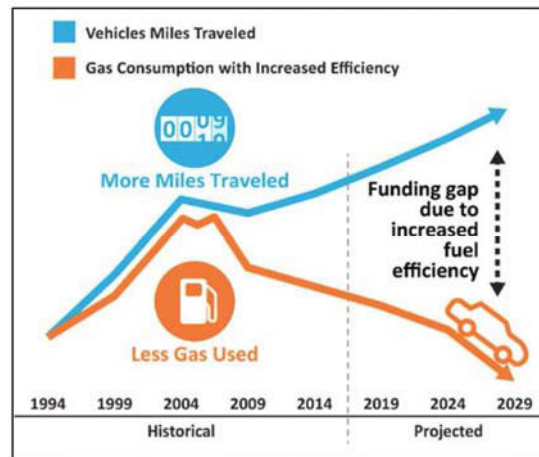
22

FY 2021/22 Proposed Budget – No Fund Estimate Yet



Future Funding Issues

23



Source: CTC, CALCOG

What's Not in the Budget

24

- Regional/State Transportation Improvement Program (RTIP, STIP)
 - Capital programming, no cash flow
- Service Authority for Freeway Emergencies (Mendocino SAFE)
 - Motorist Aid Call Box System
 - Separate 5-Year Financial Plan approved 2017

Budget Adoption FY 2021/22

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- **Recommendations:**
 - Staff – Admin & Planning
 - Executive Committee – Feb. 25
 - Technical Advisory Committee – Feb. 17
 - Transit Productivity Committee – April 26
 - SSTAC pending

- **Adopt Budget June 7, 2021**
- **Can amend during Fiscal Year**

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Questions?

Thank You!

Presentation by:
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Mendocino Council of Governments
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2019/20, ended June 30, 2020. The discussion and analysis serves as an introduction to the Council's audited financials, which comprise the Council's official financial statements of record.

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

Economic Trends

For the Council's purposes, a major indicator is the sales tax. Actual revenue from the dedicated quarter-cent sales tax to the Local Transportation Fund (LTF) continued a trend of economic recovery since the Great Recession began in 2008. LTF revenues came in 6.67 percent above the budget estimate. Local sales tax revenues had been around \$3 million annually until the low point in 2009/10 of \$2.58 million. Since then annual revenues have grown steadily to \$4.1 million in FY 2019/20. The new estimate for 2021/22 is above \$4.5 million.

During FY 2019/20 the global pandemic took hold and began to affect the economy in various ways. Under the COVID-19 pandemic, revenue losses have heavily impacted fuel taxes, while sales taxes are up significantly. The public curtailed driving activity during 2020, reducing gasoline consumption. Shopping activity shifted, likely generating temporary spikes as well as moving away from traditional brick-and-mortar businesses. These changes became more apparent early in the following fiscal year as the taxes collected were processed through to local agencies, and statewide estimates were revised. The Council's management is encouraged by the stability and growth of sales tax revenues, the largest single source of Council funding.

Revenues that originate from gasoline taxes through federal and state funding sources had been trending downward until the Legislature addressed the statewide transportation funding crisis by passing Senate Bill 1, the Road Repair and Accountability Act. Signed into law in April 2017, SB 1 invests over \$5 billion a year in state and local transportation needs. The infusion of revenues from SB 1 had increased State Transit Assistance by over 150 percent since FY 2016/17, until the 2019/20 downturn. It is projected that 10-12 years from now, SB 1 revenues will level off as vehicles become more fuel efficient and transition to electricity. For the future, alternative revenue streams are being tested, notably the California Road Charge Pilot completed in 2017, and a subsequent 2021 road charge project that will test several technologies for payment systems.

Grants and other revenue sources available to the Council have remained stable or increased. 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. In 2019/20 the Council's transportation planning program completed a technical study in response to new environmental requirements and a countywide fire vulnerability assessment with evacuation preparedness plan.

Net assets have long been in the range of \$1.5 million in Governmental funds and \$3.5 million in Fiduciary funds. As large projects such as the SAFE call box program have been completed, in 2020 the Governmental net assets were down to about \$500,000 and fiduciary funds at approximately \$5 million.

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

Fund Classifications

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

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

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

The Expendable Trust funds are:

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

Partnership Funding Program for projects of regional significance. Additionally, a portion is set aside for a Regional Project Manager providing Local Assistance, with a small fund supporting local direct costs.

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

- The LTF-derived Capital Reserve Fund, which is set aside for claiming by Mendocino Transit Authority (MTA) based on their Five-Year Capital Program of infrastructure and vehicle replacement, as allowed under TDA statutes; and
- The Council’s LTF Reserve Fund, which is meant to fulfill transit 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 Expendable Trust fund from which the program revenues were allocated. The cash balances of both Reserve funds also are considered “due to” the LTF fund, detailed on Page 31.

Capital Assets & Long-Term Liabilities

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

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

Analysis of Governmental Funds

Special Revenue Funds revenue was \$1,414,470, a decrease of \$235,784 (14.3%) compared to the previous fiscal year, mainly due to variable levels of state aid. Expenditures were \$1,558,448, a decrease of \$188,988 (10.8%). Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2018/19.

Table 1

Governmental Net Position at June 30	2020	2019	Change
Current Assets	\$ 859,676	\$ 858,828	\$ 848
Capital Assets, Net of Depreciation	77,506	187,133	(109,627)
Total Assets	937,182	1,045,961	(108,779)
Current Liabilities	341,916	341,707	209
Total Liabilities	341,916	341,707	209
Net Position			
Investment in Capital Assets	77,506	187,133	(109,627)
Restricted	517,760	517,121	639
Total Net Position	\$ 595,266	\$ 704,254	\$ (108,988)

Net position comprised the following:

- Cash and investments of \$632,448 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$227,228;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$208,452;
- Inter-fund operating transfers, due to Expendable Trust funds, of \$133,464;
- Depreciated capital assets of \$77,506. (*refer to Page 22*)

The Council does not have any Governmental assets considered to be unrestricted that can be used to finance day-to-day operations without constraints established by legal requirements. Each of these funds is segregated by its intended use for the particular revenues and is considered restricted to those uses. In August 2015, the Council adopted fiscal policies in compliance with Governmental Accounting Standards Board (GASB) Statement No. 54, detailing fund balance classifications within the restrictions as defined.

Administration

The Council allocated \$464,066 from the Local Transportation Fund for administration of all the Council's activities, including the sixth year of a contract effective October 1, 2014 as a result of the Council's procurement for Administrative & Fiscal Services, with a scheduled inflation increase of 3.69 percent. This budget had remained at the same level for five successive fiscal years, an indication of management's careful use of public monies and efforts to contain costs. The cost increased in FY 2014/15 due to efficiencies lost by the separation of administration and planning contractors. Most of the Administration budget is allocated to the contract for administrative staffing, office and equipment, with the remainder to direct costs. The budget for Direct Costs remained between \$50,000 and \$60,000, consistent with the previous five years.

Planning

Over the past five years, the Transportation Planning Overall Work Program (OWP) budget has averaged \$1.6 million annually (refer to the Governmental Funds for sources). In FY 2015/16, this had increased to \$2,047,233 due to a multi-year Active Transportation Program grant of up to \$1 million. By FY 2019/20, the budget had decreased to \$1.13 million as projects were implemented. The OWP funded 15 project work elements that benefited the five member agencies, Mendocino Transit Authority, and Caltrans.

SAFE Program

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

reception is available. The other 96 call boxes have cellular service. The current effort in progress is responding to cellular network changes by the service operator.

Table 2

Changes in Governmental Net Position	2020	2019	Change
Expenses – Administration and Planning	\$ 1,532,485	\$ 1,747,436	\$ (214,951)
Revenues			
Program Revenues:			
Local Transportation Funds	611,882	590,260	21,622
DMV Fees	106,621	107,131	(510)
Aid from State Governments	695,967	952,863	(256,896)
Total Program Revenues	1,414,470	1,650,254	(235,784)
General Revenues:			
Use of Money and Property	8,850	7,998	852
Total Revenues	1,423,320	1,658,252	(234,932)
Change in Net Position	\$ 109,165)	\$ (89,184)	\$ (19,981)

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