

MENDOCINO COUNCIL OF GOVERNMENTS

Executive Committee Approved MINUTES

February 24, 2020

MCOG / Dow & Associates Conference Room
367 N. State Street, Ukiah

Present: Committee Members: Chair Dan Gjerde, Vice Chair Michael Carter, Director Richey Wasserman
MCOG Staff: Nephele Barrett, Janet Orth, Lisa Davey-Bates, Monica Galliani
MTA Staff: Carla Meyer

1. **Call to Order** at 3:05 p.m., Chair Gjerde presiding.

2. **Public Expression** - None.

3. **Report & Discussion: 2018/19 Fiscal Audit with Basic Financial Statements.** Janet offered print copies, in addition to electronic copies distributed, and summarized the audit result as well as options for acceptance of the report. With no issues customarily it would be placed on the Board's consent calendar. In this case there were no findings, observations or recommendations; it was a clean audit. She answered questions about differences between Governmental Funds, also known as Special Revenue Funds, and Trust & Agency Funds, a.k.a. Fiduciary Fund Types. The group also discussed details of the SAFE motorist-aid call box program (Governmental/Special Revenue from vehicle registration fees).

No action was taken.

4. **Review & Recommendation on Options for Staffing Services Starting October 1, 2020 and Possible Contract Extensions.** Nephele introduced the issue, summarizing last year's process and options when the five-year contracts were due to expire. The contract allows for annual one-year extensions for up to five years. Last year the Council had appointed an ad hoc committee to review and recommend on the matter. An extension was approved with a recommendation to streamline this process the following year. Nephele then presented alternatives and reviewed draft contract extensions for Dow & Associates and Davey-Bates Consulting (DBC), provided in the agenda packet. She and Lisa explained how the contracts allow for adjustments by the Consumer Price Index (CPI) inflation rate. Exhibit A does not show CPI adjustments, only base amounts; increases would be applied in the annual budget. The base rates rise by no more than 11.5% on just the health care costs; the past two years actually increased more than 20%, but the annual average is consistent with the contract.

A motion and second were made to recommend Option 1, that the MCOG Board approve the one-year contract extensions (see Recommendation below). Discussion on the motion:

- Pros and cons of the two options? How a Request for Proposals (RFP) process would be conducted, and other logistics. Scope of services could be modified under a new RFP. (Group)
- Extensions make the most sense for efficiency. Last year's ad hoc would have liked a five-year extension, but Caltrans discourages that. (Lisa) Continuity is desirable. (Mike)
- Containing health care costs is a consideration. County of Mendocino gives in-lieu funds to employees if they choose another plan. Dan's preference is that all employers provide at least minimum coverage. Do Dow and DBC provide a cash alternative? (Dan) Yes, laws govern that option. Dow covers only employees, not dependents, but they can be added at employee's cost. Costs are comparable to County's. (Nephele) Interest in learning more about cash in-lieu for MTA. (Carla) Discussion of how MCOG contracts were arrived at relative to health care costs; Nephele detailed the process.

Recommendation:

Upon motion by Carter, seconded by Wasserman, and carried unanimously (3 Ayes; 0 Noes; 0 Absent), the Executive Committee recommended that the Council approve the one-year contract extensions for Administrative & Fiscal Services provided by Dow & Associates and Planning Services provided by Davey-Bates Consulting.

5. Review & Recommendation on Draft 2020/21 Regional Transportation Planning Agency (RTPA) Budget.

Janet's written staff report and attachments were provided in the meeting packet. Dan noted the County Auditor's estimate of sales tax revenues to the Local Transportation Fund reached \$4 million for first time. Janet reviewed her first draft of the summary spreadsheet (details below). Total available revenues from all sources are estimated at over \$6.9 million, before funds carried over from the Planning program are added, and pending an estimate for the Regional Surface Transportation Program (RSTP), now called Surface Transportation Block Grant Program (STBGP). 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 TDA revenues from economic growth, augmented by Senate Bill 1 revenues.

- a. Local Transportation Fund (LTF) New Revenue Estimate and Reserve. Janet reviewed how the County Auditor-Controller calculated the estimate and the result, as well as the general economic trend and reserve balance. The fund estimate is \$4,174,378, up 8.35% (\$321,735) from the FY 2019/20 initial estimate. Actual revenues for the first six months of FY 2019/20 show an increase of 7.0% compared to the same six months a year ago. The Auditor then found a 3-year average increase of actual revenues at 3.6%, which he used in calculating the estimate. After setting the LTF Reserve by policy at \$209,000, prior-year audited revenues of \$203,075 are available for allocation.
- b. Administration. Janet briefly reviewed line item details. The total Administration budget proposal is up 3.9% (\$21,742). LTF costs for Administration are down slightly from 12% of the Auditor's estimate to 11.6%. As a percentage of total revenues from all sources, Administration is about 7%, expected to drop as pending revenue estimates come in. Other Direct Costs (i.e. not in the contract) remain below \$60,000. Staff's proposal is \$614,317 from: LTF (\$485,808), RSTP (\$90,000), and Service Authority for Freeway Emergencies/SAFE (38,509). There were no objections to the proposed Administration budget.
- c. Two Percent Bicycle & Pedestrian Program. Janet reviewed this formula, with an optional allocation up to two percent, according to Transportation Development Act (TDA) law. After Administration is subtracted, 2% of the new LTF fund estimate comes to \$73,771. MCOG issues a call for eligible projects every two years to the Technical Advisory Committee and awards are made by the Council. There were no objections to allocating the full two percent. Discussion followed on recent bike and pedestrian projects funded by LTF and grant sources.
- d. Planning Overall Work Program (OWP). The funding proposal prepared by Planning staff was reviewed. There is a proposed increase to the LTF proposal over last year, from \$147,816 to \$159,501 (increase of \$11,685 or 8%). There was discussion of OWP projects and costs. Staff explained the request for an increase to set aside funds for the triennial Pavement Management Program update.
The draft OWP is reviewed annually by the Technical Advisory Committee (TAC) for recommendation to the Council. After comments are received from Caltrans, the final OWP is presented to the Council in the May budget workshop, for adoption in June. There were no objections to the proposed OWP budget.
- e. Balance Available for Transportation. The balance of LTF available to MTA for claiming comes to \$3,658,372, up \$109,749 (3.1%) from FY 2019/20, keeping pace with inflation at 3.0%. (Note a typo was corrected in the meeting.) Janet reviewed the fund estimate for State Transit Assistance (STA), which has trended higher from the influx of SB 1 revenue, while cautioning that last year's estimate was revised downward. A preliminary estimate of \$834,637 is down 12% from last year's preliminary estimate. Together with MCOG's unclaimed fund balance, a total of \$1,203,081 from STA is available. Including Capital Reserve and state grants, total revenues for transit are \$5,680,300.

Recommendation:

Upon motion by Carter, seconded by Wasserman, and carried unanimously (*3 Ayes; 0 Noes; 0 Absent*), the Executive Committee recommended approval of staff's recommended Draft 2020/21 Regional Transportation Planning Agency (RTPA) Budget, for further development during the annual budget process, including:

- The LTF Reserve minimum fund balance of five percent, \$209,000, according to policy, releasing for allocation \$203,075
- A reserved balance of LTF one-time unallocated revenues of \$29,135
- \$485,808 LTF for Administration

- \$73,771 LTF for 2% Bicycle & Pedestrian Program, allocating the full optional 2%
- \$159,501 LTF for the Planning program
- \$3,658,372 LTF for Transit
- Allocations from other sources for the Transportation Planning Overall Work Program (OWP) as recommended by staff and Technical Advisory Committee
- Allocations from the Regional Surface Transportation Program (RSTP) according to policy and the staffing contract.

– *Summary of recommended budget is attached.*

(Carla Meyer left the meeting after Agenda #5.)

6. Consideration & Recommendation on Additional MCOG Specific Power to Allow for Regional Housing Related Planning and Application for State “Regional Early Action Planning” Funds. Nephele introduced the matter, detailed in her written staff report. Staff and TAC recommended amending the Joint Powers Agreement (JPA) to add regional housing planning to MCOG’s specified powers. MCOG is one of the agencies eligible for grant funds and could receive a total of \$383,245. The JPA does not include housing as a specific purpose, although the Regional Housing Needs Allocation (RHNA) has always been a state-mandated responsibility. MCOG would need to enter into a master agreement with the State Department of Housing & Community Development (HCD). AB 101, the budget trailer bill, provided a one-time funding source that allows applications for up to 25% in FY 2019/20, with the balance available until January 2021. State priorities emphasize housing and transportation linkage. Discussion included:

- Can the funds be passed through to MCOG member agencies to avoid duplicating efforts? Yes, although agencies would have to identify their projects in advance. There is a broad range of eligible uses. (Dan, Nephele)
- The concept of a housing land trust is under discussion, different than conservation land trusts. Certain safeguards would be built in to preserve housing affordability, such as providing for workforce housing versus vacation homes. Housing trust funds are an eligible activity, for predevelopment purposes, i.e. not land or improvements. (Dan, Nephele)
- Can some funds be passed through for MCOG planning, technical assistance, etc.? Yes, if agreed to provide specified services. Annexation plans for infrastructure have been discussed. The balance could be sub-allocated. (Richey, Nephele)
- Before getting too far along, staff recommends board concurrence, to minimize use of transportation funds to address these issues. Suggested action steps: Board direction at March 2 meeting; bring resolution templates and paperwork to April meeting for approval; when/if all five member agencies pass resolutions, MCOG would sign off on the JPA amendment administratively, then apply for state funds. (Nephele)
- Any reason not to approve? Staff capacity may be an issue, especially if the program continues. Example: County Planning could fund a part-time dedicated position addressing housing and RHNA. The program can supplement staffing; refer to list of eligible activities. (Dan, Nephele)
- Further discussion of land trusts, and a suggestion to go in with Lake County. Lisa will be meeting with Lake County officials and can put forward the idea for consideration.
- Is a Habitat for Humanity model feasible? Discussion of various models and issues identified. Staff will bring more information as available. (Richey, Dan, group)

Recommendation:

Upon motion by Wasserman, seconded by Carter, and carried unanimously (*3 Ayes; 0 Noes; 0 Absent*), the Executive Committee recommended that the Council amend the Joint Powers Agreement (JPA) to add regional housing planning to MCOG’s specified powers.

7. Reports/Information/Members’ Concerns. Staff briefly reported a recent news article covering the senior centers transportation program, urging the public to contact MTA and MCOG, so there might be correspondence received. Staff gave an update on status of meetings addressing issues with the program.

8. Adjournment. The meeting was adjourned at 4:45 p.m.

Mendocino Council of Governments

Regional Transportation Planning Agency - Fiscal Year 2020/21 Budget

Administration, Bicycle & Pedestrian, Planning, and Transit Allocations - Executive Committee Recommendation as of 2/24/2020

REVENUES	LOCAL			STATE			FEDERAL		Local Match	TOTALS
	LTF	STA	CRF	PPM	RPA	Grants	RSTP	Other		
2020/21 LTF Official County Auditor's Estimate	4,174,378									4,174,378
2019/20 Auditor's Anticipated Unrestricted Balance	200,426									200,426
Total Local Transportation Fund (LTF) Estimate	4,374,804									4,374,804
2019/20 Auditor's Anticipat'd Unrestricted Balance - Reversal	-200,426									-200,426
Reserved LTF prior-year unallocated revenues	29,135									29,135
Carryover - Planning Overall Work Program	52,318									52,318
2020/21 State Transit Assistance - SCO's Preliminary Estimate		834,637								834,637
2020/21 State of Good Repair - SCO's Preliminary Estimate						133,525				133,525
STA and SGR - Fund Balance Available for Allocation		368,444				0				368,444
MCOG's Capital Reserve Fund - Balance Available for Transit			685,021							685,021
2020/21 STIP Planning, Programming & Monitoring (PPM)				106,000						106,000
2020/21 Rural Planning Assistance					294,000					294,000
2020/21 State Active Transportation Program (ATP) - grants & carryover										0
2019/20 Transportation Planning Program carryover				65,564	pending	pending				65,564
Regional Surface Transportation Program - State Exchange Estimate-preliminary								pending		
LTF Reserve:										
2018/19 LTF Unrestricted Balance - audited	215,766									
LTF Reserve Balance as of 6/30/2019 - audited	571,943									
Less LTF Reserve Allocated for FY 2019/20	375,634									
Subtotal	412,075									
Less LTF Reserve Minimum Balance per Policy adopted 4/2/2001	209,000									(Per policy, Reserve shall be 5% of County Auditor's estimate of new revenue, to nearest 1,000.)
Amount Available for Allocation in FY2020/21	203,075									203,075
TOTAL REVENUES	4,458,906	1,203,081	685,021	171,564	294,000	133,525	0	0	0	6,946,097
ALLOCATIONS										
Reserved LTF prior-year unallocated revenues	29,135									29,135
2020/21 Administration	485,808						90,000			575,808
2% Bicycle & Pedestrian - 2020/21 LTF Estimate less Admin. x .02	73,771									73,771
2020/21 Planning Overall Work Program (OWP) - New Funds	159,501			106,000	294,000				0	0
Carryover Funds - See OWP Summary	52,318			65,564	pending	pending				Total OWP: 677,383
Total Administration, Bike & Ped., and Planning	800,533	0	0	171,564	294,000	0	90,000	0	0	1,326,962
BALANCE AVAILABLE FOR TRANSIT	3,658,372	1,203,081	685,021	0	0	133,525	0	0	0	5,680,000
2020/21 Mendocino Transit Authority Claim - due April 1:										
MTA Operations										0
Unmet Transit Needs										0
Senior Centers Operations										0
Capital Reserve Fund Contribution										0
Capital Program, MTA & Seniors Current Year										0
Capital Program, Senior Centers Current Year										0
Capital Program, Long Term (Five Year Plan)										0
Total Transit Allocations	0	0	0							0
Other Allocations - RSTP for MCOG Partnership Fund							100,000			100,000
Other Allocations - RSTP for County & Cities Projects by Formula							pending			pending
Other Allocations - ATP Infrastructure Grants - SR162 Corridor Multi-Purpose Trail									pending	
TOTAL ALLOCATIONS	800,533	0	0	171,564	294,000	0	190,000	0	0	1,456,097
Balance Remaining for Later Allocation	3,658,372	1,203,081	685,021	0	0	133,525	-190,000	0	0	5,490,000