



# MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency  
and Council of Governments

Fiscal Year 2026/27

**BUDGET**



June 1, 2026



# MENDOCINO COUNCIL OF GOVERNMENTS

Regional Transportation Planning Agency  
and Council of Governments

Fiscal Year 2026/27

## BUDGET

Prepared by

Michael Villa  
MCOG Deputy Director/Fiscal Manager

For adoption by

MCOG Board of Directors

**June 1, 2026**

**Cover Photo:**

SR-162 along Eel River near Dos Rios, CA  
By J. Orth 8.17.2025

## Contents

Executive Director's Introduction

Summary of Regional Transportation Planning Agency and COG Budget - Fiscal Year 2026/27

Budget Summary – Supplemental Format with FY 2025/26 Comparison

Explanatory Notes on Funding Sources

MCOG's Transportation Development Act (TDA) Budget Calendar

Resolutions:

- I. **#M2026-02 – "Allocating Fiscal Year 2026/27 Funds and 2025/26 Carryover Funds for Reserves, Administration, Bicycle & Pedestrian Facilities, and Planning"**
  - **Exhibit A** – MCOG Administration Budget
  - **Exhibit B** – Final Planning Overall Work Program - Summary of Funding Sources
  - Supplementary Information
- II. **#M2026-03 – "Finding That There Are Unmet Transit Needs That Are Reasonable To Meet for Fiscal Year 2026/27"**
  - **Exhibit A** – MCOG's "Unmet Transit Needs" and "Reasonable to Meet" Process
  - **Exhibit B** – Unmet Transit Needs Testimony
  - **Exhibit C** – MTA's Unmet Transit Needs Analysis
  - **Exhibit D** – Transit Productivity Committee Meeting Minute Order of April 13, 2026
  - **Exhibit E** – Social Services Technical Advisory Committee Meeting Minute Order of May 18, 2026
- III. **#M2026-04 – "Allocating Fiscal Year 2026/27 Local Transportation Funds, State Transit Assistance, and Capital Reserve Funds to Mendocino Transit Authority"**
  - **Exhibit A** – Mendocino Transit Authority's FY 2026/27 Claim for Funds
- IV. **#M2026-05 – "Allocating Surface Transportation Block Grant Funds for Fiscal Year 2026/27 MCOG Partnership Funding Program, Local Assistance, and Distribution By Formula To Member Agencies"**
- V. **#M2026-06 – "Allocating SB 125 Formula-Based TIRCP and ZETCP Funds for FY 2026/27"**
- VI. **#M2026-07 – "Allocating Fiscal Year 2026/27 Funds for Northern Rural Energy Network Programs"**

Appendices:

A - MCOG Budget Workshop Presentation of May 4, 2026

B - MCOG Fiscal Audit for the Year Ended June 30, 2025: Management's Discussion & Analysis



# MENDOCINO COUNCIL OF GOVERNMENTS

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

NEPHELE BARRETT, EXECUTIVE DIRECTOR

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

May 22, 2026

**To:** MCOG Board of Directors  
**From:** Nephele Barrett, Executive Director  
Prepared by Michael Villa, Deputy Director/Fiscal Manager  
**Re: Regional Transportation Planning Agency (RTPA) and Council of Governments  
Fiscal Year 2026/27 Budget**

This budget is submitted to you for adoption at our meeting of June 1, 2026, representing 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, mostly reported in our May budget workshop. This introduction is a brief summary of the main components of the RTPA budget. Six resolutions are prepared for adoption of the required findings and budget allocations. Two summary formats present different views of the information as usual. Total available revenues from all sources are **\$16,722,240**, and total proposed allocations amount to **\$10,632,387**. The major difference consists of state SB 125 transit funds available and programmed for future years.

As previously reported, this year's LTF estimate of local sales tax by the County Auditor-Controller/Treasurer-Tax Collector was \$4,259,000, increasing 2.4% from the prior year. Monthly deposits have been coming in slightly above the 2025/26 budget estimate. MCOG does appear better positioned now to avoid the budget shortfalls we have seen in recent years, with the use of more informed estimates and quarterly reports from the County. Currently the reallocation/ repayment plan with Mendocino Transit Authority is helping to rebuild the reserve funds, which covered the revenue shortfalls of recent years. The repayment plan will be concluded at the end of the 2025/26 fiscal year.

## **Administration**

In the Transportation Development Act (TDA), funds for Administration of the agency are the first allocation priority, in amounts "as necessary." MCOG has relied heavily on LTF to fund administration, while oversight of other programs has increased. With LTF revenues leveling off, other sources such as Surface Transportation Block Grant (STBG) funds may be considered in the future, consistent with MCOG policies. The Executive Committee recommended Dow & Associates' proposal, based on the five-year contract that started October 2024 and with customary Other Direct Costs. LTF costs for Administration are 14.4 percent of the Auditor's estimate, or 3.6 percent of total revenues. The total Administration budget proposal including STBG is \$708,865.

## **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 \$72,913.

## **Planning**

As a major function and responsibility of the RTPA, Planning is managed in the Overall Work Program (OWP). MCOG has customarily provided Local Transportation Funds (LTF) to Planning after Administration and Bicycle & Pedestrian allocations. In addition, several other available sources are combined to fund the Planning program. Details of the OWP are presented in a separate document. The Executive Committee concurred with staff's proposed allocation of \$125,000 of new LTF funds. The Technical Advisory Committee works closely with our planning staff to develop this program each year and on April 15 recommended all proposed allocations as revised in the Final OWP, including revised LTF funding and FY 2025/26 estimated carryover, for adoption by the Council. The total Planning budget proposal is \$1,251,084.

## **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 the SB 125 Formula-Based transit funds. In our region, the only eligible claimant is Mendocino Transit Authority (MTA). Additionally, MCOG adopted a regional policy in 1999 (amended in 2023) to set aside an LTF Reserve for transit purposes at a minimum \$100,000 or five percent (5%) of the County Auditor's estimate of new LTF revenues. This year, with MTA's concurrence, staff and the Executive Committee recommended setting aside in reserve three times the policy minimum, at 15 percent (\$639,000). LTF Balance Available for Transit is \$3,565,429, up 1.7 percent (\$60,080) from last year's budget. The Transit Productivity Committee (TPC) met on April 13 and concurred with the recommended 15 percent reserve (\$639,000).

The proposed allocation for MTA's claim includes \$641,777 to be distributed among the senior centers using a funding formula that MCOG staff developed in consultation with MTA management and the center directors. The formula recalculates funding distribution every three years based on service performance, using the three prior years of data. MCOG approved the formula in August 2021, modified in 2025 to add a \$10,000 base amount for each center into the calculation.

The TPC also recommends a finding that *"there are unmet transit need that are reasonable to meet for Fiscal Year 2026/27."* The Social Services Transportation Advisory Council (SSTAC) met May 18 and concurred with the TPC recommendation that *"there are unmet needs that are reasonable to meet for Fiscal Year 2026/27"* and adding an unmet need that is reasonable to meet. Of all available TDA funds (LTF, STA and Capital Reserve combined), the total recommended allocation for Transit is \$4,750,833.

## **Surface Transportation Block Grant (STBG) Program**

MCOG adopted a policy in June 2006 to set aside a portion for regional projects, so a fund balance is available to MCOG for allocation consistent with this policy, called the Partnership Funding Program. Also, as a result of the Council's strategic planning workshop of August 2010, a portion of STBG funds is used to provide Local Assistance to the five MCOG member agencies, beginning in FY 2011/12. This is meant to help increase project delivery, to assist with new funding applications, and to provide related technical support. A resolution in this budget documents the STBG background and proposed allocations. Caltrans' 2026/27 fund estimate for the STBG budget is \$1,074,255.

## **Active Transportation Program (ATP)**

MCOG is responsible for management of state grants awarded in 2014/15 and 2015/16 for the Covelo State Route 162 Corridor Multi-Purpose Trail, due for completion in 2026. This is an exceptional function for MCOG, approved by separate resolution (outside this budget). The balance of ATP infrastructure grant funding carried forward together with remaining supplemental Caltrans Complete Streets funds, as the project nears completion. The 2026/27 budget is \$471,146.

**Northern Rural Energy Network (NREN)**

This will be the third year this program is added to MCOG's budget. In 2025/26, an allocating resolution was approved for Program Services, reflecting costs for the staffing contract and direct expenses. A more comprehensive program budget is developed in concert with the Governing Partners as parties to the NREN Memorandum of Agreement, and approved by the California Public Utilities Commission. For 2026/27, a budget of new funds for Program Services is proposed at \$780,001.

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 2026/27 Budget

Administration, Bicycle & Pedestrian, Planning, Transit Allocations and Reserves - For Adoption by Board of Directors 6/1/2026

REVENUES	Trans. Devt. Act (TDA)			State			Federal		Regional	TOTALS
	LTF	STA	CRF	PPM	RPA	Various	STBG	5311, 5304, Various	NREN	
2026/27 LTF Official County Auditor's Estimate	4,259,000									4,259,000
2025/26 Auditor's Anticipated Unrestricted Balance	NA									0
Total Local Transportation Fund (LTF) Estimate	4,259,000									4,259,000
2025/26 Auditor's Anticipat'd Unrestricted Balance - Reversed	NA									0
2022/23 Ineligible LTF Due To MCOG from MTA - <i>reallocated 2024/25, repaid 25/26</i>	0		0							0
2026/27 State Transit Assistance - SCO's Preliminary Estimate, PUC Sec. 99313 and 99314		876,829								876,829
2026/27 State of Good Repair - SCO's Preliminary Estimate, PUC Sec. 99313 and 99314						171,875				171,875
STA and SGR - Fund Balances Available for Allocation - <i>2025/26 carryover</i>		0				1,889				1,889
MCOG's Capital Reserve Fund - Balance Available for Transit			137,143							137,143
FTA Section 5311 Program - Annual Regional Apportionment - <i>estimated</i>								732,129		732,129
2026/27 STIP Planning, Programming & Monitoring (PPM)				129,000						129,000
2026/27 Rural Planning Assistance					404,500					404,500
2025/26 VMT Planning Grant carryover						177,060				177,060
2025/26 Federal Caltrans SR 20 Willits Multimodal- <i>pending award</i>								188,800		188,800
2025/26 Transportation Planning Program carryover	108,194			25,000	5,000	88,530		0		226,724
2026/27 Surface Transportation Block Grant (STBG) Program							1,074,255			1,074,255
Carryover - STBG Local Assistance							333,159			333,159
2026/27 State Funds for SR-162 Corridor Multi-Purpose Trail - <i>estimated ATP and SHOPP</i>						471,146				471,146
SB 125 Formula-Based Transit & Intercity Rail Capital Program						5,913,413				5,913,413
2026/27 Northern Rural Energy Network from PG&E Ratepayer Funds									780,001	780,001
<b>LTF Reserve:</b>										
2024/25 LTF Unrestricted Balance - <i>audited shortfall (26,493)</i>			0	<i>Shortfall not drawn from Reserve</i>						
LTF Reserve Balance as of 6/30/2025 - <i>audited</i>		515,156								
2023/24 LTF Unrestricted Balance - <i>audited, added to Reserve 7/1/2025</i>		132,316								
2022/23 MTA repayments in 2025/26 - <i>12 months</i>		109,236		171,432						171,432
Subtotal LTF Reserve Available Balance		756,708								756,708
Less LTF Reserved per Policy - <i>2026/27 LTF estimate x 15% option</i>	639,000									
Excess LTF Reserve Funds Available for Allocation in FY 2026/27	117,708									
<b>TOTAL REVENUES</b>	<b>5,123,902</b>	<b>876,829</b>	<b>308,575</b>	<b>154,000</b>	<b>409,500</b>	<b>6,823,913</b>	<b>1,407,414</b>	<b>920,929</b>	<b>780,001</b>	<b>16,805,063</b>
<b>ALLOCATIONS</b>										
<b>Total LTF Reserve Allocation:</b>	<b>639,000</b>									<b>639,000</b>
2026/27 MCOG Administration and NREN Services	613,366					5,000	95,499		780,001	1,493,867
2% Bicycle & Pedestrian - 2026/27 LTF Estimate less Admin. x .02	72,913									72,913
2026/27 Planning Overall Work Program (OWP) - <i>new LTF funds at 3% per TDA</i>	125,000			129,000	404,500			188,800		
Carryover Funds - See OWP Summary	108,194			25,000	5,000	265,590		0	Total OWP:	1,251,084
<b>Total Administration, Bike &amp; Ped., and Planning</b>	<b>919,473</b>	<b>0</b>	<b>0</b>	<b>154,000</b>	<b>409,500</b>	<b>270,590</b>	<b>95,499</b>	<b>188,800</b>	<b>780,001</b>	<b>2,817,863</b>
Less Non-Transit Funding Sources - <i>ATP, SHOPP and SB 125 Admin.</i>						-764,395				
<b>BALANCE AVAILABLE FOR TRANSIT</b>	<b>3,565,429</b>	<b>876,829</b>	<b>308,575</b>	<b>0</b>	<b>0</b>	<b>6,059,518</b>	<b>0</b>	<b>732,129</b>		<b>11,542,480</b>
<b>2026/27 Mendocino Transit Authority Claim</b> - due April 1:										
MTA Operations	2,923,652	876,829								3,800,481
Unmet Transit Needs	0									0
Senior Centers Operations	641,777									641,777
Capital Program, MTA & Seniors Current Year (inc. SB125 allocation)	0		0			283,459				283,459
Capital Program, Long Term (Five Year Plan)	0		308,575							308,575
<b>Total Transit Allocations</b>	<b>3,565,429</b>	<b>876,829</b>	<b>308,575</b>			<b>283,459</b>		<b>732,129</b>		<b>5,034,292</b>
<b>Other Allocations</b> - STBG for MCOG Partnership Fund							100,000			100,000
<b>Other Allocations</b> - STBG for County & Cities Projects by Formula							884,255			884,255
<b>Other Allocations</b> - SB 125 for Administration						22,659				22,659
<b>Other Allocations</b> - SR162 Corridor Multi-Purpose Trail - ATP & SHOPP						471,146				471,146
<b>Other Allocations</b> - Northern Rural Energy Network (NREN) - <i>Programs budget pending</i>										0
<b>TOTAL ALLOCATIONS</b>	<b>5,123,902</b>	<b>876,829</b>	<b>308,575</b>	<b>154,000</b>	<b>409,500</b>	<b>1,047,854</b>	<b>1,079,754</b>	<b>920,929</b>	<b>780,001</b>	<b>10,701,344</b>
<b>Balance Remaining for Later Allocation</b>	0	0	0	0	0	5,776,059	327,660	0	0	6,103,719



# MENDOCINO COUNCIL OF GOVERNMENTS

## FY 2026/27 BUDGET SUMMARY

For Board Adoption June 1, 2026

Supplemental Format

REVENUES	FY 2025/26 Budget Amended	FY 2026/27 Budget Proposed	\$ Change	% Change	NOTES
<b>LOCAL/REGIONAL:</b>					
<b>Local Transportation Funds (LTF)</b>					
LTF Official County Auditor's Estimate	\$ 4,161,000	\$ 4,259,000	\$ 98,000	2.4%	Transportation Development Act (TDA) Funds
Auditor's Anticipated Unrestricted Balance - Current Year		\$ -	\$ -		FY 2025/26 estimate REVISED by County Auditor 4.28.2025
Total Local Transportation Fund (LTF) Estimate	\$ 4,161,000	\$ 4,259,000	\$ 98,000	2.4%	Anticipated balance not provided by County Auditor
Auditor's Anticipat'd Unrestricted Balance - Reversal	\$ -	\$ -			Per policy, any excess/shortfall flows through LTF Reserve
2022/23 Ineligible LTF Due To MCOG from MTA - for reallocation	\$ 109,236	\$ -	\$ (109,236)	-100.0%	Reallocated 2024/25 - 12 months of payments completed in 2025/26
Carryover - LTF Administration fund balance available	\$ 11,000	\$ -	\$ (11,000)	-100.0%	Portion of LTF Admin. fund balance for allocation in FY 2025/26
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 208,109	\$ 108,194	\$ (99,915)	-48.0%	25/26 amended August 2025; 26/27 Estimated Carryover
Subtotal Local Transportation Funds:	\$ 4,489,345	\$ 4,367,194	\$ (122,151)	-2.7%	OWP carryover revenue is offset by equivalent allocation
<b>LTF Reserve Funds</b>					
Audited LTF "Unrestricted Balance" of Unallocated Revenue / Shortfall	\$ 132,316	\$ -	\$ (132,316)	-100.0%	Last audited year, actual LTF revenue excess/shortfall per Auditor's Estimate
Audited LTF Reserve Fund Balance	\$ 192,321	\$ 515,156	\$ 322,835	167.9%	Reserve used to cover transit allocation shortfalls and claims per policy
2024/25 LTF funds allocated to backfill Reserve	\$ 231,680	\$ -			
Net transfers to-from LTF and LTF Reserve Fund	\$ 81,927	\$ 241,552	\$ 159,625	194.8%	Calculations includes LTF funds to replenish Reserve per MTA repayments
Subtotal LTF Reserve Available Balance	\$ 638,244	\$ 756,708	\$ 118,464	18.6%	
TOTAL LTF REVENUES	\$ 5,127,589	\$ 5,123,902	\$ (3,687)	-0.1%	Available for allocation
<b>Capital Reserve Funds</b>					
CRF Fund Balance	\$ 10,826	\$ 137,143	\$ 126,317	1166.8%	Fund balance available for transit claim based on 5-Year Capital Program
MTA Prior-Period Repayments	\$ 128,574	\$ 171,432	\$ 42,858		2025/26 calcs. 9 mos. of MTA repayments deposited to CRF in 24/25
	\$ 171,432	\$ -			Reallocated 2024/25 - 12 months of payments completed in 2025/26
Total Capital Reserve Fund	\$ 310,832	\$ 308,575	\$ (2,257)	-0.7%	
<b>Total Local/Regional Revenues:</b>	<b>\$ 5,438,421</b>	<b>\$ 5,432,477</b>	<b>\$ (5,944)</b>	<b>-0.1%</b>	
<b>STATE:</b>					
<b>Planning Programming &amp; Monitoring (PPM) Funds</b>					
Planning Overall Work Program (OWP) - New Revenue	\$ 129,000	\$ 129,000	\$ -	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 163,145	\$ 25,000	\$ (138,145)	-84.7%	25/26 amended August 2025; 26/27 Estimated Carryover
Total PPM Funds:	\$ 292,145	\$ 154,000	\$ (138,145)	-47.3%	
<b>State Transit Assistance (STA) Funds</b>					
State Controller's Estimate	\$ 971,570	\$ 876,829	\$ (94,741)	-9.8%	TDA Funds - PUC Sections 99313 and 99314
Estimated Fund Balance Available for Allocation	\$ 5,087	\$ -	\$ (5,087)	-100.0%	Revised 2025/26 SCO estimate; 2026/27 preliminary estimate
Total State Transit Assistance Funds:	\$ 976,657	\$ 876,829	\$ (99,828)	-10.2%	Unallocated balance from dif of estimates/actuals and interest earnings
<b>State of Good Repair (SGR) Funds</b>					
State Controller's Estimate	\$ 168,498	\$ 171,875	\$ 3,377	2.0%	SGR=transit funding in Senate Bill 1, allocated to MTA by separate resolution
Estimated Fund Balance Available for Allocation	\$ (5,135)	\$ 1,889	\$ 7,024	-136.8%	Revised 2025/26 SCO estimate; 2026/27 preliminary estimate
Total State of Good Repair Funds:	\$ 163,363	\$ 173,764	\$ 10,401	6.4%	Allocated to MTA projects through 2025/26, fund balance dif btwn est/actual
<b>Rural Planning Assistance Funds (RPA)</b>					
Planning Overall Work Program (OWP) - New Revenue	\$ 404,500	\$ 404,500	\$ -	0.0%	
Planning Overall Work Program - Carryover	\$ 4,621	\$ 5,000			25/26 amended August 2025; 26/27 Estimated Carryover
Total RPA Funds:	\$ 409,121	\$ 409,500	\$ 379	0.1%	
<b>California Active Transportation Program (ATP)</b>					
ATP Infrastructure Projects - Carryover	\$ 581,816	\$ 110,280	\$ (471,536)	-81.0%	Estimated funds carried over for Covelo Trail project - Construction
Total ATP Funds:	\$ 581,816	\$ 110,280			

<b>SHOPP Complete Streets Program</b>						
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$	-	\$	-		
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$	581,816	\$	360,866	\$	(220,950)
Total Complete Streets Funds:	\$	<b>581,816</b>	\$	<b>360,866</b>		
<b>Caltrans Sustainable Communities Planning Grants</b>						
2024/25 Climate Adaptation Planning Grant	\$	312,337	\$	88,530	\$	(223,807)
2025/26 Sustainable Transportation Planning Grant Award	\$	278,869	\$	177,060		
Total State-funded Planning Grants:	\$	591,206	\$	265,590	\$	(325,616)
<b>SB 125 Formula-Based TIRCP &amp; ZETCP</b>	\$	<b>11,063,615</b>	\$	<b>5,913,413</b>	\$	(5,150,202)
<b>Northern Rural Energy Network (NREN)</b>	\$	<b>636,240</b>	\$	<b>780,001</b>	\$	143,761
<b>Total State Revenues:</b>	\$	<b>15,295,979</b>	\$	<b>9,044,243</b>	\$	(6,251,735)
<b>FEDERAL:</b>						
<b>Federal Grant Programs and Regional Apportionments</b>						
Planning Overall Work Program (OWP) - FTA Section 5304	\$	49,946	\$	-	\$	(49,946)
Planning Overall Work Program (OWP) - FTA Section 5304	\$	-	\$	188,800		
FTA Section 5311 Program - Regional Apportionment - estimated	\$	753,976	\$	732,129		
<b>Surface Transportation Block Grant Program (STBG)</b>	\$	1,099,310	\$	1,074,255	\$	(25,055)
STBG Carryover/Balance Available for Later Allocation	\$	319,397	\$	333,159	\$	13,762
<b>Total Federal Revenues:</b>	\$	<b>2,222,629</b>	\$	<b>2,328,343</b>	\$	105,714
<b>TOTAL REVENUES</b>	\$	<b>22,957,029</b>	\$	<b>16,805,063</b>	\$	(6,151,965)

ALLOCATIONS	FY 2025/26 Budget Amended	FY 2026/27 Budget Proposed	\$ Change	% Change	NOTES	
<b>LOCAL/REGIONAL:</b>						
<b>LTF Reserve Funds</b>						
LTF Reserve Balance per Policy amended 8/14/2023 - at 10% & 15%	\$	416,000	\$	639,000	\$	223,000
LTF Reserve Contribution - MTA's reallocation - 21 months	\$	191,163	\$	-		
LTF Funds to Replenish Reserve	\$	-	\$	-		
Total LTF Reserve Allocations <sub>Local</sub>	\$	<b>607,163</b>	\$	<b>639,000</b>	\$	31,837
<b>Transportation Funds (LTF)</b>						
Administration:						
Admin. & Fiscal Services Contract	\$	553,428	\$	556,116	\$	2,688
Other Direct Costs	\$	58,100	\$	57,250	\$	(850)
Total Administration Allocations:	\$	<b>611,528</b>	\$	<b>613,366</b>	\$	1,838
Two Percent LTF Bicycle & Pedestrian Program	\$	71,209	\$	72,913	\$	1,703
Planning Overall Work Program (OWP) - New Funds	\$	124,830	\$	125,000	\$	170
OWP Carryover from Previous Fiscal Year	\$	208,109	\$	108,194	\$	(99,915)
Total Admin., Bike & Ped., Planning, Reserves:	\$	<b>1,015,677</b>	\$	<b>919,473</b>	\$	(96,204)
Balance Available For Transit	\$	3,504,749	\$	3,565,429	\$	60,680
Mendocino Transit Authority (MTA) Claim:						
MTA Operations	\$	2,904,749	\$	2,923,652	\$	18,903
Unmet Transit Needs	\$	-				
Senior Centers Operations	\$	600,000	\$	641,777	\$	41,777
MTA Capital Program - Current Year	\$	-				
Capital Reserve Fund Contribution	\$	-				
Total LTF Transit Claim:	\$	<b>3,504,749</b>	\$	<b>3,565,429</b>	\$	60,680
Total LTF Allocations:	\$	<b>5,127,589</b>	\$	<b>5,123,902</b>	\$	(3,687)
MTA Supplemental Claim for Reallocation						
MTA Operations	\$	-	\$	-		
Senior Centers Operations	\$	-	\$	-		

2021/22 funding through Caltrans to supplement ATP funds; completed Estimated funds carried over, inc. new funds 3/23/2023

Mendocino County Sea Level Rise Roadway Impact Study

Mendo. County Regional Vehicle Miles Traveled (VMT) Mitigation Program

Portion of \$11M over a 4-year cycle in 24/25; total amount in Amended Plan

Portion of 4-year CPUC-approved public purpose program ratepayer funds

FY 2023/24 grant funded Noyo Harbor Multimodal Circulation Plan Complete

FY 2025/26 Grant Funded SR 20 Willits Multimodal Circ. Imprvm. - Pending Annual apportionment to Mendocino County for transit operations/capital

Estimated revenue 2025/26, estimated 2026/27 based on 25/26 actual - exchanged for State \$

Updated bal. of Admin contract savings, per audits thru 6.30.2025

Per policy, min. Reserve 5% of County Auditor's est. of new LTF, rounded Amount added to balance per intention to build Reserve

2024/25 replenished depleted fund; 2025/26 has balance for other allocations

Admin. & Fiscal Services new 5-year contract started Oct. 1, 2024

Admin. costs outside the staffing contract

Opt. 2% of LTF Estimate (less Admin. allocation) per TDA - REVISED

Target is 3% of LTF Estimate - REVISED

25/26 amended August 2025; 26/27 Estimated Carryover

TDA Authority:

Public Utilities Code (PUC) Sec. 99260a

PUC Section 99260a

PUC Section 99400c

CA Code of Regulations (CCR) Sec. 6648

Over-allocation based on Revised LTF Estimate

FY 2022/23 Ineligible LTF to be returned by MTA - repayment plan 1/6/2025

Transit Capital Projects	\$ -	\$ -				
Capital Reserve Fund Contribution	\$ 171,432	\$ -				Reallocated 2024/25 - 12 months of payments completed in 2025/26
LTF Reserve Contribution	\$ 109,236	\$ -				Reallocated 2024/25 - 12 months of payments completed in 2025/26
Total 2024/25 LTF Reallocations	\$ 280,668	\$ -				Total Supp. Claim reallocated = \$1,797,757 Total includes 2024/25 amounts
Total LTF Allocations to MTA	\$ 3,785,417	\$ 3,565,429	\$ (219,988)		-5.8%	
<b>Capital Reserve Funds</b>						
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	\$ 128,574	\$ 308,575				CCR Section 6631
Total CRF Allocations:	\$ 128,574	\$ 308,575				
<b>Total Local/Regional Allocations:</b>	<b>\$ 5,256,163</b>	<b>\$ 5,432,477</b>	<b>\$ 176,314</b>		3.4%	
<b>STATE:</b>						
<b>Planning Programming &amp; Monitoring (PPM) Funds</b>						
Planning Overall Work Program (OWP) - New Revenue	\$ 129,000	\$ 129,000	\$ -		0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 163,145	\$ 25,000	\$ (138,145)		-84.7%	25/26 amended August 2025; 26/27 Estimated Carryover
Total PPM Allocations:	\$ 292,145	\$ 154,000	\$ (138,145)		-47.3%	
<b>State Transit Assistance (STA) Funds</b>						
Mendocino Transit Authority (MTA) Claim:						
MTA Operations	\$ 976,657	\$ 876,829	\$ (99,828)		-10.2%	TDA Authority: CCR Section 6730a
Capital Program, MTA & Seniors - Current Year	\$ -	\$ -				CCR Section 6730b
Capital Reserve Fund Contribution	\$ -	\$ -				CCR Section 6631
Total STA Allocations:	\$ 976,657	\$ 876,829	\$ (99,828)		-10.2%	
<b>State of Good Repair (SGR) Funds</b>	\$ -					SGR=transit funding in Senate Bill 1, allocated to MTA by separate resolution
<b>Rural Planning Assistance Funds (RPA)</b>						
Planning Overall Work Program (OWP) - New Revenue	\$ 404,500	\$ 404,500	\$ -		0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 4,621	\$ 5,000				25/26 amended August 2025; 26/27 Estimated Carryover
Total RPA Allocations:	\$ 409,121	\$ 409,500	\$ 379		0.1%	
<b>California Active Transportation Program (ATP)</b>						
ATP Infrastructure Projects - Carryover	\$ 581,816	\$ 110,280	\$ (471,536)		-81.0%	Estimated funds carried over for Covelo Trail project - Construction
Total ATP Allocations	\$ 581,816	\$ 110,280				
<b>SHOPP Complete Streets Program</b>						
SR-162 Corridor Multi-Purpose Trail - Right of Way (ROW)	\$ -	\$ -				2021/22 funding through Caltrans to supplement ATP funds; completed
SR-162 Corridor Multi-Purpose Trail - Construction (CON)	\$ 581,816	\$ 360,866	\$ (220,950)		-38.0%	Estimated funds carried over, inc. new funds 3/23/2023
Total Complete Streets Funds:	\$ 581,816	\$ 360,866				
<b>Caltrans Sustainable Communities Planning Grant</b>						
2024/25 Climate Adaptation Planning Grant	\$ 312,337	\$ 88,530	\$ (223,807)		-71.7%	Mendocino County Sea Level Rise Roadway Impact Study
2025/26 Sustainable Transportation Planning Grant Award	\$ 278,869	\$ 177,060				Mendo. County Regional Vehicle Miles Traveled (VMT) Mitigation Program
Total Caltrans Planning Grants:	\$ 591,206	\$ 265,590	\$ (325,616)		-55.1%	State-only funds
<b>SB 125 Formula-Based TIRCP &amp; ZETCP</b>						
MCOG Administration	\$ 27,659	\$ 27,659	\$ -		0.0%	Portion of SB 125 for staffing contract and Administration as needed
Mendocino Transit Authority	\$ 5,325,000	\$ 283,459				MTA projects in CalSTA approved Allocation Plan- Pending claim info
Total SB 125 Formula-Based Funds:	\$ 5,352,659	\$ 311,118				
<b>Northern Rural Energy Network (NREN)</b>	<b>\$ 636,240</b>	<b>\$ 780,001</b>	<b>\$ 143,761</b>		22.6%	Formerly RuralREN North; budget for staffing contract and direct costs
<b>Total State Funds Allocations:</b>	<b>\$ 9,421,660</b>	<b>\$ 3,268,184</b>	<b>\$ (6,153,476)</b>		-65.3%	

<b>FEDERAL:</b>					
<b>Federal Grant Programs and Regional Apportionments</b>					
Planning Overall Work Program (OWP) - FTA Section 5304	\$ 49,946	\$ -	\$ (49,946)	-100.0%	Noyo Harbor Multimodal Circulation Plan - completed 2025/26
Planning Overall Work Program (OWP) - FTA Section 5304	\$ -	\$ 188,800			FY 2025/26 Grant Funded SR 20 Willits Multimodal Circ. Imprvm. - Pending
FTA Section 5311 Program - Regional Apportionment - estimated	\$ 753,976	\$ 732,129	\$ (21,847)	-2.9%	MTA is eligible, MCOG approves programming
<b>Surface Transportation Block Grant Program (STBG)</b>					
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"
	\$ 104	\$ 5,499			Staff - regional project management activities under Admin. contract
Formula Distribution to MCOG Member Agencies:					
Mendocino County Dept. of Transportation	\$ 195,756	\$ 190,362	\$ (5,394)	-2.8%	From cumulative balance of Admin. contract savings
City of Ukiah	\$ 263,446	\$ 256,186	\$ (7,260)	-2.8%	Estimated revenue 2025/26, estimated 2026/27 based on 25/26 actual - exchanged for State \$
City of Fort Bragg	\$ 175,897	\$ 171,050	\$ (4,847)	-2.8%	
City of Willits	\$ 165,094	\$ 160,545	\$ (4,549)	-2.8%	
City of Point Arena	\$ 109,117	\$ 106,111	\$ (3,006)	-2.8%	
Total RSTP Formula Distribution	\$ 909,310	\$ 884,255	\$ (25,055)	-2.8%	Rounding adjustment
Total RSTP Allocations:	\$ 1,099,414	\$ 1,079,754	\$ (19,660)	-1.8%	Formula allocation by policy, distribution pending State processing of funds
<b>Total Federal Funds Allocations:</b>	<b>\$ 1,149,360</b>	<b>\$ 2,000,683</b>	<b>\$ 851,323</b>	<b>74.1%</b>	
<b>Total Transit Allocations</b>	<b>\$ 9,934,980</b>	<b>\$ 5,034,292</b>	<b>\$ (4,900,688)</b>	<b>-49.3%</b>	
<b>Total Overall Work Program (OWP)</b>	<b>\$ 1,675,357</b>	<b>\$ 1,251,084</b>	<b>\$ (424,273)</b>	<b>-25.3%</b>	25/26 amended August 2025; 26/27 Estimated Carryover
<b>TOTAL ALLOCATIONS</b>	<b>\$ 15,827,182</b>	<b>\$ 10,701,344</b>	<b>\$ (5,125,838)</b>	<b>-32%</b>	
<b>Balance for Later Allocation with Dif. of Budget vs Actuals</b>	<b>\$ 7,129,846</b>	<b>\$ 6,103,719</b>	<b>\$ (1,026,127)</b>	<b>-14%</b>	FY 2026/27 = SGR, STBG, and SB 125

<b>INFORMATION</b>		<b>FY 2025/26</b>	<b>FY 2026/27</b>		<b>NOTES</b>
<b>STATE / FEDERAL:</b>					
<b>Other Funds Available Outside MCOG's Budget Process</b>					
<b>State Transportation Improvement Program (STIP) Project Totals</b>	N/A				Programmed by MCOG in Regional TIP for State \$ directly to local agencies Major STIP projects 2024/25 - 2026/27 are County's Mountain View Road, Ukiah's roundabout, and Gualala's Downtown Enhancement Streetscape

# MENDOCINO COUNCIL OF GOVERNMENTS

2026/27 Budget

## Explanatory Notes on Funding Sources

5/22/2026

### LTF - Local Transportation Fund

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

### LTF Reserve Fund

- Allowed under TDA, Section 6655, adopted by MCOG on June 7, 1999, revised in 2001 and 2023.
- Fund balance adjusted annually at minimum five percent of County Auditor-Controller's LTF estimate.
- Any audited surplus or shortfall allocated through annual budget process.
- To be used *“for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation.”*
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to cover the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTF Reserve policy, releasing audited surplus for allocation from a low of \$100,000 to a high of 754,417 resulting from the 2020/21 pandemic, allocated in 2022/23. The audited surplus for 2021/22 was \$384,429, followed by budget shortfalls that depleted the fund.
- With no maximum by policy, the reserve has been set at 10% to 15% for 2021/22 through 2024/25. 2025/26 was set at 10% where FY 2026/27 was set at 15%.

### STA - State Transit Assistance

- Generated from sales taxes on diesel and gasoline, until the Transportation Tax Swap of March 2010, when it was replaced by an increased excise tax on gasoline and increased sales tax on diesel. This expired with SB 1, the Road Repair & Accountability Act of 2017. The gas tax is now indexed to inflation.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10–2015/16 during the Recession; again waived for the pandemic by AB 90, still in effect.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that *“rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, would instead reduce the operator's operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified.”* – from SB 508, Chapter 716, preamble
- State Controller provides fund estimate—“Preliminary” in January, “Revised” after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG's fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000; at \$325,000 in 2016/17. During the pandemic, fuel tax revenues dropped 20%, later more than recovered, with actual revenues above \$1 million in 2022/23 and in 2023/24. Preliminary estimate for 2025/26 is \$976,352 and a revised estimate of \$971,570. Preliminary estimates for 2026/27 is \$876,829.

Capital Reserve Fund

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

Surface Transportation Block Grant (STBG) Program

- Under ISTEA legislation originally, later TEA21, SAFETEA-LU, MAP-21, FAST Act, and currently from Infrastructure Investment & Jobs Act (IIJA). Formerly Regional Surface Transportation Program (RSTP).
- Regional discretionary transportation uses are to comply with U.S. Code, Title 23, California Constitution Article 19, and California Streets and Highways Code Section 182.6(d)(1).
- As allowed, MCOG exchanges for state funds by Caltrans agreements, eliminating federal requirements.
- MCOG allocated the early fund cycles by regional competition; all of those projects were closed out.
- Subsequent MCOG policy allocated new RSTP d(1) apportionments **by formula** to County and Cities. About three-quarters of annual revenue is allocated to the local member agencies.
- In FY 2003/04, MCOG staff introduced new administrative procedures in order to comply with new clauses in Caltrans' fund transfer agreement. In 2021, MCOG amended claim requirements to better align with its master Subrecipient Cooperative Agreement with the member agencies (started in 2017/18), which flow down terms and conditions of the various public funds received and administered by MCOG. Rather than by advances, all claims are now paid on a reimbursement basis.
- For the FY 2005/06 funding cycle and going forward, MCOG approved recommendations of staff and the Technical Advisory Committee to revise MCOG's allocation formula such that a portion would be reserved for MCOG's use on regional projects, aka "**Partnership Funding Program**" (see allocating resolution). To date the Council has allocated over \$1 million of Partnership funds to nine projects, the largest being the Covelo State Route 162 Corridor Multi-Purpose Trail.
- Starting FY 2011/12, MCOG approved \$90,000 annually from RSTP for a **Regional Project Manager**.
- In FY 2015/16 and 2016/17, funds not expended for the project manager position were approved for direct costs that are consistent with the intended scope of Local Assistance; \$20,000 has been allocated.
- Total unexpended Local Assistance funds have accumulated due to temporary vacancies in the position and funding limits of the staffing contract, with a balance as of June 30, 2024 of \$319,397.
- In California, 2021 federal coronavirus relief funds were apportioned partly by STBG formula, partly through the State Transportation Improvement Program (STIP), as well as for transit programs. - *see Page 3*

PPM - Planning, Programming & Monitoring / SB 45

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

RPA - Rural Planning Assistance

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

Caltrans Sustainable Transportation Planning Grant Program

- This program replaced the Consolidated Planning Grant Program, which included Community Based Transportation Planning, Environmental Justice, and Transit Planning grants.
- Funded by Federal Transit Administration (FTA, Section 5304) and State Highway Account.
- MCOG was awarded seven annual Community Based Transportation Planning grants and one Environmental Justice grant as a sponsor, administered through the Planning Overall Work Program, including projects for Gualala, Laytonville, Point Arena, Westport, Ukiah Rails-With-Trails, Covelo/Round Valley, and Anderson Valley/SR-128 Trail.
- City of Willits completed the grant-funded Willits Main Street Corridor Enhancement Plan.

- MCOG completed its Pedestrian Facility Needs Engineered Feasibility Study in 2019. The SB 743 Vehicle Miles Travelled Regional Baseline Study and Mendocino County Fire Vulnerability Assessment & Emergency Preparedness Plan were completed in 2020. In 2021/22 MCOG was awarded a grant for a Feasibility Study: Mobility Solutions for Rural Communities of Inland Mendocino County, completed in 2023. MCOG was awarded grant funds (federal) for the Noyo Harbor Multimodal Circulation Plan which was recently completed in 2025.
- Current grant projects are MCOG's Mendocino County Regional Vehicle Miles Traveled (VMT) Mitigation Program and the Mendocino County Sea Level Rise Roadway Impact Study (state-funded Climate Adaptation Planning) and the pending award for the SR 20 Willits Multimodal Circulation Improvement plan (federal funds).

#### Active Transportation Program (ATP)

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

#### Local Agency Match

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

#### Federal Transit Administration (FTA) Section 5311 and 5311f

- MCOG's budget includes these programs, as funds for MTA are approved by MCOG resolution, although cash does not flow through MCOG's accounts.
- Annual 5311 regional apportionments are typically used by MTA for operations, at \$700,000 to \$800,000.
- MTA has been successful in winning competitive 5311f Intercity Bus Program grants, typically about \$300,000, for Route 65 operations and/or vehicles, with required funding match; last awarded 2021/22.
- CARES and CRRSAA funds for transit flowed through FTA's programs, subject to MCOG's approval and claimed directly through Caltrans. From CARES Phase 1, MTA was allocated \$557,349; in August 2020, MCOG approved 5311 CARES Phase 2 funds for MTA at \$1,068,573; all have been fully claimed.

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

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

to the FY 2024/25 Budget. In December 2025, MCOG adopted and submitted to CalSTA an allocation amendment to allocate the remaining SB 125 funds totaling \$11,063,616. To date, MCOG has received \$4,928,525.

- More information: [SB 125 Transit Program | CalSTA](#)

#### Northern Rural Energy Network

- In February 2022, MCOG approved a Memorandum of Understanding (MOU) with Redwood Coast Energy Authority (RCEA) and Lake Area Planning Council (Lake APC) to participate as a subcontractor to RCEA in the recently formed Rural Regional Energy Network (RuralREN), and this RuralREN was approved by the California Public Utilities Commission (CPUC) in June 2023.
- On September 26, 2024, the CPUC issued its Decision Modifying Rural Regional Energy Network Approved in Decision 23-06-055, and divided the RuralREN into RuralREN North (comprising the North Coast and North Sierra Regions) and RuralREN Central (comprising the Central Coast, San Joaquin Valley and High Sierra Regions), in which MCOG would become a full partner able to use public purpose program funds paid by ratepayers to plan, administer, and implement energy efficiency programs.
- The RuralREN North partners subsequently revised the name to Northern Rural Energy Network (NREN).
- The NREN has a four-year total budget of \$33.1 million, of which MCOG's portion is \$2.4 million, to include all administration and programs through 2027. The NREN intends to apply to the CPUC for another four years of funding through 2031.
- The FY 25/26 budget allocated \$545,340 for services under the Dow & Associates staffing contract, although expenditures are expected to be lower. The proposed budget for 2026/27 program services is \$670,401, which will include utilization of savings from the previous year. NREN non-labor costs in this budget total \$109,600. This allocation does not include rebates, incentives, or loan seed funding, which is expected to be held by RCEA and/or a third-party banking entity for payments directly to utility customers.

# MENDOCINO COUNCIL OF GOVERNMENTS

## Transportation Development Act (TDA) Budget Calendar

- Nov. – Jan.** Social Services Transportation Advisory Council (SSTAC) convenes annual Unmet Transit Needs Workshop.
- Dec. / Feb.** 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.
- Jan. – March** MTA staff prepares Unmet Transit Needs analysis for recommendation by Transit Productivity Committee (TPC) in April or May.
- County Auditor-Controller 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 Reserve, Administration, 2% Bicycle & Pedestrian program, Planning, and Transit allocations.
- 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.
- MCOG staff issues notice to eligible claimants of the County Auditor-Controller's estimate and Area Apportionment by population, by due date of March 1.
- Mendocino Transit Authority (MTA) begins preliminary transit budget.
- March** 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 / May** TPC reviews for report and recommendations to MCOG: 1) Unmet Transit Needs reasonable to meet, 2) Annual Transit Claim, and 3) Annual Review of MTA Transit Performance and MCOG Transit Performance Standards.
- May** SSTAC meets to review and recommend on MTA's Unmet Transit Needs analysis and any other transportation issues.
- June** MCOG Board adopts reasonable-to-meet finding of Unmet Transit Needs for the upcoming fiscal year's budget.
- MCOG Board adopts the annual budget, allocating funds for Administration, Bicycle & Pedestrian projects, Planning, and Transit, including any Unmet Transit Needs found reasonable to meet.

I.  
Reserves,  
Administration,  
Bike & Ped, and  
Planning

# MENDOCINO COUNCIL OF GOVERNMENTS

## BOARD of DIRECTORS

### RESOLUTION No. M2026-02

#### ALLOCATING FISCAL YEAR 2026/27 FUNDS and 2025/26 CARRYOVER FUNDS for RESERVES, ADMINISTRATION, BICYCLE & PEDESTRIAN FACILITIES, and PLANNING

#### WHEREAS,

1. Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
2. The total 2026/27 Local Transportation Fund (LTF) revenue has been estimated at \$4,259,000 by the Mendocino County Auditor-Controller/Treasurer-Tax Collector;
3. The estimated LTF Reserve fund balance is \$756,708, the result of adding the audited unrestricted Fiscal Year 2023/24 LTF balance of \$132,316 to the audited fund Reserve balance of \$515,156, and adding 12 monthly deposits of 2022/23 transit reallocations totaling \$109,236; the Executive Committee recommended setting aside 15 percent of the County Auditor-Controller's fund estimate for the FY 2026/27 LTF Reserve fund balance (at least five percent according to policy); and the Transit Productivity Committee later concurred with the 15 percent recommendation, setting the reserve balance to \$639,000 leaving \$117,708 for allocation;
4. Total revenue from all LTF sources available for allocation is estimated at **\$5,123,902**; other funding sources include Surface Transportation Block Grant (STBG) program and state grants;
5. Dow & Associates shall have the management responsibility for the 2025/26 overall approved budget for MCOG Administration of up to \$713,865 from several funding sources, and Northern Rural Energy Network (NREN) Services of up to \$780,001 (allocated by separate resolution), for a total of up to \$1,493,867, attached and incorporated herein as **Exhibit A**, including professional services and other direct costs;
6. Dow & Associates shall have the management responsibility for Surface Transportation Block Grant Program funds for regional project management activities, also referred to as Local Assistance-Project Delivery, itemized in **Exhibit A**;
7. Dow & Associates shall have the management responsibility for Active Transportation Program (ATP) state grants for the SR 162 Corridor Multipurpose Trail in Covelo, Phases I and II at an estimated combined ATP and Complete Streets SHOPP funds total of \$471,146, carried over;
8. Davey-Bates Consulting shall have the management responsibility for the 2026/27 Overall Work Program (OWP) and transportation planning and related projects, a budget summary of which is attached and incorporated herein as **Exhibit B**, in the amount of \$1,251,084;
9. The Planning allocation to the 2026/27 Overall Work Program, for transportation planning and related projects, will be provided from 2026/27 LTF revenues, reallocation of prior-year local carryover funds, state and federal sources;

10. Dow & Associates shall have the management responsibility for the SB 125 Formula-Based Transit & Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP), allocated by separate resolution; and

11. Allocation for Bicycle & Pedestrian facilities are allowable at no more than two percent (2%) of the LTF funds remaining after allocation for Administration; \$72,913 shall be allocated for 2026/27; therefore, be it

RESOLVED, THAT:

1. MCOG hereby allocates available revenues for FY 2026/27 as follows.

USE	AUTHORITY	SOURCE	FISCAL YEAR	AMOUNT	TOTALS
LTF Reserve	MCOG Policy per CCR Sec. 6655.1, 6655.5	LTF	2023/24–25/26	639,000	639,000
MCOG Administration	PUC Sec. 99233.1	LTF	2026/27	613,366	613,366
	Surface Transportation Block Grant Program (STBG)	MCOG Local Assistance – Project Delivery	2026/27	90,000	95,499
			2025/26	5,499	
	SB99/AB101 of 2013 - CA Transportation Commission	Active Transportation Program (ATP) Infrastructure Grants	2020/21	110,280	
State Highway Operations & Protection Program (SHOPP)	Complete Streets Program	2022/23	360,866	471,146	
Bicycle & Pedestrian Facilities	PUC Sec. 99233.3	LTF	2026/27	72,913	72,913
Planning Overall Work Program (OWP)	CCR Sec. 99233.2	LTF	2026/27	125,000	233,194
			2025/26	108,194	
	Senate Bill 45	Planning, Programming & Monitoring (PPM)	2026/27	129,000	154,000
			2025/26	25,000	
	State Highway Account (SHA)	Rural Planning Assistance (RPA)	2026/27	404,500	409,500
			2025/26	5,000	
	State Highway Account (SHA)	Caltrans Sustainable Transportation Planning & Climate Adaptation Grants	2026/27	177,060	265,590
2025/26			88,530		
FTA Section 5304	Caltrans Sustainable Transportation Planning Grant	2026/27	188,800	188,800	
<b>Subtotal OWP</b>				<b>1,251,084</b>	
<b>Total Allocations</b>					<b>3,143,008</b>

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

ADOPTION OF THIS RESOLUTION was moved by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and approved on this 1st day of June, 2026, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

\_\_\_\_\_  
ATTEST: Nephele Barrett, Executive Director

\_\_\_\_\_  
John Haschak, Chair

MCOG Administration and NREN Services  
 FY 2026/27 Budget

Staff & Executive Committee Recommendations  
 February 26, 2026

Note:

A - TDA  
 B - STBG

Funding Source	TDA/LTF	STBG	SB 125	NREN	Total	%
<b>Proposed Administration Budget</b>	<b>613,366</b>	<b>95,499</b>	<b>5,000</b>	<b>780,001</b>	<b>1,493,867</b>	<b>100%</b>
<b>Staffing Contract</b>						
Dow & Associates Administrative & Fiscal Services	556,116	95,499	5,000		656,616	
Other funds that may be claimed in place of LTF or STBG:						
Portion of SB 125 allocated for Admin.					-	
Dow & Associates Northern Rural Energy Network (NREN) Program Services				670,401	670,401	
<b>Total Staffing Contracts</b>					<b>1,327,017</b>	<b>89%</b>
<b>Other Direct Costs</b>						
Memberships - CALCOG, NSSR, CALACT	6,500	-	-		6,500	0.4%
Fiscal Audits of MCOG and MTA	26,750	-	-		26,750	1.8%
Performance Audit	7,500	-	-		7,500	0.5%
County Auditor-Controller	5,000	-	-		5,000	0.3%
Legal Counsel	1,000	-	-		1,000	0.1%
Travel and Training	5,000	-	-		5,000	0.3%
Communications	3,500	-	-		3,500	0.2%
Supplies / Contingency / Miscellaneous	2,000	-	-		2,000	0.1%
NREN Non-Labor Expenses (Excluding Incentives)				109,600	109,600	7.3%
<b>Total Other Direct Costs</b>	<b>57,250</b>	<b>-</b>	<b>-</b>	<b>109,600</b>	<b>166,850</b>	<b>11%</b>

C  
 D

E  
 F

G

**LEGEND**

TDA/LTF = Transportation Development Act, source of Local Transportation Funds (1/4 cent sales tax)  
 STBG = Surface Transportation Block Grant Program, aka RSTP (federal source exchanged for state funds)  
 SB 125 = Senate Bill program started in 2023 for Transit Capital and Zero Emission Transit (see Note C)  
 NREN = Northern Rural Energy Network

**NOTES**

- A) TDA/LTF Admin. at \$613,366 is 14.4% of County Auditor's Estimate of new sales tax revenues (\$4,259,000), 0% change from last year, and 5.8% of Total Revenues.
- B) \$90,000 of new funds per policy and \$5,499 of prior-year unexpended funds from STBG program, a.k.a. RSTP.
- C) SB 125 created the Formula-Based Transit & Intercity Rail Capital Program (TIRCP) & Zero Emission Transit Capital Program (ZETCP).  
 The amount drawn for Administration may be more (up to amount in SB 125 allocating resolution plus prior-year unexpended funds carried over) depending on work required in 2026/27.
- D) NREN hours by the Deputy Director position would displace LTF on monthly invoices, as the budget assumes 100% LTF funding of this position.
- E) A new 5-year procurement was completed in 2025/26. Fiscal Audit costs for 2026/27: MCOG \$12,360; Mendocino Transit Authority \$13,390.  
 Any additional accounting services requested will be billed at hourly rates.
- F) The Triennial Performance Audit expense occurs in FY 2027/28 at budget of \$22,500.  
 FY 2025/26 started a 3-year cycle of set-asides for the next audit (\$7,500 annually).
- G) Communications expenses have included website hosting, meeting space fees, meals, outreach, miscellaneous legal notices and printing.

**FY 2026/27 (DRAFT FINAL) OVERALL WORK PROGRAM  
SUMMARY OF FUNDING SOURCES**

NO.	WORK ELEMENT	LOCAL LTF	STATE PPM	STATE RPA	OTHER / GRANT	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination	\$ -	\$ -	\$ 170,000	\$ -	\$ 170,000
2	MCOG - Planning Management & General Coordination (Non-RPA)	<del>\$ 89,000</del>	\$ 29,000	\$ -	\$ -	<del>\$ 118,000</del>
		\$ 54,000				\$ 83,000
4	MCOG - Sustainable Transportation Planning	\$ -	\$ -	\$ 11,500	\$ -	\$ 11,500
5	MCOG - Mendo Co. Sea Level Rise Roadway Impact Study - C/O	\$ 11,470	\$ -	\$ -	\$ 88,530	\$ 100,000
6	Co. DOT - Combined Special Studies	\$ -	\$ -	\$ 56,000	\$ -	\$ 56,000
7	MCOG - Planning, Programming & Monitoring	\$ -	<del>\$ 199,000</del>	\$ 19,500	\$ -	<del>\$ 119,500</del>
			\$ 125,000			\$ 144,500
8	MCOG - Regional Vehicle Miles Traveled (VMT) Mitigation Program -C/O	\$ 22,940	\$ -	\$ -	\$ 177,060	\$ 200,000
10	MCOG - SR 20 Willits Multimodal Circ. & Intersection Improvement Study	\$ 47,200	\$ -	\$ -	\$ 188,800	\$ 236,000
11	MCOG - Pavement Management Program Update - C/O	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
14	MCOG - Training	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
15	MCOG - Transportation Information Outreach & Public Participation	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000
16	MCOG - Multi-Modal Transportation Planning	\$ -	\$ -	<del>\$ 65,000</del>	\$ -	<del>\$ 65,000</del>
				\$ 70,000		\$ 70,000
18	MCOG - Geographic Information System (GIS) Activities	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
20	MCOG - Grant Development & Assistance	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
	PROJECT RESERVE	<del>\$ 22,584</del>	\$ -	\$ -	\$ -	<del>\$ 22,584</del>
		\$ 57,584				\$ 57,584
	TOTAL	<del>\$ 163,784</del>	\$ 129,000	<del>\$ 404,500</del>	\$ -	<del>\$ 697,284</del>
		\$ 233,194	\$ 154,000	\$ 409,500	\$ 454,390	\$ 1,251,084
<b>TOTAL WORK PROGRAM SUMMARY/PROGRAM MATCH</b>						
Local		\$163,784	23%	Local LTF 2026/27-est. 3% Alloc		\$125,000
		\$233,194	19%	Local LTF Carryover		\$38,784
State		<del>\$533,500</del>	77%	State PPM 2026/27 Alloc.		\$108,194
		\$829,090	66%	State PPM Carryover		\$129,000
Federal		\$188,800	15%	State RPA 2026/27 Alloc.		\$25,000
		<del>\$697,284</del>	100%	State RPA Carryover		\$404,500
		\$1,251,084	100%			\$0
<b>TOTAL WORK PROGRAM SUMMARY</b>						
				State Grant (Climate Adaptation)		\$5,000
				State Grant ( Technical)		\$88,530
				Federal Grant (Partnership)		\$177,060
						\$0
				<b>TOTAL</b>		\$188,800
						<del>\$697,284</del>
						\$1,251,084

**FY 2026/27 (DRAFT FINAL) OVERALL WORK PROGRAM  
FUNDING ALLOCATION & EXPENDITURE SUMMARY**

NO.	WORK ELEMENT TITLE	COUNTY DOT	CITIES	MCOG STAFF	CONSULT/ OTHERS/ DIRECT COSTS	TOTAL
1	MCOG - Regional Government & Intergovernmental Coordination			\$ 168,000	\$ 2,000	\$ 170,000
2	MCOG - Planning Management & General Coordination (Non-RPA)			<del>\$ 143,000</del>	\$ 5,000	<del>\$ 148,000</del>
				\$ 78,000		\$ 83,000
4	MCOG - Sustainable Transportation Planning			\$ 11,500		\$ 11,500
5	MCOG - Mendo Co. Sea Level Rise Roadway Impact Study - Carryover				\$ 100,000	\$ 100,000
6	Co. DOT - Combined Special Studies	\$ 56,000				\$ 56,000
7	MCOG - Planning, Programming & Monitoring			\$ 140,000	\$ 9,500	\$ 149,500
				\$ 135,000		\$ 144,500
8	MCOG - Regional Vehicle Miles Traveled (VMT) Mitigation Program - Carryover				\$ 200,000	\$ 200,000
10	MCOG - SR 20 Willits Multimodal Circ. & Intersection Improvement Study (PENDING)				<del>\$ 47,200</del>	<del>\$ 47,200</del>
				\$ 15,000	\$ 221,000	\$ 236,000
11	MCOG - Pavement Management Program Update - Carryover				\$ 35,000	\$ 35,000
14	MCOG - Training				\$ 5,000	\$ 5,000
15	MCOG - Transportation Information Outreach & Public Participation			\$ 15,000	\$ -	\$ 15,000
16	MCOG - Multi-Modal Transportation Planning			<del>\$ 65,000</del>		<del>\$ 65,000</del>
				\$ 70,000		\$ 70,000
18	MCOG - Geographic Information System (GIS) Activities			\$ 7,500		\$ 7,500
20	MCOG - Grant Development & Assistance			\$ 60,000		\$ 60,000
	PROJECT RESERVE				\$ 22,584	\$ 22,584
					\$ 57,584	
	TOTAL	\$ 56,000	\$ -	\$ 550,000	\$ 94,284	\$ 697,284
				\$ 560,000	\$ 635,084	\$ 1,251,084

**Note:** Reimbursement Rates Used for Calculating Days Programmed (estimate only). County/Cities/Local Agencies (\$75/hr.); Consultants (\$125/hr.); MCOG Planning Staff (est. @ approx. \$50-\$190/hr. - various positions).

Dow & Associates

ADMINISTRATIVE & FISCAL SERVICES  
 Allocation Summary

Fiscal Year 2026/27

1. **Budget.** Total approved funding for the services of Dow & Associates is **\$1,327,017**
2. **Scope of Work and Cost.** As approved by the Board of Directors on August 12, 2024, effective October 1, 2024: “The MCOG will pay Consultant for work required for satisfactory completion of this Agreement according to the process in Section 3 [Invoices and Disbursement]...The basis for payment for services shall be on a monthly rate plus non-salary expenses, in accordance with Consultant’s Cost Proposal...Compensation for subsequent fiscal years will be escalated to reflect the accumulated Consumer Price Index (CPI) and other potential cost increases, including merit salary adjustments and health benefit costs, proposed by the consultant during the annual budget development process and approved by the Board.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by Regional Analysis & Planning Services, Inc., as the Board’s designated negotiator, and executed by the Chair.

- 3(a) **MCOG Administration.** The funding sources are Local Transportation Fund (LTF) and SB 125 program funds. Contractor’s portion of the LTF administrative budget totals \$556,116. This amount amount is to be routinely submitted as a monthly claim, at \$46,343. SB 125 costs will be billed on a reimbursable basis for actual hours worked; on invoices that include SB 125 reimbursement beyond the contract limit will be offset by a reduction of LTF claimed. – *See also #4 below*

- 3(b) **MCOG Regional Program Manager** (or equivalent position). The funding source is (Regional) Surface Transportation Block Grant (STBG) Program, a.k.a. RSTP. Contractor’s portion of the MCOG administrative budget totals **\$95,499**. The Regional Program Manager 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 exceeds this amount. The difference is allocated from the accumulated STBG unexpended fund balance for the Local Assistance program.

FY 2026/27 Allocation per Policy		\$ 90,000
FY 2026/27 from unallocated STBG/RSTP fund balance		5,499
Contracted rate as adjusted by cumulative COLA	\$ 95.71 / hour	Up to \$ 95,499

- 3(c) Reimbursable Direct Costs.** The funding sources are Local Transportation Fund (LTF) and Northern Rural Energy Network (NREN). In addition to staffing services, Contractor may claim certain direct costs for reimbursement as necessary, identified in MCOG's FY 2026/27 Administration Budget, to include line items for Travel & Training, Communications, and Contingency/Miscellaneous. The NREN budget also identifies direct costs including various items such as tools, equipment, and marketing materials, and potentially outside professional services for specific expertise.
- 4. SB 125 Administration.** The funding source is Transit & Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) distributed by the California State Transportation Agency (CalSTA). Contractor's portion of the SB 125 administrative budget totals \$110,636 over a four-year period, to cover administrative staff time incurred by the Contractor. The amount drawn for Administration is estimated to be at least **\$5,000**, and may be more, up to the amount in the separate SB 125 allocating resolution, depending on work required in FY 2026/27. – *See also #3(a) above*
- 5. Northern Rural Energy Network (NREN).** The funding source is public purpose program funds paid by Pacific Gas & Electric utility ratepayers to plan, administer, and implement energy efficiency programs. The NREN is administered by Redwood Coast Energy Authority (RCEA) as the portfolio administrator. MCOG will invoice RCEA for Contractor's NREN program services at hourly rates and direct costs, up to **\$670,401**.

Davey-Bates Consulting

PLANNING SERVICES  
 Allocation Summary

Fiscal Year 2026/27

1. **Budget.** Total approved funding for the services of Davey-Bates Consulting is **\$534,456**.

2. **Scope of Work and Cost.** As approved by the Board of Directors on August 12, 2024, effective October 1, 2024: “The MCOG will pay Consultant for work required for satisfactory completion of this Agreement according to the process in Section 3 [Invoices and Disbursement]...The basis for payment for services shall be on a monthly rate plus non-salary expenses, in accordance with Consultant’s Cost Proposal...Compensation for subsequent fiscal years will be escalated to reflect the accumulated Consumer Price Index (CPI) and other potential cost increases, including merit salary adjustments and health benefit costs, proposed by the consultant during the annual budget development process and approved by the Board.”

A five-year Professional Services Agreement between Contractor and MCOG was prepared by Regional Analysis & Planning Services, Inc., as the Board’s designated negotiator, and executed by the Chair.

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 2026/27 Work Program (as may be amended). Total approved funding for MCOG planning duties in FY 2026/27 is **\$560,000**.

4. **Charge Rates.** The following rates have been approved for transportation planning services performed under the contract. These will be applied to work done on tasks identified in MCOG’s 2026/27 Transportation Planning Overall Work Program.

Lisa Davey-Bates, Principal	\$ 199.31
Program Manager	\$ 137.74
Project Manager	\$ 127.04
Administration/Planning Assistant	\$ 97.69
Regional Project Analyst	\$ 91.80
Senior Planner	\$ 112.19

**II.**  
**Unmet**  
**Transit Needs**

# MENDOCINO COUNCIL OF GOVERNMENTS

BOARD of DIRECTORS

RESOLUTION No. M2026-03

FINDING THAT  
THERE ARE UNMET TRANSIT NEEDS  
THAT ARE REASONABLE TO MEET  
FOR FISCAL YEAR 2026/27

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 2026/27 on February 2, 2026, accepting as testimony a list of seven (7) needs compiled by the Social Services Transportation Advisory Council (SSTAC) on November 13, 2025, zero (0) needs from Mendocino Transit Authority (MTA) from public meetings during the year, and two (2) needs from testimony at the public hearing, for a total list of 9 items;
- On February 2, 2026, MCOG referred all unmet transit needs testimony received from the SSTAC, MTA and the public hearing, attached as **Exhibit B**, to MTA for analysis, cost projections and prioritization, then to be referred to the Transit Productivity Committee for a recommendation of “reasonableness” according to MCOG’s process;
- The Transit Productivity Committee (TPC) met and reviewed MTA’s report, attached as **Exhibit C**, and recommended to MCOG that “*there are unmet transit needs that are reasonable to meet*” for Fiscal Year 2026/27, identifying one need on the list, as reflected in the TPC minute order of April 13, 2026, attached as **Exhibit D**;
- The Social Services Transportation Advisory Council (SSTAC) met again May 18, 2026 (minutes to follow when available) to review MTA’s report and recommended that “*there are unmet transit needs that are reasonable to meet*” for Fiscal Year 2026/27, concurring with the TPC and one additional need; therefore, be it

RESOLVED, THAT:

**MCOG finds that there are unmet transit needs that are reasonable to meet for Fiscal Year 2026/27, as identified on the FY 2026/27 list:**

P-2 Add additional route to Santa Rosa to align with the extended times added by  
SMART Train – *To be met as an adjustment to an existing route*  
S-6 Covelo and Laytonville mobility solution – *As a pilot project funded through SB 125.*

ADOPTION OF THIS RESOLUTION was moved by Director \_\_\_\_\_, seconded by Director  
\_\_\_\_\_, and approved on this 1st day of June, 2026, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

\_\_\_\_\_  
ATTEST: Nephele Barrett, Executive Director

\_\_\_\_\_  
John Haschak, 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 2026/27 Unmet Transit Needs  
Testimony Heard in Public Hearing  
February 2, 2026  
(not in any order of priority)

### Transit Service Needs Identified by SSTAC:

1. Microtransit service to Brooktrails, including Brooktrails Lodge
2. Microtransit service in Willits Little Lake Valley
3. Non-emergency medical transportation, including out of county (potentially volunteer driver program for out of county)
4. Saturday service in Fort Bragg
5. Expanded local service in Fort Bragg, including Noyo Harbor (visitor and local serving)
6. Covelo and Laytonville mobility solution
7. Transit center in central Ukiah

### Needs Identified by Mendocino Transit Authority (MTA) – None

### Needs Identified in Public Hearing:

1. Late night transit route from Ukiah to Redwood Valley, Willits, and Hopland.
2. Add additional route to Santa Rosa to align with the extended times added by SMART Train.

TOTAL of 9 Recommended Unmet Transit Needs



# Mendocino Transit Authority

## Analysis of the recommendations for Unmet Needs by MTA

### High Priority – Consider for FY 2026/27

- P-2. Add additional route to Santa Rosa to align with the extended times added by SMART Train.
- Adjusted our current schedule to align with the SMART Train schedule which begins on April 12, 2026.

### Medium Priority – Consider for FY 2026/27

- S-1. Microtransit service to Brooktrails, including Brooktrails Lodge
- Currently under review by MTA as a part of the Covelo Laytonville project.
- S-2. Microtransit service in Willits Little Lake Valley
- Currently under review by MTA as a part of the Covelo Laytonville project.
- S-4. Saturday transit service in Fort Bragg
- MTA will continue to study the feasibility and ridership demand for this need.
- S-6. Covelo and Laytonville mobility solution
- MTA is currently planning for this service.

### Low Priority – Consider for FY 2026/27

- P-1. Late night transit route from Ukiah to Redwood Valley, Willits, and Hopland.
- Currently MTA offers inland evening service and will continue to study the feasibility and ridership demand for this need.



## Mendocino Transit Authority

- S-3. Non-emergency medical service, including after-hours/weekends for hospital release and out of county
- MTA operates fixed route services until 11pm, both Northbound and Southbound buses serve Hospital Dr.
- S-5. Service to Noyo Harbor and downtown Fort Bragg central business district (visitor and local serving)
- The Noyo Harbor multi model circulation plan and regional transportation plan was completed in late 2025. MTA currently has a driver shortage and is actively recruiting, in Fort Bragg.
- P-2. Transit center in central Ukiah
- A central transit center in Ukiah is an important need for the community. MTA will continue working closely with MCOG staff, City of Ukiah and PEP Housing to move this effort forward.

# MENDOCINO COUNCIL OF GOVERNMENTS

## MINUTE ORDER \*

Transit Productivity Committee  
FY 2026/27 Unmet Transit Needs

**Monday, April 13, 2026**

### Teleconference Locations:

MCOG / Dow & Associates, 525 S. Main St., Suite B, Ukiah  
Mendocino Transit Authority, 241 Plant Rd., Ukiah  
Mendocino County Administration Ctr., 501 Low Gap Road, Ukiah 648  
Willow Avenue, Ukiah  
Harrah Senior Center, 1501 Baechtel Road, Willits  
15168 Caspar Road, Caspar  
City Hall, 416 N. Franklin St., Fort Bragg

### General Public Teleconference by Zoom

**1. Call to Order and Roll Call.** After brief discussion about who would chair the meeting, Director Haschak yielded to Nephela Barrett, who proceeded to call the meeting to order at 10:05 a.m. and asked the teleconference participants to introduce themselves.

Technical issues noted with Jill Rexrode reconnecting to the teleconference.

Nephela reported that although Tess Albin-Smith and Jill Rexrode would have to abstain from voting due to unposted locations, it was also noted that we have a quorum with three out of five members voting.

**3. Review and Recommendation on MTA's Analysis and Prioritization of 2026/27 Unmet Transit Needs.** Michael Villa reviewed the statutory transit development process and current stage of analysis per Transportation Development Act (TDA) requirements. For the upcoming fiscal year, MCOG has determined that there are needs, which were forwarded to MTA for analyses to be prepared outlining operational costs, ability to provide service. The report was received with categorization of needs defined as either high, medium, or low priority.

- **Item P-2** – Add additional route to Santa Rosa to align with the extended times added by SMART Train. Jim Tarbell pointed out that the proposed Transit Center in Central Ukiah (Item S-7) is listed as low priority, adding that in his opinion, it has become a high priority. Luis Martinez responded that after MTA's analysis, the transit center did not qualify as a transit need, as defined in the TDA. Nephela clarified that the transit center would be considered a capital, not an operational "service" need, and suggested another category may be necessary to identify types of needs that don't meet the TDA's specific definition.

- **Item S-3** – Non-emergency Medical Service, including after-hours/weekends for hospital release and out-of-county. Nephela noted that although this unmet transit need was categorized as low priority, the fixed-route service doesn't fully address hospital release times or out-of-county needs, suggesting the recommendation be reworded to reflect that some, but not all, of the associated needs are being met. Luis stated that they would reprioritize and incorporate into the recommendation that a partial need has been met, and to undertake what needs to be done to fully assess that priority.

- **Item S-6** – the Covelo and Laytonville Mobility Solution, and Item S-1 – the Microtransit Service to Brooktrails, including Brooktrails Lodge. John pointed out that these two items are somewhat related and asked about their status. Luis answered that MTA is currently working on the routes, and that the purchase of new vehicles is pending; the most challenging issue is with staffing, as there is a shortage of drivers preventing the implementation of that service. Nephele added that MTA Executive Director, Jacob King, has been exploring options for an appropriate vehicle for these routes, which Luis confirmed.

- **Item S-5** – the Service to Noyo Harbor and downtown Fort Bragg central business district. Tess Albin-Smith pointed out that MTA still doesn't provide this service. Emphasizing weekend tourist congestion and a lack of parking, Tess proposed that the creation of weekend and seasonal service be elevated to medium priority. Nephele shared that this item came out of the SSTAC meeting – where neither weekends nor peak service had been specified – and suggested adding a note to indicate that the Transit Productivity Committee (TPC) considered this as a higher need, rather than “Low Priority.”

Although received too late for inclusion, Michael shared a new public comment requesting alignment of the Santa Rosa route with SMART Train schedules, adding that this particular comment will be moved to consider during next year's process of identifying unmet transit needs. Janet questioned whether any of the identified transit needs can be met in the coming fiscal year, either with funding, partnerships, or other alternatives. Nephele pointed out that they will be meeting the need identified in Item P-2, for an additional route to Santa Rosa to align with the extended times added by SMART Train. Discussion followed about whether this item would be considered reasonable to meet in the coming budget year 2026/27, even though service on that additional route began in 2025/26.

The committee determined that the recommendation to MCOG be revised. Nephele suggested an alternative, stating that there are unmet transit needs, including one or more that are reasonable to meet for potential funding in 2026/27 MTA Allocation, or by other means. And then specify that that particular unmet need will continue to be met through adjustment to existing routes.

**Upon Motion** by Haschak, seconded by Criss, and carried unanimously by roll call vote (*3 Ayes: Haschak, Criss, and Tarbell; 0 Noes; 2 Abstaining: Albin-Smith, and Rexrode/Alt.*): the Transit Productivity Committee (TPC) recommended a finding that “there are unmet transit needs that are reasonable to meet” for Fiscal Year 2026/27 through a planned adjustment to existing routes, as identified on the FY 2026/27 list:

- #P-2 Add additional route to Santa Rosa to align with the extended times added by SMART Train – to be met as an adjustment to an existing route;

**16. Adjournment.** The meeting was adjourned at 11:13 a.m.

Submitted: NEPHELE BARRETT, EXECUTIVE DIRECTOR

By Julie St. Pierre, Administrative Assistant

\* **NOTE:** These minutes are to be accepted by MCOG on the Consent Calendar of June 1, 2026

# MENDOCINO COUNCIL OF GOVERNMENTS

## MINUTE ORDER \*

### SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL

May 18, 2026

#### Teleconference Locations:

MCOG Offices, 525 S. Main St., Suite B, Ukiah  
MTA Offices, 241 Plant Rd., Ukiah  
Harrah Senior Center, 1501 Baechtel Rd., Willits

#### General Public Teleconference by Zoom

#### MEMBERS PRESENT

Richard Baker, Willits Senior Center  
Jacob King, Mendocino Transit Authority  
Dawn White, Mendocino Transit Authority  
Luis Martinez (Alt.), Mendocino Transit Authority

#### MEMBERS ABSENT

Jill Rexrode, Redwood Coast Seniors  
Liz Dorsey, Ukiah Senior Center  
Sheryl Mitcham (Alt.), Ukiah Senior Center  
Philip Thomas, Anderson Valley Senior Center

#### STAFF PRESENT

Nephele Barrett, MCOG Executive Director  
Michael Villa, Deputy Director  
Janet Orth, CFO & Administrative Advisor  
James Sookne, Program Manager  
Julie St. Pierre, MCOG Administrative Assistant

#### MEMBER VACANCIES

Potential “handicapped” transit user  
Potential transit user at least 60 years of age  
Local social service provider for the handicapped

**1. Call to Order and Introductions.** At 3:20 p.m., with Nephele presiding, the meeting proceeded with three voting members: Richard, Jacob, and Luis.

**4. Review and Recommendation on MTA’s Analysis and Prioritization of 2026/27 Unmet Transit Needs.** Michael presented the staff report summarizing the unmet needs process timeline and findings. The group discussed MTA’s analysis, categorization, and recommended findings.

One need, labeled P-2 (*Add additional route to Santa Rosa to align with the extended times added by SMART Train*), was found high priority/feasible; others were medium priority, low demand, infeasible, or already covered. Michael stated that the need to align with SMART Train extended hours was identified as being met through an adjustment to an existing route. Jacob confirmed the route adjustment was operational as of April 12. Janet clarified that P-2 originated from public testimony at the February 2 public hearing and that MTA was already making the adjustment.

Nephele raised that the need labeled S-3 (*Non-emergency medical service, including after-hours/weekends for hospital release and out-of-county*) was still valid, as fixed-route service does not fully address it. And Janet noted that the need labeled S-5 (*Service to Noyo Harbor and*

*downtown Fort Bragg central business district*) was flagged by an MTA Board member as deserving higher priority due to tourism demand.

Janet suggested that the transit center item should be recategorized as a separate capital/infrastructure recommendation, not as a low-priority unmet need. After Richard expressed longstanding discomfort with “priority” labeling, noting all identified needs are priorities; the real distinction is feasibility and timing, the group discussed developing new terminology based on feasibility and timing rather than “priority” for categorizing needs for the next cycle.

The group discussed whether the need labeled S-6 (*Covelo and Laytonville mobility solution*), could be classified as “reasonable to meet” in FY 2026-27, given staffing and operational constraints. Janet asked for clarity, noting that the Covelo-Laytonville mobility solution is in MTA’s plan and funded through SB125, emphasizing that “reasonable to meet” under the Transportation Development Act (TDA) primarily means the service is budgeted; funding is identified. Janet also noted that this item was explicitly identified as a pilot project, consistent with how it was programmed in the funding.

Jacob and Luis confirmed funding is available but staffing is a major hurdle. The pilot service is likely to be implemented in fall 2026. Nephele suggested the finding could be made contingent on available staffing. Jacob confirmed a vehicle is available and can possibly be delivered within 30 days of order. Jacob recommended focusing the first year solely on the Covelo-Laytonville segment – not extending to Willits/Little Lake Valley/Brooktrails – to avoid overextension. Richard agreed, noting that offering a service and then withdrawing it damages ridership and public trust. Jacob described the planned reservation-based model where riders call ahead to reserve, preventing empty bus trips; service would run once per week for each community. Jacob also noted that previous Covelo and Laytonville services failed due to empty buses; outreach to the tribe and community is needed, with Laytonville showing more interest than Covelo.

The group concurred with the TPC recommendation for Item P-2 and agreed that the Covelo-Laytonville mobility pilot (S-6) should be added as a second “reasonable to meet” need, contingent upon staffing availability. The finding will note it is a pilot project.

**Upon Motion** by King, seconded by Baker, and carried unanimously (*3 Ayes – Baker, Martinez, and King; 0 Noes, 4 Absent – Thomas, Rexrode, Dorsey, and Mitcham (Alt.)*) the SSTAC recommended a finding that there are two unmet needs that are reasonable to meet:

- Item P-2 with finding language to specify it will be met via adjustment to an existing route, not an additional route,
- Item S-6, finding language to identify it as a pilot project, contingent upon staffing;

Janet noted the vote was three of six members and suggested this be documented as such.

**16. Adjournment.** The meeting was adjourned at 4:06 p.m.

Submitted: NEPHELE BARRETT, EXECUTIVE DIRECTOR

By Julie St. Pierre, Administrative Assistant

**III.**  
**Mendocino**  
**Transit Authority**

# MENDOCINO COUNCIL OF GOVERNMENTS

## BOARD of DIRECTORS

### RESOLUTION No. M2026-04

#### ALLOCATING FISCAL YEAR 2026/27 LOCAL TRANSPORTATION FUNDS, STATE TRANSIT ASSISTANCE, and 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;
- MTA's revised claim includes \$641,777 for Senior Center Transportation Programs, which will be distributed among the senior center programs using a formula applied every three years based 40% on passengers, 30% on service miles, and 30% on service hours, calculated using the three prior years of data;
- According to MCOG's adopted Capital Reserve Fund policies, eligible applicants under contract with MTA may request capital funds, providing that a five-year capital program and contract between the claimant and MTA is on file with the RTPA;
- Capital claims must be identified in accordance with TDA: 1) to reflect capital needs that will be expended during the fiscal year so claimed under Public Utilities Code 6648 and 2) filed to reflect specific capital improvements of a long-term nature up to five years, or for matching purposes in applying for federal transportation grants under P.U.C. 6631;
- MTA is the only eligible claimant of State Transit Assistance, for which eligibility for Operations funding is to be determined by performance reviews, fiscal audits, and state legislation;
- State of Good Repair program funding is available through the RTPA from Senate Bill 1, the Road Repair & Accountability Act of 2017, with allocations approved by separate MCOG resolution with a Project list; and
- Based on allocations in accordance with TDA for Reserves, Administration, Bicycle & Pedestrian Facilities, and Planning, the 2026/27 LTF funds available for transportation services

are \$3,565,429; STA funds available for 2026/27 are estimated at \$876,829 and State of Good Repair funds are estimated at \$171,875 (preliminary estimates of new funds); and the Capital Reserve Fund available balance is estimated at \$308,575; The total amount available for transportation services from these four funding sources is estimated at **\$4,750,833**; therefore, be it

RESOLVED, THAT:

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

1.

AUTHORITY		SOURCE	USE	AMOUNT
A.	PUC Sec. 99260(a)	Local Transportation Fund (LTF)	MTA Operations	2,923,652
	PUC Sec. 99260(a)		Unmet Transit Needs	0
	PUC Sec. 99400(c)		Senior Center Operations	641,777
	PUC Sec. 99262		Transit Planning	0
	CCR Sec. 6648		Capital Reserve Fund	0
	<b>Total LTF</b>			<b>3,565,429</b>
B.	CCR Sec. 6730(a)	State Transit Assistance (STA)	MTA Operations	876,829
	CCR Sec. 6731(b)		Senior Center Operations	0
	CCR Sec. 6730(b)		MTA and Seniors Capital	0
	CCR Sec. 6648		Capital Reserve Fund	0
	<b>Total STA</b>			<b>876,829</b>
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 Capital	308,575
	CCR Sec. 6648		LTF/STA allocated to CRF above	0
	<b>Total CRF</b>			<b>308,575</b>
D.	Senate Bill 1	State of Good Repair (SGR)	To Be Determined	0
			<b>Total SGR</b>	
<b>Total LTF, STA, and Capital Reserve Allocations</b>				<b>4,750,833</b>
Balance Remaining for Later Allocation				<b>0</b>
<b>Total Estimated 2026/27 Funds Available for Transit</b>				<b>4,750,833</b>

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.

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, 2025, confirmed that MTA’s farebox ratio of 4.6% had not met the ten percent ratio required by Senate Bill 508, (effective July 1,

2016); however, State legislation waived this regulation under Assembly Bill 90, extended by Assembly Bill 149, and again by Senate Bill 125.

- 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 (ending June 30, 2025), four were met and the remaining measure did not apply to MTA.
    1. The sum of the claimant's allocations from LTF (TDA) did not exceed the amount the claimant is eligible to receive during the fiscal year for operating.
    2. The sum of the claimant's allocations from LTF (TDA) did not exceed the amount the claimant is eligible to receive during the fiscal year for capital.
    3. The claimant's subcontractors (senior centers) did not exceed the eligibility criteria for LTF funds during the fiscal year.
    4. The sum of the claimant's allocations from STA did not exceed the amount the claimant is eligible to receive during the fiscal year for operations purposes according to efficiency standards. For the fiscal year audited, the STA funds claimed by MTA were for operating purposes.
    5. The fifth measure pertains to passenger rail eligibility and was not applicable for the fiscal year audited.
- B. MCOG as the regional entity may allocate funds to an operator for any transit-related purpose (as specified in Section 6730) on the basis of all these findings:
- a. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them. On April 13, 2026, the Transit Productivity Committee (TPC) reviewed performance data through December 31, 2025 reporting consistent ongoing performance by DAR and Short Distance Bus Routes, and by Senior Centers specialized services as a whole, while Long Distance Routes need improvement in productivity, and recommending that MTA continue to explore opportunities to increase ridership, including coordination with housing and transit center development.
  - b. The California Highway Patrol has certified, within the last 13 months and prior to filing claims, that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required by PUC Section 99251.
  - c. The operator is in compliance with the eligibility requirements of PUC Section 99314 as applicable (relative to STA funds).

3. In accordance with Section 99405(c) of the Public Utilities Code, MCOG adopted and set forth the local match requirements for senior centers claimed under Article 8 at a minimum of ten percent, consistent with Senate Bill 508, signed into law October 9, 2015, amending the Transportation Development Act; local match required in the form of fare revenues, including local and federal funds, continue to be temporarily waived by state legislation.
4. The Capital Reserve Fund (Account No. 2110-760271) audited balance of \$137,143 as of June 30, 2025, with the addition of 12 monthly deposits of 2022/23 transit reallocations in FY 2025/26 totaling \$171,432, provides an approximate balance of \$308,575. MTA has requested this available fund balance for long-term capital projects in its Fiscal Year 2026/27 claim.
5. The above allocations are to be paid to MTA in conformance with allocation instructions as submitted by MCOG's Executive Director to the County Auditor-Controller.
6. MTA will be required to incorporate all TDA requirements for these allocations in their upcoming 2026/27 contracts, including senior centers as applicable, and provide executed contracts to MCOG no later than September 30, 2026.

ADOPTION OF THIS RESOLUTION was moved by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and approved on this 1st day of June, 2026, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

\_\_\_\_\_  
ATTEST: Nephele Barrett, Executive Director

\_\_\_\_\_  
John Haschak, Chair



SERVING MENDOCINO COUNTY SINCE 1976

March 31st, 2026

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 2026/2027.

In summary, MTA is requesting:

\$	\$3,565,429	from the Local Transportation Fund (LTF), and
\$	876,829	in State Transit Assistance funds

### **Local Transportation Fund**

The Claim includes the amount recommended by Mendocino Council of Governments Fiscal Year 2026/27 Area Apportionments for LTF Revenue letter dated March 2, 2026, as available for Transit. Of that amount, \$2,923,652 would be used to support MTA's General Public Operations and \$641,777 for Senior Center operations.

### **State Transit Assistance Fund**

The Claim includes a total of \$876,829 of MTA's share of the Governor's State budget for STA funds, all to be used for Operations.

### **Capital Reserve**

The Capital Program for FY2026/27 balance of \$308,575 will remain in the Long-Term Capital Reserve for future use.

## **MTA Operations**

The Auditor's Estimate of LTF Revenues FY26/27 will be utilized to augment MTA operating costs. We understand this estimate is subject to revision.

## **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 FY26/27 will reflect only projects which MTA will pay for from its Capital funds on deposit with Mendocino County, grant funding, and MTA Capital funds held by MCOG (CCR, Sec. 6648).

## **Uncertainty**

As always, the creation of a budget in March is highly uncertain. Federal and state funding are unknown well after our fiscal year begins. We are submitting the best information we have at this time but respectfully request your understanding and support if a revised claim is necessary.

Regards,



Jacob King  
Executive Director

Cc: Budget File

# Mendocino Transit Authority Summary of 2026/2027 Claim for

3/31/2026

Source	Authority	Purpose	FY 2025/26 Amount	FY 2026/27 Amount
<b>Local Transportation Fund:</b>				
	PUC, Sec. 99260(a)	MTA Operations	\$2,904,749	\$2,923,652
	PUC, Sec. 99260(a)	Unmet Transit Needs	\$0	\$0
	PUC, Sec. 99400(c)	Senior Center Operations	\$600,000	\$641,777
	PUC, Sec. 99260(a)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
	PUC, Sec. 99262	Transit Planning	\$0	\$0
<b>Total</b>			<b>\$3,504,749</b>	<b>\$3,565,429</b>
<b>State Transit Assistance Fund:</b>				
	CCR, Sec. 6730(a)	MTA Operations	\$976,657	\$876,829
	CCR, Sec. 6731(b)	Senior Center Operations	\$0	\$0
	CCR, Sec. 6730(b)	MTA & Senior Capital	\$0	\$0
	CCR, Sec. 6648	Transit Capital Reserve	\$0	\$0
<b>Total</b>			<b>\$976,657</b>	<b>\$876,829</b>
<b>Capital Reserve</b>				
	CCR, Sec. 6648	MTA Capital	\$0	\$0
	CCR, Sec. 6648	Senior Capital	\$0	\$0
	CCR, Sec. 6631	Long-Term Capital	\$128,574	\$308,575
<b>Total</b>			<b>\$128,574</b>	<b>\$308,575</b>
<b>Total Claim</b>			<b>\$4,609,980</b>	<b>\$4,750,833</b>

IV.  
Surface Transportation  
Block Grant Program

# MENDOCINO COUNCIL OF GOVERNMENTS

## BOARD of DIRECTORS

### RESOLUTION No. M2026-05

ALLOCATING SURFACE TRANSPORTATION BLOCK GRANT PROGRAM FUNDS  
for FISCAL YEAR 2026/27  
MCOG PARTNERSHIP FUNDING PROGRAM, LOCAL ASSISTANCE,  
AND DISTRIBUTION BY FORMULA TO MEMBER AGENCIES

WHEREAS,

- Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County;
- Surface Transportation Block Grant (STBG) program, formerly known as Regional Surface Transportation Program (RSTP), revenue is based on estimates provided by the California Department of Transportation under federal legislation; the Infrastructure Investment & Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law, continued the program in its authorizing legislation, providing a preliminary estimate of revenue for FY 2026/27 of \$1,074,255;
- 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;

- Dow & Associates shall have the management responsibility for the Partnership Funding Program in the amount of an estimated **\$909,127** (\$709,127 fund balance at June 30, 2025, \$100,000 allocated for FY 2025/26, \$100,000 anticipated for FY 2026/27), available for allocation before FY 2025/26 expenditures; the program includes two open Partnership projects (the Covelo Trail project, which may need addition funds to complete, and \$90,000 to fund Voter Opinion Polling for Unincorporated Mendocino County);
- Dow & Associates also shall have the management responsibility for the Local Assistance current-year budget of \$90,000 and an unexpended program fund balance of \$333,159 through FY 2024/25; the amount of \$90,000 of new funds and additional funds of \$5,499 from prior year savings to continue Local Assistance services to member agencies in Fiscal Year 2026/27, and other direct costs that are consistent with the intended scope of Local Assistance, at the Executive Director’s discretion; and
- It is MCOG’s intention to reevaluate its STBG formula for distribution to the member agencies if a forthcoming federal transportation legislative bill substantially changes the amount of, or designated use of, STBG funds; therefore, be it

RESOLVED, THAT: MCOG hereby allocates estimated new STBG revenues for FY 2026/27 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	190,362	884,255
	City of Ukiah	256,186	
	City of Fort Bragg	171,050	
	City of Willits	160,545	
	City of Point Arena	106,111	
<b>Total FY 2026/27 Allocations</b>			<b>1,074,255</b>

ADOPTION OF THIS RESOLUTION was moved by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and approved on this 1st day of June, 2026, by the following roll call vote:

- AYES:  
 NOES:  
 ABSTAINING:  
 ABSENT:

Resolution No. M2026-05

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

\_\_\_\_\_  
ATTEST: Nephele Barrett, Executive Director

\_\_\_\_\_  
John Haschak, Chair

V.  
SB 125  
Formula-Based  
Transit

# MENDOCINO COUNCIL OF GOVERNMENTS

## BOARD of DIRECTORS

### RESOLUTION No. M2026-06

#### ALLOCATING SB 125 FORMULA-BASED TIRCP AND ZETCP FUNDS FOR FISCAL YEAR 2026/27

WHEREAS,

- The Transit & Intercity Rail Capital Program (TIRCP) competitive program was created in 2014 and modified in 2015, to provide grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion;
- SB 125 (Chapter 54, Statutes of 2023) and Assembly Bill 102 (Chapter 38, Statutes of 2023) amended the Budget Act of 2023 to appropriate \$4 billion of General Fund to the TIRCP over the next two fiscal years as well as \$910 million of GGRF funding and \$190 million of Public Transportation Account funding over the next four fiscal years to establish the Zero-Emission Transit Capital Program (ZETCP);
- SB 125 guides the distribution of TIRCP funds on a population-based formula to regional transportation planning agencies, which will have the flexibility to use the money to fund transit operations or capital improvements, and AB 102 is to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations;
- Mendocino Council of Governments (MCOG) is the designated Regional Transportation Planning Agency (RTPA) for Mendocino County and will receive an estimated total of \$11,063,615 in a separate cash account over the four-year period, including \$110,636 for Administration of the program, and shall be responsible for reporting of data and expenditures and other requirements;
- For purposes of this budget, the portion of funds for Administration is divided equally over the four-year period, though may be expended as needed depending on activity of the program;
- In December 2023, MCOG adopted and submitted to the California State Transportation Agency (CalSTA) its first Allocation Plan in consultation with Mendocino Transit Authority, for a total of \$5,353,525, added to the FY 2024/25 Budget, of which \$3,353,525 has been received to date;
- On May 5, 2025, MCOG adopted an Amended Allocation Plan in consultation with Mendocino Transit Authority, incorporating the remaining funds for an updated total of \$11,063,615, of which \$4,928,525 has been received to date; and
- A portion of these funds are identified in MCOG's budget as programmed for FY 2026/27 project activities, subject to potential amendment;

- Of the \$6,135,090 in funds not yet received, CalSTA has conditionally approved \$2,000,000 of year 1 TIRCP funding for the Ukiah Transit Center project, which will be disbursed upon MCOG’s confirmation that the required matching funding identified in the allocation request has been secured, as detailed in CalSTA’s July 9, 2025 allocation letter; therefore, be it

RESOLVED, THAT:

MCOG hereby allocates SB 125 TIRCP & ZETCP funds for FY 2026/27 as follows:

MCOG Administration & Management – Year 3 of 4 estimate	\$27,659	
Project 1 - MTA Facilities, Vehicle Improvements, & Service Expansion:	\$648,043	
<b>Total FY 2026/27 Allocations</b>		<b>\$675,702</b>

ADOPTION OF THIS RESOLUTION was moved by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and approved on this 1st day of June, 2026, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

\_\_\_\_\_  
ATTEST: Nephela Barrett, Executive Director

\_\_\_\_\_  
John Haschak, Chair

VI.  
Northern Rural  
Energy Network  
(NREN)

# MENDOCINO COUNCIL OF GOVERNMENTS

## BOARD of DIRECTORS

### RESOLUTION No. M2026-07 ALLOCATING FY 2026/27 FUNDS FOR NORTHERN RURAL ENERGY NETWORK PROGRAMS

WHEREAS,

- In February 2022, the Mendocino Council of Governments (MCOG) approved a Memorandum of Understanding (MOU) with Redwood Coast Energy Authority (RCEA) and Lake Area Planning Council (Lake APC) to participate as a subcontractor to RCEA in the recently formed Rural Regional Energy Network (RuralREN), and this RuralREN was approved by the California Public Utilities Commission (CPUC) in June 2023;
- On September 26, 2024, the CPUC issued its Decision Modifying Rural Regional Energy Network Approved in Decision 23-06-055, and divided the RuralREN into RuralREN North (comprising the North Coast and North Sierra Regions) and RuralREN Central (comprising the Central Coast, San Joaquin Valley and High Sierra Regions), in which MCOG would become a full partner able to use public purpose program funds paid by ratepayers to plan, administer, and implement energy efficiency programs;
- The 2022 MOU between RCEA, MCOG and Lake APC was terminated, and a new RuralREN North Memorandum of Agreement (MOA) and Bylaws were approved by the MCOG Board of Directors on December 2, 2024, and subsequently executed;
- In January 2025, the partners to the new MOA changed the name from RuralREN North to the Northern Rural Energy Network (NREN) as part of a public outreach and marketing strategy;
- A Pre-Launch Contract followed by a comprehensive Implementation Agreement with RCEA as Lead Administrator of the NREN were executed in order to receive funding and deliver these needed energy and cost saving programs in Mendocino County;
- The NREN has developed a four-year budget, approved by the NREN Governing Partners, of which this 2026/27 allocation of \$780,001 is a portion and incorporates reallocation of unexpended budget from prior years to fund program staffing services and direct costs; this allocation does not include rebates, incentives, or loan seed funding, which is not anticipated to be held by MCOG, but instead by RCEA and/or third parties to be available for all four NREN partners; with unexpended FY 2025/26 NREN program funds anticipated to carry over and remain available for program staffing and direct costs in FY 2026/27; therefore, be it

RESOLVED, THAT:

The Mendocino Council of Governments hereby allocates FY 2026/27 funds for Northern Rural Energy Network programs, summarized as follows

2026/27 Dow & Associates Staffing Contract	670,401		
2026/27 Other Direct Costs	109,600		
2026/27 subtotal		780,001	
<b>Total FY 2026/27 Allocation</b>			<b>\$ 780,001</b>

ADOPTION OF THIS RESOLUTION was moved by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and approved on this 1st day of June, 2026, by the following roll call vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

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

\_\_\_\_\_  
ATTEST: Nephele Barrett, Executive Director

\_\_\_\_\_  
John Haschak, Chair

# Appendices



## MCOG Budget Workshop

May 4, 2026

1

## Funding Sources in Annual Budget 2

### Transportation Development Act (TDA)

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

### State Funds:

- STIP Planning, Programming & Monitoring (PPM)
- Rural Planning Assistance (RPA) and grants
- State of Good Repair – transit infrastructure
- State Highway Operation and Protection Program (SHOPP)
- SB 125 TIRCP-ZETCP – transit ops & capital program

### Federal Funds

- Surface Transportation Block Grant (STBG, aka RSTP)

**NREN** – Utility ratepayer funds for energy efficiency programs

2

# Budget Summary

3

In the agenda packet:

Summary Page Mendocino Council of Governments 4/27/2028  
Regional Transportation Planning Agency & CCG - Fiscal Year 2026/27 Budget  
Administration, Bicycle & Pedestrian, Planning, Transit Allocations and Reserves - Board Workshop 5/20/24

REVENUES	Transit Dev. Act (TDA)			State			Federal		Engaged	TOTALS
	LTF	STA	CRF	PPM	RPA	Various	STBG	5011/5012		
202507 LTF Office County Auditor's Estimate	4,250,000									4,250,000
202508 Auditor's Anticipated Unrecovered Balance	(4,250,000)									
Total Local Transportation Fund (LTF) Revenues	0									0
202508 Auditor's Anticipated Unrecovered Balance - Reversed										0
202503 Highway LTF Due to MCOG from MTA - Imbalance 2020/21, 2021/22										0
202507 State Transit Assistance - CCG's Priority Projects, P.U.S. 8011 and 8014		876,829	0			171,875				876,829
202507 State Transit Assistance - CCG's Priority Projects, P.U.S. 8011 and 8014						1,880				1,880
MTA and CCG - Fund Balance Available for Allocation - 2025/26 carryover			137,143							137,143
MCOG Capital Reserve Fund - Reserve Available for Transit								732,120		732,120
202507 LTF Planning, Programming & Monitoring (PPM)				120,000						120,000
202507 LTF Planning Assistance					404,500					404,500
202508 MTA Planning Grant carryover						17,000		88,800		105,800
202508 Federal Caltrans DR 30 Value Multi-modal pending award									88,800	88,800
202507 Transportation Planning Program carryover	108,184			25,000	5,000	88,530				146,714
202507 Surface Transportation Block Grant (STBG) Program - Carryover - STBG Local Assistance							1,000,268			1,000,268
202507 State Funds for C&G-100 Services that Support TDA - Imbalance LTF and CCGP								216,203		216,203
SB 125 Formula Based Transit & Mobility Fund Capital Program								471,148		471,148
202507 Northern State Energy Network from TSDG Transportation Funds								5,813,413		5,813,413
202507 Northern State Energy Network from TSDG Transportation Funds									780,001	780,001
2024/25 LTF Unrecovered Balance - LTF Revenues	0									0
LTF Reserve Balance as of 10/01/2023 (revised)	816,108									816,108
2025/26 LTF Unrecovered Balance - Imbalance Reverses 2020/21	132,316									132,316
2025/26 LTF Unrecovered Balance - Imbalance Reverses 2020/21	(132,316)									0
Subtotal LTF Reserve Available Balance	683,792		171,432							855,224
Local LTF Revenue/Transit - 2026/27 LTF activities + 15% capex	698,000									698,000
Report LTF Revenue/Transit Available for Allocation in FY 2026/27	117,208									117,208
<b>TOTAL REVENUES</b>	<b>5,133,982</b>	<b>876,829</b>	<b>386,576</b>	<b>154,000</b>	<b>409,500</b>	<b>8,925,913</b>	<b>1,034,581</b>	<b>928,328</b>	<b>710,001</b>	<b>16,723,248</b>
<b>ALLOCATIONS</b>	<b>639,800</b>									<b>639,800</b>
202507 MCOG Administration and REIT Services	613,388					5,500	95,489		710,001	1,429,378
2% Bicycle & Pedestrian - 2026/27 LTF Estimate New Admin. x 0.2	72,913			120,000	404,500			188,800		722,213
202507 Planning Overall Work Program (OWP) - Carryover LTF Capital 2% per TDA	1,000,000									1,000,000
Capital Reserve Funds	1,000,000									1,000,000
<b>Total Allocations - Bicyc &amp; Ped. and Planning</b>	<b>1,613,291</b>			<b>120,000</b>	<b>404,500</b>	<b>5,500</b>	<b>95,489</b>	<b>188,800</b>	<b>710,001</b>	<b>2,927,821</b>
LTA Non-Transportation Services - 2026/27 PFA-2027/28 Rates	1,000,000									1,000,000
BALANCE AVAILABLE FOR TRANSIT	3,560,429	876,829	306,576	0	0	8,920,413	0	732,120		11,542,487
202507 Mendocino Transit Authority Claims - Jan. 2021	0									0
MTA Operations	2,832,762	876,829								3,709,591
Unmet Transit Needs	0									0
Senior Centers Operations	841,777									841,777
Capital Program, MTA & Stations Current Year	0									0
Capital Program, MTA & Stations Future Year Plan	0									0
<b>Total LTF Allocations</b>	<b>3,664,539</b>	<b>876,829</b>	<b>386,576</b>						<b>732,120</b>	<b>4,760,024</b>
Other Allocations - 2025/26 County & State Property Funds										96,576
Other Allocations - 2025/26 County & State Property Funds										23,800
Other Allocations - 2025/26 County & State Property Funds - ATP & CCGP										815,268
Other Allocations - 2025/26 County & State Property Funds - Regional Workshop										23,800
<b>TOTAL ALLOCATIONS</b>	<b>5,133,982</b>	<b>876,829</b>	<b>386,576</b>	<b>154,000</b>	<b>409,500</b>	<b>764,301</b>	<b>1,916,707</b>	<b>928,328</b>	<b>710,001</b>	<b>16,182,474</b>
Balance Remaining for LTF Allocation	0									0

3

# Budget Summary - Detail Format

4

4-page supplemental view:

MENDOCINO COUNCIL OF GOVERNMENTS  
FY 2026/27 BUDGET SUMMARY  
Board of Directors Workshop, May 4, 2026  
Supplemental Format

REVENUES	FY 2026/27 Budget Amended	FY 2026/27 Budget Proposed	\$ Change	% Change	NOTES
<b>LOCAL/REGIONAL</b>					
<b>Local Transportation Funds (LTF)</b>					
LTF Office County Auditor's Estimate	\$ 4,961,000	\$ 4,250,000	\$ 80,000	2.4%	Transportation Development Act (TDA) Funds
Auditor's Anticipated Unrecovered Balance - Current Year	\$ (4,961,000)	\$ (4,250,000)	\$ 80,000	2.4%	FY 2025/26 estimate REVERSED by County Auditor 4/28/2025
Total Local Transportation Fund (LTF) Revenues	\$ 0	\$ 0	\$ 0	0%	Anticipated balance not provided by County Auditor
202503 Highway LTF Due to MCOG from MTA - Imbalance 2020/21, 2021/22	\$ 189,228	\$ -	\$ (189,228)	-100.0%	Reversed 2024/25 - 12 months of payments completed in 2025/26
202507 State Transit Assistance - CCG's Priority Projects, P.U.S. 8011 and 8014	\$ 1,000,000	\$ -	\$ (1,000,000)	-100.0%	Portion of LTF Admin. fund balance for allocation in FY 2025/26
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 231,184	\$ 100,184	\$ (89,915)	-44.0%	2025 amended August 2025, 2027 Estimated Carryover
Subtotal Local Transportation Funds	\$ 4,481,340	\$ 4,360,184	\$ (121,156)	-2.7%	OWP carryover revenue is offset by equivalent allocation
<b>LTA Revenue Funds</b>					
Auditor LTF Unrecovered Balance of Unallocated Revenue - Shortfall	\$ 132,316	\$ -	\$ (132,316)	-100.0%	Not audited year, actual LTF revenue exceeds offset per Auditor's Estimate
Auditor LTF Reserve Fund Balance	\$ 193,321	\$ 515,195	\$ 321,874	167.0%	Revenue used to cover budget allocation shortfalls and claims per policy
2024/25 LTF Reserve Available Balance	\$ 231,880	\$ 242,522	\$ 11,642	5.0%	
Net Transfer from LTF to Local LTF Revenue Fund	\$ (5,927)	\$ 242,522	\$ 248,449	4194.0%	Calculations include LTF funds to replenish Reserve per MTA requirements
Subtotal LTF Reserve Available Balance	\$ 638,244	\$ 796,708	\$ 158,464	24.8%	
TOTAL LTF REVENUES	\$ 5,020,584	\$ 5,256,892	\$ 236,308	4.7%	Available for allocation
Capital Reserve Funds	\$ 1,000,000	\$ 1,000,000	\$ 0	0%	
CSF Fund Balance	\$ 1,000,000	\$ 1,000,000	\$ 0	0%	
MTA Prior Period Payments	\$ 124,314	\$ 171,432	\$ 47,118	37.9%	2025/26 calls 8 mos. of MTA repayments deposited in CSF in 24/25
Total Capital Reserve Funds	\$ 2,024,314	\$ 2,172,432	\$ 148,118	7.3%	Reversed 2026/27 - 12 months of payments completed in 2025/26
LTA Local/Regional Revenues	\$ 3,960,576	\$ 4,028,717	\$ 68,141	1.7%	
<b>STATE</b>					
<b>Planning, Programming &amp; Monitoring (PPM) Funds</b>					
Planning Overall Work Program (OWP) - New Revenue	\$ 120,000	\$ 120,000	\$ 0	0.0%	
Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 293,144	\$ 94,000	\$ (199,144)	-68.0%	2025 amended August 2025, 2027 Estimated Carryover
Total PPM Funds	\$ 413,144	\$ 214,000	\$ (199,144)	-48.2%	
<b>State Transit Assistance (STA) Funds</b>					
State Carthage's Estimate	\$ 871,570	\$ 876,829	\$ (5,241)	-0.6%	TDA Funds - PUC Sections 8011 and 8014
Estimated Fund Balance Available for Allocation	\$ 9,987	\$ -	\$ (9,987)	-100.0%	Reversed 2025/26/27 estimate, 2025/27 preliminary estimate
Total State Transit Assistance Funds	\$ 881,557	\$ 876,829	\$ (4,728)	-0.5%	Reversed balance from 01 if estimate/actuals and interest earnings
<b>State of Good Repair (SGR) Funds</b>					
State Carthage's Estimate	\$ 169,468	\$ 171,875	\$ 2,407	1.4%	SGR's small funding in Senate Bill 1, allocated to MTA by separate resolution
Estimated Fund Balance Available for Allocation	\$ (5,153)	\$ 889	\$ 7,042	-136.0%	Reversed 2025/26/27 estimate, 2025/27 preliminary estimate
Total State of Good Repair Funds	\$ 164,315	\$ 172,764	\$ 8,449	5.1%	Allocated to MTA projects through 2025/26, fund balance of 0.00 allocated
<b>Rural Planning Assistance Funds (RPA)</b>					
Planning Overall Work Program (OWP) - New Revenue	\$ 404,500	\$ 404,500	\$ 0	0.0%	
Planning Overall Work Program (OWP) - Carryover	\$ 8,000	\$ 0	\$ (8,000)	-100.0%	2025 amended August 2025, 2027 Estimated Carryover
Total RPA Funds	\$ 412,500	\$ 404,500	\$ (8,000)	-1.9%	
<b>California Auditor Transportation Program (ATP)</b>					
California Auditor Transportation Program - Carryover	\$ 581,818	\$ 110,280	\$ (471,538)	-81.2%	Estimated funds carried over for Cowell Trail project - Committed
Total ATP Funds	\$ 581,818	\$ 110,280	\$ (471,538)	-81.2%	Created by M. Vila 5/4/2026, Page 1 of 4

4

## Funding Sources – More Info

5

MENDOCINO COUNCIL OF GOVERNMENTS  
2025/26 Budget  
Explanatory Notes on Funding Sources  
4/25/2025

“Explanatory Notes on  
Funding Sources”  
in agenda packet

**LTF - Local Transportation Fund**

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

**LTF Reserve Fund**

- Allowed under TDA, Section 6555, adopted by MCOG on June 7, 1999, revised in 2001 and 2023.
- Fund balance adjusted annually at minimum five percent of County Auditor-Controller's LTF estimate.
- Any audited surplus or shortfall allocated through annual budget process.
- To be used "for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process; when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation."
- The fund was depleted to cover the FY 2008/09 revenue shortfall and policy waived in 2010/11 and 2011/12. The policy was partially waived for the three following fiscal years. A claim was made to cover the FY 2015/16 shortfall of \$68,364.
- Since 2015/16, MCOG has fully restored the LTF Reserve policy, releasing audited surplus for allocation from a low of \$100,000 to a high of \$74,417 resulting from the 2020/21 pandemic, allocated in 2022/23. The audited surplus for 2021/22 was \$184,429, followed by budget shortfalls that depleted the fund.
- With no maximum by policy, the reserve has been set at 10% to 15% for 2021/22 through 2024/25.

**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 & Accessibility Act of 2017. The gas tax is now intended to diminish.
- Governed by the Transportation Development Act (TDA).
- Eligibility is open only to transit operators - MTA in Mendocino County.
- May be used for either Operations, subject to an eligibility formula based on certain cost efficiency standards, or for Capital. MTA typically has used STA for Capital purposes, until the operations requirement was waived for FY 2009/10-2015/16 during the Recession, again waived for the pandemic by AB 90, until its effect.
- Senate Bill 508, effective July 1, 2016, provides more flexibility, so that "rather than making an operator ineligible to receive State Transit Assistance program funds for operating purposes for an entire year for failing to meet the efficiency standards, would instead reduce the operator's operating allocation by a specified percentage, based on the percentage amount that the operator failed to meet the efficiency standards, as specified" - from SB 361, Chapter 716, preamble.
- State Controller provides fund estimates—"Preliminary" in January, "Revised" after State Budget adopted.
- Regional allocation policy: Respond to fluctuating revenues by releasing approved allocations to MTA when received in MCOG's fund account. At times there is an unallocated balance. Other times the fund is fully claimed and has only a small balance of interest earnings.
- STA has fluctuated widely, subject to political influences, while generally rising over time. 20 years ago, annual revenues were about \$150,000, at \$225,000 in 2016/17, since then stabilized and growing under SB 1. During the pandemic, fuel tax revenues dropped 20%, later more than recovered, with actual revenues above \$1 million in 2022/23 and in 2023/24. Preliminary estimate for 2025/26 is \$976,352.

**Capital Reserve Fund**

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

5

## Highlights of This Year's Budget

6

**REVENUES:**

- Local Transportation Fund (LTF) sales tax revenue estimate by County Auditor beginning to level off at ~\$4.259M
- Audited LTF revenues were \$4.375M in 2023/24, \$4.216M in 24/25
- Prior-year surplus and MTA reallocation have been rebuilding Reserves and helping to support Balance Available for Transit <sup>JO1</sup>
- State Transit Assistance (STA) from fuel taxes dips below \$1M, trending downwards
- SB 125 TIRCP-ZETCP program helps MTA fund vehicles, infrastructure, and a new pilot service <sup>JO2</sup>
- Accumulated utility ratepayer funds for energy efficiency programs have been previously secured and made available.

**Total Revenues all sources = \$16.7M**

6

## Highlights of This Year's Budget 7

**ALLOCATIONS:**

- Recommendation to set LTF Reserve at 15%
- Planning funds are stable with multiple sources
- LTF for Transit up 1.7% or ~\$60K from original 2025/26 budget
- Total TDA for Transit = LTF, STA & CRF combined, up 3% or \$141K
- Federal fund estimates are pending and uncertain
- NREN expands with \$780K for 26/27 energy program services

**Total Proposed Allocations: \$10.3M**

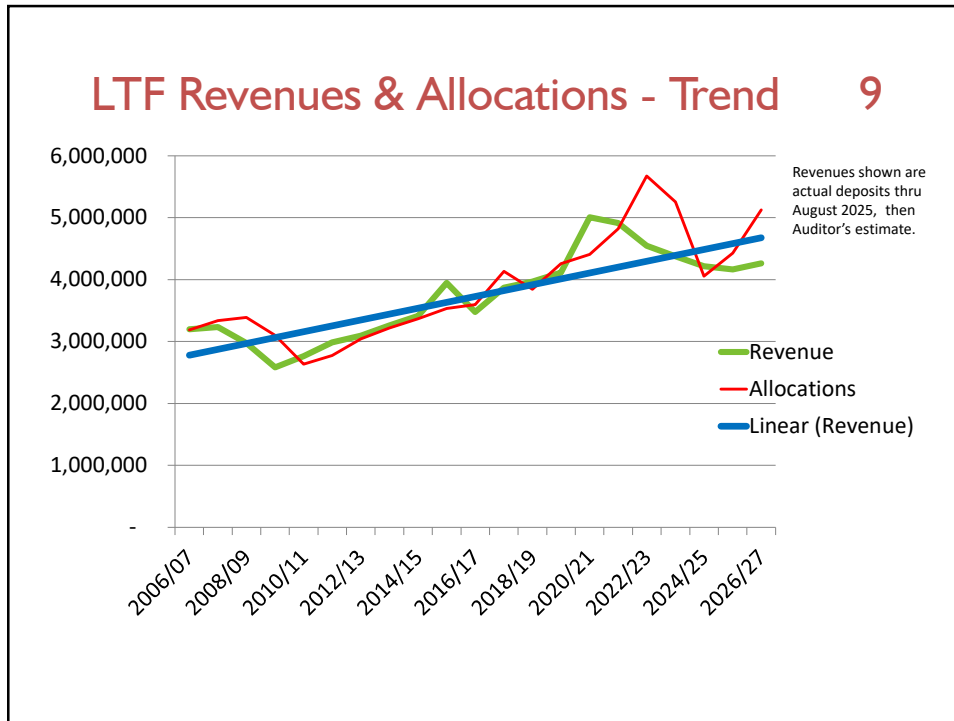
7

## LTF Revenues FYTD 2025/26 8

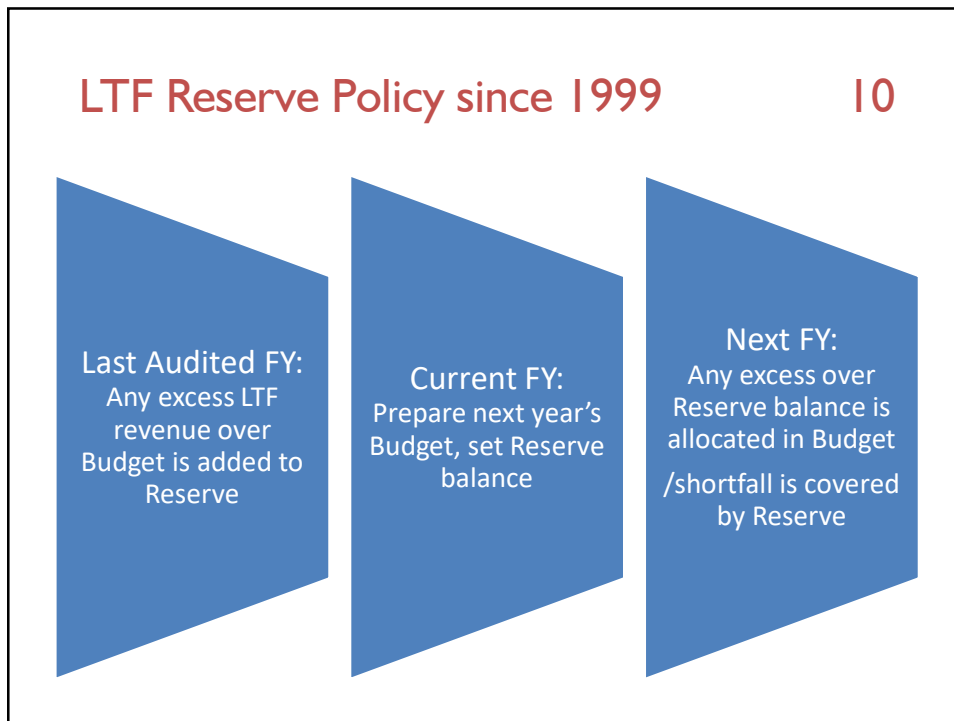
LTF budget compared to actual receipts July through February - 8 months, accrual basis:

	<u>BUDGET</u>	<u>ACTUAL</u>
Auditor's FY Est	\$ 4,161,000	
Budget FYTD	2,774,000	\$ 2,799,142
Increase FYTD		\$25,142 or 0.6%
4 mos. remaining	1,387,000	1,361,858 need

8



9



10

MV2

## LTF Revenues – Process

11

### Excerpt of Budget Summary - Supplemental Format:

REVENUES		FY 2025/26 Budget Amended	FY 2026/27 Budget Proposed
<b>LOCAL/REGIONAL:</b>			
<b>LTF Reserve Funds</b>			
Audited LTF "Unrestricted Balance" of Unallocated Revenue / Shortfall		\$ 132,316	\$ -
Audited LTF Reserve Fund Balance		\$ 192,321	\$ 515,156
2024/25 LTF funds allocated to backfill Reserve		\$ 231,680	\$ -
Net transfers to-from LTF and LTF Reserve Fund		\$ 81,927	\$ 241,552
Subtotal LTF Reserve Available Balance		<b>\$ 638,244</b>	<b>\$ 756,708</b>
ALLOCATIONS		FY 2025/26 Budget Amended	FY 2026/27 Budget Proposed
<b>LOCAL/REGIONAL:</b>			
<b>LTF Reserve Funds</b>			
LTF Reserve Balance per Policy amended 8/14/2023 - at 10%		\$ 416,000	\$ 639,000
LTF Reserve Contribution - MTA's reallocation - 21 months		\$ 191,163	\$ -
LTF Funds to Replenish Reserve		\$ -	\$ -
Total LTF Reserve Allocations:		<b>\$ 607,163</b>	<b>\$ 639,000</b>

11

## LTF Allocation Priorities

12

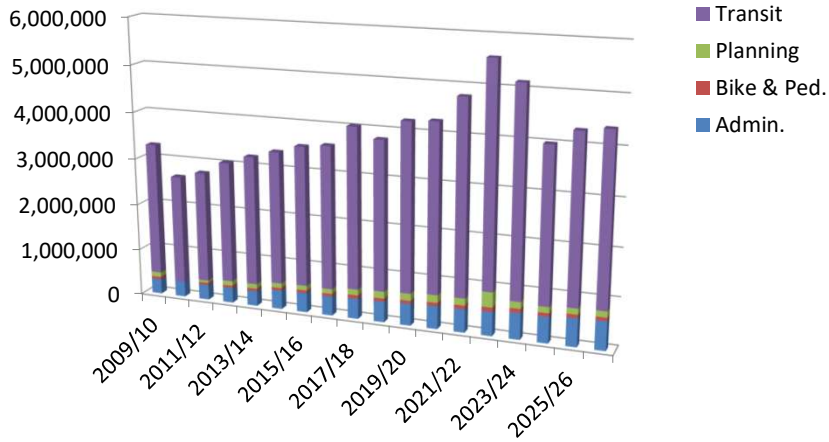
### Consistent with TDA:

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

12

## LTF Allocations - Trend

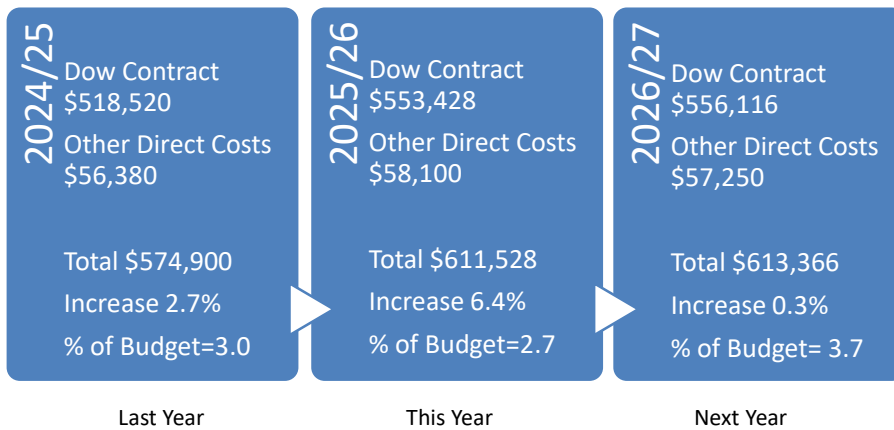
13



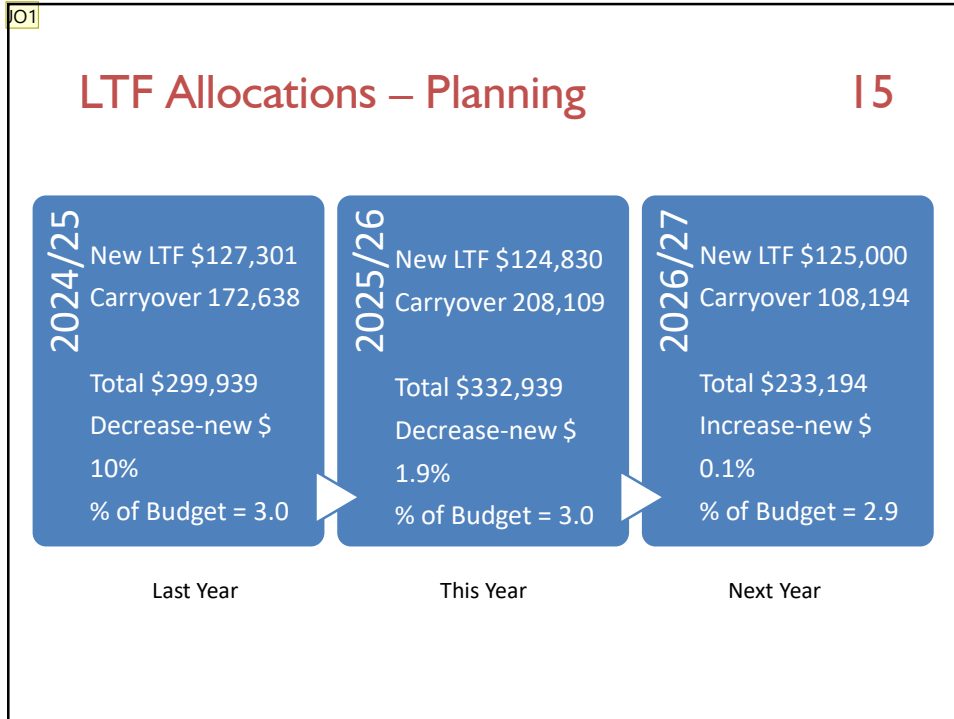
13

## LTF Allocations – Admin.

14



14



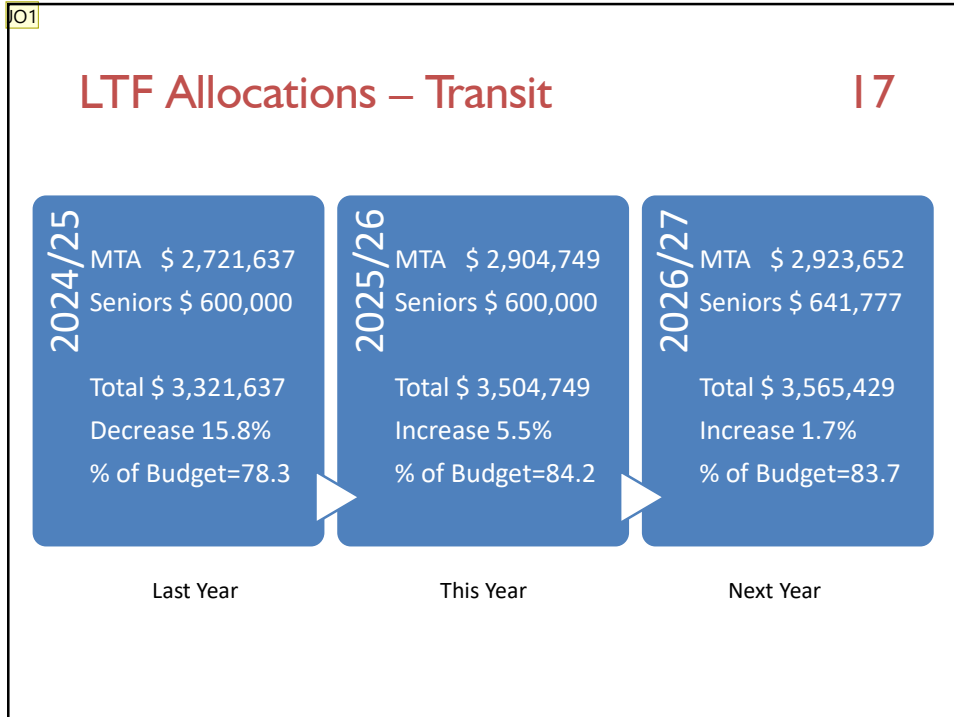
15

## All Allocations – Planning 16

Draft FY 2025/26 Overall Work Program:

W.E. #	Project	Agency	\$ Source	Amount
1	Regional Govt./Intergovt'l Coordination	MCOG	State RPA	170,000
2	Planning Mgmt. & General Coordination	MCOG	LTF, PPM	83,000
4	Sustainable Transportation Planning	MCOG	State RPA	11,500
5	MCOG Mendo Co. Sea Level Rise	MCOG	LTF, State Grant	100,000
6	Combined Special Studies	MCDOT	State RPA	56,000
7	Planning, Programming & Monitoring	MCOG	State PPM, RPA	144,500
8	Regional VMT Mitigation Program	MCOG	LTF State Grant	200,000
10	SR 20 Willits Mult-Md. Circ/Intrst Imp - Pending	MCOG	LTF, Fed Grant	236,000
11	Pavement Management Program	MCOG	LTF	35,000
14	Training	MCOG	LTF	5,000
15	MCOG – Transport. Info. Outreach & Public Part.	MCOG	State RPA	15,000
16	Multimodal Transportation Planning	MCOG	State RPA	70,000
18	Geographic Information System Activities	MCOG	State RPA	7,500
20	Grant Development & Assistance	MCOG	State RPA	60,000
	<i>PROJECT RESERVE</i>		LTF	57,584
	<b>TOTAL</b>			<b>1,251,084</b>

16



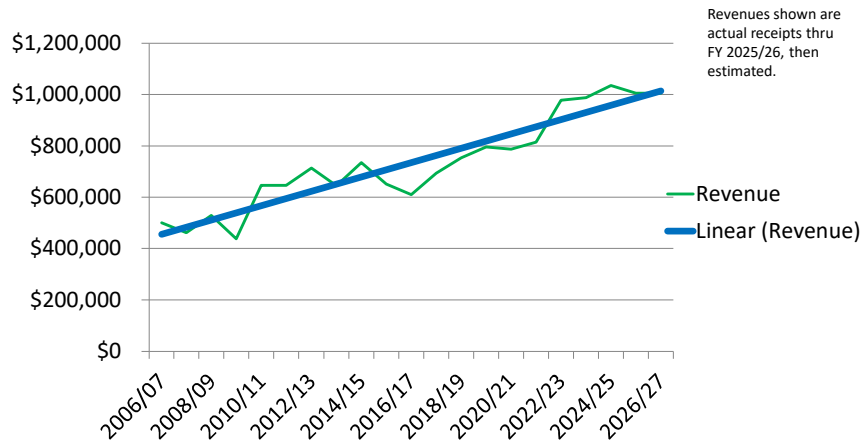
17

- ## State Funding from SB I 18
- **Planning Grants**
    - Sustainable Communities (competitive)
  - **Active Transportation Program (ATP)**
    - Covelo SR 162 Corridor Multi-Purpose Trail
    - Successfully applied for Gualala Downtown Streetscape
    - Highly competitive program, oversubscribed
  - **State of Good Repair – transit**
    - Formula funds, MCOG approves MTA project list
  - **State Highway Operation Protection Prog. (SHOPP)**
    - Covelo SR 162 Corridor Multi-Purpose Trail

18

## STBG Revenues – Trend

19



19

## STBG Allocation Priorities

20

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

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

2025/26 STBG = \$1,005,298 actual

2026/27 **1,005,298** estimate

20

## State Funding from SB 125

21

### Formula-Based TIRCP & ZETCP

- Funds MTA vehicles, infrastructure and new pilot service
- 4 year allocation cycle; 11.6 million in MCOG Amended Plan which is CalSTA approved
- 2026/27 budget proposes \$5.9 million as balance for later allocation however \$283,459 will be allocated for FY 2026/27

21

## Northern Rural Energy Network

22

- **Approved by CPUC September 2024**
  - North Coast, Lake County, and North Sierra
- **4-year total MCOG funding \$2.4 million**
  - FY 25/26 program services budget \$636K
  - FY 26/27 program services budget \$780K
- **MCOG's budget does not include rebates, incentives, loan funds or third parties**
- **NREN has submitted a business plan for next 4 years of funding through 2031**

22

## What's Not in the Budget

23

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

23

## Budget Adoption FY 2026/27

24

- Recommendations:
  - Staff – Admin & Planning
  - Executive Committee – Feb. 26
  - Technical Advisory Committee – Feb. 18, April 15
  - Transit Productivity Committee – April 13
  - SSTAC – TBA
- Adopt Budget June 1, 2026
- Can amend during Fiscal Year

24

25

Questions?

Thank You!

**Presentation by:**

Michael Villa, Deputy Director/Fiscal Manager

Mendocino Council of Governments

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

villam@dow-associates.com

www.mendocinocog.org

**Credits:**

Cover photo by Janet Orth



**Mendocino Council of Governments**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2025

This presents management's overview of the financial activities of Mendocino Council of Governments ("the Council") for Fiscal Year (FY) 2024/25, ended June 30, 2025. The discussion and analysis serves as an introduction to the Council's audited financials, which comprise the Council's official financial statements of record.

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

### **Economic Trends**

The sales tax continues to be an essential economic indicator tracked by the Council, as the largest single source of Council funding on an annual basis. Revenue from the dedicated quarter-cent sales tax to the Local Transportation Fund (LTF) slowed a trend of economic recovery and growth since the Great Recession began in 2008. Local sales tax revenues had been around \$3 million annually until the low point in 2009/10 of \$2.6 million. Annual revenues grew steadily to \$5 million in FY 2020/21 during the coronavirus pandemic, when LTF revenues came in a full 20 percent above the budget estimate. In 2021/22, there was again a substantial unallocated surplus, though slowing to 8.5 percent. Fiscal year 2022/23 actual revenues of \$4.5 million were a disappointing 11.6 percent below the budget estimate, though remained higher than in 2019/20. During 2023/24, the County Auditor's estimate was revised downward from \$4.9 million to \$4.2 million, a decrease of \$658,530 resulting in an over-allocation that was dealt with in budget amendments. Actual revenues were \$4,375,699, higher than in any year prior to the pandemic, with the unallocated portion added to MCOG's reserve per its policy. FY 2024/25 revenues came in at just \$4.2 million, with a budget shortfall of about one-half percent. For 2025/26, the County Auditor-Controller/Treasurer-Tax Collector's revised estimate was down five percent. So the growth trend appears to have peaked and begun to decline. The Council wisely continues to set aside and replenish reserves to buffer against economic uncertainties.

State Transit Assistance (STA) funds from fuel taxes also topped around the same time, having rebounded from a drop during the first pandemic year. The infusion of revenues from Senate Bill 1, the Road Repair & Accountability Act of 2017, had more than doubled STA annual revenues since its ten-year low point in FY 2016/17 of \$325,000, to a high of \$815,000 in 2018/19. While the ensuing pandemic impacted driving behavior, resulting in a loss of 20 percent in 2020/21, travel later resumed and revenues recovered, with 2021/22 in excess of both the estimates and pre-pandemic actual revenues. Revenues were up 30 percent year-over-year for 2021/22 and up 50 percent for 2022/23, peaking at \$1.27 million. FY 2023/24 came in at \$1.1 million, and the fiscal audit confirms 2024/25 revenues of \$980,078. The State Controller revised the 2025/26 downward slightly, to \$971,570, and the 2026/27 preliminary estimate is \$876,829. Fuel taxes are expected to decline over time with more efficient vehicles on the road, an issue much studied by state authorities such as the California Transportation Commission. STA is vital for public transit operations and capital.

Revenues that originate from gasoline and diesel taxes through federal and state funding sources had been trending downward until the Legislature addressed the statewide transportation funding crisis by passing Senate Bill 1, which invests over \$5 billion a year in state and local transportation needs. It has been projected that within the decade, SB 1 revenues will level off as vehicles become more fuel efficient and transition to electrification. A combination of factors will make fuel taxes lose value in the coming years. For the future, alternative revenue streams are being tested, notably the California Road Charge Pilot completed in 2017. In 2021 the State tested how a road charge could work with four technologies: usage-based insurance, ridesharing, EV charging stations/pay-at-the-pump systems, and autonomous vehicles. In 2023 the Public/Private Roads Project gathered essential information for planning how a road charge program could address travel on and off public, private, and tribal roadways, with rural and tribal community members participating in a six-month pilot. In 2024/25 another pilot further tested reporting and payment methods. More information: <https://caroadcharge.com/>

Grants and other revenue sources available to the Council appear stable for the most part. Various SB 1 programs have benefited local member agencies. Planning grants have continued to be active over the years, as management has consistently delivered grant products and helped to secure new grants that benefit the Council's membership and the region. Climate resiliency and adaptation are priorities of many state grant programs, while federal policy has sharply turned away from climate issues.

Besides transportation planning grants, SB 1 also added other programs that benefit public transit, such as State of Good Repair, which MCOG holds in its STA account and is received by the same distribution formula. A new source of funds came in FY 2023/24 from Senate Bill 125, added to MCOG's budget in 2024/25. This created the Formula-Based Transit & Intercity Rail Capital Program (TIRCP) & Zero Emission Transit Capital Program (ZETCP), which passes through MCOG's cash accounts. In May 2025 the Council adopted an amended Allocation Plan that the California State Transportation Agency (CalSTA) approved, releasing most of an estimated \$11 million distribution over a four-year cycle. In 2024/25, MCOG paid the first claim of \$850,000 to Mendocino Transit Authority, as allocated to avoid service cuts. More information: <https://calsta.ca.gov/subject-areas/sb125-transit-program>

Another addition is the Northern Rural Energy Network, which receives public purpose program funds paid by utility ratepayers to plan, administer, and implement energy efficiency programs. This newly established regional organization is dedicated to providing programs and services to rural communities throughout Northern California. The Council joined as a partner during three years of research and startup activities, and launched its program in 2025 as the local implementor for Mendocino County. More information: <https://northernren.org/>

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

## **Fund Classifications**

Through June 30, 2025, the Council managed 17 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). Two of these are new accounts added in FY 2024/25 for the SB 125 TIRCP and ZETCP transit programs and the

Northern Rural Energy Network energy efficiency programs. The audit report classifies accounts as either Governmental Funds or Fiduciary Funds. These are presented separately in the statements. The reader will find more detailed descriptions of these funds and accounting policies in the Notes section prepared by the independent auditor.

The Governmental Funds, also known as Special Revenue Funds, provide the operational revenues that pay for the Council's services, including Administration, the Transportation Planning Overall Work Program (OWP), Mendocino Service Authority for Freeway Emergencies (SAFE), and Northern Rural Energy Network (NREN). 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, from vehicle registration fees collected by the California Department of Motor Vehicles, and recently from utility ratepayer funds allocated by the California Public Utilities Commission. These ten Governmental or Special Revenue Funds account for most of the Council's activities and major funds are presented individually with their budgets under Supplementary Information.

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

The Private Purpose Trust funds are:

- The Transportation Development Act (TDA) mandated funds, which consist of the Local Transportation Fund (LTF), from the quarter-cent transportation sales tax collected in county, and State Transit Assistance (STA), from statewide taxes on diesel fuel and gasoline;
- The Surface Transportation Block Grant (STBG) Program (formerly known as Regional Surface Transportation Program or RSTP), funded by the federal transportation authorizing legislation (currently the Infrastructure Investment & Jobs Act or IIJA); the Council typically opts to exchange these funds for more flexible State Highway Account funds and 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 to the member local government agencies; and
- The Senate Bill 125 combined Transit & Intercity Rail Capital Program (TIRCP) and Zero Emission Transit Capital Program (ZETCP) formula funding, a one-time apportionment to regional agencies subject to allocation plans approved by the California State Transportation Agency (CalSTA), with no expiration date for expenditure of the funds.

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

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

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

MCOG’s net assets at FY 2024/25 closing resulted in Governmental net position of \$863,000 and Fiduciary funds of \$9.7 million.

### Capital Assets & Long-Term Liabilities

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

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

### Analysis of Governmental Funds

Special Revenue Funds revenue was \$2,918,222, a decrease of \$2,498,969 (-46%) compared to the previous fiscal year, mainly due to the Covelo trail construction project nearing completion. Expenditures were \$2,908,623, a decrease of \$2,948,332 (-48%). Table 1 shows the Net Position of the Special Revenue Funds compared to FY 2023/24.

Table 1

Governmental Net Position at June 30	2025	2024	Change
Current Assets	\$ 2,657,940	\$ 2,956,064	\$ (298,124)
Capital Assets, Net of Depreciation	33,316	15,302	18,014
Total Assets	2,691,256	2,971,366	(280,110)
Current Liabilities	1,828,583	2,143,346	(314,763)
Total Liabilities	1,828,583	2,143,346	(314,763)
Net Position			
Investment in Capital Assets	33,316	15,302	18,014)
Restricted	829,357	814,607	14,750
Unrestricted	0	(1,889)	1,889
Total Net Position	\$ 862,673	\$ 828,020	\$ 34,653

Net position comprised the following:

- Cash and investments of \$908,797 in the County of Mendocino Treasury;
- Current receivables, including reimbursements, grants, and apportionments, totaling \$1,749,143;
- Current liabilities, including accounts payable, claims, and other amounts due currently, totaling \$1,828,583;
- Depreciated capital assets of \$33,316. *(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 \$574,900 from the Local Transportation Fund for administration of all the Council's activities, including the first year of a five-year contract effective October 1, 2024, resulting from the Council's procurement for Administrative & Fiscal Services. 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 dropped to \$56,380, remaining within the \$50,000 to \$60,000 range of the previous nine years.

#### Planning

Over the past six years, the Transportation Planning Overall Work Program (OWP) budget had averaged about \$1.2 million annually (refer to the Governmental Funds for sources). For 2023/24 and 2024/25, the amended budgets totaled \$1,377,012 and \$1,583,251 respectively. The OWP funded 16 project work elements that benefited the five member agencies, MTA, and Caltrans.

#### SAFE Program

The Mendocino SAFE motorist aid call box program currently has 137 installations, reduced from 141 due to Caltrans roadway projects that required removal of several boxes. Budgets continue to be adopted annually, with revenues consistently exceeding \$100,000 from vehicle registration fees countywide. Five-Year Strategic & Financial Plans have been adopted to reflect operation and maintenance of the system, most recently in 2017. A brief history: a series of technical and legal issues delayed implementation over several years of system development. The cash fund balance had accumulated nearly \$1 million in 2013; this was reduced as expenditures were made to implement the SAFE Plan during FY 2013/14 through 2016/17. The plan was fully implemented on state highways in FY 2017/18. An updated SAFE plan will be developed to reassess the overall system, including evaluation of whether additional boxes are warranted in certain locations or whether further reductions are appropriate based on usage and coverage.

Mendocino SAFE previously operated 45 boxes using satellite technology and 96 cellular units. Satellite boxes were initially deployed to serve remote areas with little or no cellular reception, making Mendocino the first program in the nation to test and demonstrate early adoption of satellite technology. However, satellite service has significant higher operating costs. To improve cost efficiency, 12 satellite boxes have been converted to 4G cellular service due to improved signal

strength at those locations, eliminating the need for satellite technology. In addition, ten existing 3G cellular units have been upgraded to 4G to address network transitions and maintain system reliability. The SAFE system primarily operates under 4G cellular infrastructure, with limited satellite units remaining only where necessary. With constrained funding and increased operational costs, the current focus remains on maintaining the existing system in a safe and fiscally responsible manner, while conducting a comprehensive reassessment through the upcoming SAFE Plan update.

Table 2

Changes in Governmental Net Position	2025	2024	Change
Expenses – Administration and Planning	\$ 2,885,458	\$ 5,556,955	\$(2,671,497)
Revenues			
Program Revenues:			
Local Transportation Funds	682,201	730,240	(48,039)
DMV Fees	103,279	104,395	(1,116)
Aid from State Governments	2,114,749	4,525,605	(2,410,856)
Total Program Revenues	2,900,229	5,360,240	(2,460,011)
General Revenues:			
Interest income	19,883	56,951	(37,068)
Total General Revenues	19,883	56,951	(37,068)
Total Revenues	2,920,112	5,417,191	(2,497,079)
Change in Net Position	\$ 34,654	\$ (139,764)	\$ 174,418

### 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](http://www.mendocinocog.org).

Prepared by Janet M. Orth, CFO/Administrative Advisor