



## MCOG Budget Workshop

May 4, 2026

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## 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

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# Budget Summary

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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 Devt Act (TDA)			State				Federal	Engaged	TOTALS
	LTF	STA	CRF	PPM	RPA	Various	STBG	5011/5012	NRN	
202507 LTF Office County Auditor's Estimate	4,250,000									4,250,000
202508 Auditor's Anticipated Unrecovered Balance	(4,250,000)									
<b>Total Local Transportation Fund (LTF) Revenues</b>	<b>0</b>									<b>0</b>
202508 Auditor's Anticipated Unrecovered Balance - Reversed										0
202503 Highway LTF Due to MCOG from MTA - Imbalance 2020/21, 2021/22										876,829
202507 State Transit Assistance - CCG's Priority Projects, P.U.S. 8011 and 8014		876,829	0			171,875				1,055,533
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 - Transit					404,500					404,500
202508 MTA Planning - Transit						172,800		188,800		361,600
202508 Federal Caltrans DR 30 Value Multi-modal pending award		108,184		25,000	5,000	88,530				226,714
202507 State Transit Assistance - CCG's Priority Projects, P.U.S. 8011 and 8014 - Program - Carryover - STBG Local Assistance							1,000,388			1,000,388
202507 State Funds - CCG - 100% Services - Multi-Regional Transit - 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
<b>2024/25 LTF Unrecovered Balance - LTF Revenues</b>	<b>0</b>									<b>0</b>
LTF Reserve Balance as of 10/01/2023 - Imbalance	816,108									816,108
202508 LTF Unrecovered Balance - Imbalance/Reserve 2020/21	132,316									132,316
202503 LTF Unrecovered Balance - Imbalance	180,226									180,226
Subtotal LTF Reserve Available Balance	1,128,650		171,432							1,300,082
Local LTF Revenue/Transit - 2025/27 LTF activities - 10% option	698,000									698,000
Report LTF Revenue/Transit Available for Allocation in FY 2026/27	117,398									117,398
<b>TOTAL REVENUES</b>	<b>5,133,982</b>	<b>876,829</b>	<b>386,576</b>	<b>164,000</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	613,316					5,500	95,489		710,301	1,429,611
2% Bicycle & Pedestrian - 2026/27 LTF Estimate New Admin - 202	72,913			120,000	404,500			188,800		722,213
202507 Planning Overall Work Program (OWP) - Carryover from Previous FY	18,471									18,471
<b>Total Administration, Bicyc &amp; Ped, and Planning</b>	<b>294,700</b>			<b>120,000</b>	<b>404,500</b>	<b>5,500</b>	<b>95,489</b>	<b>188,800</b>		<b>1,329,989</b>
LTA - Non-Transit Funding - 2025/26 - 100% - 2025/26/27 - 100%	1,100,000									1,100,000
<b>BALANCE AVAILABLE FOR TRANSIT</b>	<b>3,569,429</b>	<b>876,829</b>	<b>308,076</b>	<b>0</b>	<b>0</b>	<b>8,920,413</b>	<b>0</b>	<b>732,120</b>	<b>0</b>	<b>11,542,867</b>
202507 Mendocino Transit Authority Claims - Jan. 2021	0									0
MTA Operations	2,302,762	876,829								3,179,591
Local Transit Reserves	0									0
Senior Centers Operations	841,777									841,777
Capital Programs, MTA & Stations Current Year	0									0
Capital Programs, MTA & Stations Future Year	0									0
<b>Total LTF Allocations</b>	<b>3,144,539</b>	<b>876,829</b>	<b>386,576</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>732,120</b>	<b>0</b>	<b>4,763,064</b>
Other Allocations - 100% to County & State Projects/Programs	23,261									23,261
Other Allocations - 100% to County & State Projects/Programs	471,148									471,148
Other Allocations - 100% to County & State Projects/Programs	23,261									23,261
Other Allocations - 100% to County & State Projects/Programs	471,148									471,148
<b>TOTAL ALLOCATIONS</b>	<b>3,712,356</b>	<b>876,829</b>	<b>386,576</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>732,120</b>	<b>0</b>	<b>5,371,881</b>
Balance Remaining for LTF Allocation	0									0

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# Budget Summary - Detail Format

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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	\$ 711,000	14.3%	Transportation Development Act (TDA) Funds
Auditor's Anticipated Unrecovered Balance - Current Year	\$ (4,961,000)	\$ (4,250,000)	\$ 711,000	14.3%	FY 2025/26 estimate REVERSED by County Auditor 4/28/2025
<b>Total Local Transportation Fund (LTF) Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	Anticipated balance not provided by County Auditor
202503 Highway LTF Due to MCOG from MTA - Imbalance 2020/21, 2021/22	\$ 876,829	\$ 0	\$ (876,829)	-100.0%	Revenues were recognized through LTF Revenues
202507 State Transit Assistance - CCG's Priority Projects, P.U.S. 8011 and 8014	\$ 1,055,533	\$ 0	\$ (1,055,533)	-100.0%	Rebalanced 2024/25 - 12 months of payments completed in 2025/26
MTA and CCG - Fund Balance Available for Allocation - 2025/26 carryover	\$ 137,143	\$ 0	\$ (137,143)	-100.0%	Portion of LTF Admin. fund balance for allocation in FY 2025/26
MCOG Capital Reserve Fund - Reserve Available for Transit	\$ 732,120	\$ 0	\$ (732,120)	-100.0%	2025 amended August 2025, 2027 Estimated Carryover
202507 LTF Planning - Programming & Monitoring (PPM)	\$ 120,000	\$ 0	\$ (120,000)	-100.0%	OWP carryover revenue is offset by equivalent allocation
202507 LTF Planning - Transit	\$ 404,500	\$ 0	\$ (404,500)	-100.0%	
202508 MTA Planning - Transit	\$ 361,600	\$ 0	\$ (361,600)	-100.0%	
202508 Federal Caltrans DR 30 Value Multi-modal pending award	\$ 226,714	\$ 0	\$ (226,714)	-100.0%	Not audited year, actual LTF revenue exceeds offset per Auditor's Estimate
202507 State Transit Assistance - CCG's Priority Projects, P.U.S. 8011 and 8014 - Program - Carryover - STBG Local Assistance	\$ 1,000,388	\$ 0	\$ (1,000,388)	-100.0%	Revenue used to cover transit allocation shortfall and claims per policy
202507 State Funds - CCG - 100% Services - Multi-Regional Transit - Imbalance LTF and CCGP	\$ 216,203	\$ 0	\$ (216,203)	-100.0%	
SB 125 Formula Based Transit & Mobility Fund Capital Program	\$ 471,148	\$ 0	\$ (471,148)	-100.0%	
202507 Northern State Energy Network from TSDG - Transportation Funds	\$ 5,813,413	\$ 0	\$ (5,813,413)	-100.0%	
202507 Northern State Energy Network from TSDG - Transportation Funds	\$ 780,001	\$ 0	\$ (780,001)	-100.0%	
<b>2024/25 LTF Unrecovered Balance - LTF Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	
LTF Reserve Balance as of 10/01/2023 - Imbalance	\$ 816,108	\$ 0	\$ (816,108)	-100.0%	Calculations include LTF funds to replenish Reserve per MTA requirements
202508 LTF Unrecovered Balance - Imbalance/Reserve 2020/21	\$ 132,316	\$ 0	\$ (132,316)	-100.0%	
202503 LTF Unrecovered Balance - Imbalance	\$ 180,226	\$ 0	\$ (180,226)	-100.0%	Available for allocation
Subtotal LTF Reserve Available Balance	\$ 1,128,650	\$ 0	\$ (1,128,650)	-100.0%	
Local LTF Revenue/Transit - 2025/26 - 100% - 2025/26/27 - 100%	\$ 698,000	\$ 0	\$ (698,000)	-100.0%	Rebalanced 2025/26 estimate, 2025/27 preliminary estimate
Report LTF Revenue/Transit Available for Allocation in FY 2026/27	\$ 117,398	\$ 0	\$ (117,398)	-100.0%	2025/26 calls 8 mos. of MTA requirements deposited in CCGP in 2025
<b>TOTAL REVENUES</b>	<b>5,133,982</b>	<b>876,829</b>	<b>4,257,153</b>	<b>82.9%</b>	Rebalanced 2026/27 - 12 months of payments completed in 2025/26
<b>ALLOCATIONS</b>	<b>639,800</b>	<b>0</b>	<b>639,800</b>	<b>100.0%</b>	
202507 MCOG Administration and REIT Services	\$ 613,316	\$ 0	\$ 613,316	100.0%	
2% Bicycle & Pedestrian - 2026/27 LTF Estimate New Admin - 202	\$ 72,913	\$ 0	\$ 72,913	100.0%	
202507 Planning Overall Work Program (OWP) - Carryover from Previous FY	\$ 18,471	\$ 0	\$ 18,471	100.0%	
<b>Total Administration, Bicyc &amp; Ped, and Planning</b>	<b>294,700</b>	<b>0</b>	<b>294,700</b>	<b>100.0%</b>	
LTA - Non-Transit Funding - 2025/26 - 100% - 2025/26/27 - 100%	\$ 1,100,000	\$ 0	\$ 1,100,000	100.0%	
<b>BALANCE AVAILABLE FOR TRANSIT</b>	<b>3,569,429</b>	<b>876,829</b>	<b>2,692,600</b>	<b>75.4%</b>	
202507 Mendocino Transit Authority Claims - Jan. 2021	\$ 0	\$ 0	\$ 0	0%	
MTA Operations	\$ 2,302,762	\$ 876,829	\$ 1,425,933	62.3%	
Local Transit Reserves	\$ 0	\$ 0	\$ 0	0%	
Senior Centers Operations	\$ 841,777	\$ 0	\$ 841,777	100.0%	
Capital Programs, MTA & Stations Current Year	\$ 0	\$ 0	\$ 0	0%	
Capital Programs, MTA & Stations Future Year	\$ 0	\$ 0	\$ 0	0%	
<b>Total LTF Allocations</b>	<b>3,144,539</b>	<b>876,829</b>	<b>2,267,710</b>	<b>63.8%</b>	
Other Allocations - 100% to County & State Projects/Programs	\$ 23,261	\$ 0	\$ 23,261	100.0%	
Other Allocations - 100% to County & State Projects/Programs	\$ 471,148	\$ 0	\$ 471,148	100.0%	
Other Allocations - 100% to County & State Projects/Programs	\$ 23,261	\$ 0	\$ 23,261	100.0%	
Other Allocations - 100% to County & State Projects/Programs	\$ 471,148	\$ 0	\$ 471,148	100.0%	
<b>TOTAL ALLOCATIONS</b>	<b>3,712,356</b>	<b>876,829</b>	<b>2,835,527</b>	<b>75.9%</b>	
Balance Remaining for LTF Allocation	\$ 0	\$ 0	\$ 0	0%	

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## Funding Sources – More Info

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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 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 \$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 508, 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.

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## Highlights of This Year's Budget

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**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**

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## Highlights of This Year's Budget

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### 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**

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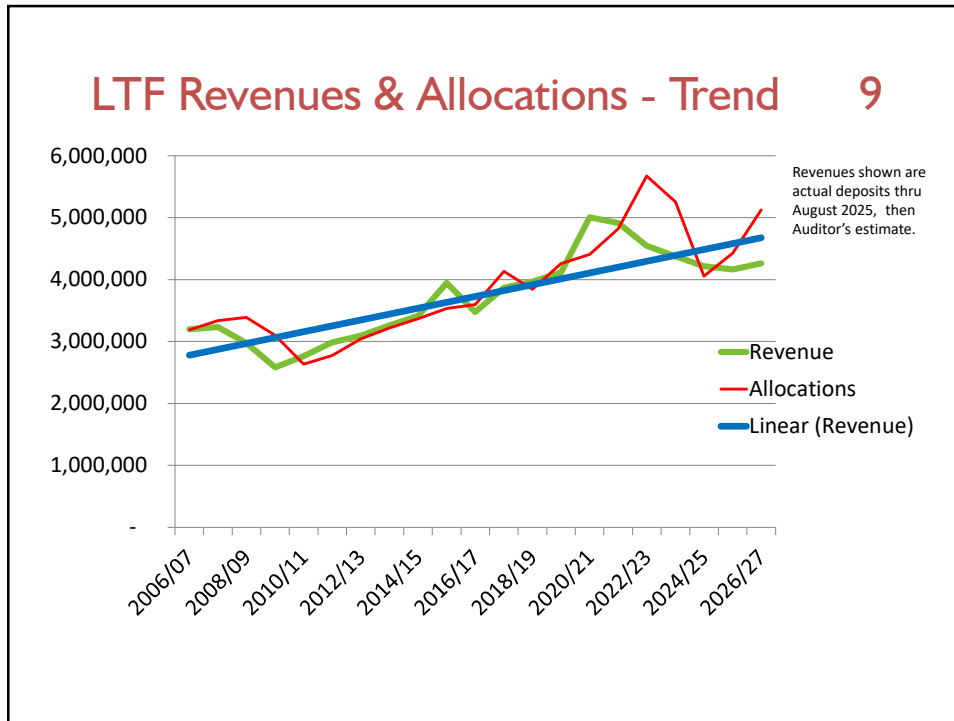
## LTF Revenues FYTD 2025/26

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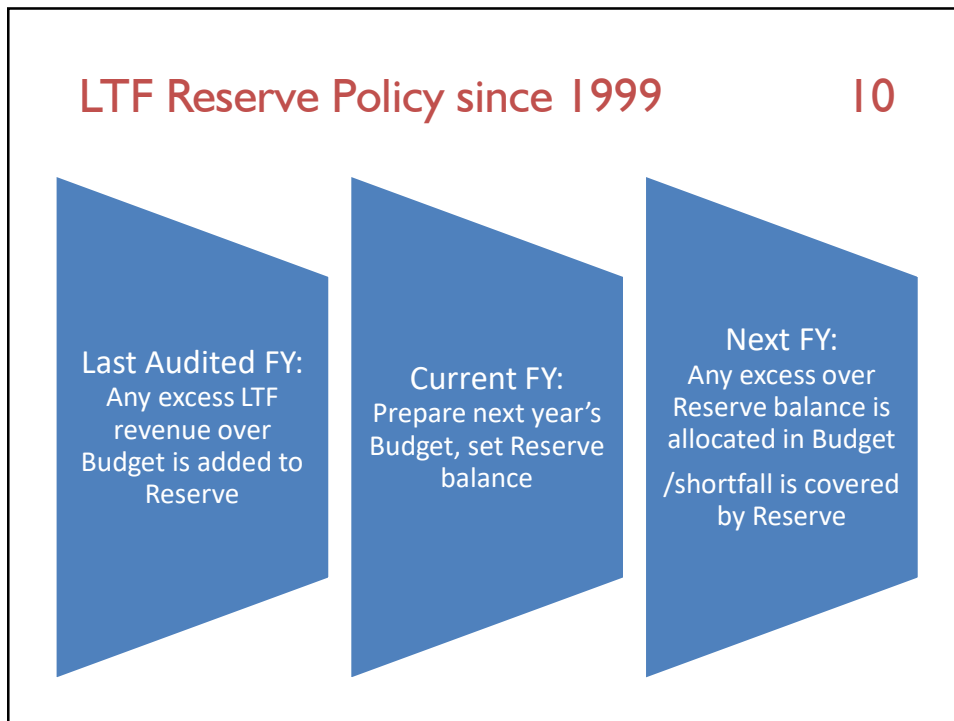
LTF budget compared to actual receipts July through February - 8 months, accrual basis:

	<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

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MV2

## LTF Revenues – Process

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### 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>

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## LTF Allocation Priorities

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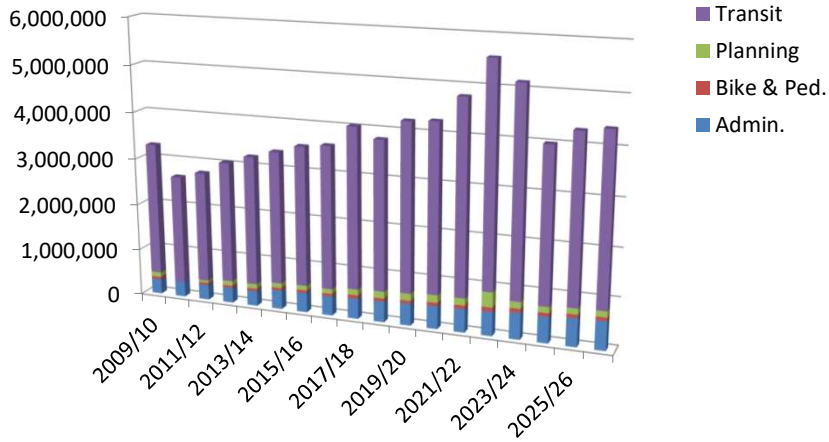
### Consistent with TDA:

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

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## LTF Allocations - Trend

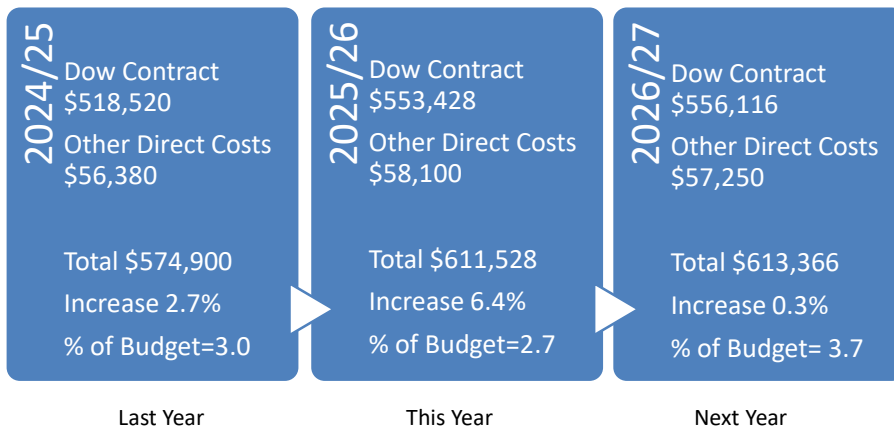
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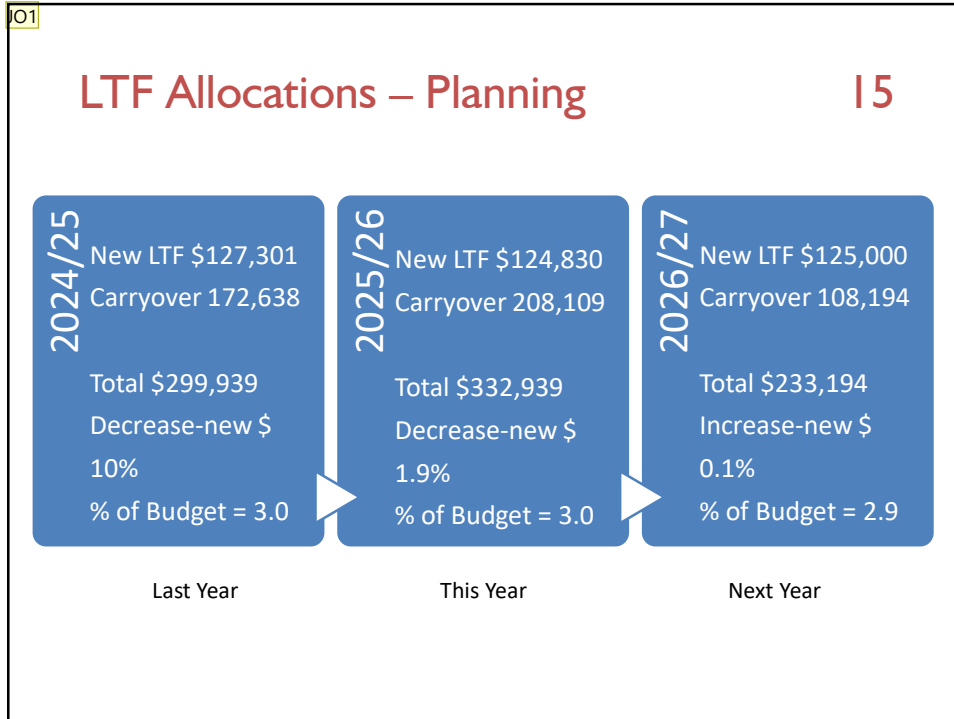
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## LTF Allocations – Admin.

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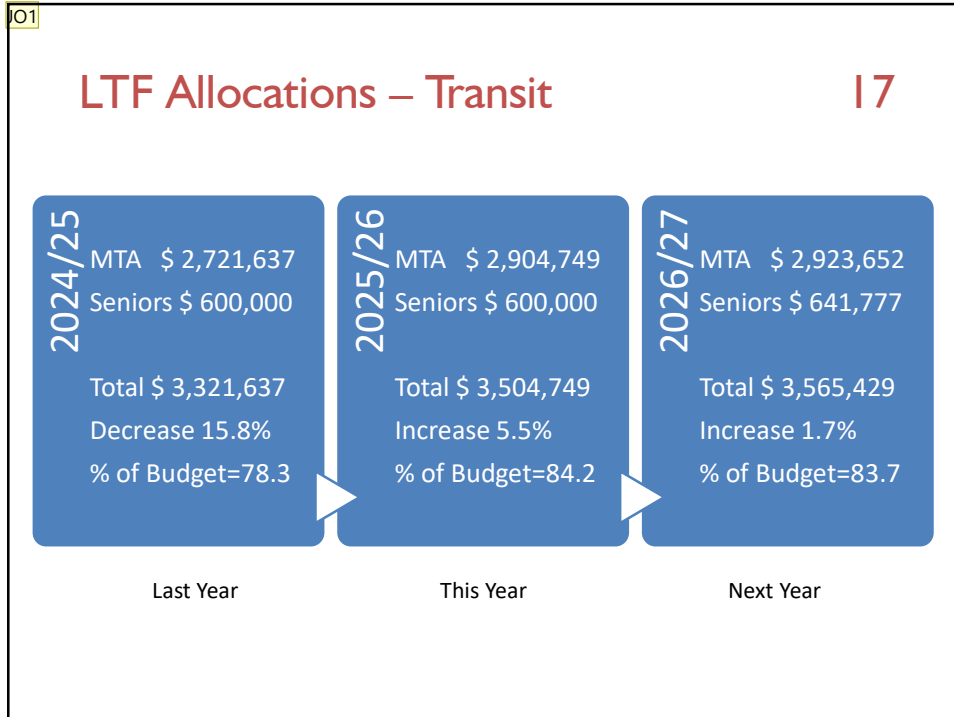
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## All Allocations – Planning 16

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>

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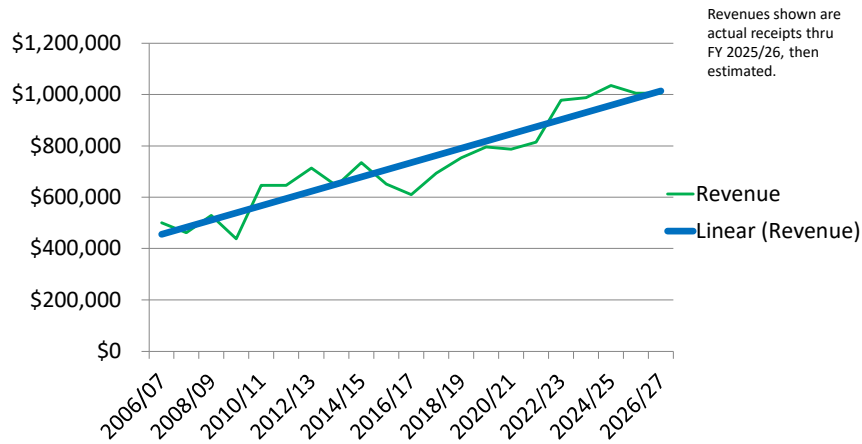
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- ## State Funding from SB I 18
- **Planning Grants**
    - Sustainable Communities (competitive)
  - **Active Transportation Program (ATP)**
    - Covelo SR 162 Corridor Multi-Purpose Trail
    - Successfully applied for Gualala Downtown Streetscape
    - 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

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## STBG Revenues – Trend

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## STBG Allocation Priorities

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

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

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

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

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## State Funding from SB 125

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### 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

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## Northern Rural Energy Network

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- **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**

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## 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

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## 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

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Questions?

Thank You!

**Presentation by:**

Michael Villa, Deputy Director/Fiscal Manager

Mendocino Council of Governments

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**Credits:**

Cover photo by Janet Orth

