



**Board of Directors
Regular Meeting Agenda**

April 26, 2023

1:30 p.m.

**Lunch: Patrona - Ukiah 11:30 a.m.
Wharf - Fort Bragg 11:30 a.m.**

MTA Board of Directors

Saprina Rodriguez, Chair
Jim Tarbell, Vice Chair
Bruce Richard
Tess Albin-Smith
Dan Doyle
Dan Gjerde
Susan Sher

Fort Bragg

Diana Stuart Fort Bragg Division
190 East Spruce
Conference Room

Teleconference with:

Ukiah

Ukiah Valley Conference Center
Zinfandel Room
200 South School Street

The Chair will call for public comments during the Public Comment section of the agenda as well as during each agenda item discussion. Members of the public may also submit questions via email to sara@mendocinotransit.org and these comments will be read aloud during the public comment section of the meeting and be made part of the official record of the meeting. Comments must be submitted prior to the close of the comment period.

Please visit <https://mendocinotransit.org/board-meetings/> to view available agenda background documents.

AGENDA ITEMS

A. CALL TO ORDER

B. PUBLIC COMMENT

MTA Board of Directors welcomes participation in its meetings. Comments shall be limited to three (3) minutes per person so that everyone may be given an opportunity to be heard. To expedite matters and avoid repetition, whenever any group of persons wishes to address the MTA Board of Directors on the same subject matter, the Chair may request that a spokesperson be chosen by the group. This item is limited to matters under the jurisdiction of the Mendocino Transit Authority which are not on the posted agenda. Public criticism of the MTA Board will not be prohibited. No action shall be taken.

C. CONSENT CALENDAR

1. Approval of Minutes of March 29, 2023 Regular Board Meeting
2. Acceptance of Service Performance Report
3. Acceptance of Preliminary Unaudited Financial Statements July – February 2023
4. Approval of CTAA and OTA Expo for the Executive Director
5. Approval of special event for Bureau of Land Management's event Celebrate the Coast

D. ACTION & DISCUSSION

1. Unmet Needs
2. Discussion and Possible Approval of Draft Operations Budget for Fiscal Year 2023-2024
3. Informational Audit Management Letter

E. DIRECTOR AND MANAGEMENT REPORTS

1. Matters from Management
2. Matters From MCOG
3. Matters from Directors

F. CLOSED SESSION

Closed session pursuant to Government Code 54957: Public Employee Performance Evaluation and Compensation– Executive Director

Report out of Closed Session

Anticipated adjournment is 3:30 p.m.

Americans with Disabilities Act (ADA) Compliance

Mendocino Transit Authority complies with AMERICANS WITH DISABILITIES ACT (ADA). Upon request, MTA will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternate formats pursuant to Government Code Section 54953.2 and Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). Anyone requiring reasonable accommodation in order to participate in the meeting should contact Sara Marquez at Mendocino Transit Authority by calling (707) 234-6456 or by email at sara@mendocinotransit.org at least 72 hours prior to the meeting.



**Board of Directors
Regular Meeting Minutes**

Wednesday, March 29, 2023

1:30 p.m.

MTA Directors in Attendance

Jim Tarbell, Vice Chair
Tess Albin-Smith
Bruce Richard
Dan Doyle
Dan Gjerde
Susan Sher

MTA Directors Absent

Saprina Rodriguez, Chair

Staff in Attendance

Jacob King, Executive Director
Mark Harvey, CFO
Dawn White, Mobility Manager
Bret Byrd, Maintenance Manager
Luis Martinez, Operations Manager
Sara Marquez, Assistant Clerk of the Board

Staff Absent

Becky Oseguera HR Director

Pursuant to Governor Newsom's Executive Orders N-29-20 revised on June 11, 2021, and Executive Order N-08-21 revised on June 11, 2021, and pursuant to AB 361, members of the MTA Board of Directors will participate in this meeting via teleconference or videoconference.

AGENDA ITEMS

A. CALL TO ORDER Vice Chair Tarbell called the meeting to order at 1:35 pm

B. PUBLIC COMMENT

Representative Ashley from the Bureau of Land management is requesting support for their upcoming event on May 6, 2023 to “Celebrate the Coast”, In the past MTA had shuttle service running every 40 minutes from 9:30am -4pm.and they would like to request the same help for this year.

C. CONSENT CALENDAR

1. Approval of Minutes of January 25, 2023 Regular Board Meeting
2. Acceptance of Service Performance Report
3. Acceptance of Preliminary Unaudited Financial Statements July – January 2023

Upon Motion by Director **Gjerde** seconded by Director **Albin- Smith** the Board accepted the Consent Calendar items C.1 through C.3 by roll call vote. **AYES:** Tarbell, Richard, Albin-Smith, Doyle and Gjerde, **NOES:**0 **ABSTAIN:** Sher **ABSENT:** Chairwoman Rodriguez

D. ACTION & DISCUSSION

1. Unmet Needs- none
2. Presentation of Draft 2021-2022 Audit by CPA Recommendation for Approval of Preliminary Fiscal Year 2021-2022

Upon Motion by Director **Gjerde** seconded by Director **Albin- Smith** the Board approved **Draft audit** by roll call vote. **AYES:** Tarbell, Richard, Albin-Smith, Doyle and Gjerde, **NOES:**0 **ABSTAIN:** Sher **ABSENT:** Chairwoman Rodriguez. Director Richard requested to agenized management report for next board meeting.

3. Report on Grants and Projects informational only

As directed by the MTA Board of Directors January 2023 board meeting, executive director presented a summary of the Grants and current Projects list, and one of the major focus areas is zero emission buses and contactless payments.

4. Discussion and Possible Adoption approving Caltrans 5311f resolution 2023-01.
This item was pull out from the agenda.
5. Discussion and Possible Adoption approving Caltrans LCTOP resolution 2023-02

Upon Motion by Director **Gjerde** seconded by Director **Albin- Smith** the Board adopted the Caltrans LCTOP resolution 2023-02 by roll call vote. **AYES:** Tarbell, Richard, Albin-Smith, Doyle Gjerde, and Sher **NOES:**0 **ABSTAIN:** **ABSENT:** Chairwoman Rodriguez.

6. Discussion and Possible Adoption of Resolution 2023-03 Approving for Retired Annuitant

Bob Butler who recently retired had been asked by Executive Director King and current Maintenance Manager Byrd if he can come back as a retired annuitant to help them with some projects due to his expertise of the special projects. There are a lot of restrictions for a Retired Annuitant and Mr. Butler has agreed to come back with those restrictions. Butler will be working 8-10 hrs. a week for this year and the upcoming fiscal year.

Upon Motion by Director **Albin-Smith** seconded by Director **Richard** the Board adopted Resolution 2023-03 Approving for Retired Annuitant by roll call vote. **AYES:** Tarbell, Richard, Albin-Smith, Doyle Gjerde, and Sher **NOES:**0 **ABSTAIN:** **ABSENT:** Chairwoman Rodriguez.

7. Discussion and Possible Approval, Cal-Act Spring Conference Approval for the Executive Director

Upon Motion by Director **Gjerde** seconded by Director **Tarbell** the Board approved Cal-Act Spring Conference for Executive Director by roll call vote. **AYES:** Tarbell, Richard, Albin-Smith, Doyle Gjerde, and Sher **NOES:**0 **ABSTAIN:** **ABSENT:** Chairwoman Rodriguez.

E. DIRECTOR AND MANAGEMENT REPORTS

1. Matters from Management

Bret Byrd, Maintenance Manager reported that they are very busy in the shop, working on older vehicles, changing motors to extend their use while waiting to replace with electric vehicles.

Mark Harvey, MTA CFO, reported that will be working with Executive Director King to finalize the budget.

Luis Martinez, Operations Manager reported last week route #60 has fully restore the 4 trips. Also for the past 3 weeks MTA started a pilot program for the contactless payment technology with all fixed routes and Dial-A-Ride and he won't know how it is performing until further down the road.

Dawn White, Mobility Manager, reported that the next event is to participate in networking with the community at the Earth Day event in Ukiah, which is on the 22 of April, 2023.

Jacob King, Executive Director reported that he is working on the ITP plan, on the audit with CFO Mark Harvey, budget, and unmet needs for the Transit Productivity Committee who meets next month. King also said an expense report for the grant spending will be available for the May 2023 board meeting.

1. Matters From MCOG

James Sookne from MCOG, MCOG continues with mobility solutions for rural communities, for the inland part of the county and there will be a draft presentation at the MCOG Board meeting to go over some potential solutions and recommendations, which MTA's Board is welcome to join and it will not be a violation of The Brown Act. MCOG is also doing a feasibility study to try to figure out the best location for the new MTA Transit Center here in town, MCOG is doing a survey to get feedback on various locations.

He also mentioned that MCOG will be participating in various pop-up events one of them is coming up on Earth Day.

2. Matters from Directors

Susan Sher, thanked staff for answering her question, and that relates to a bus route that goes on Clara Avenue in downtown Ukiah. Director Sher reported getting a little bit tired of the buses going up and down the street spilling emission and dust, so she was very happy to find out there will be electric buses replacing fuel buses.

Director Albin- Smith, reported that there will be an event in Fort Bragg to celebrate Earth Day April 22, 2023, and there will be a fair. She thought it would be a great idea to have an electric bus there if we had availability.

Director Richard, asked what has happened with the short-range plan because it wasn't discussed at the meeting. Executive Director King responded to Director Richard that they had the kick off meeting last week and will have a report in the next month, A stakeholder meeting will be planned sometime in the next month.

Vice Chair, Tarbel, had a question regarding in person meetings, Executive Director King responded that, that's not going to be in effect until the end of this fiscal year and it will be brought to the board in June for more discussion about the changes for in person meetings for Ukiah, NC and SC. , he also mentioned about lunches in Ukiah or on the coast he wanted to know if that was going to happen again like in the previous years before the pandemic, Executive Director King mentioned that there's funds in the budget for that, so directors can meet in Ukiah or SC for lunch before the meeting. That way it is consistent until June.

F. CLOSED SESSION

Closed session pursuant to Government Code 54957: Public Employee Performance Evaluation – Executive Director

G. ANNOUNCEMENT OUT OF CLOSED SESSION

Vice Chair Tarbell announced no action was taken in closed session. the board requests that in the next meeting there is to be an agenda Item dealing with Executive director's Evaluation and Compensation and that it will be a closed session item. The meeting adjourned at 3:15 p.m.

Americans with Disabilities Act (ADA) Compliance

Mendocino Transit Authority complies with AMERICANS WITH DISABILITIES ACT (ADA). Upon request, MTA will attempt to reasonably accommodate individuals with disabilities by making meeting material available in appropriate alternate formats pursuant to Government Code Section 54953.2 and Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). Anyone requiring reasonable accommodation to participate in the meeting should contact Sara Marquez at Mendocino Transit Authority by calling (707) 234-6456 or by email at sara@mendocinotransit.org at least 72 hours prior to the meeting.

Meeting Date: April 26, 2023

Agenda Item: C.2



FY 22-23 RIDERSHIP PERFORMANCE BY ROUTE

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	2022-23 YTD	2021-2022 YTD	# Change	% Change
01 - Willits Local	467	539	503	509	707	684	432	416	395	0	0	0	4652	4404	248	6%
03 - Ukiah - DAR	1027	1148	1120	1166	1037	1035	1138	1065	1178	0	0	0	9914	8171	1,743	21%
04 - Fort Bragg - DAR	564	717	627	671	662	716	800	734	953	0	0	0	6444	5101	1,343	26%
05 - BraggAbout	445	429	493	419	722	805	620	560	806	0	0	0	5299	3832	1,467	38%
07 - Jitney	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
08 - Ukiah Evening-Not Operating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
09 - Ukiah Local	3555	4960	5051	5261	5541	5576	4316	4611	4877	0	0	0	43748	27973	15,775	56%
20 - Willits - Ukiah	1012	1552	1627	1724	1582	1572	1396	1525	1833	0	0	0	13823	11136	2,687	24%
60 - Coaster	250	322	437	467	698	742	573	648	583	0	0	0	4720	2428	2,292	94%
64 - Ukiah to Fort Bragg-Not Operating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
65 - CC Rider	628	679	642	748	934	933	636	620	693	0	0	0	6513	3997	2,516	0%
65A - New Route 65-Not Operating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
74 - Saturday Gualala-Ukiah	52	68	38	38	31	16	13	40	33	0	0	0	329	352	(23)	-7%
75 - M-F Gualala to Ukiah	346	602	656	660	420	410	283	425	545	0	0	0	4347	3486	861	25%
95 - Pt. Arena to Santa Rosa	366	371	320	363	294	360	208	229	289	0	0	0	2800	1690	1,110	66%
97 - Redwood Coast Regional	178	262	202	194	154	156	213	222	253	0	0	0	1834	1325	509	0%
Monthly Totals	8890	11649	11716	12220	12782	13005	10628	11095	12438	0	0	0	104423	73895	30,528	41%



FY 21-22 RIDERSHIP PERFORMANCE BY ROUTE

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	2021-22 YTD	2020-21 YTD	# Change	% Change
01 - Willits Local	587	593	481	497	456	431	400	452	507	446	460	550	5860	396	5,464	1380%
03 - Ukiah - DAR	1068	971	976	961	890	1013	663	647	982	1138	1019	1016	11344	950	10,394	1094%
04 - Fort Bragg - DAR	580	572	574	574	548	593	502	564	594	542	571	545	6759	677	6,082	898%
05 - BraggAbout	498	484	461	390	409	378	308	391	513	399	486	436	5153	419	4,734	1130%
07 - Jitney	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
08 - Ukiah Evening-Not Operating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
09 - Ukiah Local	3096	3006	3191	3286	3087	2861	2880	2920	3646	3515	3766	3971	39225	2523	36,702	1455%
20 - Willits - Ukiah	966	1085	1336	1382	1189	1089	1149	1350	1590	1292	1330	1172	14930	798	14,132	1771%
60 - Coaster	235	251	293	295	266	256	248	234	350	342	358	282	3410	262	3,148	1202%
64 - Ukiah to Fort Bragg-Not Operating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
65 - Fort Bragg to Santa Rosa	557	470	466	406	405	434	406	380	473	503	491	562	5553	0	5,553	0%
65A - New Route 65-Not Operating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
74 - Saturday Gualala-Ukiah	77	43	35	52	33	28	25	31	28	54	57	35	498	72	426	592%
75 - M-F Gualala to Ukiah	259	411	522	448	374	406	328	291	447	471	423	427	4807	309	4,498	1456%
95 - Pt. Arena to Santa Rosa	200	183	192	179	204	192	172	191	177	211	260	292	2453	148	2,305	1557%
97 - Redwood Coast Regional	86	113	204	180	180	183	74	104	201	201	181	143	1850	0	1,850	0%
Monthly Totals	8209	8182	8731	8650	8041	7864	7155	7555	9508	9114	9402	9431	101842	6554	95,288	1454%



FY 22-23 AVERAGE DAILY RIDERS BY ROUTE-Weekday

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
01 - Willits Local	22.24	23.43	22.86	24.24	32.14	31.09	19.64	20.80	17.17	0.00	0.00	0.00
05 - BraggAbout	21.19	18.65	22.41	19.95	32.82	36.59	28.18	28.00	35.04	0.00	0.00	0.00
07 - Jitney	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
09 - Ukiah Local	152.81	200.00	214.50	228.71	226.86	233.36	184.27	212.55	201.78	0.00	0.00	0.00
20 - Willits - Ukiah	48.19	67.48	73.95	82.10	71.91	71.45	63.45	76.25	79.70	0.00	0.00	0.00
60 - Coaster	11.90	14.00	19.86	22.24	31.73	33.73	26.05	32.40	25.35	0.00	0.00	0.00
65 - Fort Bragg to Santa Rosa	25.76	26.00	29.18	35.62	37.59	35.91	25.36	26.10	26.35	0.00	0.00	0.00
75 - M-F Gualala to Ukiah	16.38	26.17	29.82	31.43	19.09	18.64	12.86	21.25	23.70	0.00	0.00	0.00
95 - Pt. Arena to Santa Rosa	13.29	10.83	10.95	12.14	10.82	13.18	7.64	9.10	10.78	0.00	0.00	0.00
Monthly Totals	311.76	386.57	423.55	456.43	462.95	473.95	367.45	426.45	419.87	0.00	0.00	0.00

FY 22-23 AVERAGE DAILY RIDERS BY ROUTE-Saturdays



	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
09 - Ukiah Local	69.00	90.00	83.00	91.60	137.50	88.40	65.50	90.00	59.00	0.00	0.00	0.00
65 - Fort Bragg to Santa Rosa	16.60	20.25	23.50	25.00	26.75	28.60	19.50	24.50	21.75	0.00	0.00	0.00
74 - Saturday Gualala-Ukiah	10.40	17.00	9.50	7.60	7.75	3.20	3.25	10.00	8.25	0.00	0.00	0.00
95 - Pt. Arena to Santa Rosa	9.60	22.50	11.50	0.00	9.00	7.80	5.25	5.75	5.50	0.00	0.00	0.00
Monthly Totals	105.60	149.75	127.50	124.20	181.00	128.00	93.50	130.25	94.50	0.00	0.00	0.00



FY 22-23 AVERAGE DAILY RIDERS BY ROUTE-Sundays

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
95 - Pt. Arena to Santa Rosa	7.80	8.00	8.25	9.60	5.00	7.75	3.80	6.00	4.75	0.00	0.00	0.00
Monthly Totals	7.80	8.00	8.25	9.60	5.00	7.75	3.80	6.00	4.75	0.00	0.00	0.00

Meeting Date: April 26, 2023

Agenda Item: C.2

Ridership Pandemic Comparison Report

QUARTERLY REPORT

ROUTE	PRE PANDEMIC				MID PANDEMIC					CURRENT				
	FY 18-19				FY 20-21					FY 22-23				
	JAN	FEB	MAR	TOTAL PAX	JAN	FEB	MAR	TOTAL PAX	As % of Pre Pandemic	JAN	FEB	MAR	TOTAL PAX	As % of Pre Pandemic
01 - Willits Local	940	814	887	2,641	262	281	382	925	35%	432	416	395	1,243	47%
03 - Ukiah - DAR	1,404	1,280	1,462	4,146	633	698	907	2,238	54%	1,138	1,065	1,178	3,381	82%
04 - Fort Bragg - DAR	1,209	1,138	1,385	3,732	483	433	648	1,564	42%	800	734	953	2,487	67%
05 - BraggAbout	1,309	1,493	1,429	4,231	414	391	452	1,257	30%	620	560	806	1,986	47%
09 - Ukiah Local	9,533	8,875	9,023	27,431	1,902	2,101	2,482	6,485	24%	4,316	4,611	4,877	13,804	50%
20 - Willits - Ukiah	2,696	2,589	2,799	8,084	490	530	766	1,786	22%	1,396	1,525	1,833	4,754	59%
60 - Coaster	974	836	934	2,744	224	194	213	631	23%	573	648	583	1,804	66%
64 - Ukiah to Fort Bragg	309	329	406	1,044	-	-	-	-	0%	-	-	-	-	0%
65 - CC Rider	806	783	932	2,521	216	217	273	706	28%	636	620	693	1,949	77%
74 - Saturday Gualala-Ukiah	46	91	97	234	30	23	31	84	36%	13	40	33	86	37%
75 - M-F Gualala to Ukiah	634	449	464	1,547	139	198	213	550	36%	283	425	545	1,253	81%
95 - Pt. Arena to Santa Rosa	358	303	374	1,035	74	97	119	290	28%	208	229	289	726	70%
97 - Redwood Coast Regional	262	213	252	727	-	-	-	-	0%	213	222	253	688	95%
Quarterly Total	20,480	19,193	20,444	60,117	4,867	5,163	6,486	16,516	27%	10,628	11,095	12,438	34,161	57%

Ridership Pandemic Comparison Report

MONTHLY REPORT

ROUTE	PRE PANDEMIC FY	MID PANDEMIC FY		CURRENT FY	
	18-19	20-21	As % of Pre Pandemic	22-23	As % of Pre Pandemic
	MAR	MAR		MAR	
01 - Willits Local	887	382	43.07%	395	44.53%
03 - Ukiah - DAR	1462	907	62.04%	1178	80.57%
04 - Fort Bragg - DAR	1385	648	46.79%	953	68.81%
05 - BraggAbout	1429	452	31.63%	806	56.40%
09 - Ukiah Local	9023	2482	27.51%	4877	54.05%
20 - Willits - Ukiah	2799	766	27.37%	1833	65.49%
60 - Coaster	934	213	22.81%	583	62.42%
64 - Ukiah to Fort Bragg	406	0	0.00%	0	0.00%
65 - CC Rider	932	273	29.29%	693	74.36%
74 - Saturday Gualala-Ukiah	97	31	31.96%	33	34.02%
75 - M-F Gualala to Ukiah	464	213	45.91%	545	117.46%
95 - Pt. Arena to Santa Rosa	374	119	31.82%	289	77.27%
97 - Redwood Coast Regional	252	0	0.00%	253	100.40%
Quarterly Total	20444	6486	31.73%	12438	60.84%



Meeting Date: April 26th, 2023

Agenda Item: # C.3

AGENDA SUMMARY REPORT

SUBJECT:

Preliminary Unaudited Financial Statements July 2022 – February 2023

SUMMARY:

Preliminary Unaudited Financial Reports for the Months of July 2022 through February 2023 from MTA's QuickBooks accounting system including the Statement of Net Position and Statement of Revenues and Expenses.

Revenue of \$4,448,511 is 64.2% of budgeted revenue of \$6,926,236 for the year, with 66.7% of year elapsed.

Expenses of \$4,122,971 are 60.1% of budgeted expenses of \$6,862,743 for the year, with 66.7% of year elapsed.

STAFF RECOMMENDATION:

Accept Unaudited Financial Statements for July 2022 through February 2023.

ATTACHMENTS:

Statement of Net Position as of February 28th, 2023
Statement of Revenues and Expenses July 2022 – February 2023

Mendocino Transit Authority
Statement of Net Position
As of February 28th, 2023

ASSETS

Current Assets

Checking/Savings

101.900 - Cash

101.100 - Cash-Operating

Operating Cash	1,097,933
LCTOP Operating	166,628
Senior Operating	116,993
Payroll & Benefits Operating	344,262

Total 101.100 - Cash-Operating Total 1,725,816

101.200 - Cash-Capital

101.202 - Capital Wkg-MUNIS #4100	264,080
101.203 - Cap CALOES -MUNIS #4140	2,389
101.204 - Capital PTMISEA-MUNIS #4230	274,586
101.227 - Cap LCTOP-Umpqua #2776	64,722

Total 101.200 - Cash-Capital 605,778

Total 101.900 - Cash 2,331,594

Total 102.000 - Accounts Receivable 1,031,151

Other Current Assets

Total 102.300 - Grants Receivable 478,512

Total 102.100 - Accounts Receivable Other 29,996

Total 103.990 - Inventory 36,036

Total 104.199 - Prepaid Expenses Total 244,452

Total 104.200 - Undeposited Funds 5,931

Total Other Current Assets 794,927

Total Current Assets 4,157,669

Fixed Assets

Total 111.900 - Fixed Assets 21,365,118

Total 111.910 - Accumulated Depreciation -13,486,690

Total 115.900 - Construction in Progress 0

Total 121.900 - Intangible Total 15,000

Total 121.910 - Accum Amortization Total -15,000

Total Fixed Assets 7,878,428

Other Assets

Total 131.900 - Deferred Outflows of Resource 1,003,151

Total Other Assets 1,003,151

TOTAL ASSETS 13,039,248

Mendocino Transit Authority
Statement of Net Position
As of February 28th, 2023

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Total Accounts Payable 382,178

Total Credit Cards 17,297

Other Current Liabilities

Deferred Grant Revenue 651,929

205.700 · Uncashed Checks 9,422

205.900 · Accruals Total

205.200 · Accrued Payroll 91,532

205.500 · Accrued Vacation 149,859

205.600 · Accrued Sick Leave 87,427

Total 205.900 · Accruals Total 328,818

Total Other Current Liabilities 990,169

Total Current Liabilities 1,389,644

Long Term Liabilities

231.900 · Prov-Restricted Funds

231.100 · Provision for Liability 18,415

231.200 · Provision for Vehicle Damage 10,103

231.300 · Provision for Unemployment 143,386

231.400 · Provision for Cafeteria Plan 15,430

231.500 · Provision for Worker's Comp 0

Total 231.900 · Prov-Restricted Funds 187,334

235.300 · Deferred Inflows of Resource 1,245,310

235.910 · Pension Liabilities 1,083,964

Total Long Term Liabilities 2,516,608

Total Liabilities 3,906,252

Equity

Total 399.900 · Equity 9,505,599

Net Income -372,603

Total Equity 9,132,996

TOTAL LIABILITIES & EQUITY 13,039,248

Mendocino Transit Authority
Statement of Revenues, Expenses
July 2022 - February 2023

Ordinary Income/Expense	TOTAL		
	Jul '22 - Feb '23	Budget	% of Budget
Income			
411.000 - OPERATING REVENUE.			
401.110 Fixed Route Farebox Revenue	92,640	400,000	23.2%
401.111 Dial-A-Ride Farebox Revenue	54,834	60,000	91.4%
402.100 Redwood Coast Regional Center	35,963	65,000	55.3%
409.200 - Sonoma County Contract	120,000	181,000	66.3%
Total 411.000 - OPERATING REVENUE.	338,792	706,000	48.0%
420.000 - REVENUES FROM OTHER SOURCES			
406.100 - Advertising Contract	114,102	110,000	103.7%
407.100 - Maintenance Revenue	25,434	24,000	106.0%
407.400 - Investment(Interest) Income	4,773	7,500	0.0%
407.500 - Other - Fuel Rebates, Etc.	2,773	14,000	0.0%
409.100 - Local Transportation Fund (LTF)	2,618,724	3,428,087	76.4%
409.100 - Local Transportation Fund (LTF) Unmet Needs	0	300,000	0.0%
409.109 - LTF - Senior Centers - income	526,812	729,019	72.3%
510.100 - LTF - Senior Centers - expense	-439,663	-729,019	60.3%
407.115 - Senior Center Administration	0	26,500	0.0%
409.110 - State Transit Assistance (STA)	778,253	967,375	80.4%
422.000 - 5310 Operating Assistance	0	150,000	0.0%
413.101 - 5311 Operating Assistance	478,512	717,774	66.7%
413.110 - 5311(f) Operating Assistance	0	200,000	0.0%
413.113 - 5311 CARES Assistance	0	200,000	0.0%
413.113 - 5311(f) CARES Assistance	0	75,000	0.0%
Total 420.000 - REVENUES FROM OTHER SOURCES	4,109,719	6,220,236	66.1%
Total Income	4,448,511	6,926,236	64.2%
Expense			
Total 501.100 - WAGES	2,240,220	3,171,303	70.6%
Total 510.000 - BENEFITS	748,777	1,667,791	44.9%
520.000 - SERVICE/USER FEES			
521.000 - Vehicle Technical Services	2,821	12,500	22.6%
521.250 - Towing	950	1,200	79.2%
521.500 - Property Maintenance Services	75	3,500	2.1%
521.700 - Contract IT Services	17,658	40,000	44.1%
503.202 - Legal Counsel	6,989	30,000	23.3%
508.100 - Purch. Trans (Willits DAR)	0	2,400	0.0%
523.000 - Marketing	2,500	12,000	20.8%
509.300 - Advertising, Legal Notices	29,974	40,000	74.9%
524.000 - Software Maintenance Fees	22,138	60,000	36.9%
524.200 - Drug & Alcohol Services	6,580	8,000	82.2%
525.000 - Facility Security System	1,063	2,500	42.5%
525.500 - Accident / Incident Payables	25,056	25,000	100.2%
503.200 - Professional & Technical Svcs	81,377	250,000	32.6%
Total 520.000 - SERVICE/USER FEES	197,180	487,100	40.5%
530.000 - MATERIALS & SUPPLIES			
504.110 - Fuel	320,030	650,000	49.2%
504.120 - Tires	30,767	45,000	68.4%
504.115 - Lubrication	5,416	32,000	16.9%
532.500 - Tools	283	1,875	15.1%
504.100 - Vehicle Maint & Repair Parts	28,671	62,500	45.9%
504.200 - Expensed Parts	2,401	3,125	76.8%
504.610 - Shop Supplies	2,031	25,000	8.1%
504.620 - Facilities,Maint & Repair Parts	20,969	43,750	47.9%

Mendocino Transit Authority
Statement of Revenues, Expenses
July 2022 - February 2023

	TOTAL		
	Jul '22 - Feb '23	Budget	% of Budget
504.400 · Office Supplies	21,331	30,000	71.1%
509.200 · Printing (Schedules,brochures)	3,963	15,000	26.4%
536.700 · Computer Programs & Supplies	3,744	12,000	31.2%
537.000 · Safety & Emergency Supplies	338	7,000	4.8%
537.500 · Other Materials & Supplies	18,451	17,500	105.4%
Total 530.000 · MATERIALS & SUPPLIES	458,396	944,750	48.5%
540.000 · UTILITIES.			
541.000 · MTA Base -Water, Sewer & Waste	6,283	15,000	41.9%
541.250 · FB-Water,Sewer, Waste & Propane	3,194	8,000	39.9%
541.500 · Willits-Water, Sewer & Waste	593	3,000	19.8%
542.000 · PG&E-Ukiah, Fort Bragg,Willits	15,259	15,500	98.4%
543.000 · TPX- Ukiah Phones / Internet	25,765	45,000	57.3%
543.250 · Comcast-Fort Bragg Phones/Inter	1,043	1,500	69.5%
544.000 · Verizon-Admin / OPS Cellular	21,321	30,000	71.1%
Total 540.000 · UTILITIES.	73,458	118,000	62.3%
Total 560.000 · VEHICLE,CASUALTY & LIABILITY	325,340	365,000	89.1%
570.000 · TAXES			
571.000 · Taxes-State Bd of Equalization	109	600	18.2%
572.000 · Vehicle Licensing & Reg Fees	170	1,700	10.0%
Total 570.000 · TAXES	280	2,300	12.2%
580.000 · MISCELLANEOUS			
504.510 · Dues & Subscriptions	13,522	16,000	84.5%
502.700 · Travel	16,670	50,000	33.3%
582.250 · Board Expenses	284	3,500	8.1%
583.000 · Safety Program	41	1,000	4.1%
509.800 · Training	5,670	6,000	94.5%
584.500 · CDL & DOT Physical Expenses	5,520	6,000	92.0%
509.100 · Other Miscellaneous	33,038	15,000	220.3%
Total 580.000 · MISCELLANEOUS	74,745	97,500	76.7%
590.000 · LEASES & RENTALS			
591.000 · Leases & Rentals	4,575	9,000	50.8%
Total 590.000 · LEASES & RENTALS	4,575	9,000	50.8%
Total Expense	4,122,971	6,862,743	60.1%
 Net Ordinary Income Before Depreciation	 325,541	 570,553	 57.1%
 Depreciation Expense	 698,144		
 Net Ordinary Income After Depreciation	 -372,603		



Meeting Date: April 26, 2023

Agenda Item: C.4

MEMO

SUBJECT:

Approval of Executive Director Conference Request – CTAA and OTA Expo 2023 May 20 - May 25, 2023

SUMMARY:

The Community Transportation Association of America and CALACT are seeking speakers from California to deliver new educational content to our EXPO attendees. This partnered conference is a great opportunity to learn more about the community and public transit industry from a national perspective, and for our members across the country to learn more about the regional challenges and successes of the West. CTAA and CALACT have asked Executive Director King to be a speaker, on the topic of Electric Buses. The Expo will be held in Oklahoma City May 20 - May 25, 2023. CALACT will provide a scholarship to fund the expo tickets, air fare and hotel cost.

Staff Recommendation:

Approve MTA's Executive Director to attend the CTAA and OTA Expo 2023 May 20 - May 25, 2023



Meeting Date: April 26, 2023

Agenda Item: C.5

AGENDA SUMMARY REPORT

Bureau of Land Management has requested 1 cutaway and 1 driver for their event, Celebrate the Coast, May 6, 2023.

SUMMARY:

The Bureau of Land Management is having the Celebrate the Coast event May 6, 2023, and has requested MTA provide a shuttle service from 9:30 am to 4 pm. They would like to arrange with MTA for a shuttle bus between the Lighthouse and the City Hall stopping at the Field Station Trailhead on Hwy 1 and Lighthouse Rd. Ashley a representative from BLM addressed the Board at the March Board Meeting.

STAFF RECOMMENDATION:

Staff recommends authorizing this shuttle service to the Bureau of Land Management.

ATTACHMENTS:

2021-2022 UNMET NEEDS REQUESTS

Date	City	Requestor	Service Requested
7/28/2021	Ukiah	Executive Director	Transit Center
8/25/2021	Ukiah	Director Richard	Resume services linking inland to the coast - Ukiah to North Coast in the morning and back again in the afternoon.
8/25/2021	Fort Bragg	Director Tarbell	Resume pre-pandemic service to coastal communities
12/8/2021	Fort Bragg	Director Albin-Smith	Requested weekend service in Fort Bragg on a regular basis
02/14/2022	Willits	Steven Wright William Kappelman	Bus Stop at Waugh Lane at Talmage Ave. Both Northbound and Southbound #9 Local



Meeting Date: April 26th, 2023

Agenda Item: D.2

AGENDA SUMMARY REPORT

SUBJECT:

Discussion of MTA 2023-2024 1st Draft Operating Budget

SUMMARY:

The Mendocino Council of Governments (MCOG) releases the Local Transportation Funds (LTF) as provided to them by the Mendocino Auditor's Office. The FY2023-2024 estimate was approximately a decrease of 6.5% (approximately \$304,075) of which 15% is provided to the Senior Center Transportation Program.

Here are some assumptions we know:

- ✓ LTF Revenues have decreased.
- ✓ STA Revenues have increased and the funds available to MTA have increased from \$1,167,375 in FY2022-2023 to \$1,443,571 in FY2023-2024.
- ✓ Fare revenues have increased year-over-year as ridership continues to improve.
- ✓ Advertising Revenue is projected to increase.
- ✓ CARES funding has been secured to supplement any operating shortfalls.

The budget being presented today is a very "rough" 1st Draft. MTA will continue to adjust The FY 2023-2024 Operating Budget with the May Board Meeting and requests that approval of the FY2023-2024 Budget be approved at the June 2023 meeting, in order to provide as accurate a budget as possible.

STAFF RECOMMENDATION:

Direct staff to continue modification of MTA FY2023-2024 FINAL Operating Budget as more information becomes available for final adoption and approval at the June Board Meeting.

ATTACHMENTS

MTA 2023-2024 1st Draft Operating Budget

**MENDOCINO TRANSIT AUTHORITY
2023/24 BUDGET W/ LINE ITEM
BREAKDOWN**

MTA 2023-2034 FIRST DRAFT BUDGET

ACCOUNT	TITLE	FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION
OPERATING					
50010	LABOR				
501.101	Operators Wages-Fixed Route-Ukiah	527,213	566,754	589,424	
501.101	Operators Wages - Fixed Route - Fort Bragg	273,814	294,350	306,124	
501.101	Operators Wages - South Coast	224,346	241,172	250,819	
501.101	Operators Wages - DAR - Inland	118,299	127,172	132,258	
501.101	Operators Wages - DAR - Fort Bragg	98,357	105,734	109,963	
501.104	Operations-Supervisors/Dispatch	514,760	553,367	575,501	
501.103	Maintenance & Facilities Salaries & Wages	475,299	510,946	531,384	
501.105	Administrative Salaries	339,483	375,302	390,314	
501.105	Administrative Staff	363,261	390,506	406,126	
501.109	Longevity / Bonuses		6,000	6,240	
	TOTAL SALARIES	2,934,832	3,171,303	3,298,155	

51000	BENEFITS				
511.000	FICA/Medicare	51,360	55,498	57,718	1.75% of Gross Wages
502.410	Pension Plan (CalPERS)	234,787	253,704	263,852	Est. 8.0% of Gross Wages
502.450	CalPERS Unfunded Liability	174,069	415,000	415,000	Per CalPERS Annual Valuation Reports - 20-21 \$415K
502.210	Medical Plan	660,000	540,000	600,000	Blue Shield & Cash In Lieu
502.220	Dental Plan- FSA - COBRA Admin	27,500	60,000	60,000	Adjusted for new employees
502.230	Vision Plan	2,500	3,000	3,500	Adjusted for new employees
513.250	Life Insurance	7,500	7,500	10,000	Adjusted for new employees
502.420	457 MTA Match	77,000	90,000	90,000	MTA Matches 4.5 % of Employee Contribution
502.300	Worker's Compensation Insurance	153,616	164,339	164,339	SDRMA 2022-2023 Invoice
514.500	Unemployment Insurance	56,000	56,000	56,000	Estimate - MTA is self insured
502.600	Uniforms & Work Clothing Allowances	7,000	16,000	20,000	New employee Maint. Add 1000 -38.46 X26
516.500	Air Med Services (REACH)	3,000	3,250	3,500	Annual Invoice
516.600	Employee Relations	2,500	3,500	4,000	Employee Relations - All Staff
	TOTAL BENEFITS	1,456,831	1,667,791	1,747,909	

**MENDOCINO TRANSIT AUTHORITY
2023/24 BUDGET W/ LINE ITEM
BREAKDOWN**

MTA 2023-2034 FIRST DRAFT BUDGET

ACCOUNT	TITLE	FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION
52000	SERVICE/USER FEES				
521.000	Vehicle Technical Services	10,000	12,500	10,000	Outsourcing
521.250	Towing	7,500	1,200	2,400	
521.500	Property Maintenance Services	2,750	3,500	3,500	
521.700	Contract IT Services	30,000	40,000	32,000	Engage IT
503.202	Legal Counsel	25,000	30,000	30,000	MTA Legal
508.100	Purchased Transportation	2,400	2,400	2,400	Willits ADA
523.000	Marketing	8,000	12,000	12,000	Contracted
509.300	Advertising, Legal Notices	18,000	40,000	48,000	Radio & Newspaper Advertising
524.000	Computer & Software Maintenance Fees	45,000	60,000	45,000	RouteMatch and Cad/AVL-Check on Turley & Fuelmaster
524.200	Drug and Alcohol Services	6,000	8,000	8,500	
525.000	Facility Security System	1,500	2,500	2,500	Deep Valley Security
525.500	Accident / Incident Payables	15,000	25,000	25,000	
503.200	Professional & Technical Services	134,380	250,000	250,000	MUNIS,PayChex, GASB68, Accounting, TrackIT, Remix. Indeed, AON
503.100	Outside Labor				
	TOTAL SERVICES / USER FEES	305,530	487,100	471,300	

53000	MATERIALS & SUPPLIES CONSUMED				
504.110	Fuel	400,000	650,000	500,000	Consulted with Fuel Vendors to arrive at budgeted amount
504.120	Tires	35,000	45,000	50,000	
504.115	Lubrication	25,000	32,000	27,000	
532.500	Tools	1,500	1,875	3,500	
504.100	Vehicle Maintenance & Repair Parts	50,000	62,500	62,500	
504.200	Expense Parts	2,500	3,125	3,125	
504.610	Shop Supplies	20,000	25,000	10,000	Consumables
504.620	Facilities Maintenance & Janitorial	35,000	43,750	45,000	Aramark, Home Depot, Friedmans
504.400	Office Supplies	25,000	30,000	35,000	Xerox
536.700	Computer Programs & Supplies	4,500	15,000	0	Moved to Compter Software
509.200	Printing	7,000	12,000	12,000	Schedules, brochures
537.000	Safety & Emergency Supplies	1,500	7,000	5,000	Includes PPE
537.500	Other Materials & Supplies	14,000	17,500	20,000	
	TOTAL MATERIALS & SUPPLIES	621,000	944,750	773,125	

54000	UTILITES				
541.000	MTA Base	15,000	15,000	12,500	Water, Sewer & Solid Waste
541.250	Fort Bragg Base	6,000	8,000	7,000	Water, Sewer & Solid Waste, Propane
541.500	Willits Base	3,000	3,000	3,000	Water, Sewer & Solid Waste
542.000	Pacific Gas &Electric	7,600	15,500	22,500	Ukiah, Fort Bragg, Willits
543.000	TPx Communications	42,000	45,000	45,000	Ukiah Phones/Internet
543.250	Comcast	1,100	1,500	1,500	Fort Bragg Phones/Internet
544.000	Verizon	12,000	30,000	30,000	Admin/OPS Cellular
	TOTAL UTILITIES	86,700	118,000	121,500	

MENDOCINO TRANSIT AUTHORITY 2023/24 BUDGET W/ LINE ITEM BREAKDOWN	MTA 2023-2034 FIRST DRAFT BUDGET
--	---

ACCOUNT	TITLE	FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION
56000	VEHICLE, CASUALTY & LIABILITY COSTS				
506.100	Insurance	360,000	365,000	375,000	CalTIP, MacKey, Alliant-Estimates due June 10th
	TOTAL CASUALTY & LIABILITY COSTS	360,000	365,000	375,000	

ACCOUNT	TITLE	FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION
57000	TAXES				
571.000	Taxes - State Board of Equalization	600	600	600	Out of State Purchases not taxed
573.000	Other Licensing Fees & Taxes	1,700	1,700	1,700	Hazardous Materials Permit
	TOTAL TAXES	2,300	2,300	2,300	

ACCOUNT	TITLE	FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION
58000	MISCELLANEOUS				
504.510	Dues & Subscriptions	16,000	16,000	16,000	Newspapers, CTA, CALACT, CSDA, AFTA
502.700	Travel	30,000	50,000	50,000	Fly to Inspect Buses, Trainings, Conferences
582.250	Board Expenses	500	3,500	5,000	Meeting Expenses
583.000	Safety Program	1,000	1,000	2,000	Awards-Banquets-Employee Incentives
509.800	Training	4,500	6,000	20,000	Classes, Seminars & Materials
584.500	CDL and DOT Physical Expenses	3,500	6,000	7,000	Drug Free USA
509.100	Other Miscellaneous		15,000	15,000	Food
	TOTAL MISCELLANEOUS	55,500	97,500	115,000	

ACCOUNT	TITLE	FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION
59000	LEASES & RENTALS				
591.000	Leases and Rentals	2,400	9,000	9,000	City of Willits, RCFP, South Coast
	TOTAL LEASES & RENTALS	2,400	9,000	9,000	
	TOTAL OPERATING EXPENDITURES	5,825,093	6,862,743	6,913,289	

50,545 INCREASE OVER 2022-2023

MENDOCINO TRANSIT AUTHORITY					MTA 2023-2034 FIRST DRAFT BUDGET
2023/24 BUDGET W/ LINE ITEM					
BREAKDOWN					
ACCOUNT	TITLE	FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION

OPERATING REVENUE		FY 2021-2022 FINAL BUDGET	FY 2022-2023 APPROVED BUDGET	FY 2023-2024 DRAFT BUDGET	ADDITIONAL INFORMATION
41000	OPERATING REVENUE				
	REVENUES FROM OPERATING				
401.110	Fixed Route Farebox Revenue	400,000	400,000	225,000	
401.111	Dial-A-Ride Farebox Revenue	60,000	60,000	70,000	
402.100	Redwood Coast Regional Center	65,000	65,000	65,000	
409.200	Sonoma County Contract	177,200	181,000	181,000	New 2023-2024 Contract
	TOTAL OPERATING REVENUES	702,200	706,000	541,000	

42000	REVENUES FROM OTHER SOURCES				
409.100	Local Transportation Fund (LTF)	3,434,291	3,428,087	3,671,782	23-24 MCOG claim
409.100	Local Transportation Fund (LTF) -Unmet Needs		300,000	0	Unmet Needs
409.110	State Transit Assistance	455,221	967,375	1,443,571	23-24 MCOG claim
422.000	5310 Operating Assistance		150,000	150,000	
413.101	5311 Operating Assistance	552,134	717,774	717,774	
413.110	5311(f) Operating Assistance	300,000	200,000	300,000	
411.100	LCTOP Cap and Trade	90,000		0	
409.112	Cal-OES			0	
406.100	Advertising Contract	100,000	110,000	125,000	Helen Foraker
426.000	Ag Van Leases	45,000		0	MCF4
n/a	Senior Center Payments	-637,676	-729,019	-681,249	Payments to Senior Centers & Insurance
n/a	Senior Center Reimbursements	637,676	729,019	681,249	Payments from MCOG to reimburse MTA
109.109	Senior Center Administration	26,500	26,500	26,500	Annual Fee from MCOG
407.100	Maint Fuel Revenue (prior incl labor,parts)	23,000	24,000	0	Fuel Only
407.400	Investment Income	7,500	7,500	7,500	Interest - Mendocino County & Banks
407.500	Other - Fuel Rebates, etc.	4,000	14,000	14,000	
450.000	CARES-5311	550,000	200,000	200,000	
	CARES-5311(F)	100,000	75,000	75,000	
	TOTAL REVENUES FROM OTHER SOURCES	5,687,646	6,220,236	6,731,127	

	TOTAL OPERATING REVENUE	6,389,846	6,926,236	7,272,127	
--	--------------------------------	------------------	------------------	------------------	--

	564,753	63,493	358,838	REVENUE OVER EXPENSES
	-1,081,197	-1,120,000	-1,120,000	Estimated Depreciation
	-516,444	-1,056,507	-761,162	Net after Depreciation



Meeting Date: April 26th, 2023

Agenda Item: D.3

AGENDA SUMMARY REPORT

SUBJECT:

Informational Only Draft Financial Compliance Audit management report for Fiscal Year 2021-2022.

SUMMARY:

As required by the Transit Development Act (TDA) Statutes and California Code of Regulations, PUC 99245, each transportation planning agency, transit board and county transportation commission shall ensure that all claimants to who it directs the allocation of Local Transportation Funds (LTF) shall submit to them an annual certified fiscal audit conducted by an entity other than the claimant.

STAFF RECOMMENDATION:

Informational Only 2021 – 2022 Draft Management Report

ATTACHMENTS:

Draft Management Report

DRAFT

3/29/2023

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. ****Report/Letter date is TENTATIVE-TBD****

**MENDOCINO TRANSIT AUTHORITY
BOARD OF DIRECTORS & MANAGEMENT REPORT**

JUNE 30, 2022

TABLE OF CONTENTS

	<u>PAGE</u>
Report on Internal Controls	1
Required Communications	2-3
Management Observations	4

DRAFT

To the Board of Directors
Mendocino Transit Authority
Ukiah, California

In planning and performing our audit of the basic financial statements of Mendocino Transit Authority for the fiscal year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Mendocino Transit Authority's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's basic financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider material weaknesses, as defined above.

During our audit, we noted certain matters involving internal controls and other operational matters that are presented for your consideration in this report. We will review the status of these comments during our next engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are not intended to be all-inclusive, but rather represent those matters that we considered worthy of your consideration. Our comments and recommendations are submitted as constructive suggestions to assist you in strengthening controls and procedures; they are not intended to reflect on the honesty or integrity of any employee. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist Mendocino Transit Authority in implementing the recommendations.

This report is intended solely for the information and use of management of Mendocino Transit Authority and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We thank Mendocino Transit Authority's staff for its cooperation during our audit.

O'Connor & Company

San Rafael, California
March 28, 2023

To the Board of Directors
Mendocino Transit Authority
Ukiah, California

We have audited the basic financial statements of Mendocino Transit Authority for the year ended June 30, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 12, 2022, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the basic financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Mendocino Transit Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Mendocino Transit Authority are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by Mendocino Transit Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the basic financial statements were:

- Capital asset lives and depreciation expense.
- Accrual and disclosure of compensated absences.
- Actuarial assumptions for pension.
- Fair value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements (Audit Adjustments)

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were 3 audit adjustments. Management has corrected all such adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter received on March 28, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Mendocino Transit Authority’s basic financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Mendocino Transit Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This report is intended solely for the information and use of management and the Board of Directors of Mendocino Transit Authority and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mendocino Transit Authority
MANAGEMENT REPORT
For the Year Ended June 30, 2022

Current Year Observations

1. Lease Capitalization Policy

Observation:

Mendocino Transit Authority (the Authority) implemented Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective for the year ended June 30, 2022, and had immaterial effects on the financial statements. This new standard requires leases to be capitalized as intangible assets. In compliance with the new accounting statement the Authority should consider formalizing a capitalization policy for leases similar to their capitalization policy for capital assets.

The Authority has not raised their capitalization policy for capital assets in many years.

Recommendation:

We recommend the Authority consider formalizing a capitalization policy for leases liabilities and right to use assets over \$35,000. The Authority should also consider increasing the capitalization policy for capital assets to \$10,000.

Prior Year Observations

1) Annual Losses and Fare Box Ratio

Observation:

During the course of the audit, we noted the Authority has been reporting losses for the last three years. The increase in the Authority's costs can result in non-compliance with the Transportation Development Act's Fare Box Ratio regulations.

Recommendation:

We recommended the Authority develop a written plan to reduce costs and future losses. This should include ongoing monthly monitoring of expenses to ensure they do not exceed annual revenues. Fare Box ratio compliance should also be monitored quarterly. Fare Box compliance relief measures have been temporarily put in place in response to the pandemic crisis.

Status:

This recommendation is in the process of being implemented.