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Fresno COG Policy Board
MINUTES
Thursday, September 25, 2025
5:30 PM

The meeting was held at the Fresno COG Sequoia Room

Members Attending:
Mayor Vong Mouanoutoua, City of Clovis
Mayor Nathan Vosburg, City of Coalinga
Mayor Juan Mejia, City of Fowler
Councilmember Annalisa Perea, City of Fresno
Mayor Maria Pacheco, City of Kerman
Mayor Brandon Pursell, City of Kingsburg
Mayor Victor Martinez, City of Mendota
Mayor Diana Guerra-Silva, City of Orange Cove
Mayor Alma Beltran, City of Parlier
Mayor Matthew Tuttle, City of Reedley
Mayor Adam Cornejo, City of San Joaquin
Mayor Frank Gonzalez, City of Sanger
Mayor Scott Robertson, City of Selma
Supervisor Luis Chavez, County of Fresno
Shane Gunn, Caltrans
Robert Phipps, Executive Director
Bryan Rome, Legal Counsel

Absent:
Mayor Freddy Valdez, City of Firebaugh
Mayor Rey Leon, City of Huron

Quorum: At the start of the meeting, there were 14 members representing 98.49% of the population. There was a quorum to conduct business. (Clovis, Coalinga, Fowler, Fresno City, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, San Joaquin, Sanger Selma, Fresno County). Members Firebaugh and Huron absent.

The meeting was called to order at 5:41 p.m. by Mayor Beltran (Parlier), Chair.

I. TRANSPORTATION CONSENT ITEMS

A. **Executive Minutes of August 28, 2025 [APPROVE]**
B. **FY 25-26 City of Coalinga Transportation Development Act Claim (Les Beshears) [ACTION]**
C. **FY 25-26 Fresno County Rural Transit Agency Transportation Development Act Claim (Les Beshears) [ACTION]**
D. **FY 23-24 Fresno County Transportation Development Act Claim (Les Beshears) [ACTION]**
E. **2025-26 Overall Work Program Amendment #3 (Les Beshears) [ACTION]**

F. **<u>Fourth Quarterly FY 24-25 Work Element and Financial Report (Les Beshears) [APPROVE]</u>**
G. **<u>FY 24-25 Fresno County Transportation Development Act Claim (Les Beshears) [ACTION]</u>**
H. **<u>FY 23-24 City of Fowler Transportation Development Act Claim (Les Beshears) [ACTION]</u>**
I. **<u>FY 24-25 City of Fowler Transportation Development Act Claim (Les Beshears) [ACTION]</u>**
J. **<u>FY 25-26 City of Fowler Transportation Development Act Claim (Les Beshears) [ACTION]</u>**
K. **<u>SR 41 Excelsior Expressway (Les Beshears) [ACTION]</u>**
L. **<u>FY 2024/25 Draft Federal Transit Administration 5310 Program Application and Scoring Criteria (Matthew Shimizu) [INFORMATION]</u>**
M. **<u>Access for All Allocation of Funds for Fiscal Year 2025/2026 (Jake Martinez) [ACTION]</u>**

- Chair Beltran asked if any member wished to pull any items.
- After an opportunity for public comment, Mayor Guerra-Silva (Orange Cove) moved, and Councilmember Perea (City of Fresno) seconded to approve consent items A-M.

Vote: All in favor, no opposed.
Absent: Firebaugh, Huron.
Motion passed by acclamation.

II. TRANSPORTATION ACTION/DISCUSSION ITEMS

A. **<u>2026 Measure C Renewal Update (Robert Phipps) [INFORMATION]</u>**

Summary: During its Sept. 11 and Sept. 18 meetings, the Measure C 2026 Steering Committee reached long-awaited milestones on subcategory definitions, a process for developing implementing guidelines, initial allocations for the broad, general categories and recommending the Measure be extended for 30 years. Importantly, the categorical allocations were measured by median values, resulting in a total allocation which was also a median number and amounted to only 91 percent of the total. This staff report includes multiple attachments that Committee members received, including maps, forecasts, definitions and additional information.

The Sept. 18 meeting began with a recap of accountability and oversight procedures, review periods and amendment authority in the existing Measure and as compared to similar measures throughout California. This discussion emanated from the Sept. 11 meeting as members began considering whether to recommend a 20- or 30-year Measure extension. The Committee discussed and voted on a listing of existing or additional accountability processes and procedures they would like included in the implementing guidelines, which will be developed in October.

From there, members moved into the general allocation discussion with a framework of voting for allocations, by category, and expressing that vote as a median (or central) number — where half the scores for each category are higher and half are lower.

Because the votes by category were expressed as median values, the total was also a median and did not equate to a full 100% of forecasted revenue. Accordingly, the Steering Committee will need to return at its Oct. 2 meeting to continue the general category allocation discussion with multiple potential options for refining its recommendation to the Fresno COG Policy Board. Some of these options may include: using a range of allocation (+/- 20%) by category, parceling out the remaining 9% among the categories, using an average rather than median scores, assigning the remaining 9% to a "flexible" category, or other options as may be approved.

Finally, the Committee returned to the question of a 20-year vs. 30-year timeframe for the Measure and approved the 30-year option.

Leading up to the allocation and timeframe decisions, transit agency and public works staff from the cities of Clovis and Fresno, the Fresno County Rural Transit Agency and the County of Fresno, at the Steering

Committee's Sept. 11 meeting, provided additional presentations (attached) on their respective operations with specific regard to increasing costs for road maintenance and rehabilitation jobs and additional transit service. In addition, Committee members approved the set of subcategories and their definitions at that meeting as well.

Going forward, the Board may continue to provide direction back to the Steering Committee should it wish to see adjustments or additional considerations in the Committee's deliberations or choose to adopt recommendations, such as the subcategory definitions and 30-year proposal, as they are presented.

Action: Information and discussion. The Policy Board may provide additional direction at its discretion.

- Robert Phipps (FCOG) reported on the item.

Information item only. No action needed.

B. <u>Addressing Greenhouse Gas Reduction Targets for the 2026 Regional Transportation Plan/Sustainable Communities Strategy (Paul Herman) [INFORMATION]</u>

Summary: As part of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), Fresno COG must achieve greenhouse gas (GHG) reduction targets set by the California Air Resources Board (CARB). The GHG reduction target for Fresno County is 13% below 2005 levels by 2035.

The last GHG target was in 2018 when Fresno County was forecast to have to a population of more than 1.25 million by 2035. In the years since this target was set, the State's Department of Finance has reduced Fresno County's population forecast from 1.25 million to 1.07 million by 2035. This reduction in population limits Fresno COG's ability to show how the county will reduce its GHG emissions because that additional population would have been more likely to reside in higher density residential developments, which is typically accompanied by lower daily vehicle miles traveled (VMT) and thus lower GHG emissions. This is an external, structural challenge to the RTP/SCS process that Fresno COG does not control.

Last year, Fresno COG updated its activity-based model (ABM) from a base year of 2014 to 2019. This update revised the household survey inputs along with other Census and regional datasets. 2019 was the peak pre-COVID travel demand year, and travel or VMT forecasts from this baseline is much higher compared to that from 2014 baseline.

To reflect the change in travel trends and characteristics brought by the COVID pandemic, staff is working on the new base year 2023 by referring to the 2022/23 Central California Travel Survey (CCTS). This survey will also capture the changes in work travel and increase in telecommuting since COVID. This effort is anticipated to reduce the gap coming from the model update.

In addition, auto operating costs (AOC), which includes fuel and maintenance expenses, is one of the model inputs that goes into the SCS analysis. In the 2026 SCS, the trend of AOC increase is forecast to be lower than that of 2022 SCS. This is resulting from several factors, such as lower fuel prices, higher fuel efficiency, and changing CARB regulations, all of which are external factors. The decrease in AOC for the target year 2035 (compared to the last SCS) is resulting in higher VMT and higher GHG emissions.

These issues are leading Fresno COG staff to begin to consider the potential for an Alternative Planning Strategy (APS). An APS is a type of regional land use and transportation plan that is required when a region's SCS fails to meet the GHG emission targets set for that region. These plans are mandated under Senate Bill 375 and would show how a region can achieve emission reductions through alternative development patterns, infrastructure, and transportation policies. An APS is financially unconstrained, which allows this plan to consider projects that may otherwise wouldn't have been considered due to their high capital costs.

In July and August, staff informed the RTP Roundtable and the SCS Subcommittee of these challenges and their potential impact on the overall RTP/SCS schedule. Staff is continuing to work with CARB on finding potential solutions to hit the GHG reduction target for our region within the current SCS process, but we believe there will be at least a two month delay in the current schedule, which will impact Fresno COG's RTP/SCS adoption. Originally planned for final adoption in June 2026, staff is now forecasting adoption of the RTP by August 2026, and the SCS or APS adoption will be dependent on further coordination with CARB.

Action: Information. The Policy Board may provide additional direction at its discretion.

- Paul Herman (FCOG) reported on the item.

Information item only. No action needed.

C. <u>Air Quality Conformity Lockdown Status and Implications (Ofelia Abundez) [INFORMATION]</u>

Summary: California metropolitan planning organizations (MPOs) are now under a "conformity lockdown," preventing the completion of required air quality analyses necessary to advance transportation projects. This jeopardizes project schedules and funding across the San Joaquin Valley and all California.

On June 12, 2025, President Trump signed three Congressional Review Act (CRA) Resolutions that rescind Federal approval of California's Clean Air Act waivers:

H.J. Res. 87 – Rescinds waiver for the Advanced Clean Trucks (ACT) Regulation (zero-emission vehicle phase-in).
H.J. Res. 88 – Revokes California's general Clean Air Act waiver to regulate mobile source emissions, also eliminating Section 177 state adoption authority.
H.J. Res. 89 – Rescinds waiver for the Low-NOx Omnibus Regulation (stringent truck/off-road NOx standards).
Due to the CRA process, these actions took immediate effect, halting MPOs' ability to complete conformity analyses required under 40 CFR Part 93. Because California is the only state permitted to use its own emissions model for conformity purposes, Environmental Protection Agency (EPA) action is urgently needed to provide a remedy that allows continued delivery of transportation projects.

During a conformity lockdown, key MPO activities are stalled, including:

Processing Federal Transportation Improvement Program (FTIP)/Regional Transportation Plan (RTP) amendments that require or rely on conformity analyses (risking loss of federal funding).
Adoption of the 2027 FTIP/2026 RTP before current plans expire in December 2026 (otherwise, only "exempt project" FTIPs can advance).
Receiving updated budgets for the 2016 Ozone SIP needed for future demonstrations.
The EPA should provide timely guidance on conformity procedures and coordinate with the California Air Resources Board (CARB) on a technical solution for California MPOs. Since federal approval may take months, a grace period or interim process may be needed. Alternatively, EPA could grant temporary regulatory relief to prevent project delivery disruptions.

Activities that can continue include exempt project amendments (e.g., transit, bike/ped, traffic signals), approved Transportation Control Measures (TCMs), advancing phases of projects already in a conforming TIP/RTP, and PM hot-spot determinations for those projects considered not of air quality concern.

Action: Information. The Policy Board may provide additional direction at its discretion.

- Ofelia Abundez (FCOG) reported on the item.
- After an opportunity for public comment, Mayor Dyer (City of Fresno) moved to table the item, and Mayor Vosburg (Coalinga) seconded to approve the motion.

Information item only. No action needed.

D. <u>CalVans 06/30/2024 Financial Audit (Les Beshears) [INFORMATION]</u>
Summary: CalVans Financial Condition Report as of June 30, 2024

Background

The CalVans Joint Powers Authority (JPA) was established in 2011 to provide farmworker and commuter vanpool services across a broad region of California. Membership has grown to include:

- Association of Monterey Bay Area Governments
- Fresno Council of Governments (FCOG)
- Imperial County Transportation Commission
- Kings County Association of Governments (KCAG)
- Madera County Transportation Commission
- Merced Association of Governments
- Riverside Transportation Commission
- Tulare County Association of Governments
- San Joaquin Council of Governments
- Stanislaus Council of Governments
- Ventura Transportation Commission
- Santa Barbara County Association of Governments

CalVans originated in Kings County, with KCAG and the County providing office space, vehicle yards, staffing, and substantial funding for initial vehicles and equipment. FCOG and FCRTA also contributed significantly to the startup fleet, which has since been fully depreciated and retired.

Revenue Overview

CalVans' primary revenue source is vanpool fare collection. In FY 2024, fare revenue accounted for 92.4% of total revenues, totaling $13.7 million. While fare revenue is intended to cover all operational costs, complexities in accounting for leased vehicles suggest the agency may not be fully recapturing the capital cost of its fleet.

Historical Financial Challenges

From its inception, CalVans faced recurring cash flow issues. Early efforts to secure Federal Transit Administration apportionments from member agencies were unsuccessful, as those funds were already committed to local transit services. A 2015 attempt by then-State Controller Betty Yee to revise the State Transit Assistance formula to include CalVans was ultimately blocked by major transit operators.

To manage seasonal cash flow fluctuations, CalVans entered into lease-back arrangements with Merchants Leasing Bank in 2018 and again in 2020. These provided short-term relief but led to unsustainable debt levels. In response, a Financial Committee was formed, resulting in budget workshops, personnel reductions, salary cuts, and fare increases. The fallout included KCAG's withdrawal from the JPA on June 6, 2023, a significant loss given its foundational role.

Audit and Debt Resolution

In August 2022, CalVans retained Price Page & Company to complete the FY 2019–2022 audits left unfinished by the prior auditor. Jaribu W. Nelson , CPA provided the FY 2023-2024 audit however, CalVans continues to use Price Page in an advisory role. As of June 2025, all outstanding loans have been paid off.

Impact of KCAG Withdrawal

KCAG's exit created operational constraints, including the loss of economies of scale in facility leasing and employee benefits tied to Kings County. Although CalVans secured a $15 million Prop 4 grant, the funds are contingent on state budget appropriation, with the earliest availability projected for FY 2026–27. In the interim, cash flow remains a concern, as reflected in the "going concern" note in the June 30, 2024, audited financial statements.

Net Position Decline

A review of audited financials shows a steep decline in CalVans' net position:

Fiscal Year	Net Position	Unrestricted Fund Balance
06/30/2020	$4,306,244	$1,881,431
06/30/2024	$43,920	($161,432)

While the operating budget appears balanced, depreciation expenses—unaccounted for in fare structures—have eroded the unrestricted fund balance. However, materially increasing fares to cover capital cost has a significant impact on ridership.

Response to Financial Concerns

In response to the going concern finding, CalVans initiated several corrective actions:

- **Fare Increase:** Effective May 1, 2025, projected to generate $500,000
- **Vehicle Sale**: Proposed sale of 150 vehicles, expected to yield $750,000
- **Captive Insurance**: Agreement with American Sterling Insurance Agency; CalVans formed Tenet Assurance in Arizona in December 2024 but maintains 5 layers of commercial insurance covering $10 million in general liability
- **Strategic Planning**: On June 12, 2025, Resolution 2025-007 approved hiring Nag Consulting Services to develop a strategic plan for Prop 4 funds and broader agency sustainability
- **Leadership Transition:** Cooperative Personnel Service was retained after the KCAG withdrawal and quotes were secured to determine costs to recruit a new Executive Director and potentially a Finance Director, as the current Executive Director prepares to step down after 15 years

FY 2025/26 Budget Assumptions (Resolution 2025-006)

- Prop 4 funds will not be available until FY 2026/27
- Fare increase and vehicle sale will offset current year depreciation ($1,183,091 in 2024)
- Insurance rates have been reduced slightly for 2025
- Fuel and oil costs are expected to decrease
- Leasing costs will rise if new vehicle acquisition occur in future

Current Financial Status

CalVans has operated for almost 18 months since the June 30, 2024, financial statements were issued. While the fare increase, vehicle sales, and insurance restructuring are expected to stabilize cash flow, the unaudited trial balance as of June 30, 2025, shows a cash balance of $104,287, down from $1,457,315 the previous year.

The August 14, 2025, board agenda includes unaudited financial reports for FY 2024/25, indicating either a $78,589 loss or a $220,815 gain, depending on adjustments. Staff continues to manage situational cash flow challenges, and monthly board agendas include unaudited trial balances and three-year budget comparisons. While Price Page contributes to these reports, historical comparisons show that CPA audits introduce significant technical adjustments—particularly depreciation—which are not reflected in CalVans accounting staff budget tracking.

Action: Information. The Policy Board may provide additional direction at its discretion.

- Les Beshears (FCOG) reported on the item.

Information item only. No action needed.

Mayor Martinez (Mendota) has left the meeting (7:12pm).
Supervisor Chavez (Fresno County) has reclused himself from the discussion.

Quorum is now 12 members at 81.82%.

E. <u>Measure C Legal Services Agreement - Best, Best and Krieger (Robert Phipps) [ACTION]</u>

Summary: Based on feedback and negotiations with the Fresno County Transportation Authority (FCTA) and the Measure C Facilitation Team, Fresno COG has canceled its contract with DKS for project management over the 2026 Measure C renewal effort. With approximately half of the funding from the DKS contract expended, the draft 2026 expenditure plan will still need to be completed and finalized.

DKS has provided a boilerplate version of an expenditure plan as part of its completed scope of work. Staff was in the process of procuring attorney firm Best, Best and Krieger (BBK) to review the expenditure plan as presented by DKS. With the DKS contract canceled, hiring BBK to both review and assist Fresno COG staff in completing the plan presents the most efficient means of keeping to the accelerated timeline for Measure C's renewal.

BBK has extensive experience drafting and reviewing transportation sales tax measure expenditure plans, including:

- Transportation Sales Tax Programs: BBK serves as general counsel to the Riverside County Transportation Commission, providing comprehensive assistance in drafting, implementing, and defending its countywide transportation sales tax programs. In addition, the firm advises the San Bernardino County Transportation Authority, including drafting and reviewing expenditure plan language and defending its sales tax measures against legal challenges. BBK also provides advice related to applicable election law and ballot requirements for both agency sponsored ballot measures as well as well as initiatives.
- BBK previously served as general counsel to the Contra Costa Transportation Authority (CCTA), and provided extensive advice on a wide range of legal matters, including board governance, contracts and public works matters, election issues, the Brown Act, the Public Records Act, Conflicts of Interest, and adoption of the Transportation Expenditure Plan and proposed half-cent sales tax. We also provided comprehensive California Environmental Quality Act (CEQA) advice on the CCTA's Transportation expenditure plan and its countywide comprehensive transportation plan and EIR, which assessed GHG emissions in the context of SB 375 GHG reduction targets.
- BBK's experience with transportation agencies includes express lanes, acquisition of rail rights-of-way, provision of bus and rail service, and construction of bus and rail passenger stations. The firm regularly provide legal advice on transportation issues such as contract administration, revision and implementation of the transportation expenditure plans and amendments thereto, state and federal

procurement requirements, specialized transit, the Federal Transit Act, civil rights litigation, the Ralph M. Brown Act, CEQA, labor negotiations, and human resources policies.

- As the current general counsel to Western Riverside Council of Governments (WRCOG), BBK not only provides day-to-day advice on a wide range of legal matters but also advises on CEQA matters. WRCOG administers a $4-billion transportation mitigation fee, which BBK assisted in developing, administering, and defending. Impact fees are part of the Transportation Uniform Mitigation Fee (TUMF) Program, which ensures that new development pays its fair share for the increased traffic that it creates. Under the TUMF Program, impact fees collected from new development in western Riverside County are remitted to WRCOG and allocated to build new transportation infrastructure to mitigate the impact of development on the regional transportation system.

Fresno COG staff will assume all other aspects of project management at this point, including coordinating consultants for public outreach, polling, and Steering Committee facilitation. The cost savings from this effort should provide the resources necessary for BBK to complete the expenditure plan in a relatively short period of time once the Fresno COG and FCTA Boards approve key elements, such as categorical allocations and implementing guidelines.

Because of the extremely specialized legal services involved in the Measure C process, the contracting arrangement in this instance will be sole source. This will further aid in the interest of maintaining the approved timeline. As a legal firm, BBK conventionally provides its hourly rates with a short scope description, which is attached to this staff report.

Staff recommends a not-to-exceed contract of $150,000 to assist Fresno COG in the completion and review of the 2026 Measure C Expenditure Plan, along with any other ancillary services relating to the Measure C Process that may be required on an as-needed basis.

Action: Authorize the executive director to approve a legal services agreement with BBK for $150,000 to assist Fresno COG in the completion and review of the 2026 Measure C Expenditure Plan, and any ancillary services necessary for completion of the Measure C process and for presentation of the Measure C Expenditure Plan to the Fresno County Board of Supervisors.

- Robert Phipps (FCOG) presented on the item.
- Discussion ensued.
- After an opportunity for public comment, Mayor Robertson (Selma) moved to table the item, and Mayor Mouanoutoua (Clovis) seconded.

Vote: 12 Yes, 0 No.
Absent: Firebaugh, Huron, Mendota.
Motion passed by acclamation.

Mayor Gonzalez (Sanger) has left the meeting (7:48pm).
Supervisor Chavez (Fresno County) returned to the room.
Quorum is 12 @ 81.82%

F. <u>Caltrans Report (Caltrans) [INFORMATION]</u>

- Shane Gunn (Caltrans) reported the following:
  - 99 Multimodal corridors plan limited review of the draft. Comments close September 12th.
  - Coalinga/Firebaugh 33 completion begins October 29th.

This item is informational. No action is required.

III. ADMINISTRATIVE CONSENT ITEMS

A. **Regional Clearinghouse Calendar (Ofelia Abundez) [INFORMATION]**
B. **Senate Bill (SB) 743 Regional Guidelines Update (Amendment #2) (Santosh Bhattarai) [ACTION]**
C. **Fresno COG ABM On-Call Contract with RSG (Amendment No. 1) (Santosh Bhattarai) [ACTION]**
D. **Regional Pavement Management System Update - Contract Extension with NCE (Pankaj Joshi) [ACTION]**
E. **Regional Early Action Planning Program (REAP) Contract with California Association of Councils of Government (Robert Phipps) [ACTION]**
F. **VRPA Valleywide Coordinator's Contract (Robert Phipps) [ACTION]**

- Chair Beltran asked if any member wished to pull any items.
- After an opportunity for public comment, Mayor Robertson (Selma) moved, and Mayor Mejia (Fowler) seconded to approve consent items A-F.

Vote: All in favor, no opposed.
Absent: Firebaugh, Huron, Mendota, Sanger.
Motion passed by acclamation.

IV. ADMINISTRATIVE ACTION/DISCUSSION ITEMS

- **None.**

V. OTHER ITEMS

A. Items from Staff

- None.

B. Items from Members

- None.

VI. PUBLIC PRESENTATIONS

A. Public Presentations

- None.

Supervisor Chavez (Fresno County) has reclused himself from the meeting.
Absent: Firebaugh, Huron, Mendota, Sanger.
Quorum is 11 @79.21%

VII. CONFERENCE WITH LEGAL COUNSEL— ANTICIPATED LITIGATION (Gov. Code section 54956.9(d)(2).): [One Case].

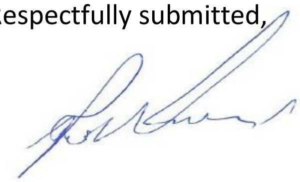
- 8:00pm TO CLOSED SESSION

Re-opened session at 8:45pm. No action to report.

VIII. ADJOURNMENT

- The meeting was adjourned at 8:45 p.m.

Respectfully submitted,



Robert Phipps, Executive Director

<u>Public:</u>
Mark Keppler

<u>Staff:</u>
Denise Flores, Robert Phipps, Moses Stites, Janelle Del Campo, Brenda Thomas, Les Beshears, Ofelia Abundez.