1. Call to Order

2. Approval of the June 1, 2017 Meeting Minutes

3. Comment on Non-agenda Items

4. Project Update

5. Presentation on the Comprehensive Annual Financial Report

6. Adjournment

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1. Call to Order

Chair Colombo called the meeting to order at 7:30AM. Committee members Peter Breen, Dennis Harter, Dave Oster and Steve Rabinowitz were in attendance.

SMART Staff: Chief Financial Officer Erin McGrath, Chief Engineer Bill Gamlen, and Clerk of the Board Leticia Rosas-Mendoza

2. Approval of December 8, 2016 Meeting Minutes

Motion: Minutes approved as presented.

3. Comment on Non-agenda Items

Dennis Harter suggested reviewing the Strategic Plan mission.


Ms. McGrath provided a PowerPoint presentation and reviewed the two different financial reports: 1) The Fiscal Year 2016-2017 Year-End Report and 2) The Fiscal Year 2017-2018 proposed budget. She stated this is an opportunity to ask questions and provide feedback before the Board adopts the budget in June. The budget is divided into three sections: 1) Administration, 2) Capital and 3) Operations. Highlights included in the report:

**Fiscal Year 2016-17 Year-End Report:**
- Projected Revenues were $126.8M, final revenues are $134.1M;
- Projected Expenditures are $105M, year-end $85M. The factors: 1) shifting of capital project cost; 2) decrease in anticipated Operations’ expenditures, and 3) shift in Larkspur startup.
**Proposed Fiscal Year 2017-18 Budget:**

- Ongoing and New Capital Projects
- Passenger Operations
- SMART Administrative
- Total Revenues projected $113M
- Total expenditures projected $100M, which includes Administration $42M, Capital Projects $37M, and Operations $21M

**Capital Budget total expenditures of $37M:**

- Construction of four pathway segments
- Final Vehicle Acceptance Payments
- Construction of Jennings Crossing (Funded by City of Santa Rosa)
- Design of Payran to Southpoint Pathway Segment
- Design/Build Phase of Larkspur Extension Project
- Ongoing Permits and Mitigation Cost
- Additional four train cars

**Administration Budget total expenditures of $42M:**

- Increase in insurance and retention for liabilities
- Increase in debt service
- Emergency Response Preparedness
- Investments in website, and ongoing marketing, and safety outreach
- Information technology services and monitoring
- Additional Staff: Code Compliance, Revenue Accounting, and District Management

**Operations Budget total expenditures of $21M:**

- Full staffing, equipment, spare parts, communications and training
- Customer Service Contract
- Passenger-Facing Services: Fare Collection, Wi-Fi, Bus Connections
- Rail, signal, crossings, station's needs, including rail scrubber and pathway maintenance equipment
- Hiring SMART Ambassadors to assist riders

**Fiscal Reserves for Fiscal Year 2017-18**

- Operations’ Contingency of $600K
- Self-Insurance Retention of $1M
- Operations Fund of $17M
- Equipment Replacement Fund of $525K
- Capital Reserve Fund $10M

**Questions:**

Mr. Rabinowitsh asked if the reserve funds for operations is on-going. Ms. McGrath responded that the fund amounts are in line with the Strategic Plan. Mr. Rabinowitsh asked how employee retirement benefits being managed. Ms. McGrath responded that SMART pays into CALPER's bi-weekly and SMART has been implementing Pension Reform, where there is no unfunded liability. SMART will continue to monitor as staff grows.
Mr. Breen is concerned that the Engineer/Conductors salary is too low compared to the Bay Area that is causing shortage in applicants. Ms. McGrath responded that the Board of Directors within the last year have adjusted the salary by 11% and SMART continues to research and conduct salary comparisons for the position.

Mr. Breen asked if SMART will be purchasing train cars. Mr. Gamlen responded yes, two A and two B train sets will be purchased. Mr. Breen asked if additional staff will be needed once Larkspur Extension is complete. Ms. McGrath responded that she does not believe additional staff will be needed, however SMART will evaluate at that time.

Mr. Harter asked for clarification on how many trainsets SMART will own.

Will Mast (resident of Petaluma) asked if the additional trainsets being funded by grants. Ms. McGrath responded yes. Mr. Mast asked if SMART will have staff to operate the additional trainsets. Mr. Gamlen responded yes, the trainsets are scheduled to arrive late 2018.

Ms. McGrath stated that SMART continues to coordinate and receive feedback from various transit agencies to meet the train schedule.

5. Project Update

Chief Engineer Bill Gamlen gave a PowerPoint project update. Highlights included:

- Stations
- Clipper Vending Machines installed at each platform
- Pathway Segments
  - Constructed FY 2016-2017: 1) Guerneville Rd to College Ave (Santa Rosa); 2) 8th to 6th Street (Santa Rosa); 3) 4th to 3rd Street (Santa Rosa); 4) Hearn Ave to Bellevue Ave (Santa Rosa); 5) Golf course Drive to Rohnert Park Expressway; and 6) Rohnert Park Expressway to East Cotati Avenue
  - Up Next FY 2017-2018: 1) San Pedro Road to Civic Center Station (San Rafael); 2) Franklin to Grant (Novato); 3) Rush Creek Road to San Marin Station (Novato); 4) Cotati Station to South East Railroad; and 5) Southpoint Blvd to Payran Street (Petaluma)
  - Future: 1) Construction of Southpoint Blvd to Payran Street (fully funded); and 2) Todd Road to Golf Course Drive (application pending)
  - Constructed by Others: 1) College Avenue to 8th Street (City of Santa Rosa); 2) Joe Rodota Trail to Hearn Avenue (So. Co. Regional Parks); and 3) Foss Creek Trail (City of Healdsburg)
- Larkspur Extension Project:
  - 2.2-mile extension of initial Operating Section from Downtown San Rafael to Larkspur
  - Larkspur Station will have a center platform between two tracks
  - SMART has executed Memorandum of Understandings with the City of San Rafael and Golden Gate Bridge
City of San Rafael is the lead agency for the Anderson Drive crossing
Contract shall be awarded in the next few months
Continue to coordinate to obtain permits

Comments:
Mr. Harter ask if Larkspur was funded. Mr. Gamlen responded that Larkspur Extension Project is fully funded.

Mr. Breen asked if SMART will have a storage track in Larkspur. Mr. Gamlen responded yes. Mr. Breen stated that the City of San Rafael is concerned about the traffic congestion. Mr. Gamlen said that SMART has been working with the City of San Rafael who plans to coordinate their traffic signals with the trains.

Chair Colombo asked for the estimated completion date for the Larkspur Extension Project. Mr. Gamlen replied late 2018.

Mr. Rabinowitz asked if SMART had an estimate opening date. Mr. Gamlen responded very soon. SMART is still pending approval from the Federal Railroad Administration.

Mr. Harter suggested discussing the Strategic Plan at next meeting.

Mr. Rabinowitz suggested receiving an update on first and last mile.

Next meeting tentatively scheduled: November 9, 2017 at 7:30am

Adjournment - Meeting adjourned at 8:40AM

Respectfully Submitted,

Leticia Rosas-Mendoza
Clerk of the Board

Approved: __________________________