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Eddy Cumins

January 21, 2026

Sonoma- Marin Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Increase spending authority for passenger rail and freight

Dear Board Members:

**RECOMMENDATIONS:**

Adopt Resolution No. 2026-02, amending Resolution No. 2025-19, the Fiscal Year 2025/2026 Adopted Budget to increase spending authority.

**SUMMARY:**

SMART requests a budget amendment to make changes to the Fiscal Year 2025/2026 Board-Adopted Budget. This amendment increases spending authority for passenger rail and freight.

**BACKGROUND:**

This fall, supporters of SMART launched a citizen-led initiative to gather signatures to place the extension of the quarter-cent sales tax on a future ballot in Marin and Sonoma counties. The necessary number of signatures were gathered and certified by the Registrar of Voters. The Registrar of Voters has requested that the SMART Board of Directors accept the certification of the signatures qualifying the measure for the ballot. Pursuant to state law, SMART is requesting the Boards of Supervisors of the Counties of Marin and Sonoma to call for a special election to be held on June 2, 2026, and to consolidate it with the Statewide Direct Primary Election held on the same date. State law requires SMART to reimburse the Counties of Marin and Sonoma the incremental costs of submitting an initiative to the voters. The estimated cost is \$700,000, but the actual cost will vary based on the number of items on each ballot and voters in each county. This amendment moves \$700,000 from the passenger fund balance for this purpose.

In December, SMART was notified that it will be receiving \$175,977 through the Federal Emergency Management Agency (FEMA) and California Governor's Office of Emergency Services (Cal OES) reimbursing expenses incurred after a declared disaster flooding event in 2023. These funds are related to only a portion of the costs for which SMART has requested reimbursement, so it remains to be seen whether SMART will see additional funding in the future related to this same event.

Last month, the Highway 37 crossing experienced a sudden condition that required an emergency repair to restore two-way traffic. This repair resulted in an additional \$100,000 expense to the freight budget. We have also received correspondence regarding damage claims. Further action may need to be presented to the Board, as appropriate, in connection with the crossing repair and related matters.

The Black Point Bridge on the Brazos Branch has experienced multiple mechanical failures, resulting in several weeks of downtime this past fall. Repairs are ongoing, and the bridge is expected to remain out of service for several more weeks. During this period, Freight customers have incurred additional costs to ship goods by truck while continuing to pay for freight service. To help offset this financial burden and preserve strong customer relationships, SMART Freight will reimburse these shipping costs for the duration of the outage. While final figures are not yet available, current estimates place these costs at approximately \$500,000. To cover these expenses, \$424,023 from the California Priority Legislative Budget Projects 2024 grant will be allocated to the Freight budget.

**FISCAL IMPACT:**

The Passenger Rail/Pathway Budget fund balance will decrease by \$700,000 to \$53,650,516 and the Freight Budget will maintain a fund balance of \$0.

**REVIEWED BY:**  Finance \_\_\_\_\_  Counsel /s/ \_\_\_\_\_

Sincerely,

/s/

Heather McKillop  
Chief Financial Officer

Attachments: 1.) Resolution No 2026-02 – FY 2025/2026 Budget Amendment #6  
2.) Revised Appendix A  
3.) Revised Appendix B

**Resolution No. 2026-02**  
**Sonoma-Marin Area Rail Transit District**  
**January 21, 2025**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, AMENDING RESOLUTION NO. 2025-19, THE ANNUAL BUDGET FOR FISCAL YEAR 2025-2026 TO PROVIDE FOR AN INCREASE IN SPENDING AUTHORITY**

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**WHEREAS**, as part of its approval of the Annual Budget for Fiscal Year 2025-2026, the Board of Directors considered the annual expenditures necessary for the Sonoma-Marin Area Rail Transit District; and

**WHEREAS**, the Board approved Budget Amendment #1 which modified expenditure authority and revised position authority; and

**WHEREAS**, the Board approved Budget Amendment #2 to modify expenditure authority for the rollforward of funds and acceptance of additional funding; and

**WHEREAS**, the Board approved Budget Amendment #3 to modify expenditure authority for Phase I of the Healdsburg Extension project and the Teamsters agreement, and to revise position authority; and

**WHEREAS**, the Board approved Budget Amendment #4 to modify expenditure authority to add grant funding and roll forward funds related to continuing projects; and

**WHEREAS**, the Board approved Budget Amendment #5 to add additional funding for passenger rail, as well as add and modify funding sources for freight rail; and

**WHEREAS**, the Board desires to amend the Annual Budget Resolution No. 2025-19, for Fiscal Year 2025-2026, in order to adjust expenditure authority to fund reimbursements for incremental costs of election proceedings required by state law, incorporate FEMA funding, and provide for freight rail repairs and related matters; and

**NOW, THEREFORE, BE IT RESOLVED** that expenditure authority in Resolution No. 2025-19, Fiscal Year 2025-2026 Adopted Budget Appendix A and B are hereby amended.

**BE IT FURTHER RESOLVED** except as specifically amended or supplemented by this Resolution, Resolution No. 2025-19, together with all supplements, amendments, and exhibits thereto is, and shall continue to be, in full force and effect as originally adopted, and otherwise contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of Resolution No. 2025-19.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marin Area Rail Transit District held on the 21st day of January, 2026, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

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Mary Sackett, Vice Chair, Board of Directors  
Sonoma-Marin Area Rail Transit District

ATTEST:

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Kyreen Jorgensen, Clerk of the Board of Directors  
Sonoma-Marin Area Rail Transit District

**Appendix A - Passenger Rail/Pathway Sources & Uses**

**FISCAL YEAR 2025-2026 BUDGET - SOURCES**

	<b>FY 26 Budget</b>	<b>Amendment #1</b>	<b>Amendment #2</b>	<b>Amendment #3</b>	<b>Amendment #4</b>	<b>Amendment #5</b>	<b>Amendment #6</b>	<b>Total</b>
Beginning Fund Balance *	\$ 61,508,650							\$ 61,508,650
Revenues								
SMART S&U Tax								
Measure Q	\$ 48,300,300							\$ 48,300,300
Measure Q Cost of Collection	\$ (683,796)	\$ (156,074)						\$ (839,870)
Net Sales & Use Tax	\$ 47,616,504	\$ (156,074)						\$ 47,460,430
Measure Q Roll Forward	\$ 3,975,611		\$ 425,957		\$ 9,777			\$ 4,411,345
Transfer from Capital Fund	\$ -							\$ -
Transfer from Corridor Reserve	\$ 1,500,000							\$ 1,500,000
<b>Subtotal</b>	<b>\$ 53,092,115</b>	<b>\$ (156,074)</b>	<b>\$ 425,957</b>	<b>\$ -</b>	<b>\$ 9,777</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,371,774</b>
<b>Federal Funds</b>								
5307 - Urbanized Area Formula Funds (Preventative Maintenance)	\$ 4,246,710							\$ 4,246,710
5337 - Federal State of Good Repair Funds	\$ 4,937,716							\$ 4,937,716
Discretionary Earmark	\$ 1,520,000		\$ 97,144					\$ 1,617,144
FTA / OBAG 2 - Hanna Ranch to Vintage Way	\$ 91,600							\$ 91,600
FTA / OBAG 3 - Hanna Ranch to Vintage Way	\$ 171,750							\$ 171,750
<b>Subtotal</b>	<b>\$ 10,967,776</b>	<b>\$ -</b>	<b>\$ 97,144</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,064,920</b>
<b>State Funds</b>								
AHSC - Affordable Housing and Sustainable Communities	\$ 1,610,000							\$ 1,610,000
ATP - Active Transportation Program	\$ -		\$ 99,429					\$ 99,429
Caltrans Sustainability Communities Competitive Planning Grant	\$ 159,354							\$ 159,354
ITIP - Complete Streets	\$ 896,000							\$ 896,000
LCTOP - Low Carbon Transit Operating	\$ 760,918							\$ 760,918
LPP - Local Partnership Program	\$ 727,443	\$ 200,000			\$ 100,000			\$ 1,027,443
SRA - State Rail Assistance	\$ 3,700,000							\$ 3,700,000
STA - State Transit Assistance (Population)	\$ 1,309,770		\$ (42,817)					\$ 1,266,953
STA - State Transit Assistance (Revenue)	\$ 2,094,129							\$ 2,094,129
STA - MASCOTS	\$ -		\$ 800,000					\$ 800,000
STA - SGR (State of Good Repair)	\$ 363,183							\$ 363,183
State Funds - Shuttle Service	\$ 250,000				\$ 65,705			\$ 315,705
TIRCP - Petaluma Station	\$ -		\$ 150,000					\$ 150,000
TIRCP - Windsor to Healdsburg Project Development	\$ 1,380,000		\$ (113,680)					\$ 1,266,320
TIRCP - Windsor to Healdsburg Phase I				\$ 33,359,000				\$ 33,359,000
<b>Subtotal</b>	<b>\$ 13,250,797</b>	<b>\$ 200,000</b>	<b>\$ 892,932</b>	<b>\$ 33,359,000</b>	<b>\$ 165,705</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,868,434</b>
<b>Regional Funds</b>								
Regional Measure 3 (RM3)	\$ 1,048,400							\$ 1,048,400
MTC - MASCOTS	\$ -	\$ 600,000	\$ (600,000)					\$ -
Measure M - Healdsburg					\$ 2,000,000			\$ 2,000,000
<b>Subtotal</b>	<b>\$ 1,048,400</b>	<b>\$ 600,000</b>	<b>\$ (600,000)</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,048,400</b>
<b>Other Sources</b>								
Advertising	\$ 175,000							\$ 175,000
Charges for Services	\$ 112,851							\$ 112,851
Fare Revenues - Passenger Rail	\$ 2,541,000							\$ 2,541,000
Fare Revenues - Shuttle	\$ 8,000							\$ 8,000
Interest Earning	\$ 800,000							\$ 800,000
Misc.	\$ 55,885							\$ 55,885
Parking	\$ 17,580							\$ 17,580
Rent - Real Estate	\$ 494,025							\$ 494,025
Other Governments/Private Sector	\$ 1,534,821		\$ 31,136					\$ 1,565,956
<b>Subtotal</b>	<b>\$ 5,739,161</b>	<b>\$ -</b>	<b>\$ 31,136</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,770,297</b>
<b>Total Revenues</b>	<b>\$ 84,098,249</b>	<b>\$ 643,926</b>	<b>\$ 847,169</b>	<b>\$ 33,359,000</b>	<b>\$ 2,175,482</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 121,123,825</b>
<b>Total Revenues + Fund Balance</b>	<b>\$ 145,606,899</b>	<b>\$ 643,926</b>	<b>\$ 847,169</b>	<b>\$ 33,359,000</b>	<b>\$ 2,175,482</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 182,632,475</b>

**FISCAL YEAR 2025-2026 BUDGET - USES**

	<b>FY 26 Budget</b>	<b>Amendment #1</b>	<b>Amendment #2</b>	<b>Amendment #3</b>	<b>Amendment #4</b>	<b>Amendment #5</b>	<b>Amendment #6</b>	<b>Total</b>
Debt Service	\$ 16,996,844							\$ 16,996,844
Salaries & Benefits	\$ 30,549,100	\$ 1,046,346		\$ 87,417				\$ 31,682,864
Reduction for Salaries Charged to Projects	\$ (1,663,687)							\$ (1,663,687)
Reduction for Allocation of Salaries/ Services/ Supplies to Freight	\$ (34,944)							\$ (34,944)
Service & Supplies	\$ 18,382,301	\$ 221,819					\$ 700,000	\$ 19,304,120
<b>Total Salaries, Benefits, Service, &amp; Supplies</b>	<b>\$ 47,232,770</b>	<b>\$ 1,268,165</b>	<b>\$ -</b>	<b>\$ 87,417</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 700,000</b>	<b>\$ 49,288,352</b>
Contribution to OPEB/ CalPERS Liability Fund	\$ 750,000							\$ 750,000
Contribution to Capital Sinking Fund	\$ 1,000,000							\$ 1,000,000
Operating Reserve	\$ 1,231,027							\$ 1,231,027
<b>Total Reserve Contributions</b>	<b>\$ 2,981,027</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,981,027</b>
<b>Total Debt Service, Operating, Reserves</b>	<b>\$ 67,210,640</b>	<b>\$ 1,268,165</b>	<b>\$ -</b>	<b>\$ 87,417</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 700,000</b>	<b>\$ 69,266,223</b>
Balance	\$ 78,396,259	\$ (624,239)	\$ 847,169	\$ 33,271,583	\$ 2,175,482	\$ -	\$ (700,000)	\$ 113,366,252
Non-Capital Projects	\$ 4,658,214		\$ 2,763,789					\$ 7,422,003
<b>Total Non-Capital Projects</b>	<b>\$ 4,658,214</b>	<b>\$ -</b>	<b>\$ 2,763,789</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,422,003</b>
State of Good Repair and Projects	\$ 8,831,723							\$ 8,831,723
<b>Total State of Good Repair</b>	<b>\$ 8,831,723</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,831,723</b>
<b>Capital Projects</b>								
Equipment	\$ 2,576,151				\$ 109,777			\$ 2,685,928
Facilities	\$ 6,683,886		\$ (2,123,803)	\$ 33,359,000	\$ 2,000,000	\$ 185,000		\$ 40,104,083
Infrastructure	\$ -		\$ 50,000					\$ 50,000
Non-Revenue Vehicles	\$ 346,000	\$ 276,000						\$ 622,000
Land Acquisition	\$ -							\$ -
<b>Total Capital Expenditures</b>	<b>\$ 9,606,037</b>	<b>\$ 276,000</b>	<b>\$ (2,073,803)</b>	<b>\$ 33,359,000</b>	<b>\$ 2,109,777</b>	<b>\$ 185,000</b>	<b>\$ -</b>	<b>\$ 43,462,010</b>
<b>Ending Fund Balance</b>	<b>\$ 55,300,285</b>	<b>\$ (900,239)</b>	<b>\$ 157,183</b>	<b>\$ (87,417)</b>	<b>\$ 65,705</b>	<b>\$ (185,000)</b>	<b>\$ (700,000)</b>	<b>\$ 53,650,516</b>

## Appendix B - Freight Sources and Uses

## **FISCAL YEAR 2025-2026**