



AGENDA ITEM 08

Sonoma-Marin Area Rail Transit
5401 Old Redwood Hwy, Suite 200
Petaluma, CA 94954

P: 707-794-3330
F: 707-794-3037
W: www.SonomaMarinTrain.org

BOARD OF DIRECTORS

Chris Coursey, Chair
Sonoma County Board of Supervisors

Mary Sackett, Vice Chair
Marin County Board of Supervisors

Janice Cader Thompson
Sonoma County Mayors' and
Councilmembers Association

Kate Colin
Transportation Authority of Marin

Victoria Fleming
Sonoma County Mayors' and
Councilmembers Association

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

Ariel Kelley
Sonoma County Mayors' and
Councilmembers Association

Eric Lucan
Marin County Board of Supervisors

Vacant
Transportation Authority of Marin

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gabe Paulson
Marin County Council of Mayors and
Councilmembers

David Rabbitt
Sonoma County Board of Supervisors

GENERAL MANAGER

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 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

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-Marín Area Rail Transit District held on the 21st day of January, 2026, by the following vote:

DIRECTORS:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

ATTEST:

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

Appendix A - Passenger Rail/Pathway Sources & Uses									
FISCAL YEAR 2025-2026 BUDGET - SOURCES									
		FY 26 Budget	Amendment #1	Amendment #2	Amendment #3	Amendment #4	Amendment #5	Amendment #6	Total
	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
	Subtotal	\$ 53,092,115	\$ (156,074)	\$ 425,957	\$ -	\$ 9,777	\$ -	\$ -	\$ 53,371,774
	Federal Funds								
	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
	Subtotal	\$ 10,967,776	\$ -	\$ 97,144	\$ -	\$ -	\$ -	\$ -	\$ 11,064,920
	State Funds								
	AHSC - Affordable Housing and Sustainable Communities	\$ 1,610,000							\$ 1,610,000
	ATP - Active Transportation Program	\$ -		\$ 99,429					\$ 99,429
	Caltrans Sustainability Communities Competative 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
	Subtotal	\$ 13,250,797	\$ 200,000	\$ 892,932	\$ 33,359,000	\$ 165,705	\$ -	\$ -	\$ 47,868,434
	Regional Funds								
	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
	Subtotal	\$ 1,048,400	\$ 600,000	\$ (600,000)	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 3,048,400
	Other Sources								
	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
	Subtotal	\$ 5,739,161	\$ -	\$ 31,136	\$ -	\$ -	\$ -	\$ -	\$ 5,770,297
	Total Revenues	\$ 84,098,249	\$ 643,926	\$ 847,169	\$ 33,359,000	\$ 2,175,482	\$ -	\$ -	\$ 121,123,825
	Total Revenues + Fund Balance	\$ 145,606,899	\$ 643,926	\$ 847,169	\$ 33,359,000	\$ 2,175,482	\$ -	\$ -	\$ 182,632,475
FISCAL YEAR 2025-2026 BUDGET - USES									
		FY 26 Budget	Amendment #1	Amendment #2	Amendment #3	Amendment #4	Amendment #5	Amendment #6	Total
	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
	Total Salaries, Benefits, Service, & Supplies	\$ 47,232,770	\$ 1,268,165	\$ -	\$ 87,417	\$ -	\$ -	\$ 700,000	\$ 49,288,352
	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
	Total Reserve Contributions	\$ 2,981,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,981,027
	Total Debt Service, Operating, Reserves	\$ 67,210,640	\$ 1,268,165	\$ -	\$ 87,417	\$ -	\$ -	\$ 700,000	\$ 69,266,223
	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
	Total Non-Capital Projects	\$ 4,658,214	\$ -	\$ 2,763,789	\$ -	\$ -	\$ -	\$ -	\$ 7,422,003
	State of Good Repair and Projects	\$ 8,831,723							\$ 8,831,723
	Total State of Good Repair	\$ 8,831,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,831,723
	Capital Projects								
	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	\$ -							\$ -
	Total Capital Expenditures	\$ 9,606,037	\$ 276,000	\$ (2,073,803)	\$ 33,359,000	\$ 2,109,777	\$ 185,000	\$ -	\$ 43,462,010
	Ending Fund Balance	\$ 55,300,285	\$ (900,239)	\$ 157,183	\$ (87,417)	\$ 65,705	\$ (185,000)	\$ (700,000)	\$ 53,650,516

Appendix B - Freight Sources and Uses								
FISCAL YEAR 2025-2026								
		FY 26 Budget	Amendment #1	Amendment #2	Amendment #4	Amendment #5	Amendment #6	Total
	Beginning Fund Balance	\$ -						\$ -
	Revenues							
	California State Transportation Agency (Cal STA)	\$ -						\$ -
	CA Priority Legislative Budget Projects 2023	\$ 750,000						\$ 750,000
	CA Priority Legislative Budget Projects 2024	\$ 237,648	\$ 24,500	\$ 102,179		\$ (332,785)	\$ 424,023	\$ 455,565
	State Transportation Agency Grant 2022	\$ -				\$ 606,785		\$ 606,785
	Caltrans SR 37 Construction Support	\$ 7,000						\$ 7,000
	Caltrans Novato Creek Bridge Construction Support	\$ -			\$ 12,500			\$ 12,500
	State Shortline Grant	\$ 339,771		\$ 102,179		\$ 14,000		\$ 455,950
	Freight Movement Fees	\$ 800,000						\$ 800,000
	Leases	\$ 270,000						\$ 270,000
	Storage	\$ 40,000						\$ 40,000
	45(g) Tax Credit	\$ 251,000						\$ 251,000
	Misc.	\$ 10,000						\$ 10,000
	FEMA/CalOES 2023 Disaster Recovery Funding	\$ -					\$ 175,977	\$ 175,977
	Total Revenues	\$ 2,705,419	\$ 24,500	\$ 204,357	\$ 12,500	\$ 288,000	\$ 600,000	\$ 3,834,776
	Total Revenues + Fund Balance	\$ 2,705,419	\$ 24,500	\$ 204,357	\$ 12,500	\$ 288,000	\$ 600,000	\$ 3,834,776
	Expenditures							
	Salaries & Benefits	\$ 1,075,089			\$ 12,500			\$ 1,087,589
	Services & Supplies	\$ 943,789					\$ 500,000	\$ 1,443,789
	Blackpoint Bridge Emergency Repair	\$ -	\$ 24,500			\$ 140,000		\$ 164,500
	SR 37 Grade Crossing PE Review	\$ 7,000						\$ 7,000
	Tie Replacement	\$ 50,000				\$ 28,000		\$ 78,000
	Brazos Branch Bridge Repairs (3 Bridges)	\$ 475,301		\$ 204,357				\$ 679,658
	Grade Crossing Repair	\$ 154,240						\$ 154,240
	Cantilever Repair	\$ -				\$ 120,000		\$ 120,000
	SR 37 Grade Crossing Emergency Repair						\$ 100,000	\$ 100,000
	Total	\$ 2,705,419	\$ 24,500	\$ 204,357	\$ 12,500	\$ 288,000	\$ 600,000	\$ 3,834,776
	Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -