

Agenda Item 9: FY 2023/2024 Budget

May 24, 2023



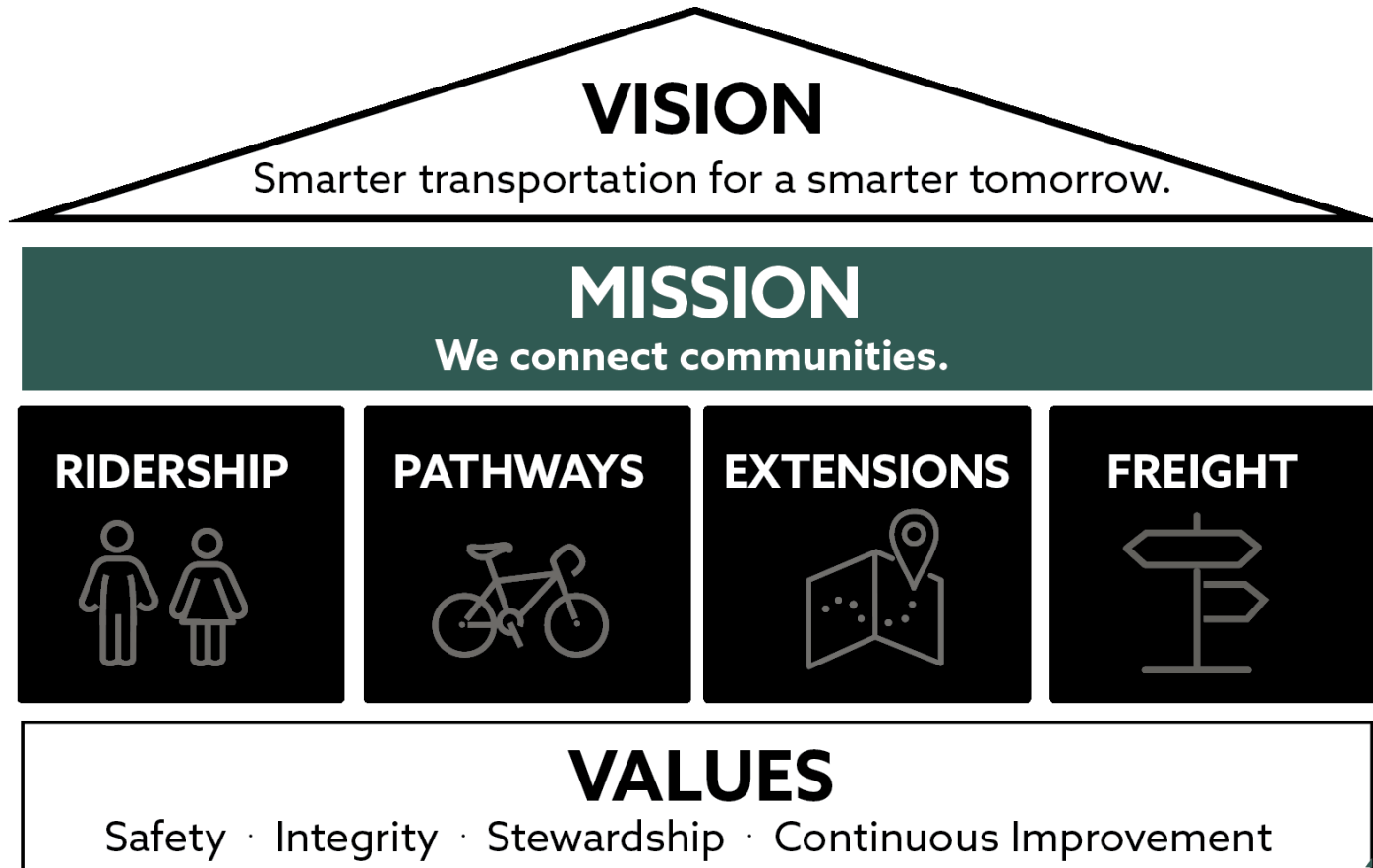
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2019 Strategic Plan Principles

- Provide for ongoing Operations and Maintenance of the Current System
- Prioritize Safety and Security Maintenance and Improvements
- Provide for Capital Investment: Completion of all projects underway:
 - Completion of Windsor Extension
 - Completion of Healdsburg
 - Completion of Cloverdale
 - Completion of pathway projects
 - Completion of second station in Petaluma
 - Purchase additional train sets
 - Double tracking where feasible

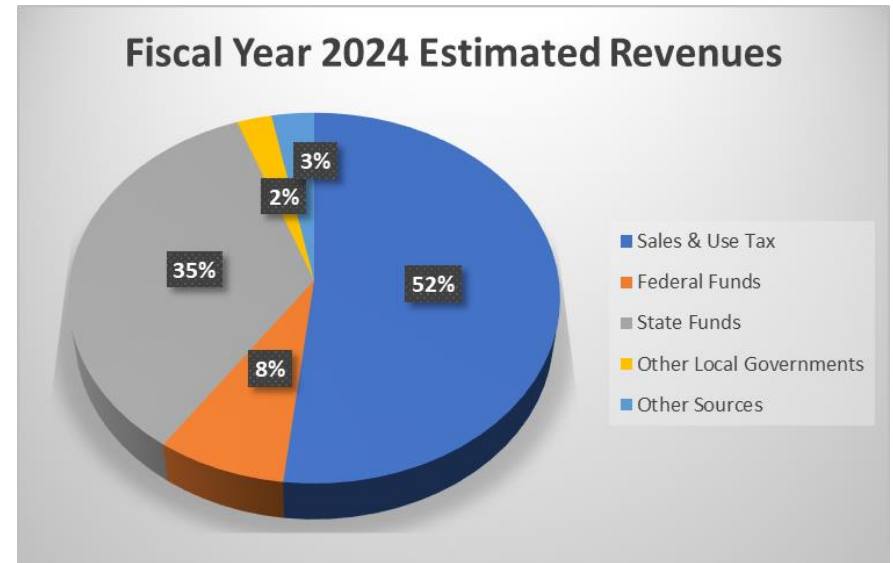
Mission and Vision



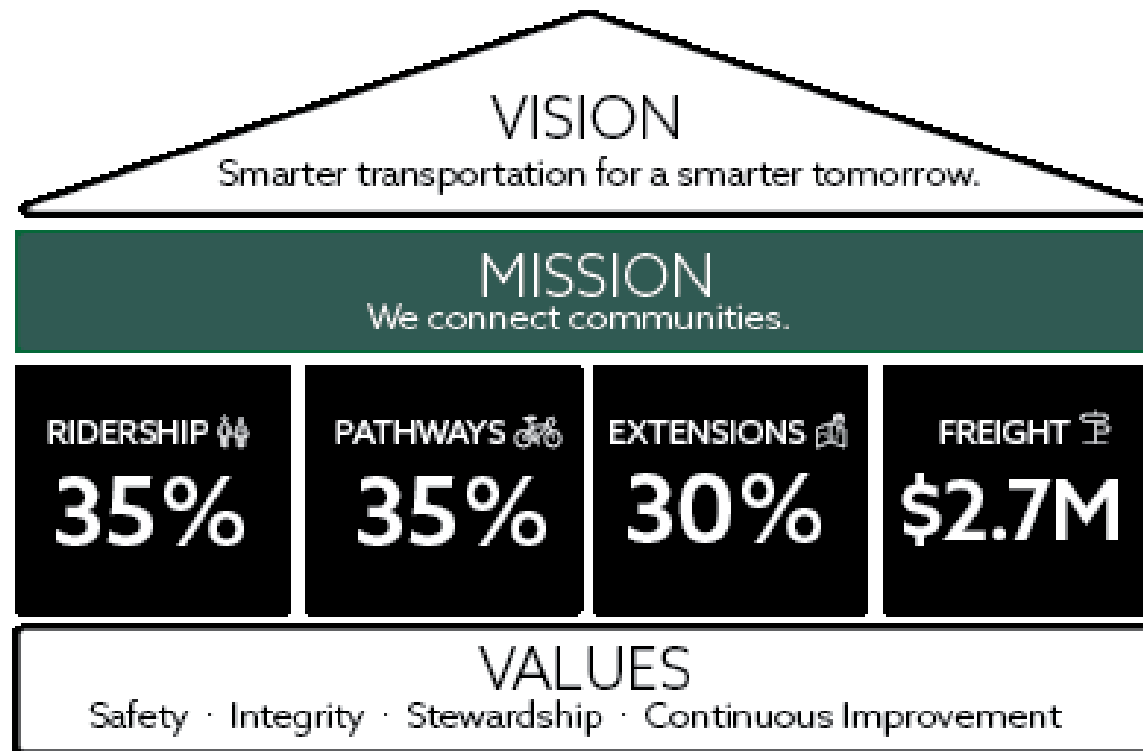
Revenues - Passenger

Estimated Revenues – FY 2024

Revenues	FY 24
SMART S&U Tax	
Measure Q	\$ 51,103,000
Total Sales & Use Tax	\$ 51,103,000
Federal Funds	
5307 - Urbanized Area Formula Funds (Preventative Mtce)	\$ 3,997,642
Discretionary Earmark	\$ 1,800,000
FTA Quick Strike Funds (CMAQ)	\$ 1,857,999
Total Federal Funds	\$ 7,655,641
State Funds	
AHSC - Windsor	\$ 1,093,230
ATP - Sonoma County Pathway	\$ 5,210,927
Caltrans Sustainability Communities Competative Planning Grant	\$ 400,000
ITIP - Windsor Systems	\$ 2,186,460
LCTOP	\$ 520,218
LPP	\$ 1,857,999
SCC - Windsor	\$ 6,559,379
STA - Population	\$ 653,792
STA - Revenue	\$ 3,170,013
STA -SGR	\$ 330,712
SRA	\$ 5,026,754
TIRCP - Petaluma North	\$ 4,125,768
TIRCP - Windsor to Healdsburg	\$ 3,200,000
Total State Funds	\$ 34,335,252
Other Local Governments	
City of Petaluma	\$ 2,000,000
Measure M - SCTA	\$ 480,108
Total Other Local Governments	\$ 2,480,108
Other Sources	
Advertising	\$ 70,000
Charges for Services	\$ 75,637
Fare Revenues	\$ 1,803,384
Interest Earning	\$ 627,926
Miscellaneous	\$ 5,659
Parking	\$ 15,000
Rent - Real Estate	\$ 423,721
Total Other Sources	\$ 3,021,327
Total Revenues	\$ 98,595,328



Proposed Expenditures by Objective



Ridership - Strategies

Ridership - Strategies

- ✓ Implement Micro-transit Pilot Program at the Airport Station
- ✓ Additional Evening Service
- ✓ Additional Event Service Based on Demand
- ✓ Work with Transit Providers to improve Bus/Ferry Connections
- ✓ Allow Overnight Parking at SMART Park-n-Ride Lots
- ✓ Reprice Monthly Pass for 3-day Work Week
- ✓ Implement Aggressive Marketing Plan
- ✓ Pursue Grant for Quality of Life Study
- ✓ Free K-12 Summer Program
- ✓ Public Information Display Signs at Platforms
- ✓ Closely Monitor System/Ridership and Adjust as Necessary

Ridership	FY 24
First/ Last Mile Connections - Implement Microtransit at Airport Station	\$ 500,000
Implement Aggressive Marketing Plan	\$ 175,000
Quality of Life & Economic Impact Assessment	\$ 400,000
Public Information Display Signs at Platforms	\$ 250,000
Bike Locker Upgrades	\$ 16,000
Customer Service Support Software	\$ 4,500
Direct Operations	\$ 18,308,409
- Additional Evening Service	
- Additional Event Service Based on Demand	
Operations	\$ 4,878,605
Administration	\$ 6,714,329
Total	\$ 31,246,843



Expenditures - Ridership

- Convert One (1) Signal Technician Position to a Vehicle Maintenance Supervisor
 - 24/7 with three (3) shifts
 - Currently have shifts that are not covered
- Three (3) New Engineer/ Conductor Positions
 - Will be used as flex positions
 - Will allow us to continually recruit and limit the impact of vacancies in this area
- Bike Locker Upgrades
 - \$16,000
- Fare collection fee increases - \$216,000 up 10%
 - Increased ridership
 - Implementation of Clipper 2
- Customer Service Support Software
 - \$4,500

Pathway - Strategies

Pathway - Strategies

- ✓ Construct funded segments of the Pathway
- ✓ Continue to design and permit pathways
- ✓ Publish updated Pathway maps
- ✓ Develop and implement wayfinding program

Pathways	FY 24
Construct Funded Segments of the Pathway	
- McInnis to Smith Ranch Pathway	\$ 4,835,333
- Hanna Ranch to Vintage Way Pathway	\$ 246,466
- Guerneville Road to Airport Blvd. Pathway	\$ 1,429,430
- Sonoma County Pathways	\$ 6,890,620
Design and Permit Pathways	
- Marin- Sonoma Pathways	\$ 1,603,744
- Marin Pathways	\$ 4,098,301
- Puerto Suello to San Pedro Road	\$ 708,227
Wayfinding Program	\$ 150,000
Pathway Specific Maintenance	\$ 30,500
Operations	\$ 4,943,977
Administration	\$ 6,810,593
Total Pathways	\$ 31,747,190

Pathways - Expenditures

- ✓ Construct funded segments of the Pathway
 - McInnis to Smith Ranch Pathway - \$4,835,333
 - Hanna Ranch to Vintage Way Pathway - \$246,466
 - Guerneville Road to Airport Blvd Pathway - \$1,429,430
 - Sonoma County Pathways - \$6,513,660

- ✓ Develop and implement wayfinding program
 - Fabrication and Installation \$150,000

Pathways - Expenditures

- ✓ Continue to design and permit pathways
 - Marin-Sonoma Pathways - \$1,603,744
 - McInnis Parkway to Smith Ranch Road
 - Main Street to East Railroad Avenue
 - Joe Rodota Trail 3rd Street
 - Santa Rosa Downtown Station to 6th Street
 - Guerneville Road to West Steele Lane
 - West Steele Lane to San Miguel Boulevard
 - San Miguel Boulevard to Airport Boulevard
 - Marin Pathways - \$4,098,301
 - Smith Ranch Road to Main Gate Road/ Novato Hamilton Station
 - State Access Road to Bay Trail
 - Hanna Ranch Road to South Side of Novato Creek
 - Grant Avenue to Olive Avenue
 - Olive Avenue to Rush Creek Place
 - Puerto Suello to San Pedro Road - \$708,277

Extensions - Strategies

Extensions - Strategies

- ✓ Construct Petaluma North infill station.
- ✓ Northern Extensions to Windsor, Healdsburg, and Cloverdale:
 - ✓ Complete Caltrans rail service plan analysis
 - ✓ Design and Build Portions that are funded
 - ✓ Continue to Seek Federal and State Capital Grants
- ✓ East/ West:
 - ✓ Continue participation in Highway 37 corridor activities
 - ✓ Work with partners to incorporate rail into the project
 - ✓ Complete Caltrans rail service plan analysis
 - ✓ Partner with Caltrans and FRA Corridor ID Program through SMART East-West project development and subsequent phases

Extensions	FY 24
Santa Rosa to Windsor	\$ 10,000,000
Windsor to Healdsburg	\$ 5,000,000
Petaluma North Station	\$ 6,027,063
McDowell Crossing	\$ 778,141
Administration	\$ 5,955,358
Total	\$ 27,760,562



Extensions - Expenditures

- ✓ Santa Rosa to Windsor
 - \$10,000,000

- ✓ Windsor to Healdsburg
 - \$5,000,000

- ✓ Petaluma North Station
 - \$6,027,063

- ✓ McDowell Crossing
 - \$778,141

Expenditures – Pathways and Extensions

■ Administration

- One (1) New Procurement Position
 - Senior Buyer

■ Engineering

- Convert one (1) position from Associate Engineer to Assistant Engineer (Existing position)
- One (1) New Assistant Engineer
- One (1) New Junior Engineer

Efficiencies

- Commercial Drivers License and Hi-Rail Inspection Training
 - \$18,500
- Software
 - Oracle Projects & Grants Implementation & Licenses
 - One time implementation \$200,000
 - Ongoing licenses \$82,000

Compliance

- Operations
 - One (1) New Parts Clerks
 - Currently have two (2) positions
 - Based on workload
 - One (1) New Inventory Manager/ Asset Management Specialist
 - Need centralized point of contact for purchasing, inventory, and asset tracking
- EEO consultant – Plan update required

Expenditures – Salaries and Benefits

- Pay Increases
 - Represented Employees
 - Consistent with CBAs
 - Non-Represented Employees
 - 3% COLA effective 1st full pay period in July (July 28th Pay Day)

- Benefits
 - Overall Increase of 10%
 - Formalize Tuition Reimbursement
 - Up to \$2,500 per year/ employee

- Classification & Compensation Study
 - Still finalizing results
 - Expectation of title changes & limited classification changes
 - Won't be ready for July 1, 2023 implementation



Expenditures – Services and Supplies

■ Utilities

- Increased by 7%
- \$775,520 to \$830,120

■ Insurance

- Increase by 18%
- \$2,361,764 to \$2,795,395

Capital and State of Good Repair

Department	Project	FY 24 Amount
Bridges		
	MP 29.31 Basalt Creek Timber Trestle Replacement (#1)	\$ 4,000
	MP 31.47 San Antonio Tributary Timber Trestle (#2)	\$ 4,000
Total		\$ 8,000
Expansion		
	Santa Rosa Airport Station to Windsor Station	\$ 10,000,000
	Windsor Station to Healdsburg Station	\$ 5,000,000
	Petaluma North Station	\$ 6,027,063
	N. McDowell Boulevard Crossing Reconstruction	\$ 778,141
Total		\$ 21,805,204
Information Systems		
	Access Control Server	\$ 14,000
	Avaya Phone System and switch	\$ 9,000
	Fulton Admin Server	\$ 5,000
	Fulton 2 UPSs	\$ 6,500
	Petaluma CCTV Network PoE Switches (2)	\$ 10,000
	Petaluma Admin Server	\$ 6,000
	Petaluma Print Server	\$ 5,000
	Roblar Internal Router	\$ 18,000
	Roblar Internet Router	\$ 9,500
	Roblar Firewall	\$ 17,900
	Roblar WAN Router	\$ 9,500
	Roblar Wi-Fi (wireless controller, APs, PoE switch)	\$ 11,000
	ROC CCTV Network PoE Switches (2)	\$ 11,000
	ROC Data Network S&U Switches (2)	\$ 14,000
	ROC IPSec Router to Sonoma County AVL	\$ 26,000
	ROC UPS 8 in racks 1-6 CDC	\$ 56,000
	ROC UPS 1 for racks 7-12 CDC	\$ 7,000
Total		\$ 235,400
Miscellaneous		
	Platform Real-Time Signage	\$ 250,000
Total		\$ 250,000



Capital and State of Good Repair

Department	Project	FY 24 Amount
Operations		
Vehicles	F150 Crew Cab XL	\$ 45,000
	F150 Crew Cab XL (2 axle)	\$ 45,000
	F150 Crew Cab XL (2 axle)	\$ 45,000
	F250 W/ Harbor Body (2 axle)	\$ 60,000
	F-350 Hi-Rail	\$ 66,000
	F350 Extended Cab XL (Hi-Rail)	\$ 15,000
	F350 Extended Cab XL (Hi-Rail)	\$ 58,000
	F450 (2 axle)	\$ 140,000
	Escape	\$ 5,000
	Ford Interceptor	\$ 45,000
	Fusion Energi	\$ 40,000
	HiRail Boom Truck	\$ 200,000
	Ram Truck	\$ 15,000
	Tahoe	\$ 55,000
	Trailer Heavy Equipment	\$ 30,000
	Transit Connect Van	\$ 55,000
Equipment	Telehandler, forks and high capacity bucket	\$ 65,000
	Grapple Bucket for Skid Steer	\$ 4,500
Miscellaneous	Air Supply Unit	\$ 500,000
	APS Motor Fan Replacement	\$ 70,000
	APS (Auxillary Power Supply) Overhaul	\$ 700,000
	Backup generator at Roblar	\$ 50,000
	DMU Air Brake overhaul - 5 Year Option cars	\$ 250,000
	Energy Cushion Device Crash System	\$ 150,000
	Generator Plug Retrofit at all Platforms	\$ 8,000
	Guideway & Trackwork for Commuter Operation - Mainline	\$ 225,000
	Joints (Insulated/ Welded)	\$ 27,300
	Radiator Fan Modification	\$ 115,000
	Stations	\$ 150,000
	Switches (4) Signal HP / year	\$ 60,000
	Upgrade platform/walkway/parking lot lighting to LED	\$ 25,000
Total		\$ 3,318,800



Capital and State of Good Repair

Department	Project	FY 24 Amount
Pathways		
	Guerneville Road to Airport Boulevard Pathway	\$ 1,429,430
	Hanna Ranch to S. Rowland Blvd. Pathway	\$ 246,466
	Marin - Sonoma Pathway Design & Permitting	\$ 1,603,744
	- McInnis Parkway to Smith Ranch Road	
	- Main Street to East Railroad Avenue	
	- Joe Rodota Trail 3rd Street	
	- Santa Rosa Downtown Station to 6th Street	
	- Guerneville Road to West Steele Lane	
	- West Steele Lane to San Miguel Boulevard	
	- San Miguel Boulevard to Airport Boulevard	
	Marin Pathway Design & Permitting	\$ 4,098,301
	- Smith Ranch Road to Main Gate Road/ Novato Hamilton Station	
	- State Access Road to Bay Trail	
	- Hanna Ranch Road to South Side of Novato Creek	
	- Grant Avenue to Olive Avenue	
	- Olive Avenue to Rush Creek Place	
	McInnis Pkwy to Smith Ranch Rd Pathway	\$ 4,835,333
	Puerto Suello to San Pedro Road	\$ 708,227
	SoCo Pathway Gap Closure	\$ 6,890,620
Total		\$ 19,812,122



Carryforward - Passenger

Carryforward - Passenger

Account Description	FY 23 Amended Budget	Amount to Roll to FY24
Information Systems		
Bridge/Tunnel CCTV Servers and Video Appliance	\$ 40,530	\$ 40,530
Pathways		
Joe Rodota Trail to 3rd Street	\$ 445,902	\$ 387,015
Marin Pathway Design & Permitting	\$ 2,402,974	\$ 277,130
Marin - Sonoma Pathway Design & Permitting	\$ 2,567,394	\$ 160,560
McInnis Pkwy to Smith Ranch Rd Permitting	\$ 379,311	\$ 49,196
Pathway Wayfinding - Design	\$ 175,000	\$ 130,000
SoCo Pathway Gap Closure	\$ 2,481,284	\$ 1,305,390
Bridges		
MP 29.31 Basalt Creek Timber Trestle Replacement (#1)	\$ 107,401	\$ 10,000
MP 31.47 San Antonio Tributary Timber Trestle (#2)	\$ 118,840	\$ 10,000
Expansions		
Petaluma North Station	\$ 1,519,892	\$ 127,405
State Route 37 Planning Staff Time	\$ 14,000	\$ 9,000
Environmental		
SoCo Monitoring Segment 1 and 2	\$ -	\$ 48,426
Mira Monte Mitigation	\$ 260,000	\$ 217,000
Fleet Advanced from FY 24 to FY 23		
F250 Crew Cab w/ Harbor Body	\$ 60,000	\$ 60,000
F-350 Hi-Rail	\$ 75,000	\$ 75,000
F350 Extended Cab XL (Hi-Rail)	\$ 45,000	\$ 45,000
F350 Extended Cab XL (Hi-Rail)	\$ 83,000	\$ 83,000
Escape	\$ 35,000	\$ 35,000
Ram Truck	\$ 35,000	\$ 35,000
Buildings & Infrastructure		
Freight Sidings/Turnouts	\$ 76,650	\$ 79,330
Healdsburg Warehouse Roof Repairs	\$ 105,000	\$ 110,000
Vehicles Maintenance		
DMU Side Skirting	\$ 130,000	\$ 130,000
Permanent Magnet Alternator (PMA) Overhaul	\$ 82,400	\$ 31,692
Miscellaneous		
FRA Suicide Prevention Grant	\$ 80,000	\$ 78,902
Street Signal at W. Third Street & SMART Pathway	\$ 153,855	\$ 153,855
Totals	\$ 11,473,433	\$ 3,688,431

Estimated
Carryforward -
\$3,688,431



Summary - Passenger

Revenues	FY 23 Amended Budget	FY 24	Difference
SMART S&U Tax	\$ 51,090,000	\$ 51,103,000	\$ 13,000
Federal Funds	\$ 12,542,326	\$ 7,655,641	\$ (4,886,685)
State Funds	\$ 10,697,233	\$ 34,335,252	\$ 23,638,019
Other Sources	\$ 2,589,866	\$ 3,021,327	\$ 431,461
Regional Funds	\$ 1,673,747	\$ 2,480,108	\$ 806,361
Total Revenues	\$ 78,593,172	\$ 98,595,328	\$ 20,002,156
Expenditures	FY 23 Amended Budget	FY 24	Difference
Debt Service	\$ 15,596,193	\$ 16,244,444	\$ 648,251
Salaries & Benefits	\$ 23,318,136	\$ 25,525,661	\$ 2,207,525
Service & Supplies	\$ 15,873,763	\$ 19,429,772	\$ 3,556,009
Contribution to OPEB/ CalPERS Liability Fund	\$ 500,000	\$ 500,000	\$ -
Vehicle/ Equipment Capital Reserve	\$ 2,000,000	\$ 1,000,000	\$ (1,000,000)
Operating Reserve	\$ -	\$ 1,278,617	\$ 1,278,617
Planning	\$ 675,000	\$ 250,000	\$ (425,000)
Environmental	\$ 451,350	\$ 478,321	\$ 26,971
State of Good Repair	\$ 3,952,447	\$ 3,504,200	\$ (448,247)
Capital Projects	\$ 12,552,876	\$ 41,617,326	\$ 29,064,450
Future Match for Federal/ State Funds	\$ 2,000,000	\$ -	\$ (2,000,000)
Total	\$ 76,919,765	\$ 109,828,341	\$ 32,908,576

Fund Balance & Reserves

Reserves and Fund Balance - Passenger

- Pension and OPEB Liability Reserve
 - FY 2023 Year End - \$4,074,676
 - + \$500,000 = FY 2024 Year End - \$4,574,676

- Vehicles and Equipment Reserve
 - FY 2023 Year End - \$9,625,000
 - +\$1,000,000 = FY 2024 Year End - \$10,625,000

- Corridor Completion
 - FY 2023 Year End - \$7,000,000
 - FY 2024 Year End - \$7,000,000

Reserves and Fund Balance - Passenger

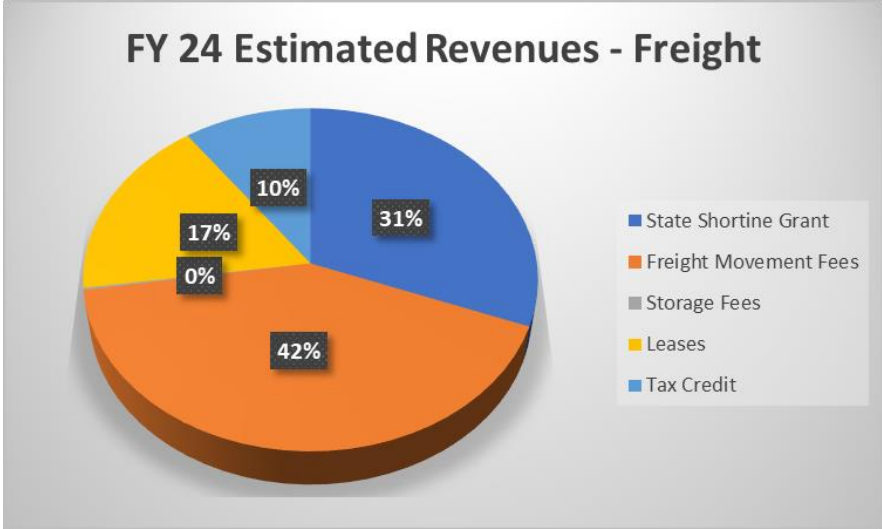
- Operating Reserve
 - FY 2023 Year End - \$10,000,000
 - +\$1,278,617 = FY 2024 Year End - \$11,278,617

- Fund Balance
 - Estimated FY 2023 Year End - \$39,066,717
 - - \$11,233,013 = FY 2024 Estimated Year End - \$27,833,704

Revenues - Freight

Revenues - Freight

Revenues	FY 24
State Shortline Grant	\$ 740,000
Freight Movement Fees	\$ 1,000,000
Storage Fees	\$ 4,800
Leases	\$ 415,000
45(g) Tax Credit	\$ 239,190
Total Revenues	\$ 2,398,990



Expenditures - Freight

Freight - Strategies

Freight - Strategies

- ✓ Manage maintenance requirements
 - ✓ Bridges, tracks, crossings, equipment, etc.
- ✓ Decrease expenditures by \$100,000+
- ✓ Increase annual revenue by \$500,000+
- ✓ Secure funding for capital/ SGR improvement (\$8.2 million)
- ✓ Market freight and storage opportunities at SMART
- ✓ Leverage storage track at Schellville and Burdell
- ✓ Promote transload opportunities at Victory Station (Schellville)
- ✓ Acquire new business
- ✓ Examine freight tariffs and consider increasing fees
- ✓ Reduce car hire fees

Freight	FY 24
Operations	\$ 2,091,505
Capital	\$ 648,405
Total Freight	\$ 2,739,910

Projects - Freight

Working on highest priority improvements

Account Description	FY24 Requested Budget
Brazos Branch - Phase I	\$ 58,405
Brazos Branch - Phase II	\$ 440,000
Tie Replacement	\$ 50,000
Grade Crossing Repair	\$ 100,000
	\$ 648,405

Freight Carryforward Request - \$496,692

Project Description	FY 23 Amended Budget	Amount to Roll to FY24
Brazos Branch - Bridge Repairs (Emergency & Phase I)	\$ 1,845,963	\$ 496,692

Reserves and Fund Balance - Freight

- Operating Reserve - none

- Fund Balance
 - Estimated FY 2023 Year End - \$1,301,011
 - - \$340,920 = FY 2024 Estimated Year End - \$960,091



Next Steps

Next Steps

- Draft Budget Published for Public Review
 - May 22nd
- COC meeting on May 24th
- Public Comments Due on June 5th
- Incorporate comments
- Final Budget for Board Approval June 21st

Questions?

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