



BOARD OF DIRECTOR MEETING AGENDA

JUNE 21, 2023 – 1:30 PM

5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

The SMART Board of Directors will facilitate using a dual format with listening and participation available through Zoom and in-person. SMART provides several remote methods for viewing the SMART Board Meetings and providing Public Comment.

HOW TO WATCH THE LIVE MEETING USING THE ZOOM

<https://sonomamarintrain-org.zoom.us/j/86117249784?pwd=TzBvYW15b1VLejVndFA4enN4M21Mz09>

Webinar ID: 861 1724 9784

Passcode: 742217

TELECONFERENCE

Members of the public wishing to participate via teleconference, can do so by dialing in to the following number the day of the meeting: +1 669 900 6833; Access Code: 861 1724 9784; Passcode: 742217.

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HOW TO PROVIDE COMMENTS ON AGENDA ITEMS

Prior To Meeting:

Technology limitations may limit the ability to receive verbal public comments during the meeting. If you wish to make a comment you are strongly encouraged to please submit your comment to Board@SonomaMarinTrain.org by 5:00 PM on Tuesday, June 20, 2023.

During the Meeting:

The SMART Board Chair will open the floor for public comment during the Public Comment period on the agenda. Please check and test your computer settings so that your audio speaker and microphones are functioning. Speakers are asked to limit their comments to two (2) minutes. The amount of time allocated for comments during the meeting may vary at the Chairperson’s discretion depending on the number of speakers and length of the agenda.



BOARD OF DIRECTOR MEETING AGENDA

JUNE 21, 2023

5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

1. Call to Order
2. Approval of the May 17, 2023 Board Meeting Minutes
3. Board Member Announcements
4. Citizens Oversight Committee Report – *Presented by Chair Dani Sheehan-Meyer*
5. General Manager’s Report
6. Public Comment on Non-Agenda Items

Consent Calendar

- 7a. Accept Monthly Ridership Report – May 2023
- 7b. Approval of Monthly Financial Reports – April 2023
- 7c. Authorize the General Manager to Execute Contract Amendment No. 3 with Allen, Glaessner, Hazelwood & Werth Legal Service in an amount of \$50,000 and extend the contract through June 30, 2024
- 7d. Authorize the General Manager to Execute Contract Amendment No. 3 with Hulcher Services, Inc. in an amount of \$175,000 for a total not-to-exceed amount of \$360,000
- 7e. Authorize the General Manager to Execute Contract Amendment No. 2 with Sierra-Cedar Oracle Support Services in an amount of \$30,000 and extend the contract through June 30, 2024
- 7f. Approval of Resolutions authorizing extending the Clipper START Pilot Program through June 30, 2025; and Consent to Participate in Clipper BayPass Phase 2 Pilot

Regular Calendar

8. Pathway Update (Information) – *Presented by Bill Gamlen*
9. Approve a Resolution Authorizing the General Manager to Execute a Purchase Agreement to purchase 7.04 acres of California Tiger Salamander Mitigation Credits from the Alton Lane Conservation Preserve, LLC. for an amount of \$1,576,960 – *Presented by Bill Gamlen*
10. Authorize the General Manager to Execute Contract No. LG-PS-23-002 with Hanson Bridgett LLP for the provision of Labor and Employment and related legal support services in an amount not-to-exceed \$360,000 for the initial three-year term, and \$125,000 for optional year 4 and \$150,000 for optional year 5 to be added at SMART’s discretion - *Presented by Lisa Hansley*

11. Approval of Resolutions Adopting the Fiscal Year 2023-2024 Annual Budget and Declaring and Ratifying the Annual Appropriation Limit for Fiscal Year 2023-2024 - *Presented by Heather McKillop*
12. Next Regular Meeting Board of Directors, July 19, 2023 – 1:30 PM – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
13. Adjournment

DISABLED ACCOMODATIONS: Upon request, SMART will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, service, or alternative format requested at least two (2) days before the meeting. Requests should be emailed to *Leticia Rosas, Clerk of the Board* at lrosas@sonomamarintrain.org or submitted by phone at (707) 794-3072. Requests made by mail SMART's, 5401 Old Redwood Highway, Suite 200, Petaluma, CA 94954 must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.



**BOARD OF DIRECTORS
REGULAR MEETING MINUTES**

May 17, 2023 – 1:30 PM
5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

1. Call to Order

Chair Lucan called the meeting to order at 1:33pm. Directors Colin, Coursey, Garbarino, Pahre, Sackett, and Vice Chair Bagby were present; Directors Fudge, Farac, Rabbitt and Rogers were absent; Director Paulson arrived later.

Chair Lucan asked General Manager Cumins to present the gift to Director Pahre in appreciation of her term as Vice Chair. Director Pahre stated that she has been with SMART from the beginning and its been a pleasure to serve a great organization. SMART always gets Board members who care about organization.

2. Approval of the April 19, 2023, Board Meeting and May 3, 2023, Board Meeting/Workshop Minutes

MOTION: Director Garbarino moved approval of the April 19, 2023, Board Meeting Minutes and May 3, 2023, Board Meeting/Workshop Minutes as presented. Director Sackett second. The motion carried 7-0 (Directors Farac, Fudge, Rabbitt and Rogers; Director Paulson arrived later).

3. Board Members Announcements

Director Garbarino stated that on Friday, May 12, 2023, she attended the North Bay Leadership Council Award Luncheon where General Manager Cumins was awarded the Red Tape to Red Carpet award. She suggested that the video that was presented be provided to other Board members who did not attend.

4. General Manager's Report

General Manager Cumins provided a brief overview on the following:

- Contracts/Procurement over \$100K
- Highway 37 Closure
- Parking Utilization

- Ridership
- Pathway Wayfinding
- Starlighter Service
- Community Events
- SMART Connect
- Highlight of the Month
- Questions

Contracts/Procurements over \$100K

- Contract Awarded to TDG Engineering Inc. for Wayfinding System Planning and Design in the amount of \$167,577.
- Contract Amendment No. 2 with West Coast Arborists, Inc. for on-call tree trimming, tree removal, and Arborist Services in an amount of \$30,000 and not-to-exceed \$130,000.

Highway 37 Closure

- Saturday, May 20 at 3am to Sunday, May 21 at 11am with a 32 hour closure.
- Grade crossing repair near Sears Point (Sonoma Raceway).
- Detour signs placed throughout area: Hwy 29, Hwy 12, Hwy 121/Arnold Drive and Hwy 37.

Parking Utilization

- Manual Counts were conducted – April 24 to April 28
- SMART 6 stations have a total of 375 spots available
 - 2019 usage 17.6 %
 - 2021 usage 5.3%
 - 2023 usage 29.6%
- Peak Utilization April 24 to April 28
 - 2019 usage 17.6 %
 - 2021 usage 5.3%
 - 2023 usage 36.2%

Ridership

- March 2023 SMART had the highest ridership recovery rate in the Bay Area
- April 2023 average weekday ridership: 2339
- May 2023 average weekday ridership to date: 2433
- April 2023 ridership: 58,551, which is up 71% over April 2022
- Fiscal Year 2023 ridership through April 2023: 507,521
- Ridership to date up 85% over Fiscal Year 2022
- SMART forecasted a 68% ridership increase for Fiscal Year 2023
- Trending 3.7% above goal year-to-date
- In Fiscal Year 2023 bike boarding: 74,235, which is 7.4% higher than Fiscal Year 2019
- Projected to carry over 90,000 bikes in fiscal year 2023

Pathway Wayfinding Update

- Project objectives
 - Identify wayfinding needs and challenges; Craft a uniform identity and visual language; and develop a comprehensive wayfinding plan that SMART can implement.
- Public Outreach
 - Community input through a pathway intercept survey; Public engagement meetings throughout the process; and First meeting will be in mid-June.

The Starlighter

- We are calling our new late-night service train the *Starlighter*, your date night train.
- SMART's new *Starlighter* evening service began Friday, May 5th.
- Averaging 67 riders per night.
- Added service should tap new market and boost ridership on earlier trips.
- Continue marketing Friday and Saturday evening destinations.

Community Events

- General Manager Cumins thanked the employees who volunteered to work at these events. SMART's outreach efforts are successful because of the commitment and dedication of the volunteers from across the organization who work evenings and weekends at these events.
- SMART participated in the following events: Cloverdale Citrus Fair, Petaluma Butter and Eggs Day, San Rafael May Madness.
- Upcoming 7 events scheduled: Bike to Workday, Novato Art, Wine, and Music Festival, Marin County Fair, Santa Rosa Senior Expo, National Night Out, Sonoma County Fair, and Marin Senior Fair.

SMART Connect

- Soft launch begins Monday June 12th
- Ribbon Cutting Ceremony Friday, June 16th, at 3 PM

Highlight of the Month

SMART's Programming and Grants Manager, Joanne Parker was recognized as a "Local Government Champion" by the Institute of Local Governments. The Institute of Local Governments stated that "Joanne Parker deserves recognition for dedicating her career to public service, helping make the SMART train and multi-model pathway a reality, working tirelessly with multiple cities and agencies, and helping Sonoma and Marin Counties meet their transportation and climate resiliency goals."

Comments

Director Coursey asked if the Ribbon-Cutting Ceremony for the SMART Connect will be at the Sonoma County Airport Station parking lot. General Manager Cumins responded yes.

Director Pahre stated that she received an email from a Golden Gate Bridge Board Member suggesting SMART operate a micro-transit service for the first and last mile connections.

Director Sackett asked for clarification on which date should be promoted for the SMART Connect. General Manager Cumins responded June 16, 2023.

5. Public Comment on Non-Agenda Items

Dani Sheehan-Meyer stated that Friends of SMART will host a Rail and Sail Tour on June 17, 2023.

Duane Bellinger stated that it seems low to only have 45 people parking in Petaluma Downtown when most of the time it was full. He recalls from a survey that 55 people from the westside wanted parking in Downtown, and 45 people from the eastside wanted parking for the eastside and thought that the parking was closer to 100 for all up until the pandemic. He voiced his concerns about the lack of public input being requested for the design of Eastside Station and suggested to have hearing.

Warren Wells stated that May 18th is Bike to Workday. He thanked SMART and all partners for making it easy to bike to work in Marin County. Marin County Bicycle Coalition (MCBC) will have energizing stations throughout the county. On Sunday, May 21, 2023, and June 4, 2023, MCBC will be operating valet bicycle parking at the Marin Civic Center.

Eris Weaver stated that the Sonoma County Bicycle Coalition will have energizing stations at Downtown Petaluma and Downtown Santa Rosa on Bike to Workday. She thanked the Customer Service department for assisting her with the phone app since it was not working properly.

Jack Swearngen stated that all the questions that were asked at Earth Day in Healdsburg were referred to General Manager Cumins. Most people in Healdsburg are eager to know when SMART will get passenger service to Healdsburg. The senior community near the Santa Rosa North Station would like to know how to get to the station since it's difficult to walk.

6. Consent

- a. Accept Monthly Ridership Report – April 2023
- b. Approval of Monthly Financial Reports – March 2023
- c. Approve Resolutions Authorizing the Annual Filing of Grant Applications for Federal Transit Administration Formula 5307, State Transit Assistance, State Rail Assistance, State Low Carbon Transit Program, and State Transit Assistance -State of Good Repair Fund Programs \$13,699,131 in Fiscal Year 2023-2024 Budget Operations Grant Support

Chair Lucan asked for Board and public comments on the proposed Consent Agenda.

MOTION: Director Pahre moved approval of Consent Agenda as presented. Director Sackett second. The motion carried 7-0 (Directors Farac, Fudge, Rabbitt and Rogers; Director Paulson arrived later).

7. Bicycle and Pedestrian Counters Update (*Information*) – Presented by Emily Betts

Principal Planner, Emily Betts provided a PowerPoint presentation, which is located on SMART's website. Highlights include:

Bicycle and Pedestrian Counters

- Pathway Counters
 - Nine pathway counters installed on the pathway
 - Need to track pathway use to be able to describe the benefits of the public investment
 - Will help plan infrastructure and justify investment
 - Required for existing pathway grants and invaluable for future planning and grant applications
- Bike Counter Technology
 - Combines a passive infrared sensor and an inductive loop sensor to differentiate between bikes and pedestrians
 - Can handle large groups of pedestrians, cyclists and other users with high accuracy
 - SMART conducted data validation counts in the field and confirmed that the counters were within +/- 3% margin of error.
- Data Limitations
 - Installation location, environmental factors, and tampering can impact the data
 - Unlinked Trip Counts
 - Distance between counters
- Total Pathway Counts to Date
 - Pedestrians: 202,838
 - Bikes: 188,519
- Average Weekday vs. Weekend User
 - Daily average counts total: 1640
- Travel Patterns: Peak Days
 - Wednesday is the peak overall
 - However, by location peak days differ
 - Suggests the pathway is serving more localized than regional trips
- Travel Patterns: Peak Hours
 - Pedestrian travel is steady throughout the day.
 - Cyclists have a more defined peak period specific to weekday versus weekend trips.
- Seasons Impact Bike and Pedestrian Travel
 - Counts dipped during the wet winter and are steadily increasing
- Pathway Travel and Bikes On-Board
 - Bike counts on the pathway compared to those on-board the train trend in the same direction
- Factors that Contribute to High Counts
 - Diverse Destinations
 - Continuous Pathway
 - Connection Opportunities
- Key Takeaways
 - Pathway travel happens consistently everyday

- Travel is more localized than regional
- Weather affects walkers and bikers
- Pathway volumes and ridership trends track closely
- Pathway is providing first/last mile connection to the train
- Continuous pathway and a high concentration of destinations and connection opportunities may contribute to higher usage
- Next Steps
 - Continue to monitor and validate counts
 - Routine maintenance and inspection
 - Regular reporting to the board on pathway counts
 - Use data to leverage new grant sources for pathway
 - Install counters on future pathway segments

Comments

Director Coursey asked if the counters are capable of recording north and south travel. Ms. Betts responded that they are not. He said capturing people, either entering or exiting the tunnel, would probably drive the numbers because there's no other options there and the numbers can be higher depending on where the counter is placed .

Warren Wells stated that he is pleased that SMART is placing these counters and reporting back to the Board and the public. It will be interesting to see the numbers at certain counter locations once upcoming segments of pathway are completed. He thanked the SMART staff and the Board for all their hard work on this project.

Eris Weaver stated that she is not surprised by seeing that the trend on both train, ridership, and path usership were similarly fluctuated during the weather that totally matches what I see on the ground. The pathway is not continuous currently and is interesting to see what the numbers are when the gaps are completed, and people travel longer distances. It is difficult to know where people are traveling to until you are speaking to them on the pathway. Ms. Betts responded that an intercept survey on the pathway will be conducted in the Fall, which is going to be asking people all the questions that we can't answer with these counters.

Chair Lucan stated that it is good to have this data and that being able to differentiate the users of the pathway between pedestrians and bikes, it just gives us more information than we've had before.

8. Approve a Resolution Increasing Expenditure and Appropriation Authority by \$153,854.80 for design of a street signal at West Third Street and the SMART Pathway Crossing in Santa Rosa, CA - *Presented by Heather McKillop*

Chief Financial Officer, Heather McKillop stated that this item is for approval of Resolution No. 2023-19 for budgeting funds from the City of Santa Rosa in an amount of \$153,854.80 for design of a street signal at West Third Street and SMART pathway.

The City of Santa Rosa would like to put a street signal at West Third Street. The city has agreed to pay for the design of the signal cost.

Comments

Eris Weaver stated she is happy to see movement on eventually getting that signal installed. She asked about the timeline for that whole project. Chief Engineer, Bill Gamlen responded that the segments are currently in design. We still have a pending construction grant that needs to be executed, as does the city for their portion of this work. We are probably 6 months out to start construction.

MOTION: Director Garbarino moved Approve a Resolution Increasing Expenditure and Appropriation Authority by \$153,854.80 for design of a street signal at West Third Street and the SMART Pathway Crossing in Santa Rosa, CA as presented. Vice Chair Bagby second. The motion carried 7-0 (Directors Farac, Fudge, Rabbitt and Rogers; Director Paulson arrived later).

9. Approve an Increase in Contract for Oracle Licenses from \$108,899.25 to \$211,514.74 and extend the period from February 28, 2024, to June 30, 2024. *Presented by Heather McKillop*

Chief Financial Officer, Heather McKillop stated that this item is approval to increase Oracle Licenses. SMART utilizes Oracle Fusion as our financial management system and our financial system of record. Oracle was used for its general ledger and utilized some features in accounts payable and accounts receivable; however, most of our processes were manual. Manual processes are tedious, time consuming, subject to error, and leave little time for actual financial analysis and review.

We will be implementing automation of our procurement process, which will further strengthen the transparency and accountability controls within this process. As SMART grows, we also need a more robust way of tracking grants and project costs. Currently, it is done on multiple spreadsheets. The additional cost is to add users to the system, and extend the contract term from February 28, 2024, to June 30, 2024, to align with our Fiscal Year.

For Fiscal Year 2023, the increased cost is \$9,924 and the cost for Fiscal Year 2024 is \$79,392 which has been included in the Draft Fiscal Year 2024 budget.

Comments

Director Pahre stated that if additional funds are needed for a training package, return to the Board for approval of additional funds. Chief Financial Officer McKillop responded that that staff will be receiving training for the module next week.

MOTION: Director Garbarino moved to Approve an Increase in Contract for Oracle Licenses from \$108,899.25 to \$211,514.74 and extend the period from February 28, 2024, to June 30, 2024, as presented. Director Pahre second. The motion carried 7-0 (Directors Farac, Fudge, Rabbitt and Rogers; Director Paulson arrived later).

Director Paulson arrived 2:34pm

10. Fiscal Year 2023/24 Draft Budget (*Information and Discussion*) – Presented by Heather McKillop

Chief Financial Officer, Heather McKillop, stated that this item is informational and appreciates the time the Board spent at the Workshop. Most of the feedback received from the workshop has been incorporated into the document. The presentation is located on SMART's website. Highlights include:

Fiscal Year 2024 Draft Budget:

- Content of Discussion
 - Revenues – Passenger
 - Expenditures by Objectives – Ridership
 - Expenditures by Objectives – Pathway
 - Expenditures by Objectives – Extensions
 - Capital and State of Good Repair
 - Carryforward – Passenger
 - Fund Balance and Reserves – Passenger
 - Freight – Revenue and Expenditures
- Vision and Mission
 - SMART House
- Revenues – Passenger
 - Estimated Revenues – Fiscal Year 2024
- Expenditures by Objectives
 - Ridership – \$31.4M
 - Pathways - \$31.7M
 - Extensions - \$27.8M
 - Freight - \$2.7M
- Ridership
 - Ridership Strategies
 - Ridership Expenditure
- Pathway
 - Pathway Strategies
 - Pathway Expenditure
- Extension
 - Extension Strategies
 - Extension Expenditure
- Expenditures
 - Pathway and Extensions
 - Efficiencies
 - Compliance
 - Salaries and Benefits
 - Services and Supplies

- Capital and State of Good Repair
- Summary – Passenger
- Carryforward Passenger
- Fund Balance and Reserves
 - Passenger
- Freight
 - Revenue
 - Expenditure
 - Freight Strategies
 - Freight Projects
 - Reserves and Fund Balance
- Next Steps
 - Draft Budget Published for Public Review – May 22,2023
 - COC meeting on May 24, 2023
 - Public Comments Due on June 5, 2023
 - Incorporate comments
 - Present Budget for Board Approval June 21st

Comments

Director Colin stated that it was a great presentation, very clear, and a lot of information. She asked for clarification under the Ridership expenditures, line items called Quality of Life Assessment. Principal Planner, Emily Betts responded that SMART applied for a study, and the goal is to try to explore and quantify the benefits that accrue in the North Bay from having a commuter rail system.

Chair Lucan stated that the Puerto Suello Tunnel project is referred to in 2 different ways on page B-22 and B-36 of the Fiscal Year 2024 Budget. Chief Financial Officer McKillop responded that she would correct.

11. Next Regular Meeting of the Board of Directors, June 21, 2023 – 1:30 PM – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954

12. Adjournment – Meeting adjourned at 4:01pm

Respectfully submitted,

Leticia Rosas
Clerk of the Board

Approved on : _____



Eric Lucan, Chair
Marin County Board of Supervisors

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

Kate Colin
Transportation Authority of Marin

Chris Coursey
Sonoma County Board of Supervisors

Rachel Farac
Transportation Authority of Marin

Debora Fudge
Sonoma County Mayors' and Councilmembers Association

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gabe Paulson
Marin County Council of Mayors and Councilmembers

David Rabbitt
Sonoma County Board of Supervisors

Chris Rogers
Sonoma County Mayors' and Councilmembers Association

Mary Sackett
Marin County Board of Supervisors

Eddy Cumins
General Manager

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Phone: 707-794-3330
Fax: 707-794-3037
www.SonomaMarinTrain.org

June 21, 2023

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

SUBJECT: Monthly Ridership Report – May 2023

Dear Board Members:

RECOMMENDATIONS: Accept Monthly Ridership Report

SUMMARY:

We are presenting the monthly ridership report for activity for the month of May 2023. This report shows trends in ridership for SMART by tracking Totals, Average Weekday riders, and Average Saturday riders, Average Sunday/Holiday riders, as well as bicycles and mobility devices.

With the transition to the Automatic Passenger Counter (APC) in October 2022, SMART now has a highly accurate method of tracking boardings and alightings at stations that does not depend on manual counts by the conductors. The APC system has been tested and validated at a 99% accuracy level and has been certified for passenger count use by the Federal Transit Administration (FTA). Both APC-based ridership and fare-based collection rider counts are shown in the attached report to give a full picture of ridership. APC-based ridership captures all riders, including riders with passes who neglect to tag on or off, riders who fail to activate their mobile app tickets, as well as categories of riders such as children under five years old.

This report compares the most recent month to the same month during the prior year, as is standard industry practice for tracking trends over time. The report also shows progress so far in the Fiscal Year compared to the same time in the last Fiscal Year, to enable tracking of riders relative to budget expectations. These reports also note relevant details associated with fare program discount usage and trends in riders bringing bicycles onboard.

SMART's ridership data through May 2023 is posted on the SMART Ridership website (<http://sonomamarintrain.org/RidershipReports>).

FISCAL IMPACT: None

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Respectfully,

 /s/
Emily Betts
Principal Planner

Attachment(s): Monthly Ridership Report – May 2023

MAY 2023 SMART RIDERSHIP REPORT

May 2023 saw a continued increase in ridership, with average weekday ridership at 2,485, up 6% from the previous month, and total monthly ridership at 65,416, a 69% increase over last May. Total monthly ridership for May was 2% higher than May 2019 (pre-COVID). Year to date, FY23 has seen 82% ridership recovery, compared with the same months pre-COVID.

As a reminder, SMART modified services in March 2020 due to the COVID-19 pandemic, with weekend service annulled and weekday service reduced to 16 trips. In May 2021, SMART added back 10 weekday trips. Saturday service was restored in May 2021, and Sunday service in May 2022. In June 2022, SMART added 10 additional weekday trips, and in October 2022, SMART added 2 additional midday trips, for the current schedule of 38 trips per weekday. In May 2023, SMART added two evening trips on Friday and Saturday, known as the Starlighter.

The tables below present data for May 2022 and 2023, year-over-year. Total ridership for the fiscal year to date is up 83% over the same time period for FY22, with average weekday ridership up 76% over FY22.

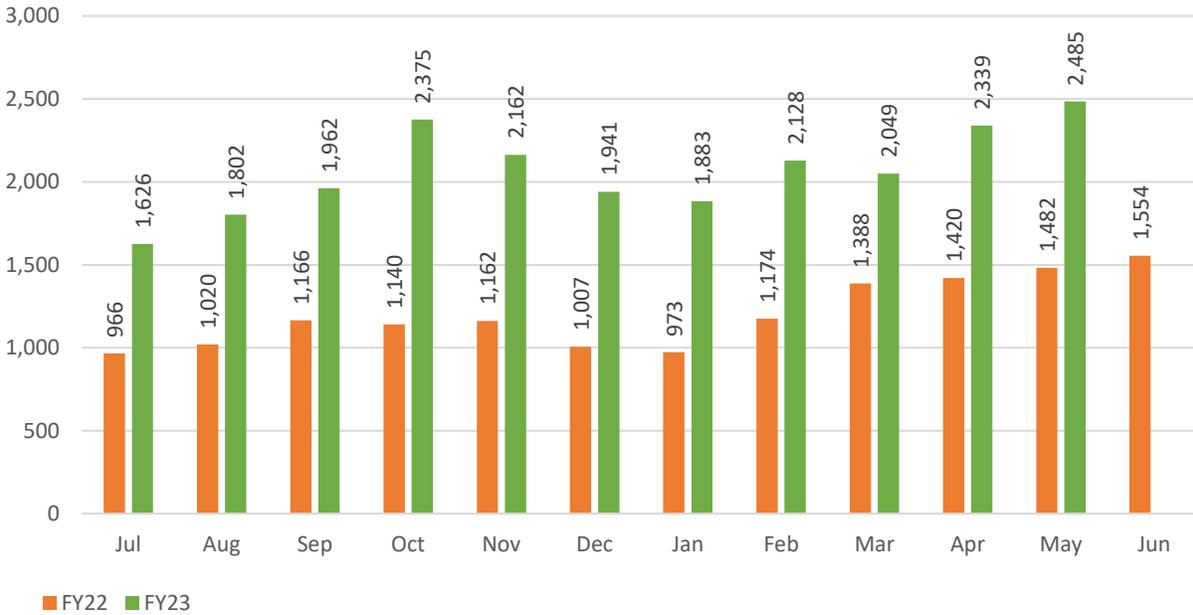
FISCAL YEAR-TO-DATE (JUL - MAY)	Fiscal Year 2022	Fiscal Year 2023	% Change
Ridership	312,803	572,937	83%
Fare Payments (Clipper + App Only)	287,522	471,774	64%
Average Weekday Ridership	1,174	2,069	76%
Average Saturday Ridership	703	1,037	48%
Average Sunday Ridership	644	828	29%
Bicycles	47,565	83,313	75%
Mobility Devices	1,393	1,508	8%

Bicycles on board were up 47% over last May and passengers boarding with mobility devices were down 36%. In May, 14% of riders brought bikes on the train, with a total of 9,078 bikes on board. SMART has carried more bikes on board this fiscal year than any year prior.

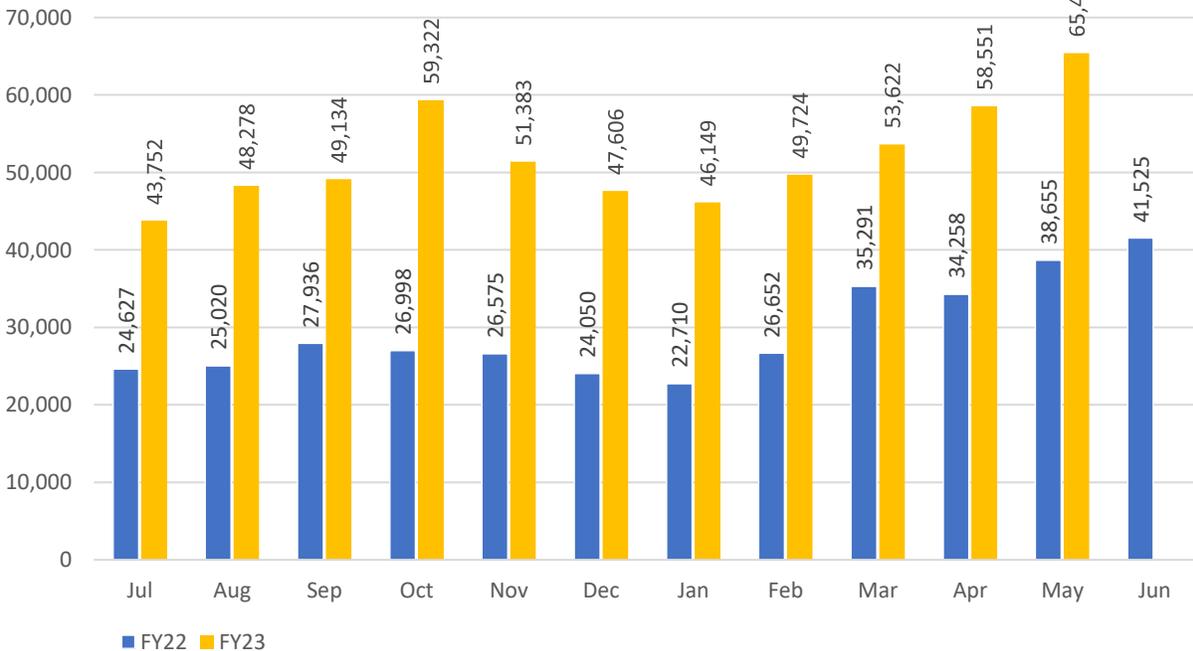
MONTHLY TOTALS YEAR-OVER-YEAR	MAY 2022	MAY 2023	% Change
Ridership	38,655	65,416	69%
Fare Payments (Clipper + App Only)	35,591	51,964	46%
Average Weekday Ridership	1,482	2,485	68%
Average Saturday Ridership	864	1,317	52%
Average Sunday Ridership	644	1,098	70%
Bicycles	6,171	9,078	47%
Mobility Devices	199	127	-36%

The following charts compare the average weekday ridership and monthly totals for FY22-FY23.

SMART Average Weekday Ridership (FY22 v FY23)



SMART Monthly Ridership (FY22 v FY23)





Eric Lucan, Chair
Marin County Board of Supervisors

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

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Transportation Authority of Marin

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June 21, 2023

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

SUBJECT: Monthly Financial Status

Dear Board Members:

RECOMMENDATION: Approval of Monthly Financial Reports

SUMMARY:

We have provided budgeted revenues and actual expenditures for both passenger rail and freight in separate charts in the attached document. The actual column reflects revenues and expenditures for July 2022 – April 2023. In addition, for passenger rail, we have shown more detail regarding sales tax and fare revenues to show current and comparative information over the last four years.

Information on the approved budget, actual expenditures, and remaining budget have been provided. Please keep in mind that expenditures do not always occur on a straight-line basis, many large expenditures such as debt service only occur on specific intervals. In addition, we are including more extensive information on our capital program.

We have also included information regarding SMART's investment policy, where our funds are being held, and how much is currently being held. In addition, we have shown the current obligations, reserves, and fund balance requirements for FY 2022-23.

Sincerely,

/s/
Heather McKillop
Chief Financial Officer

Attachment(s):

- 1) Monthly Financial Status Report
- 2) Contract Summary Report



MONTHLY FINANCIAL STATUS

APRIL 2023

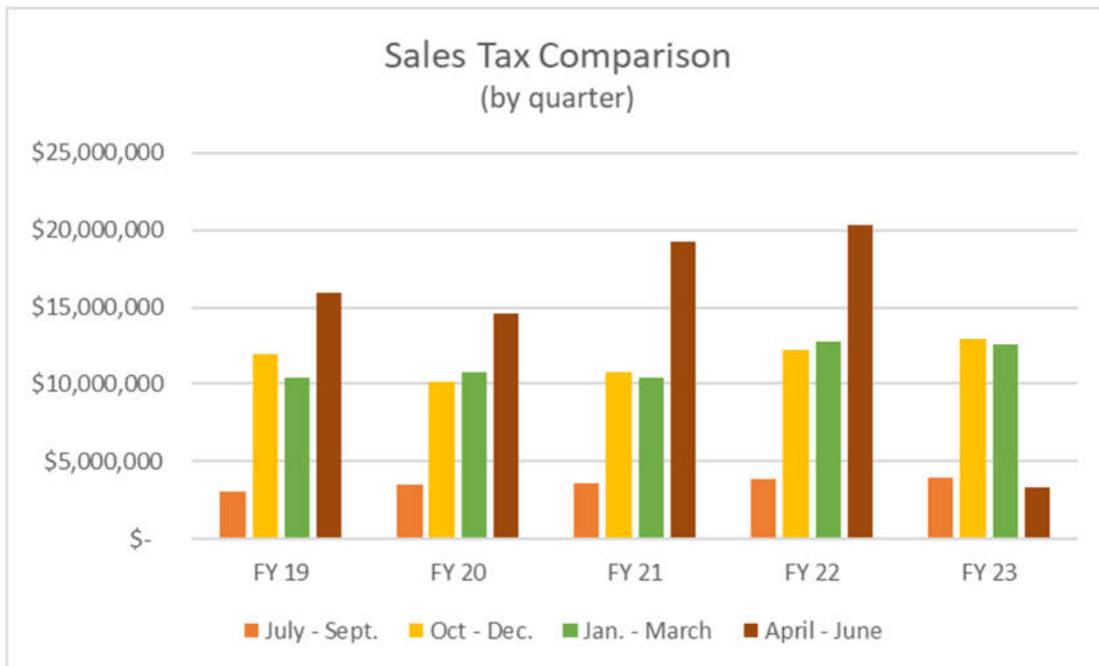
PASSENGER REVENUES

	FY 2022-23 Approved Budget	Actual	Amount Over/ Under Budget	Comments
Revenues				
Passenger Rail				
Sales/Use Taxes	\$ 50,190,000	\$ 32,751,660	\$ (17,438,340)	Sales Taxes are recorded when received not when earned
Interest and Lease Earnings	\$ 816,631	\$ 1,354,890	\$ 538,259	Leases renew throughout the year
Miscellaneous Revenue	\$ 145,000	\$ 425,361	\$ 280,361	
Passenger Fares	\$ 1,600,000	\$ 1,413,371	\$ (186,629)	
State Grants	\$ 12,089,233	\$ 4,783,468	\$ (7,305,765)	State grants are received throughout the year
Charges For Services	\$ 28,325	\$ 42,587	\$ 14,262	
Federal Funds (Non-COVID Relief)	\$ 5,034,529	\$ 1,866,113	\$ (3,168,416)	Federal funds are received on a reimbursable basis. Funds need to be expended before they can be requested.
Federal Funds (COVID)	\$ 7,507,797	\$ 6,045,635	\$ (1,462,162)	Federal funds are received on a reimbursable basis. Funds need to be expended before they can be requested.
Other Governments	\$ 1,519,892	\$ 30,000	\$ (1,489,892)	
Passenger Rail Subtotal	\$ 78,931,407	\$ 48,713,085	\$ (30,218,322)	

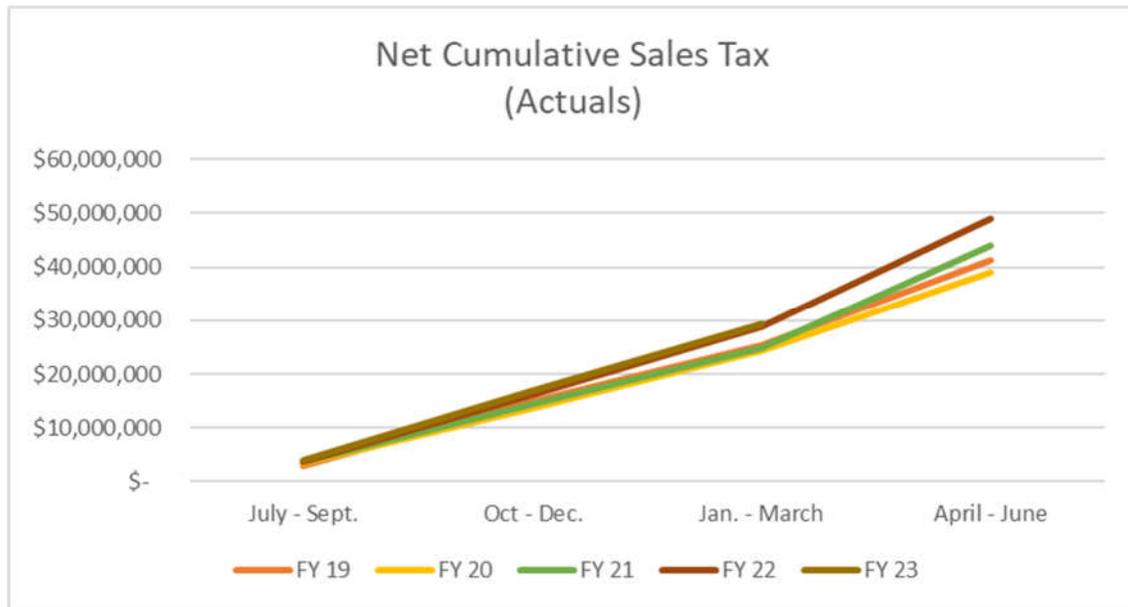
**Measure Q Sales Tax
Fiscal Year (FY) 2022/2023**

Time Period	July - Sept.	Oct - Dec.	Jan. - March	April - June
Forecasted FY 23 Budget	\$ 4,017,856	\$ 12,844,262	\$ 13,444,817	\$ 20,783,065
Actual	\$ 3,964,404	\$ 12,936,544	\$ 12,505,987	\$ 3,344,725
Difference	\$ (53,452)	\$ 92,282	\$ (938,830)	\$ (17,438,340)

**Fiscal Year 2019-2023 Net Sales Tax Comparison
(by Quarter)**

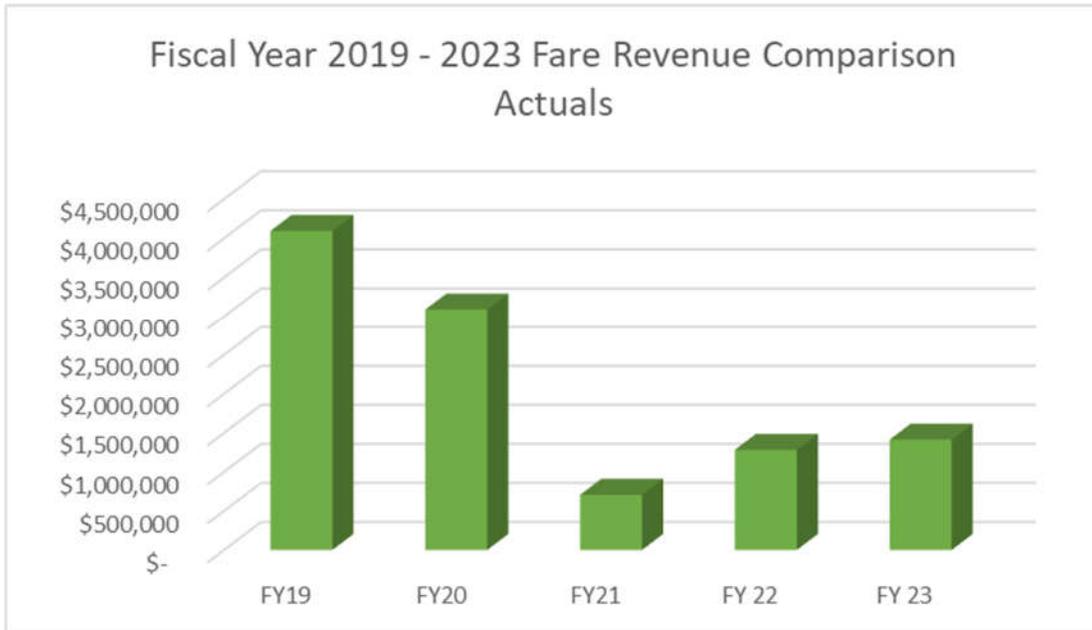


Fiscal Year 2019-2023 Net Cumulative Sales Tax Comparison

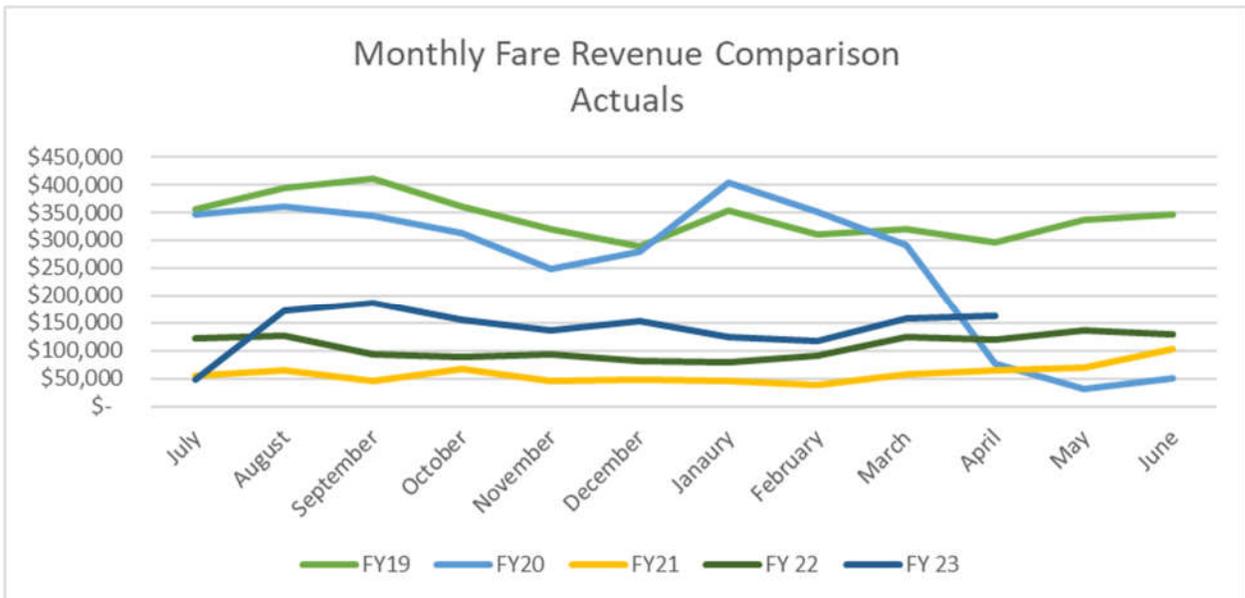


Note: Sales Taxes are recorded when received not when earned.

Fiscal Year 2019-2023 Fare Revenue Comparison



Fiscal Year 2019-2023 Monthly Fare Revenue Comparison



PASSENGER EXPENDITURES

	FY 2022-23 Approved Budget	Actual	Amount Over/ Under Budget
Passenger Expenditures			
Administration			
Salaries & Benefits	\$ 5,727,768	\$ 4,077,397	\$ (1,650,371)
Services & Supplies	\$ 10,588,992	\$ 4,439,751	\$ (6,149,241)
Administration Subtotal	\$ 16,316,760	\$ 8,517,148	\$ (7,799,612)
Operations			
Salaries & Benefits	\$ 17,348,209	\$ 12,596,655	\$ (4,751,554)
Services & Supplies	\$ 6,564,448	\$ 3,278,674	\$ (3,285,774)
Operations Subtotal	\$ 23,912,657	\$ 15,875,329	\$ (8,037,328)
Capital			
Salaries & Benefits	\$ 311,911	\$ 707,602	\$ 395,691
Services & Supplies	\$ 665,840	\$ 141,890	\$ (523,950)
Capital Subtotal	\$ 977,751	\$ 849,492	\$ (128,259)
Total Passenger Expenditures	\$ 41,207,168	\$ 25,241,969	\$ (15,965,199)

Passenger (Capitalized) Expenditures			
Buildings & Capital Improvements	\$ -	\$ -	\$ -
Machinery & Equipment	\$ 3,415,955	\$ 1,127,247	\$ (2,288,708)
Infrastructure	\$ 12,092,168	\$ 3,768,555	\$ (8,323,613)
Total Passenger (Capitalized) Expenditures	\$ 15,508,123	\$ 4,895,802	\$ (10,612,321)

Passenger Expenditures + Capitalized	\$ 56,715,291	\$ 30,137,771	\$ (26,577,520)
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FREIGHT REVENUES

	FY 2022-23 Approved Budget	Actual	Amount Over/ Under Budget	Comments
Revenues				
Freight				
Sales/Use Taxes	\$ -	\$ -	\$ -	
Interest and Lease Earnings	\$ 245,000	\$ 425,429	\$ 180,429	Leases renew throughout the year
Miscellaneous Revenue	\$ 239,190	\$ 261,972	\$ 22,782	Includes 45(G) tax credit
Freight Traffic	\$ 1,100,000	\$ 645,406	\$ (454,594)	
State Grants	\$ 4,206,000	\$ 612,419	\$ (3,593,581)	State grants are received throughout the year
Charges For Services	\$ 25,000	\$ 7,488	\$ (17,512)	Includes freight car storage.
Federal Funds (Non-COVID Relief)	\$ -	\$ -	\$ -	
Federal Funds (COVID)	\$ -	\$ -	\$ -	
Other Governments	\$ -	\$ -	\$ -	
Freight Subtotal	\$ 5,815,190	\$ 1,952,714	\$ (3,862,476)	

FREIGHT EXPENDITURES

	FY 2022-23 Approved Budget	Actual	Amount Over/ Under Budget
Freight Expenditures			
Administration			
Salaries & Benefits	\$ -	\$ -	\$ -
Services & Supplies	\$ -	\$ 29,893	\$ 29,893
Administration Subtotal	\$ -	\$ 29,893	\$ 29,893
Operations			
Salaries & Benefits	\$ 893,533	\$ 654,347	\$ (239,186)
Services & Supplies	\$ 1,180,505	\$ 414,781	\$ (765,724)
Operations Subtotal	\$ 2,074,038	\$ 1,069,128	\$ (1,004,910)
Capital			
Salaries & Benefits	\$ -	\$ -	\$ -
Services & Supplies	\$ 3,040,398	\$ 1,057,975	\$ (1,982,423)
Capital Subtotal	\$ 3,040,398	\$ 1,057,975	\$ (1,982,423)
Total Freight Expenditures	\$ 5,114,436	\$ 2,156,996	\$ (2,957,440)

Freight (Capitalized) Expenditures			
Buildings & Capital Improvements	\$ -	\$ -	\$ -
Machinery & Equipment	\$ 143,000	\$ -	\$ (143,000)
Infrastructure	\$ -	\$ -	\$ -
Total Freight (Capitalized) Expenditures	\$ 143,000	\$ -	\$ (143,000)

Freight Expenditures + Capitalized	\$ 5,257,436	\$ 2,156,996	\$ (3,100,440)
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CAPITAL PROJECTS

Capital Project Report					
	Total Project Budget	Expended in Prior Fiscal Years	Budgeted in FY23 (Includes Amendments through March 31, 2023)	Remaining to be Budgeted in Future Years	Project Status
PASSENGER RAIL PROJECTS					
Windsor Extension	\$ 70,000,000	\$ 24,256,464	\$ -	\$ 45,736,037	MTC Lawsuit has been resolved. SMART is planning next steps to resume construction.
Sonoma County Pathway Connector Project - Design & Construction	\$ 17,707,859	\$ 2,240,211	\$ 2,481,284	\$ 12,986,364	Project has been combined with the Petaluma North Station.
Marin & Sonoma Pathway Design & Permitting	\$ 11,655,937	\$ 604,212	\$ 5,349,680	\$ 5,702,045	Conducting engineering design to prepare for construction.
McInnis Pkwy. at Bridgewater Dr. to Smith Ranch Rd. Construction	\$ 4,835,333	\$ -	\$ -	\$ 4,835,333	Project has been advertised for construction. Bids open on June 20, 2023.
Joe Rodota to 3rd St. Design and Construction	\$ 309,377	\$ 17,330	\$ 292,047		In design - Construction will depend on grant execution.
Petaluma North Station	\$ 15,278,010	\$ 35,744	\$ 1,519,892	\$ 13,722,374	Conducting engineering design to prepare for construction. Includes funding for McDowell Crossing. Will be combined with the Sonoma County Pathway projects for construction.
Path-of-Travel Improvements	\$ 501,489	\$ 236,116	\$ 264,523	\$ -	Construction Started.
Payran to Lakeville Pathway - Design & Construction	\$ 1,484,462	\$ -	\$ 1,484,462	\$ -	Construction has resumed.
Basalt Creek Timber Bridge Replacement	\$ 626,103	\$ 77,543	\$ 107,401	\$ 441,159	Finalizing design and working with agencies on environmental permitting.
San Antonio Tributary Timber Trestle Replacement	\$ 1,071,264	\$ 81,358	\$ 118,840	\$ 871,066	Finalizing design and working with agencies on environmental permitting.
FREIGHT RAIL PROJECTS					
Black Point Bridge - Fender Replacement	\$ 875,742	\$ 89,044	\$ 725,741	\$ -	Construction is complete.
Highway 37 Grade Crossing Reconstruction	\$ 505,394	\$ -	\$ 505,394	\$ -	Work was completed the weekend of May 20th.
Brazos Branch Bridge Repairs	\$ 2,302,557	\$ 16,594	\$ 1,845,963	\$ 440,000	Bridge repairs planned for Spring 2023.

INVESTMENTS

Investments are guided by the SMART investment policy adopted each year with the budget. The policy outlines the guidelines and practices to be used in effectively managing SMART’s available cash and investment portfolio. District funds that are not required for immediate cash requirements are to be invested in compliance with the California Code Section 53600, et seq.

SMART uses the Bank of Marin for day-to-day cash requirements and for longer term investments the Sonoma County Treasury Pool is used. This chart reflects a point in time versus a projection of future fund availability.

<u>Cash On Hand</u>	
Bank of Marin	\$ 29,738,323
Sonoma County Investment Pool *	\$ 88,054,720
Total Cash on Hand	\$ 117,793,043
<u>Reserves</u>	
Self-Insured	\$ 2,370,675
OPEB/ CalPERS	\$ 4,074,676
Operating Reserve	\$ 10,000,000
Capital Sinking Fund	\$ 9,625,000
Corridor Completion	\$ 7,000,000
Total Reserves	\$ 33,070,351
Cash Balance	\$ 84,722,692
Less: Current Encumbrances	\$ 9,000,084
Balance	\$ 75,722,608
Less: Estimated FY23 Year-end Fund Balance	\$ 39,066,717
Remaining Balance	\$ 36,655,891
* Does not include funds held by the trustee for debt service	

Note: Cash Balance significantly increased in February due to receipt of federal funds associated with Fiscal Year 2022.



Contract Summary

Active contracts as of May 1, 2023

PASSENGER RAIL		Scope	Fiscal Year 22/23 Projected	Fiscal Year 22/23 Actuals-To-Date
Contractor				
A.J. Janitorial Service	Janitorial Services for all Stations, Roblar, ROC, and Fulton	\$	110,000	\$ 81,460
AI-Media Technologies, LLC	Closed-Captioning Services	\$	13,000	\$ 5,760
Air & Lube Systems, Inc.	Structural Alterations to the Rail Operation Center and Installation of the Wheel Press Machine	\$	275,500	\$ -
Alcohol & Drug Testing Services, LLC	DOT and FRA-regulated Drug and Alcohol Testing Services	\$	36,000	\$ 27,405
Allen, Glaessner, Hazelwood LLP	Legal Services for Litigation and Rail Transit Issues	\$	100,000	\$ 16,500
Alliant Insurance Services	Insurance Brokerage and Risk Management Services	\$	70,000	\$ -
American Integrated Services, INC.	On-Call Biohazard Remediation Services	\$	50,000	\$ -
American Rail Engineers Corporation	Railroad Bridge Inspections, Bridge Engineering, and Related Services	\$	616,851	\$ 90,809
Asbury Environmental Services (AES)	Hazardous and Non-Hazardous Waste Removal and Disposal Services	\$	10,000	\$ 1,219
Atlas Copco Compressors, LLC	Air Compressor Maintenance Services	\$	8,400	\$ 2,195
BBM Railway Equipment, LLC	Wheel Press Machine - Furnish, Install, Configure, Test, Commission, and Train SMART Staff	\$	310,664	\$ 257,166
Becoming Independent	Emergency Bus Bridge Services	\$	22,000	\$ 16,000
BKF Engineers Inc.	Design and Engineering Services for MUP Segments in Sonoma and Marin Counties	\$	1,612,958	\$ 1,272,927
Bolt Staffing Service, Inc.	Temporary Staffing Services	\$	60,000	\$ 32,688
Bright Star Security, Inc.	Security Patrol at SMART's Cal Park Tunnel	\$	10,980	\$ 8,235
Burdell Tenancy in Common	Purchase of 6 Seasonal Wetland Mitigation Credits	\$	834,000	\$ 834,000
Business Training Library, LLC	Cloud-Based Learning Courses	\$	15,041	\$ 14,483
Central Pacific Engineering, LLC	Pedestrian Path of Travel Improvements Construction	\$	195,520	\$ -
Cinquini & Passarino, Inc.	Right-of-Way Land Surveying and Related Services	\$	20,000	\$ 3,719
Craft & Commerce, LLC	Marketing and Community Outreach Services and Support	\$	200,000	\$ 43,536
CSW/Stuber-Stroeh Engineering Group	Design and Engineering Services for 5 MUP Segments in Marin County	\$	1,497,001	\$ 816,905
CSW/Stuber-Stroeh Engineering Group	Design and Engineering for Petaluma North Station, N. McDowell Grade Crossing, Segments 2 & 3 Pathway	\$	1,300,019	\$ -
D Block Security	Security and Patrol Services	\$	75,000	\$ -
DeAngelo Contracting Services, LLC	Assignment of OP-SV-21-006 Vegetation Control Services	\$	37,550	\$ 5,250
Dikita Enterprises, Inc	NTD Compliant Passenger Counting Services	\$	40,688	\$ 6,695
Doc Bailey Construction Equipment, Inc.	Hi Rail Vehicle Inspection, Maintenance, Repair, and Certification Services	\$	24,000	\$ 11,500
Doug Williams	Fire and Life Safety Consultant	\$	3,585	\$ 1,215
Dr. Lance O'Connor	Occupational Health Screening Services	\$	4,430	\$ 3,270
Dunnigan Psychological & Threat Assessments, LLC	Employment-Related Psychological Evaluation Services	\$	25,000	\$ 13,063
Eide Bailey LLP	Financial Audit Services	\$	50,885	\$ 33,450
eLock Technologies, LLC	Station Bike Lockers - Ongoing Maintenance and Support Services	\$	13,130	\$ 11,410
Empire Cleaners	Operations Uniform Dry Cleaning, Laundering, and Related Services	\$	18,000	\$ 10,659
Environmental Logistics, INC.	On-Call Biohazard Remediation Services	\$	150,000	\$ -
Essel Technology Services	Phase 1 Environmental Site Assessment ESA	\$	2,200	\$ 2,200
Gallagher Benefit Services, Inc.	Classification and Compensation Study Services	\$	84,350	\$ -
Gary D. Nelson Associates, Inc.	Temporary Staffing and Placement Services	\$	40,000	\$ 11,524
George Hills Company, Inc.	Third Party Claims Administration Services	\$	45,000	\$ 2,136
GHD, Inc.	SWPP Compliance, AutoCAD Management, Traffic and Hydraulic Analysis	\$	14,500	\$ 14,500
GHD, Inc.	3 Segments MUP Petaluma - Penngrove - Rohnert Park	\$	31,586	\$ 29,475
Ghilotti Bros. Inc.	Construction of Non-Motorized Pathway - Lakeville to Payran	\$	1,237,052	\$ 428,683
Golden Five, LLC	Microsoft 365 Consulting Services	\$	85,600	\$ 64,265
GP Crane & Hoist Services	Cal/OSHA Inspection Services	\$	3,960	\$ 3,080
Granicus, Inc.	Media Streaming and Internet Broadcasting Services	\$	12,248	\$ 12,248
Hanford A.R.C.	Implementation and Monitoring, San Rafael Creek Riparian Enhancement Project	\$	39,610	\$ 26,576
Hanford A.R.C.	Maintenance and Monitoring the the Las Gallinas Creek Watershed Riparian Enhancement Planting	\$	21,215	\$ 13,248
Hanson Bridgett LLP	Legal Services	\$	150,000	\$ 108,194
Hazel Mitigation Preserve, LLC	Seasonal Wetlands Mitigation Credits	\$	20,000	\$ -
HCI Systems, Inc.	Fire Equipment Inspection and Certification	\$	17,274	\$ -
Hogan Lovells LLP	Legal Services - Freight and Passenger Rail Sector	\$	50,000	\$ 8,459

Contractor	Scope	Fiscal Year 22/23 Projected	Fiscal Year 22/23 Actuals-To-Date
Holland Company	Track Geometry and Measurement Services	\$ 24,000	\$ 24,000
Hunt and Sons, Inc.	Bulk Delivery of Motor Oil (15W40)	\$ 16,000	\$ 14,311
Innovative Business Solutions	Payroll Processing Software	\$ 31,700	\$ 25,202
Integrated Security Controls, Inc.	CCTV Maintenance and Support	\$ 30,000	\$ 7,581
Intelligent Technology Solutions, LLC	Maximo SaaS Development, Implementation, and Related Services	\$ 222,122	\$ 190,248
JMA Civil, Inc.	On-Call Civil & Rail Engineering Design Services	\$ 44,000	\$ 11,856
Khouri Consulting, LLC	California State Legislative and Advocacy Services	\$ 80,000	\$ 40,000
LC Disability Consulting	Disability Access Consulting	\$ 12,000	\$ 4,600
LeaseQuery, LLC	Lease Software Licensing and Software Support Services	\$ 25,000	\$ 11,900
Leete Generators	Generator Inspection and Maintenance Services	\$ 5,000	\$ 2,811
Lewis, Brishois, Bisgaard & Smith LLP	Various legal services related to transit	\$ 50,000	\$ 6,564
Lisa Wolper, LCSW, SAP	Substance Abuse Professional Services	\$ 5,000	\$ 1,250
Masabi LLC	SMART Mobile Ticketing Pilot Project	\$ 57,000	\$ 38,000
MaxAccel	Compliance Management Software Design/Implementation/Asset Management	\$ 58,000	\$ 25,734
Mike Brown Electric Co.	On-Call Electrical Maintenance	\$ 25,000	\$ -
Militus, Inc.	Cybersecurity and Network Threat Analysis and Assessment	\$ 40,000	\$ 40,000
Milton R. Davis dba Davis Sign Co., Inc.	Print, Install, and Remove Holiday Express Window Clings on SMART's Train	\$ 1,230	\$ 926
Mission Linen Supply	Employee Uniform Services	\$ 32,084	\$ 21,474
Modern Railway Systems, Inc.	Monitoring and Maintenance SMART's Communications Network and TDX System	\$ 91,250	\$ 68,213
MuniServices, LLC	Sales Tax Recovery Services	\$ 89,408	\$ 46,587
Netspeed Solutions, Inc.	SMART Phone System Maintenance	\$ 15,684	\$ 11,867
North Bay Bottling (Alex Ruiz Sr.)	Drinking Water Delivery Service	\$ 2,900	\$ 756
North Bay Petroleum	Provision of Fuel for DMUs	\$ 1,473,353	\$ 1,125,460
Nossaman LLP	Litigation, Rail Transit Issues, and other related legal services	\$ 200,000	\$ 182,364
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$ 30,999	\$ 8,088
Oil Stop, LLC	Automotive Repair and Service	\$ 4,500	\$ 3,508
Oracle	Fusion ERP System	\$ 80,613	\$ 53,121
Panatrol Corp	Haystack Bridge Automation Software Reprogramming	\$ 2,350	\$ 2,350
Parodi Investigative Solutions	Pre-Employment Background Investigation Services	\$ 27,500	\$ 8,075
Peterson Mechanical, Inc.	HVAC Maintenance Services	\$ 24,000	\$ -
PFM Financial Advisors, LLC	Financial Advisory Services	\$ 75,000	\$ 1,150
Pivotal Vision, LLC	Security Software Licensing	\$ 2,200	\$ 2,200
Portola Systems, Inc.	SMART Station Network Maintenance and Configuration Services	\$ 255,000	\$ 247,201
Precision Wireless	Tech Support and Maintenance for Land Mobile Radio	\$ 31,150	\$ 15,329
Quinn Covarrubias, a Professional Law Corporation	Legal Services for Rail Transit Matters	\$ 100,000	\$ 71,242
SEFAC USA	Portable Lifting Jack Inspection and Certification Services	\$ 8,000	\$ 2,330
Simple Appraisals Inc.	Perform Real Estate Appraisal Services	\$ 4,000	\$ 4,000
Sherwood Electromotion, Inc.	Overhaul Services for SMART's Permanent Magnet Alternators	\$ 60,000	\$ 33,760
Sierra-Cedar, LLC	Oracle Enterprise Resources Planning Software	\$ 150,000	\$ 59,148
Sonic.Net	Backhaul Agreement	\$ 9,451	\$ -
Sonoma County Fleet Operation Division	Non-Revenue Fleet Maintenance Services	\$ 38,000	\$ 7,997
Sperry Rail Service	Rail Flaw Detection Services	\$ 13,500	\$ -
SPTJ Consulting, Inc.	Network Monitoring and Support Services	\$ 303,219	\$ 138,773
Stericycle, Inc.	Medical Waste Pick-Up and Disposal Services	\$ 2,000	\$ -
Sue Evans	Title Investigation Support Services	\$ 10,000	\$ 1,170
Summit Signal, Inc.	Call-Out Maintenance and Repair Services for Signal Grade Crossings	\$ 10,000	\$ -
Survival CPR & First Aid, LLC	First Aid and CPR Training, AED Compliance Program Management	\$ 6,750	\$ 5,930
Swiftly, Inc.	AVL Mobile Application and Website Interface	\$ 8,820	\$ -
The Pape Group, Inc. dba Pape Material Handling	On-site ANS/OSHA Aerial Safety Inspections and Maintenance Services	\$ 3,941	\$ 3,773
The Routing Company	Furnish, implement, and Maintain a Microtransit Software Platform	\$ 20,918	\$ -
Traffic Management, Inc.	Project Specific Flagging, Traffic Control and Related Services.	\$ 10,179	\$ 10,092
Trailiant, LLC	Online Training Program	\$ 3,000	\$ -
Tri Valley Recycling, Inc.	eWaste Collection and Recycling	\$ 100	\$ -
Triangle Properties, Inc.	SoCo Pathway Riparian Enhancement Implementation and Monitoring	\$ 90,090	\$ -
Trillium Solutions, Inc.	Transit Feed Mapping Software	\$ 2,000	\$ 1,890
Urban Transportation Associates, Inc.	Onboard Automatic Passenger Counter System Purchase, Install, and Software Implementation and Training	\$ 107,296	\$ 107,296
UTCRA, LLC	Wheel Pressing Services	\$ 25,000	\$ -

Contractor	Scope	Fiscal Year 22/23 Projected	Fiscal Year 22/23 Actuals-To-Date
Van Scoyoc Associates	Federal Lobbying Services	\$ 60,000	\$ 35,000
VenTek Transit Inc.	Fare Vending Machine Operations and Maintenance Services	\$ 282,704	\$ 127,744
Vista Broadband Networks, Inc.	Broadband Services	\$ 9,000	\$ 6,750
W.J.C. Electric, Inc. dba Hahn Automotive	Non-Revenue Vehicle Repair and Service	\$ 30,000	\$ 29,386
Ward Levy Appraisal Group, Inc.	Real Estate Appraisal Services for SMART-Owned Property	\$ 7,000	\$ 5,000
West Coast Arborists, Inc.	Tree Trimming and Tree Removal Services	\$ 30,000	\$ 12,950
WRA, Inc.	As-Needed Environmental Consulting Services	\$ 144,040	\$ 74,319
	TOTALS:	\$ 14,377,848	\$ 7,327,383

FREIGHT RAIL

Contractor	Scope	Fiscal Year 22/23 Projected	Fiscal Year 22/23 Actuals-To-Date
American Rail Engineers Corporation	Railroad Bridge Engineering, Inspection, & Design	\$ 156,386	\$ 151,882
Asbury Environmental Services (AES)	Hazardous and Non-Hazardous Waste Removal and Disposal Services	\$ 10,000	\$ 190
Cathcart Rail Holdco, LLC dba Cathcart Field Services, LLC	Running Repair Agent Inspection and Maintenance Services	\$ 2,500	\$ -
DeAngelo Contracting Services, LLC	Assignment of OP-SV-21-006 Vegetation Control Services	\$ 25,500	\$ -
Doc Bailey Construction Equipment, Inc.	HI Rail Vehicle Inspection, Maintenance, Repair, and Certification Services	\$ 1,000	\$ -
E&M Electric and Machinery, Inc.	Bridge Automation Software Design Services	\$ 2,500	\$ 2,466
Freight Rail Tracking Software	Freight Rail Tracking Software	\$ 29,574	\$ 3,000
GATX Rail Locomotive Group, LLC	Freight Locomotive Lease Agreement	\$ 32,863	\$ 32,863
Hue & Cry, Inc.	Security System at Schelville Depot	\$ 2,250	\$ 1,491
Hulcher Services, Inc.	On-Call Derailment Services	\$ 161,913	\$ -
Koppers Railroad Structures, Inc.	Emergency Repair Work on "Railroad Slough" MP B38.97	\$ 491,476	\$ 491,476
Koppers Railroad Structures, Inc.	Brazos Branch Timber Bridge Repairs - Phase I Contract	\$ 1,165,302	\$ -
Lambertus J. Versteegen dba South West Locomotive Repair	Overhaul and Repair Services of Locomotive RP20DB	\$ 20,000	\$ 6,401
Manson Construction Co.	Black Point Bridge Repair	\$ 576,870	\$ 576,870
Mickelson & Company, LLC	45G Tax Credit Advisory Services	\$ 14,351	\$ 14,351
North Bay Petroleum	Provision of Fuel for DMU	\$ 89,000	\$ 47,402
Rail Power Services, LLC	Mobile Locomotive Maintenance, Repair, and Related Services	\$ 50,000	\$ -
Stacy and Witbeck, Inc.	Highway 37 At-Grade Crossing Repair	\$ 378,694	\$ -
Summit Signal, Inc.	Inspection, Testing, and Maintenance Services for Signal Equipment Along Brazos Branch	\$ 27,408	\$ 17,625
Summit Signal, Inc.	Interim Freight Rail Operation and Maintenance Services	\$ 52,592	\$ 52,592
Wine Country Sanitary, Inc.	Portable Toilet Rental and Maintenance	\$ 2,364	\$ 2,165
WRA, Inc.	Freight - Black Point Bridge Biological Monitors	\$ 5,960	\$ 5,959
	TOTALS:	\$ 3,298,503	\$ 1,406,433

Actuals-To-Date includes invoices that have been approved as of April 30, 2023, but may not have been processed in SMART's Financial System

**THIRD AMENDMENT TO THE LEGAL SERVICES AGREEMENT BETWEEN
THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
AND ALLEN, GLAESSNER, HAZELWOOD & WERTH, LLP**

This Third Amendment dated as of June 21, 2023 (the “Third Amendment”), to the Agreement for Legal Services by and between Allen, Glaessner, Hazelwood & Werth (hereinafter “Attorneys”) and the Sonoma-Marín Area Rail Transit District (“SMART”), effective as of April 20, 2021 (the “Original Agreement,” as amended and supplemented by the First Amendment, Second Amendment and now this Third Amendment, the “Agreement”).

RECITALS

WHEREAS, SMART and Attorneys previously entered the Original Agreement on April 20, 2021, to provide various legal services regarding litigation, rail transit issues, including railroad right of way, real estate, contract, and related issues; and

WHEREAS, SMART and Attorneys previously entered into various Amendments to the Agreement dated October 5, 2021, and dated June 15, 2022, to increase the not-to-exceed amount set forth in the Agreement and to extend the term of the Agreement; and

WHEREAS, SMART now desires to amend the Agreement to add personnel to Attorney’s Key Personnel, increase the not to exceed amount of the Agreement by \$50,000.00, for a total not to exceed amount of \$250,000.00, extend the term of the Agreement until June 30, 2024, and update Exhibit A, Schedule of Rates.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **“ARTICLE 3. ATTORNEY’S KEY PERSONNEL”** The last sentence of Article 4 of the Agreement is hereby amended as follows:

Key personnel shall be: Mark Hazelwood, Kimberly Chin, Erica Gonzalez, Deidre Quinonez, Maria Nozzolini, Peter Glaessner, Lori Sebransky and Jennifer A. Brooks.

2. **“ARTICLE 4. COMPENSATION”** The last sentence of Article 4 of the Agreement is hereby amended as follows:

Total compensation under this agreement shall not exceed \$250,000.00.

3. **“ARTICLE 7. EFFECTIVE DATE AND TERM”** Article 7 of the Agreement is hereby deleted in its entirety and replaced with the following:

This Agreement shall be effective as of April 20, 2021, and shall expire on June 30, 2024, unless terminated earlier in accordance with the terms herein.

4. **“EXHIBIT A, SCHEDULE OF RATES”**. Exhibit A, Schedule of Rates, is hereby deleted in its entirety and replaced with the revised Exhibit A, Schedule of Rates attached herein.

5. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of the Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the date first set forth above.

**SONOMA-MARIN AREA RAIL TRANSIT
DISTRICT**

Dated: _____

By _____
Eddy Cumins, General Manager

**ALLEN, GLAESSNER, HAZELWOOD
& WERTH**

Dated: _____

By _____
Mark Hazelwood, Partner

APPROVED AS TO FORM:

Dated: _____

By _____
District Counsel



Eric Lucan, Chair
Marin County Board of Supervisors

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

Kate Colin
Transportation Authority of Marin

Chris Coursey
Sonoma County Board of Supervisors

Rachel Farac
Transportation Authority of Marin

Debora Fudge
Sonoma County Mayors' and Councilmembers Association

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gabe Paulson
Marin County Council of Mayors and Councilmembers

David Rabbitt
Sonoma County Board of Supervisors

Chris Rogers
Sonoma County Mayors' and Councilmembers Association

Mary Sackett
Marin County Board of Supervisors

Eddy Cumins
General Manager

5401 Old Redwood Highway
Suite 200
Petaluma, CA 94954
Phone: 707-794-3330
Fax: 707-794-3037
www.SonomaMarinTrain.org

June 21, 2023

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

SUBJECT: Authorize General Manager to Execute Contract Amendment No. 3 with Hulcher Services, Inc.

Dear Board Members:

RECOMMENDATIONS:

Authorize the General Manager to execute Contact Amendment No. 3 to Agreement No. OP-PS-19-005 with Hulcher Services, Inc. to increase the amount by \$175,000 for a total not-to-exceed contract amount of \$360,000.

SUMMARY:

Hulcher Services, Inc. is SMART's on-call equipment derailment recovery and mobile repair service contractor. While it is always SMART's intent to never have to use these services, these services were required during the Freight derailment that took place on March 16, 2023. At the April 19, 2023, Board of Director Meeting, SMART's General Manager informed the Board that SMART executed Amendment No. 2 under the General Manager's authority to increase the not-to-exceed amount of the contract to cover the derailment services needed to get Freight back in service. While this increase covered the expenses resulting from the derailment, the contract requires another increase to be prepared should a future emergency arise.

Staff is recommending that the Board of Directors authorize the General Manager to execute Amendment No. 3 to increase the amount by \$175,000 for a new total not-to-exceed amount of \$360,000.

FISCAL IMPACT: The Fiscal Year 2023-2024 impact is \$175,000 and is programed in the draft Fiscal Year 2023-2024 budget.

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Sincerely,

 /s/
Ken Hendricks
Procurement Manager

Cc: Hulcher Services, Inc. Contract Amendment No. 3

THIRD AMENDMENT TO THE SERVICE AGREEMENT BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AND HULCHER SERVICES, INC.

This Third Amendment dated as of June 21, 2023 (the “Third Amendment”), to the Service Agreement by and between Hulcher Services, Inc. (hereinafter referred to as “Service Provider”) and the Sonoma-Marin Area Rail Transit District (hereinafter referred to as “SMART”), dated as of February 3, 2020 (the “Original Agreement,” as amended and supplemented by the First Amendment, Second Amendment, and now this Third Amendment, the “Agreement”).

RECITALS

WHEREAS, Service Provider and SMART previously entered the Original Agreement on February 3, 2020, to provide on-call equipment derailment recovery and mobile repair support services; and

WHEREAS, SMART previously entered into the First Amendment to the Agreement to modify the Schedule of Rates, extend the term of the agreement for an additional year, and to update the name and contact information for the SMART Project Manager; and

WHEREAS, SMART previously entered into the Second Amendment to the Agreement to increase the not-to-exceed amount of the contract in order to respond to a derailment; and

WHEREAS, SMART desires to amend the Agreement to increase the not-to-exceed amount of the contract by \$175,000.00 for a total not-to-exceed amount of \$336,000.00.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. “Article 5. Payment”. Section 5.02 is hereby deleted and replaced with the following:

“Section 5.02. Service Provider shall be paid in accordance with the Exhibit B (Schedule of Rates); provided, however that total payments to Service Provider shall not exceed \$336,000. Service Provider shall submit its invoices upon completion of each task in a form approved by the Chief Financial Officer. The invoices shall show or include: (i) the task(s) performed; (ii) the time in quarter hours devoted to the task(s); (iii) the hourly rate or rates of the persons performing the task(s) or the set packaged price hourly rates; and (iv) copies of receipts for any per diem costs, if any. Service Provider’s reimbursement for materials shall not include items already included in the Service Provider’s overhead as may be billed as part of its rates set for in the Exhibit B.”

2. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of the Agreement.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the date first set forth above.

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

Dated: _____

By _____
Eddy Cumins, General Manager

HULCHER SERVICES, INC.

Dated: _____

By _____
Frank Given, President

APPROVED AS TO FORM:

Dated: _____

By _____
District Counsel

**SECOND AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
AND SIERRA-CEDAR, LLC**

This Second Amendment dated as of June 21, 2023 (the “Second Amendment”), to the Agreement for Consultant Services by and between Sierra-Cedar, LLC (hereinafter referred to as “CONSULTANT”) and the Sonoma-Marín Area Rail Transit District (hereinafter referred to as “SMART”), dated as of August 1, 2021 (the “Original Agreement,” as amended by the First Amendment and now amended by this Second Amendment, the “Agreement”).

RECITALS

WHEREAS, CONSULTANT and SMART previously entered the Original Agreement on August 1, 2021 to provide on-call support and consultant services for SMART’s Oracle Enterprise Resource Planning Software and subsequently amended the Agreement on February 15, 2023 to increase the not to exceed amount for Fiscal Year 2023; and

WHEREAS, SMART now desires to amend the Agreement to add a Fiscal Year 2024 payment amount not to exceed \$30,000.00 for a total not to exceed amount of \$241,200.00 and to exercise the option to extend the agreement until June 30, 2024; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **“ARTICLE 5. PAYMENT”**. Section 5.02 of the Agreement is hereby deleted and replaced with the following:

Consultant shall be paid on either a time and materials basis in accordance with the rates established in **Exhibit B**; provided, however, that total payments to Consultant shall not exceed \$75,000 for Fiscal Year 2022, \$136,200 for Fiscal Year 2023, and \$30,000.00 for Fiscal Year 2024 without the prior written approval of SMART. Consultant shall submit its invoices in arrears twice per month in a form approved by the Chief Financial Officer. The invoices shall show or include: (i) the task(s) performed; (ii) the time in quarter hours devoted to the task(s); (iii) the hourly rate or rates of the persons performing the task(s); and (iv) copies of receipts for reimbursable materials/expenses, if any. All reimbursable expenses must comply with SMART’s Travel Guidelines and must receive prior approval. Consultant’s reimbursement for materials/expenses shall not include items already included in Consultant’s overhead as may be billed as a part of its labor rates set forth in **Exhibit B**. SMART does not reimburse Consultant for travel time.

“ARTICLE 6. TERM OF AGREEMENT.” Section 6.01 of the Agreement is hereby deleted and replaced with the following:

Section 6.01 The term of this Agreement shall remain in effect until June 30, 2024, with two (2) one-year options to extend thereafter unless terminated earlier in accordance provisions of **Article 7** below.

2. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of the Agreement.

THIS SECTION INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first set forth above.

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

Dated: _____

By _____
Eddy Cumins, General Manager

SIERRA-CEDAR, LLC

Dated: _____

By _____
Kevin Bryant, General Manager

APPROVED AS TO FORM:

Dated: _____

By _____
District Counsel



Eric Lucan, Chair
Marin County Board of Supervisors

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

Kate Colin
Transportation Authority of Marin

Chris Coursey
Sonoma County Board of Supervisors

Rachel Farac
Transportation Authority of Marin

Debora Fudge
Sonoma County Mayors' and Councilmembers Association

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

Barbara Pahre
Golden Gate Bridge,
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Gabe Paulson
Marin County Council of Mayors and Councilmembers

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www.SonomaMarinTrain.org

June 21, 2023

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

SUBJECT: Extending the Clipper START Pilot Program and Consent to Participate in Clipper BayPass Phase 2 Pilot

Dear Board Members:

RECOMMENDATIONS:

Approve Resolution No. 2023-21 extending the Clipper START Pilot Program through June 30, 2025 and Resolution No. 2023-22 Consent to Participate in Clipper BayPass Phase 2 Pilot.

SUMMARY:

Clipper START Pilot Program

In February 2020, the Board approved SMART's participation in the Clipper START Means Based Fare Program. This program was implemented by the Metropolitan Transportation Commission (MTC) with an 18-month pilot program which launched on July 15, 2020, for BART, Caltrain, Golden Gate, and Muni. In August 2020, it was opened to all interested transit agencies.

This program offers a 50% discount to those qualified persons earning up to 200% of the federal poverty level. SMART's Clipper START program was launched on November 23, 2020. Program participation has grown steadily but remained low overall, at less than 1% of SMART riders. Sonoma County Transportation Authority staff has recently initiated a countywide outreach effort to increase Clipper START participation. The initial pilot program expires on June 30, 2023, and is being extended to June 30, 2025. Staff is recommending that SMART continue to participate in this program.

Clipper BayPass Phase 2 Pilot

In the fall of 2021, the SMART Board consented to participating in MTC's Institutional Transit Pass Pilot Program referred to as the Clipper BayPass. The program was to be implemented in two phases.

- Phase 1 (Target of August 2022): Educational institutions and affordable housing partners
- Phase 2 (Target 2023): Employers in transit-rich locations such as downtown San Francisco, Oakland, and San Jose

Phase 1 included five Bay Area institutions of which Santa Rosa Junior College was one. This phase offered passes at no cost to the rider or the partner institution. Participating transit agencies received an upfront payment which was anticipated to be equivalent to the forecasted lost revenue for the two-year pilot program. Between August 2022 and April 2023, 21,546 trips were taken using the BayPass on the SMART system.

MTC is now looking at a soft launch of Phase 2 of the project. The Clipper BayPass will be sold to participating institutions. The project is targeting approximately 10 total institutions and up to 20,000 for the pilot phase. Each institution will enter one-year contracts to purchase Clipper BayPass for all their employees or constituents at a price expected to offset any fare revenue loss. A \$1 million budget has been set aside by MTC as backstop funding if revenues collected are inadequate to cover fare revenue loss.

FISCAL IMPACT: None is expected. For the Clipper START program we are anticipating that the reimbursement from MTC will cover any losses between July 1, 2023 and June 30, 2025. Phase 2 of the Clipper BayPass program is expected to be revenue neutral and if not, funds have been set aside by MTC to provide for a backfill.

REVIEWED BY: [] Finance _____ [x] Counsel /s/

Sincerely,

 /s/

Heather McKillop
Chief Financial Officer

Attachment(s):

- 1) Resolution No. 2023-21 – Extension of Clipper START Pilot Program through June 30, 2025
- 2) Resolution No. 2023-22 – Clipper BayPass Phase 2 Pilot

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, EXTENDING SMART’S PARTICIPATION IN THE CLIPPER START LOW INCOME PROGRAM THROUGH JUNE 30, 2025

WHEREAS, the SMART Board of Directors passed Resolution No. 2020-27 agreeing to participate in the Metropolitan Transportation Commission Clipper START low income fare program and its terms; and

WHEREAS, the current Clipper START low-income fare pilot program expires at the end of June 30, 2023; and

WHEREAS, the Metropolitan Transportation Commission will be extending the pilot program through June 30, 2025; and

WHEREAS, the Metropolitan Transportation Commission will continue to operate the program under the same framework that the SMART Board of Directors previous approved with the exception of payments to the transit operators; and

WHEREAS, the Metropolitan Transportation Commission will be subsidizing the discount offering at the beginning of the two-year extended pilot program verses in arrears based on actual discounts given; and

WHEREAS, SMART wishes to continue to participate in the pilot program which offers a 50% discount for qualifying individuals; and

NOW, THEREFORE, BE IT RESOLVED that Board of Directors approves SMART participating in the extended Clipper START low income fare pilot program through June 30, 2025.

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 June 2023, by the following vote:

- DIRECTORS:**
AYES:
NOES:
ABSENT:
ABSTAIN:

Eric Lucan, Chair, Board of Directors
Sonoma-Marín Area Rail Transit District

ATTEST:

Leticia Rosas, Clerk of the Board of Directors
Sonoma-Marín Area Rail Transit District

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, EXTENDING SMART'S PARTICIPATION IN THE CLIPPER BAYPASS INSTITUTIONAL PASS PROGRAM

WHEREAS, in the fall of 2021 the SMART Board of Directors consented to participating in the Clipper BayPass Institutional Pilot Program; and

WHEREAS, Phase 1 was rolled out in the fall of 2022 to educational institutional and Santa Rosa Junior College is a participant; and

WHEREAS, Phase 2 of the pilot project is targeted to be rolled out in Fiscal Year 2024 to employers in transit-rich locations; and

WHEREAS, Phase 2 is intended to be revenue neutral; and

NOW, THEREFORE, BE IT RESOLVED that Board of Directors approves SMART's participation in Phase 2 of the Clipper BayPass Pilot Program.

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 June 2023, by the following vote:

DIRECTORS:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eric Lucan, Chair, Board of Directors
Sonoma-Marín Area Rail Transit District

ATTEST:

Leticia Rosas, Clerk of the Board of Directors
Sonoma-Marín Area Rail Transit District



Eric Lucan, Chair
Marin County Board of Supervisors

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

Kate Colin
Transportation Authority of Marin

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General Manager

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Phone: 707-794-3330
Fax: 707-794-3037
www.SonomaMarinTrain.org

June 21, 2023

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

SUBJECT: Pathway Update

Dear Board Members:

RECOMMENDATIONS: Information Item

SUMMARY:

The Pathway is an integral component of the SMART system and serves as a transportation facility providing access and connecting stations paralleling the rail line, carrying approximately 50,000 bicyclists and pedestrians every month. Through our strategic planning and budgeting process, SMART is advancing the remaining pathway segments through pre-construction phases to compete for funding that will effectively leverage local sales tax and help complete the pathway in the near-term. The table below provides an overview of the current pathway status.

Pathway Status	Miles
Total Constructed	28.0
Total Planned/In-design	33.7
Total in Construction	9.5
Total Pathway	71.3

Completed Pathway

To date SMART, Caltrans, Sonoma and Marin counties, local cities, and regional parks have worked together to establish 28.0 miles of the planned 71 miles pathway. Of those 28.0 miles, 21 miles are separated facilities, 20.6 are Class I multi-use path and 0.4 miles are Class IV separated bikeways. The remaining 7.0 miles of completed pathway are Class II and Class III facilities.

Included in these figures are the recently completed pathway in Petaluma between Southpoint Blvd. and Payran St. (opened in 2022) and the new pathway completed by the City of Novato along Rowland Blvd. (opened in 2023).

Planned Pathway

The remaining segments of the pathway are in various stages of project development and pre-construction. SMART is advancing over 31 miles of planned pathway through different stages of design. Among those segments in design, 3.5 miles already have grant funding commitments to fund construction. The remaining segments are progressing through design to be shovel-ready and competitive for future grant funding opportunities. Currently, a number of segments are either awaiting grant award announcements or being prepared for submission, and staff will know in the coming months whether these grant efforts were successful in securing funding to construct more of the pathway.

Pathway Underway

By the end of this month, 0.3 miles of pathway in Petaluma between Lakeville St. and Payran St. will be completed. Additionally, 6.6 miles have construction bid packages in preparation and are slated to be constructed in FY24:

- San Rafael: McInnis Pkwy. to Smith Ranch Rd. (0.9 miles)
- Petaluma to Penngrove: South Point Blvd. to Main St. (2.9 miles)
- Rohnert Park to Santa Rosa: Golf Course Dr. to Bellevue Ave. (2.8 miles)
- Windsor: Airport Blvd. to Downtown Windsor (2.7 miles)

Significant work is underway to connect and complete the pathway. Staff will continue to coordinate with our local partners to support strengthening pathway connections. Staff will apprise the Board of pathway milestone achievements and funding developments as they emerge.

FISCAL IMPACT: Information only.

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Very truly yours,

/s/
Bill Gamlen, P.E.
Chief Engineer



Eric Lucan, Chair
Marin County Board of Supervisors

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

Kate Colin
Transportation Authority of Marin

Chris Coursey
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June 21, 2023

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

SUBJECT: Authority to Purchase California Tiger Salamander Mitigation Credits from the Alton Lane Conservation Preserve, LLC.

Dear Board Members:

RECOMMENDATION:

Approve Resolution No. 2023-20 authorizing the General Manager to execute a purchase agreement for 7.04 acres of California Tiger Salamander Mitigation credits from the Alton Lane Conservation Preserve, LLC. for an amount of \$1,576,960.

SUMMARY:

This purchase will fulfill federal and state regulatory permit requirements to construct the Golf Course Dr. To Bellevue Ave. (Rohnert Park to Santa Rosa) pathway by mitigating permanent and temporary impacts to California Tiger Salamander habitat.

BACKGROUND

In 2015, SMART completed a National Environmental Policy Act (NEPA) review for the for the Non-Motorized Pathway from San Rafael to Santa Rosa. As part of the review, the potential to impact the California Tiger Salamander (CTS) was identified and formally documented with the U.S. Fish and Wildlife Services (USFWS). This process produced the Biological Opinion which maps and describes the impacts the non-motorized pathway will have on protected species including the California Tiger Salamander. Impacts to CTS are mitigated by purchasing credits in a certified mitigation bank.

As SMART implements sections of the non-motorized pathway, some areas require mitigation for CTS. In 2022, SMART received an Incidental Take Permit (ITP) from the California Department of Fish and Wildlife (CDFW) completing the process to define mitigation measures required for the construction of SMART's pathway between Golf Course Dr. in Rohnert Park to Bellevue Ave. in Santa Rosa. Total impacts to CTS were determined to be 7.04 acres.

On April 11, 2023, SMART issued an Invitation for Bid for the purchase of 7.04 acres of California Tiger Salamander Conservation Credits. Bids closed on May 1, 2023, with one (1) bidder, the Alton Lane Conservation Preserve LLC., at a price of \$224,000/acre totaling \$1,576,960.

The Golf Course Dr. to Bellevue Ave. pathway will be constructed as part of the Petaluma North Station project. The project is expected to be put out to bid in July and awarded in September 2023. The pathway is an element of the project that will likely begin construction in Spring of 2024.

Staff is recommending approving Resolution No. 2023-20 authorizing the General Manager to purchase 7.04 Acres of California Tiger Salamander Conservation Credits from the Alton Lane Conservation Preserve LLC., for \$1,576,960 to fulfill USFWS and CDFW permit requirements so that SMART may construct the non-motorized pathway between Golf Course Dr. to Bellevue Ave.

FISCAL IMPACT: This environmental mitigation purchase is included in the pathway project budget and is budgeted for in Fiscal Year 2022-2023 budget and is included as a carryforward in the Fiscal Year 2023-2024 budget.

REVIEWED BY: [X] Finance /s/ [x] Counsel /s/

Very truly yours,

/s/

Bill Gamlen, P.E.

Chief Engineer

Attachment(s):

- 1) Resolution No. 2023-20
- 2) Alton Lane Conservation Preserve Purchase Agreement

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
APPROVING THE PURCHASE OF CALIFORNIA TIGER SALAMANDER MITIGATION CREDITS FROM THE
ALTON LANE CONSERVATION PRESERVE, LLC**

WHEREAS, the Sonoma-Marín Area Rail Transit District (SMART) is constructing a segment of bicycle and pedestrian pathway from Golf Course Drive in Rohnert Park to Bellevue Avenue in Santa Rosa; and

WHEREAS, construction of the pathway segment will generate permanent impacts to California Tiger Salamander habitat requiring 7.04 acres of mitigation; and

WHEREAS, Federal and state regulatory construction permits require SMART to mitigate the habitat impacts in an accredited mitigation bank; and

WHEREAS, the Alton Lane Conservation Preserve, LLC. is agency approved mitigation bank that has 7.04 acres of California Tiger Salamander mitigation credits available for purchase;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF SMART HEREBY FINDS, DETERMINES, DECLARES, AND ORDERS AS FOLLOWS:

1. The forgoing Recitals are true and correct and are incorporated herein and form a part of this Resolution.
2. Authorize the General Manager to purchase 7.04 acres of California Tiger Salamander mitigation credits from the Alton Lane Conservation Preserve, LLC. for a total contract amount of \$1,576,960.

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 June 2023, by the following vote:

DIRECTORS:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eric Lucan, Chair, Board of Directors
Sonoma-Marín Area Rail Transit District

ATTEST:

Leticia Rosas, Clerk of Board of Directors
Sonoma-Marín Area Rail Transit District

**AGREEMENT FOR SALE OF
CALIFORNIA TIGER SALAMANDER MITIGATION CREDITS (“AGREEMENT”)
SERVICE File No.: 2081-2021-089-03**

This Agreement is entered into this 21st day of June, 2023 by and between Alton Preserve, LLC, a California limited liability company, (“Bank Sponsor”), and Sonoma-Marín Area Rail Transit District (SMART), (“Project Proponent”), collectively referred to herein as “Parties,” as follows:

RECITALS

- A. Bank Sponsor has developed Alton Lane Conservation Bank (“**Bank**”) located in Sonoma County, California; and
- B. Bank was approved, in 2023, by the U.S. Fish and Wildlife Service (“Service”), and the California Department of Fish and Wildlife (“CDFW”) (“Approving Agencies”), and is currently in good standing with these agencies; and
- C. Bank has received approval from the Approving Agencies to offer California Tiger Salamander (“CTS Credits”) for sale as compensation for the loss of California Tiger Salamander habitat type as specified in the Conservation Bank Enabling Instrument (“CBEI”); and
- D. Project Proponent is seeking to implement the project described in Exhibit A attached hereto (“Project”), which would unavoidably and adversely impact California tiger salamander habitat and seeks to compensate for the loss of such habitat by purchasing compensatory CTS Credits from Bank; and
- E. Project Proponent has been authorized by the Service, Service File No.: 2081-2021-089-03, to purchase 7.04 acres of CTS Credits from Bank; and
- F. Project Proponent desires to purchase from Bank Sponsor’s Bank and Bank Sponsor desires to sell to Project Proponent 7.04 acres of CTS Credits;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. Bank Sponsor hereby sells to Project Proponent and Project Proponent hereby purchases from Bank Sponsor’s Bank 7.04 acres of CTS Credits for the purchase price of \$1,576,960 (One Million Five Hundred Seventy-Six Thousand Nine Hundred Sixty Dollars). Bank Sponsor will then deliver to Project Proponent an executed “Bill of Sale” in the manner and form as attached hereto and marked Exhibit B. The purchase price for said CTS Credits shall be paid through Bank Sponsor’s according to written instructions by Bank Sponsor to Project Proponent.
- 2. The sales and transfer herein are not intended as a sale or transfer to Project Proponent of a security, license, lease, easement, or possessory or non-possessory interest in real property, nor the granting of any interest of the foregoing.

3. Project Proponent shall have no obligation whatsoever by reason of the purchase of the compensatory credits, to support, pay for, monitor, report on, sustain, continue in perpetuity, or otherwise be obligated or liable for the success or continued expense or maintenance in perpetuity of the CTS Credits sold, or the Bank. Pursuant to the Conservation Bank Enabling Instrument (CBEI) for the Bank, Bank Sponsor shall monitor and make reports to the appropriate agency or agencies on the status of any compensatory CTS Credits sold to Project Proponent. Bank Sponsor shall be fully and completely responsible for satisfying any and all conditions placed on the Bank or the compensatory CTS Credits, by all state or federal jurisdictional agencies. The Bank shall indemnify the Buyer for all such obligations.
4. The compensatory CTS Credits sold and transferred to Project Proponent shall be non-transferable and non-assignable, and shall not be used as compensatory mitigation for any other Project or purpose, except as set forth herein.
5. Project Proponent must exercise his/her/its right to purchase within seventy-five (75) days of the approval date of this Agreement. After the seventy-five (75) days, this Agreement will be considered null and void.
6. Upon purchase of 7.04 acres of CTS Credits specified in paragraph E above, Bank Sponsor shall complete the "Payment Receipt" form attached hereto as Exhibit C, and shall submit the completed "Payment Receipt" form attached hereto as Exhibit C to the Service.
7. This Agreement shall be governed by the laws of the State of California. Any action at law or equity brought in connection with this Agreement shall be filed in the Superior Court for the County of Sonoma.
8. If any legal dispute arises under this Agreement, the prevailing party shall recover as an element of its costs of suit its actual attorney's fees and costs, including expert witness fees from the other Party. A Party not entitled to recover its costs of suit shall not recover attorney's fees.

THIS SPACE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

BANK SPONSOR:

Alton Preserve, LLC
A California Limited Liability Company

By: Harvey O. Rich, Managing Member

Date: _____

PROJECT PROPONENT: SONOMA-MARIN AREA RAIL TRANSIT DISTRICT (SMART)

By: Eddy Cumins
General Manager

By: Tom Lyons
District Counsel

Date: _____

Date: _____

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT (SMART)
Various Non-Motorized Pathways Segment 3: Golf Course Drive (MP 48.5) to
Bellevue Avenue (MP 51.3)**

APPROVED BY SERVICE:

This Agreement fulfills 7.04 acres of California tiger salamander mitigation requirement, as specified under Service File No.: 2081-2021-089-03

UNITED STATES DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE

By: _____

Title: _____

Dated: _____

EXHIBIT A

DESCRIPTION OF PROJECT TO BE MITIGATED

The Project includes the development of SMART property, into a multi-use pathway which will support pedestrian and non-motorized bicycle traffic between 48.5 to mile point 51.3. Project activities include grubbing grading of the entire Project site; installation of a prefabricated pedestrian bridge, retaining walls, and chain link fencing; extending five culverts, installing traffic signals at roadway crossings; paving; and other activities within the Project footprint.

1. Project Proponent: Sonoma-Marín Area Rail Transit District (SMART)
2. Project: SMART Non-Motorized Pathway (MP 48.5 – 51.3)
(South Blvd. to Main Street and Golf Course Drive to Bellevue Drive)
3. SMART Contact: Bill Gamlen, Chief Engineer
Phone: 707-794-3049
Email: bgamelen@sonomamarintrain.org
4. U.S. Army Corps of Engineers No.: SPN-2010-004411
5. U.S. Fish and Wildlife Service No.: 2081-2021-089-03
6. Regional Water Quality Control District No.: WDID-1B21198 WNSO
7. California Department of Fish and Wildlife No.: EPIMS-SON-2319-R3

Exhibit B Bill of Sale

Alton Preserve, LLC
336 Bon Air Center – Box 232,
Greenbrae, CA 94904
(415) 472-1086

Buyers: Sonoma-Marín Area Rail Transit District (SMART)

Type and Number of Credits: 7.04 Acres of CTS Credits

Project Name: SMART Non-Motorized Pathway (Southpoint Blvd. to Main Street. and Golf Course Drive to Bellevue Avenue)

Project Assessor's Parcel Number: 043-133-016, 134-072-052, 134-102-085, 134-171-060, 045-013-038, 045-033-046, 160-010-028, & 160-010-029

Contract Date: June 21, 2023

Service File Number: 2081-2021-089-03

Army Corps Number: SPN-2010-004411

RWQCB Number: WDID 1B21198WNSO

CDFW: EPIMS-SON-23219-R3

In consideration of \$1,576,960 (One Million Five Hundred Seventy-Six Thousand Nine Hundred Sixty Dollars), receipt of which is hereby acknowledged, Alton Preserve, LLC, a California limited liability company, does hereby bargain, sell and transfer to Sonoma-Marín Area Rail Transit District, herein referred to as "Buyers," 7.04 acre of California tiger salamander credits ("CTS Credits") in the Alton Lane Conservation Bank in Sonoma County, California, developed, and approved by the U.S. Fish and Wildlife Service and the California Department of Fish and Game.

Alton Preserve, LLC represents and warrants that it has good title to the CTS Credits, has good right to sell the same, and that they are free and clear of all claims, liens, or encumbrances.

Alton Preserve, LLC covenants and agrees with the Buyer to warrant and defend the sale of the CTS Credits herein before described against all and every person and persons whomsoever lawfully claiming or to claim the same.

DATED: _____, 2023

Alton Preserve, LLC
A California Limited Liability Company

By: _____
Harvey O. Rich, Managing Member

ALTON PRESERVE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
AGREEMENT
EV-OT-23-001

Exhibit C Payment Receipt

Alton Preserve, LLC
336 Bon Air Center - Box 232
Greenbrae, CA 94904
(415) 472-1086

PROJECT: ALTON LANE CONSERVATION BANK

PAYMENT RECEIPT: 7.04 ACRES OF CTS CREDITS

PARTICIPANT INFORMATION:

Name: Sonoma-Marín Area Rail Transit District (SMART)
Address: 5401 Old Redwood Highway – Suite 200, Petaluma, CA 9994954
Telephone: 707-794-3049
Contact: Bill Gamlen, Chief Engineer

PROJECT INFORMATION:

Project Description: Construction of 2.7 miles of non-motorized pathway in railroad right-of-way
Army Corps File Number: SPN-2010-004411
Service Number: 2081-2021-089-03
RWQCB Number: WDID – 1B21198WNSO
CDFW: EPIMS-SON-23219-R3
Species/Habitat Affected: California Tiger Salamander Habit
Credits Purchased: 7.04 acres of CTS Credits
Payment Amount: \$1,576,960 (One Million Five Hundred Seventy-Six Thousand Nine Hundred Sixty Dollars)
Project Location: Sonoma County
County: Sonoma County
Assessor's Parcel Number: 043-133-016, 134-072-052, 134-102-085, 134-171-060, 045-013-038, 045-033-046, 160-010-028, & 160-010-029

PAYMENT INFORMATION:

Payee: Alton Preserve, LLC, a California Limited Liability Company
Payor: Sonoma-Marín Area Rail Transit District (SMART)
Amount: \$1,576,960 (One Million Five Hundred Seventy-Six Thousand Nine Hundred Sixty Dollars)
Method of Payment: Check

ALTON PRESERVE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
AGREEMENT
EV-OT-23-001

RECEIVED:

Alton Preserve, LLC,
A California Limited Liability Company
.

By: _____
Harvey O. Rich, Managing Member

Date: _____



Eric Lucan, Chair
Marin County Board of Supervisors

June 21, 2023

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

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

Kate Colin
Transportation Authority of Marin

SUBJECT: Authorize the General Manager to Execute a Contract No. LG-PS-23-001 with Hanson Bridgett

Chris Coursey
Sonoma County Board of Supervisors

Dear Board Members:

Rachel Farac
Transportation Authority of Marin

RECOMMENDATION:

Debora Fudge
Sonoma County Mayors' and Councilmembers Association

Authorize the General Manager to execute Contract No. LG-PS-23-002 with Hanson Bridgett LLP for the provision of Labor and Employment and related legal support services with a not-to-exceed amount of \$360,000 for the initial three-year term, and \$125,000 for optional year 4 and \$150,000 for optional year 5 to be added at SMART's discretion.

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

SUMMARY:

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

SMART utilizes a third-party legal services consultant to support labor negotiations and other employment related issues. The existing contract for these services is set to expire on June 30, 2023.

Gabe Paulson
Marin County Council of Mayors and Councilmembers

David Rabbitt
Sonoma County Board of Supervisors

In anticipation of the contract expiration, the District issued a Request for Proposal (RFP) for Labor and Employment Legal Services on March 27, 2023. Eight Proposals were received from the following firms:

Chris Rogers
Sonoma County Mayors' and Councilmembers Association

1. Aleshire and Wynder, LLP
2. Atkinson, Andelson, Loya Ruud and Romo
3. Duggan McHugh Law Corporation
4. Hanson Bridgett LLP
5. Liebert Cassidy Whitmore
6. Narayan Travelstead P.C.
7. Renne Public Law Group
8. RTGR Law, LLP

Mary Sackett
Marin County Board of Supervisors

Eddy Cumins
General Manager

5401 Old Redwood Highway
Suite 200
Petaluma, CA 94954
Phone: 707-794-3330
Fax: 707-794-3037
www.SonomaMarinTrain.org

The Selection Committee evaluated the eight proposals using the criteria established in the RFP, which included service approach and understanding of SMART's operating environment, qualifications, prior history of performing similar services, and pricing.

Following the review and evaluation of the proposals, the Selection Committee determined that the proposal submitted by Hanson Bridgett LLP provides the overall best value to SMART and is recommending the firm for award.

FISCAL IMPACT: The Fiscal impact for Year 1 of services is estimated to be \$100,000 and is currently included in the proposed Fiscal Year 2023-2024 budget and assumed for future budget years.

REVIEWED BY: [x] Finance /s/

[x] Counsel /s/

Respectfully,

 /s/
Lisa Hansley
Human Resources Manager

Attachment: Hanson Bridgett LLP Contract No. LG-PS-23-002

AGREEMENT FOR LEGAL SERVICES

This agreement (“Agreement”), dated as of July 1, 2023 (“Effective Date”) is by and between the Sonoma-Marín Area Rail Transit District (hereinafter “SMART”), and Hanson Bridgett LLP (hereinafter “Counsel”). This Agreement is required by Business and Professions Code section 6148 and is intended to fulfill its requirements.

RECITALS

WHEREAS, Counsel represents that it is a duly qualified and licensed attorney experienced in the areas of labor and employment legal services and related services; and

WHEREAS, in the judgment of the Board of Directors of SMART or District, it is necessary and desirable to employ the services of Counsel for labor and employment legal services and related services.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

ARTICLE 1. RECITALS.

Section 1.01 The above Recitals are true and correct.

ARTICLE 2. LIST OF EXHIBITS.

Section 2.01 The following exhibits are attached hereto and incorporated herein:

- (a) Exhibit A: Scope of Work & Timeline
- (a) Exhibit B: Schedule of Rates

ARTICLE 3. REQUEST FOR SERVICES.

Section 3.01 Initiation Conference. SMART’s Human Resources Manager or designee (hereinafter “SMART Manager”) will initiate all requests for services through an Initiation Conference, which may be in person, by telephone, or by email. During the Initiation Conference, the SMART Manager and Counsel will establish and agree on a specific task for the project.

Section 3.02 Amount of Work. SMART does not guarantee a minimum or maximum amount of work under this Agreement.

ARTICLE 4. SCOPE OF SERVICES.

Section 4.01 Scope of Work. Counsel shall perform services within the timeframe outlined in **Exhibit A** (cumulatively referred to as the “Scope of Work”).

Section 4.02 Cooperation with SMART. Counsel shall cooperate with the SMART Manager in the performance of all work hereunder.

Section 4.03 Performance Standard. Counsel shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Counsel’s profession. If SMART determines that any of Counsel’s work is not in accordance with such level of competency and standard of care, SMART, in its sole discretion, shall have the right to do any or all of the following: (a) require Counsel to meet with SMART to review the quality of the work and resolve matters of concern; (b) require Counsel to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 7; or (d) pursue any and all other remedies at law or in equity.

Section 4.04 Assigned Personnel.

- (a) Counsel shall assign only competent personnel to perform work hereunder. In the event that at any time SMART, in its sole discretion, desires the removal of any person or persons assigned by Counsel to perform work hereunder, Counsel shall remove such person or persons immediately upon receiving written notice from SMART.
- (b) Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder on behalf of the Counsel are deemed by SMART to be key personnel whose services were a material inducement to SMART to enter into this Agreement, and without whose services SMART would not have entered into this Agreement. Counsel shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of SMART. Key personnel shall be as listed in the applicable Task Order.
- (c) In the event that any of Counsel’s personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Counsel’s control, Counsel shall be responsible for timely provision of adequately qualified replacements.
- (d) Counsel shall assign the following key personnel for the term of this Agreement:
Diane Marie O’Malley, Gymmel Trembly, and Michelle Linney.

ARTICLE 5. PAYMENT.

For all services required hereunder, Counsel shall be paid in accordance with the following terms:

Section 5.01 Counsel shall invoice SMART on a monthly basis, detailing the tasks performed pursuant to the Scope of Work requested by the SMART Manager and the hours worked. SMART shall pay Counsel within 30 days after submission of the invoices. Counsel shall be paid in accordance with the rates established in **Exhibit B**; provided, however, that total payments to Counsel shall not exceed \$100,000 for Fiscal Year 2024, \$120,000 for Fiscal Year 2025, and \$140,000 for Fiscal Year 2026, without the prior written approval of SMART. Counsel shall submit its invoices in arrears on a monthly basis in a form approved by the Chief Financial Officer. The invoices shall show or include: (i) the task(s) performed; (ii) the date and time spent by each person performing the task(s) (minimum billing time should be one-tenth of an hour or smaller increments); (iii) the hourly rate or rates of the persons performing the task(s); and (iv) copies of receipts for reimbursable materials/expenses, if any. All reimbursable expenses must comply with SMART's Travel Guidelines and must receive prior approval. Counsel's reimbursement for materials/expenses shall not include items already included in Counsel's overhead as may be billed as a part of its labor rates set forth in **Exhibit B**. SMART does not reimburse Counsel for travel time.

Section 5.02 Counsel agrees that 48 CFR Part 31, Contract Cost Principles and Procedures and 2 CFR Part 200 shall be used to determine the allowability of individual terms of cost. Any costs for which payment has been made to the Counsel that are determined by subsequent audit to be unallowable under 48 CFR Part 31 or 2 CFR Part 200 are subject to repayment by the Counsel to SMART.

Section 5.03 Counsel must submit all invoices on a timely basis, but no later than thirty (30) days from the date the services/charges were incurred. District shall not accept invoices submitted by Counsel after the end of such thirty (30) day period without District pre-approval. Time is of the essence with respect to submission of invoices and failure by Counsel to abide by these requirements may delay or prevent payment of invoices or cause such invoices to be returned to the Counsel unpaid.

ARTICLE 6. TERM OF AGREEMENT.

Section 6.01 The term of this Agreement shall remain in effect until June 30, 2026, with two (2) one-year options to extend thereafter at SMART's sole discretion unless terminated earlier in accordance with the provisions of **Article 7** below.

ARTICLE 7. TERMINATION.

Section 7.01 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, SMART shall have the right, at their sole discretion, to terminate this Agreement by giving 30 days written notice to the other party.

Section 7.02 Termination for Cause. Notwithstanding any other provision of this Agreement, should Counsel fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, SMART may immediately terminate this Agreement by giving Counsel written notice of such termination, stating the reason for termination.

Section 7.03 Delivery of Work Product and Final Payment Upon Termination.

In the event of termination by either party, Counsel, within 14 days following the date of termination, shall deliver to SMART all materials and work product subject to **Section 12.08** and shall submit to SMART an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.

Section 7.04 Payment Upon Termination.

Upon termination of this Agreement by SMART, Counsel shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Counsel bear to the total services otherwise required to be performed for such total payment; provided, however, that if services are to be paid on an hourly or daily basis, then Counsel shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to termination times the applicable hourly or daily rate; provided further that if SMART terminates the Agreement for cause pursuant to **Section 7.02**, SMART shall deduct from such amount the amount of damage, if any, sustained by SMART by virtue of the breach of the Agreement by Counsel.

Section 7.05 Authority to Terminate.

The Board of Directors has the authority to terminate this Agreement on behalf of SMART. In addition, the General Manager, in consultation with SMART Counsel, shall have the authority to terminate this Agreement on behalf of SMART.

ARTICLE 8. INDEMNIFICATION

Counsel agrees to accept all responsibility for loss or damage to any person or entity, including SMART, and to indemnify, hold harmless, and release SMART, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Counsel, to the extent caused by the Counsel's negligence, recklessness or willful misconduct in its performance or obligations under this Agreement. Counsel agrees to provide a complete defense for any claim or action brought against SMART based upon a claim relating to Counsel's performance or obligations under this Agreement. Counsel's obligations under this Section 8 apply whether or not there is concurrent negligence on SMART's part, but to the extent required by law, excluding liability due to SMART's conduct. SMART shall have the right to select its legal counsel at Counsel's expense, subject to Counsel's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Counsel or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts. This Article 8 will not apply if Counsel's professional liability insurance coverage would be invalidated by any circumstance to which this provision would apply.

ARTICLE 9. INSURANCE.

With respect to performance of work under this Agreement, Counsel shall maintain and shall require all of its Subcontractors, Counsels, and other agents to maintain, insurance as described below. If the Counsel maintains broader coverage and/or higher limits than the

minimums shown below, SMART requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Counsel. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SMART.

Section 9.01 Workers' Compensation Insurance. Workers' Compensation as required by the State of California, with Statutory Limits, and Employer's Liability insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

Section 9.02 General Liability Insurance. Commercial General Liability insurance covering products-completed and ongoing operations, property damage, bodily injury and personal injury using an occurrence policy form, in an amount no less than \$1,000,000 per occurrence, and \$2,000,000 aggregate.

Section 9.03 Automobile Insurance. Automobile Liability insurance covering bodily injury and property damage in an amount no less than \$1,000,000 combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles.

Section 9.04 Professional Liability Insurance (Errors and Omissions). Professional Liability insurance with limit no less than \$2,000,000 per occurrence or claim, and \$2,000,000 aggregate.

Section 9.05 Endorsements. Prior to commencing work, Counsel shall file Certificate(s) of Insurance with SMART evidencing the required coverage and endorsement(s) and, upon request, a certified duplicate original of any of those policies. Said endorsements and Certificate(s) of Insurance shall stipulate:

- (a) SMART, its officers, and employees shall be named as additional insured on all policies listed above, with the exception of the workers compensation insurance policy and the professional services liability policy (if applicable).
- (b) That the policy(ies) is Primary Insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim which Counsel is liable, up to and including the total limit of liability, without right of contribution from any other insurance effected or which may be effected by the Insureds.
- (c) Inclusion of the Insureds as additional insureds shall not in any way affect its rights either as respects any claim, demand, suit or judgment made, brought or recovered against Counsel. Said policy shall protect Counsel and the Insureds in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.
- (d) Counsel hereby grants to SMART a waiver of any right to subrogation which any insurer of said Counsel may acquire against SMART by virtue of the payment of any loss under such insurance. Counsel agrees to obtain any endorsement that may be necessary to affect

this waiver of subrogation, but this provision applies regardless of whether or not SMART has received a waiver of subrogation endorsement from the insurer.

- (e) The insurance policy(ies) shall be written by an insurance company or companies acceptable to SMART. Such insurance company shall be authorized to transact business in the state of California.

SMART reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

Section 9.06 Deductibles and Retentions. Counsel shall be responsible for payment of any deductible or retention on Counsel's policies without right of contribution from SMART. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the name insured is not acceptable.

Section 9.07 Claims Made Coverage. If any insurance specified above is written on a claims-made coverage form, Counsel shall:

- (a) Ensure that the retroactive date is shown on the policy, and such date must be before the date of this Agreement or beginning of any work under this Agreement;
- (b) Maintain and provide evidence of similar insurance for at least three (3) years following project completion, including the requirement of adding all additional insureds; and
- (c) If insurance is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to Agreement effective date, Counsel shall purchase "extending reporting" coverage for a minimum of three (3) years after completion of the work.

Section 9.08 Documentation. The following documentation shall be submitted to SMART:

- (a) Properly executed Certificates of Insurance clearly evidencing all coverages and limits required above. Said Certificates shall be submitted prior to the execution of this Agreement. At SMART's request, Counsel shall provide certified copies of the policies that correspond to the policies listed on the Certificates of Insurance. Counsel agrees to maintain current Certificates of Insurance evidencing the above-required coverages and limits on file with SMART for the duration of this Agreement.
- (b) Copies of properly executed endorsements required above for each policy. Said endorsement copies shall be submitted prior to the execution of this Agreement. Counsel agrees to maintain current endorsements evidencing the above-specified requirements on file with SMART for the duration of this Agreement.
- (c) After the Agreement has been signed, signed Certificates of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days

before expiration or other termination of the existing policy.

Please email all renewal certificates of insurance and corresponding policy documents to InsuranceRenewals@sonomamarintrain.org.

Section 9.09 Policy Obligations. Counsel's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

Section 9.10 Material Breach. If Counsel, for any reason, fails to maintain insurance coverage, which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. SMART, in its sole option, may terminate this Agreement and obtain damages from Counsel resulting from said breach. Alternatively, SMART may purchase such required insurance coverage, and without further notice to Counsel, SMART may deduct from sums due to Counsel any premium costs advanced by SMART for such insurance. These remedies shall be in addition to any other remedies available to SMART.

Section 9.11 Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be cancelled, except with notice to SMART.

ARTICLE 10. PROSECUTION OF WORK.

When work is requested of Counsel by SMART, all due diligence shall be exercised and the work accomplished without undue delay, within the performance time specified in the Task Order. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, or wildfire, the time for Counsel's performance of this Agreement shall be extended by a number of days equal to the number of days Counsel has been delayed.

ARTICLE 11. EXTRA OR CHANGED WORK.

Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not increase the amount paid under the Agreement, and which do not significantly change the scope of work or significantly lengthen time schedules may be executed by the SMART Manager in a form approved by SMART Counsel. The Board of Directors or General Manager must authorize all other extra or changed work. The parties expressly recognize that SMART personnel are without authorization to order extra or changed work or waive Agreement requirements. Failure of Counsel to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Counsel shall be entitled to no compensation whatsoever for the performance of such work. Counsel further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of SMART.

ARTICLE 12. REPRESENTATIONS OF COUNSEL.

Section 12.01 Standard of Care. SMART has relied upon the professional ability

and training of Counsel as a material inducement to enter into this Agreement. Counsel hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Counsel's work by SMART shall not operate as a waiver or release.

Section 12.02 Status of Counsel. The parties intend that Counsel, in performing the services specified herein, shall act as an independent Contractor and shall control the work and the manner in which it is performed. Counsel is not to be considered an agent or employee of SMART and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits SMART provides its employees. In the event SMART exercises its right to terminate this Agreement pursuant to **Article 7**, above, Counsel expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

Section 12.03 Taxes. Counsel agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including but not limited to state and federal income and FICA taxes. Counsel agrees to indemnify and hold SMART harmless from any liability which it may incur to the United States or to the State of California as a consequence of Counsel's failure to pay, when due, all such taxes and obligations. In case SMART is audited for compliance regarding any withholding or other applicable taxes, Counsel agrees to furnish SMART with proof of payment of taxes on these earnings.

Section 12.04 Records Maintenance. Counsel shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to SMART for inspection at any reasonable time. Counsel shall maintain such records for a period of four (4) years following completion of work hereunder. Counsel and subcontractors shall permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

Section 12.05 Conflict of Interest. Counsel covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Counsel further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by SMART, Counsel shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with SMART disclosing Counsel's or such other person's financial interests.

Section 12.06 Nondiscrimination. Counsel shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age,

medical condition (including cancer), pregnancy, physical disability (including HIV and AIDS), mental disability, denial of family care leave, sexual orientation or other prohibited basis, including without limitation, SMART's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference. Counsel shall also comply with the provisions of the Fair Employment and Housing Act (California Government Code, Section 12900 et seq.) and applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq).

Section 12.07 Assignment Of Rights. Counsel assigns to SMART all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications and work product, if any, now or later prepared by Counsel in connection with this Agreement. Counsel agrees to take such actions as are necessary to protect the rights assigned to SMART in this Agreement, and to refrain from taking any action which would impair those rights. Counsel's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as SMART may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of SMART. Counsel shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of SMART.

Section 12.08 Ownership And Disclosure Of Work Product. Any and all work product resulting from this Agreement is commissioned by SMART as a work for hire. SMART shall be considered, for all purposes, the author of the work product and shall have all rights of authorship to the work, including, but not limited to, the exclusive right to use, publish, reproduce, copy and make derivative use of, the work product or otherwise grant others limited rights to use the work product. To the extent Counsel incorporates into the work product any pre-existing work product owned by Counsel, Counsel hereby acknowledges and agrees that ownership of such work product shall be transferred to SMART. All reports, original drawings, graphics, plans, studies, and other data or documents ("documents"), in whatever form or format, assembled or prepared by Counsel and other agents in connection with this Agreement shall be the property of SMART. SMART shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Counsel shall promptly deliver to SMART all such documents, which have not already been provided to SMART in such form or format, as SMART deems appropriate. Such documents shall be and will remain the property of SMART without restriction or limitation. Counsel may retain copies of the above-described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of SMART.

ARTICLE 13. DEMAND FOR ASSURANCE.

Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received.

“Commercially reasonable” includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party’s right to demand adequate assurance of future performance. Nothing in this **Article 13** limits SMART’s right to terminate this Agreement pursuant to **Article 7**.

ARTICLE 14. ASSIGNMENT AND DELEGATION.

Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

ARTICLE 15. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING INVOICES AND MAKING PAYMENTS.

All notices, invoices, and payments shall be made in writing and shall be given by personal delivery, U.S. Mail or email. Notices, invoices, and payments shall be addressed as follows:

If to SMART Manager:	Sonoma-Marín Area Rail Transit District Attn: Lisa Hansley, Human Resources Manager 5401 Old Redwood Highway, Suite 200 Petaluma, CA 94954 lhansley@sonomamarintrain.org 707-794-3039
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If to SMART Billing:	Sonoma-Marín Area Rail Transit District Attn: Accounts Payable 5401 Old Redwood Highway, Suite 200 Petaluma, CA 94954 billing@sonomamarintrain.org 707-794-3330
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If to Counsel:	Diane Marie O’Malley Labor and Employment Partner Hanson Bridgett LLP 425 Market Street, 26 th Floor San Francisco, CA 94105 domalley@hb.law 415-995-5045
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When a notice, invoice or payment is given by a generally recognized overnight courier service, the notice, invoice or payment shall be deemed received on the next business day. When a copy of a notice, invoice or payment is sent by facsimile or email, the notice, invoice or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, invoice or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, invoices and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

ARTICLE 16. MISCELLANEOUS PROVISIONS.

Section 16.01 Use of Recycled Paper. SMART requires that all printing jobs produced under this Agreement be printed on recycled content papers. Recycled-content papers are defined as papers containing a minimum of 30 percent postconsumer fiber by weight. All papers used in the performance of a print job for SMART shall be recycled-content paper. The recycle logo or "chasing arrows" cannot be used on printed material unless the paper contains a minimum of 30 percent postconsumer material. If paper meets the 30 percent requirement, ask that the recycling logo be printed on the project.

Section 16.02 No Waiver of Breach. The waiver by SMART of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

Section 16.03 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Counsel and SMART acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Counsel and SMART acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

Section 16.04 Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

Section 16.05 Licensing Laws. The Counsel and all subcontractors shall comply with the provisions of Chapter 9 Division 3 of the Business and Professions code concerning the licensing of contractors. All Contractors shall be licensed in accordance with the laws of the State of California and any Contractor not so licensed is subject to the penalties imposed by such

laws. Prior to commencing any work under contract, all Contractors and subcontractors must show that they hold appropriate and current Contractor Licenses in the State of California. The Contractor shall provide such subcontractor information, including the class type, license, number, and expiration date to SMART.

Section 16.06 Drug-Free Workplace. Counsel certifies that it will provide a drug-free workplace in compliance with Government Code §8350-§8357.

Section 16.07 No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

Section 16.08 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Venue for any action to enforce the terms of this Agreement or for the breach thereof shall be in the Superior Court of the State of California in the County of Marin.

Section 16.09 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

Section 16.10 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

Section 16.11 Acceptance of Electronic Signatures and Counterparts. The parties agree that this Contract, Agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when all parties have signed this Agreement. Signatures delivered by scanned image as an attachment to electronic mail or delivered electronically through the use of programs such as DocuSign must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

Section 16.12 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

COUNSEL: HANSON BRIDGETT LLP

By: _____
Diane Marie O'Malley, Partner

Date: _____

SONOMA-MARIN AREA RAIL TRANSIT (SMART)

By: _____
Eddy Cumins, General Manager

Date: _____

CERTIFICATES OF INSURANCE ON FILE WITH AND APPROVED AS TO SUBSTANCE FOR SMART:

By: _____
Ken Hendricks, Procurement Manager

Date: _____

APPROVED AS TO FORM FOR SMART:

By: _____
District Counsel

Date: _____

EXHIBIT A
SCOPE OF WORK & TIMELINE

I. Overview

The Sonoma-Marín Area Rail Transit District (SMART) is contracting with Hanson Bridgett LLP (Counsel) to provide as-needed labor and employment legal services. Services may require Counsel to attend in person meetings at SMART offices.

II. Project Management

All work shall be initiated, scheduled, and reviewed by SMART's Human Resources Manager or designee (SMART Manager). Work may be initiated in writing or by teleconference.

III. Scope of Work

1. Counsel to provide legal advice and represent SMART in matters related to public labor and employment law, including but not limited to: employment contract review, employee leaves of absence, unemployment benefits, retirement benefits, compliance with the following laws: FMLA/CFRA, ADA, Title VII, ADEA, FLSA, PEPRÁ, and other applicable State, Federal and Local Laws; wrongful termination, reasonable accommodations, retaliation, discrimination, harassment, and reductions in workforce; wage, hour and overtime standards; disciplinary actions; grievance processing and responses; collective bargaining/negotiations and labor contract application and interpretation, employment-related meetings, hearings, litigation and arbitrations; conduct review and analysis in hiring and termination practices, workplace policies and procedures.
2. Counsel shall be accessible to provide legal assistance to the SMART Manager on an emergency basis. Counsel shall respond to the SMART Manager's request for assistance within 24 hours of such request.
3. At the request of the SMART Manager, Counsel shall make written or oral reports to SMART's Board of Directors as necessary regarding the status of any labor and employments actions in which SMART may be involved.
4. At the request of the SMART Manager, Counsel will advise and update the SMART Manager on legal developments in labor and employment issues that may impact SMART.
5. Counsel shall provide compliance training to staff designated by the SMART Manager upon request.
6. Litigation duties may include, but not be limited to, rendering legal services required in connection with claims against the District and conducting

litigation to which the District may be a party; representing the District in legal proceedings required in the enforcement of District labor and employment ordinances, practices and policies.

IV. Acceptance Criteria

The SMART Manager shall review the work performed under this Agreement to ensure it meets the requirements of the contract. In the event that any work is found to be defective, Counsel shall replace the defective work at no additional cost to SMART within 48 hours of notification by the SMART Manager that the work is defective.

**EXHIBIT B
SCHEDULE OF RATES**

Name	Title	Hourly Rate
Diane Marie O'Malley	Partner	\$515.00
Gymmel Trembly	Associate	\$450.00
Michelle Linney	Paralegal	\$350.00

Materials and equipment, if any, shall be invoiced to SMART at cost. Any receipts for materials and equipment must be provided with invoices.

The fees shall be fixed for the initial three-year term. Upon completion of the initial three-year term, and prior to the commencement of the optional term of this Agreement, Counsel may, upon 60 days written notice to SMART, request an increase in the fee equal to the Consumer Price Index, San Francisco Area, as reported by the Bureau of Labor Statistics, U.S. Department of Labor, using the month of April for the most recent year (CPI). The maximum increase shall be 5%. If Counsel does not submit a request at least 60 days before the start of the succeeding Agreement year, Consultant waives any CPI increase for that year.



Eric Lucan, Chair
Marin County Board of Supervisors

June 21, 2023

Melanie Bagby, Vice Chair
Sonoma County Mayors' and Councilmembers Association

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

Kate Colin
Transportation Authority of Marin

SUBJECT: Fiscal Year 2023-2024 Annual Budget Adoption

Chris Coursey
Sonoma County Board of Supervisors

Dear Board Members:

Rachel Farac
Transportation Authority of Marin

RECOMMENDATIONS:

Approve Resolution No. 2023-23, adopting the Fiscal Year 2023-2024 Annual Budget and Resolution No. 2023-24, declaring and ratifying the annual appropriation limit for Fiscal Year 2023-2024.

Debora Fudge
Sonoma County Mayors' and Councilmembers Association

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

SUMMARY:

The Fiscal Year 2023-2024 draft budget was presented to the Board of Directors on May 17, 2023 and was available for review and comment between May 22, 2023 and June 5, 2023.

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gabe Paulson
Marin County Council of Mayors and Councilmembers

Passenger Rail and Pathways

For Fiscal Year 2023-2024, total revenues are estimated at \$98.6 million and total expenditures are estimated at \$109.8 million. Expenditures are greater than revenues by \$11.2 million which will reduce the estimated fund balance at the end of Fiscal Year 2023-2024 to \$27.8 million.

David Rabbitt
Sonoma County Board of Supervisors

Chris Rogers
Sonoma County Mayors' and Councilmembers Association

Freight Rail

For Fiscal Year 2023-2024, total revenues are estimated at \$2.4 million and total expenditures are estimated at \$2.7 million. Expenditures are greater than revenues by \$0.3 million which will reduce the estimated fund balance at the end of Fiscal Year 2023-2024 to \$.96 million.

Mary Sackett
Marin County Board of Supervisors

Eddy Cumins
General Manager

Changes since May 17, 2023, Draft Document

- Added another carryforward project to page B-41 for \$49,875 which brings the total carryforward request to \$3,738,306.
- Added two more columns to pages B-34 through B-36 to show planned costs for Fiscal Years 2025 and 2026. These expenditures are planned in those years, but not necessarily funded.
- Page B-54, Appendix E – Statement of Investment Policy. Under 2.0 Scope, the name of the annual report was changed in the first sentence to “District’s Annual Comprehensive Financial Report.”

5401 Old Redwood Highway
Suite 200
Petaluma, CA 94954
Phone: 707-794-3330
Fax: 707-794-3037
www.SonomaMarinTrain.org

Comments on the Draft Budget

The public comment period was open between May 22, 2023 and June 5, 2023. We received thirty (30) comments. Please see attached which details all comments received, when they were received, and SMART's response. None of the comments resulted in changes to the budget.

Sincerely,

/s/

Heather McKillop
Chief Financial Officer

Attachment(s):

- 1) Public Comments Received as of June 5, 2023
- 2) Resolution No. 2023-23 – Fiscal Year 2023-2024 Annual Budget
- 3) Resolution No. 2023-24 – Annual Appropriation Limit
- 4) Fiscal Year 2023-2024 Budget

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
05/22/23	Any chance at 7:30AM NB train can be added to Hamilton stop?	Thank you for your comments. We continue to monitor demand and will make schedule changes as warranted.
05/22/23	Keep making it happen...Healdsburg here we come...all aboard!!	Thank you for your comments.
05/22/23	Thank you for budgeting for the second SMART station in north Petaluma. And a special thanks for budgeting for completing the pathways in and around Sonoma County. It's what we voted for and is much appreciated. I am sure it will add to ridership also.	Thank you for your comments.
05/22/23	Sadly, Smart Train is out of the way for Windsor pedestrian commuters. Without a car it is difficult to get to the railway station. Maybe the end of the railway line should have been closer to Sonoma County Airport or the #62 bus route. Pedestrians as usual have to wait stand or walk in the elements- rain wind heat and darkness!!!! I already have to walk a mile to the buses on ORH or take the shuttle and #62 bus which do not connect. Then there are luggage concerns. It's been a huge disappointment for pedestrians like myself! It will be much improved when it stops at Windsor Town Green so I can more easily use it and get the ferry or 101 to SFO but I won't hold my breath. Hurry up please before I become disabled or lose my marbles and/or independence or both!!!	Thank you for your comments.
05/22/23	I have not ridden SMART in a couple of months. But the one thing I noticed was the lack of Wifi. I talked to Chris Coursey and he said you had to cut it due to budget issues during the pandemic. Everybody on the train, kids especially, are using laptops, tablets, or cell phones. It's hard for me to believe that SMART can be so out of touch with their rider's needs. Bring it back. Thanks.	Thank you for your comments. SMART has considered bringing back Wifi, but it has been cost prohibitive. We will revisit each budget cycle.
05/22/23	The train should be shut down now!	Thank you for your comments.
05/22/23	I only spent a few minutes skimming the Draft Budget, but my takeaway is that this train is a major failure from a cost standpoint. It looks like at first glance that almost all of the funds come from sources other than ridership. How is it that the government and the unions keep fleecing the hard-working taxpayers. Smart Train, Bullet Train, Gas taxes higher than any other state, etc. etc. I,	Thank you for your comments.

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	<p>like all of my friends work my ass off, 50 plus hours a week, employ an office full of people, provide benefits and at the end of it all I get to pay more taxes to things like a Not So Smart Train.</p> <p>Through Covid, through fires, through good times and bad I grind, and so do my employees, we do not rely on the government handouts, nor do we depend on it to bail us out. I know you are just doing your job but look at the numbers you just sent out. From Fares you get about 2% of the money needed to operate the train the rest comes from taxes. WOW!!! I wish I could do that.</p> <p>Try and have a good day but geez this is depressing.</p>	
05/22/23	<p>I ride SMART quite often and enjoy it greatly. I'm wondering if SMART could give the public regular updates on construction of the rail line's extension northward.</p> <p>Maybe a timeline for reaching Windsor, Healdsburg and Cloverdale. You could post the latest news with signage on the trains, if possible. Keep up the good work.</p>	<p>Thank you for your comments.</p> <p>We will look into publicizing more information regarding our construction progress going North as soon as we have more detailed information.</p>
05/22/23	<p>Keep up the GREAT work</p>	<p>Thank you for your comments.</p>
05/22/23	<p>Thanks to you and the SMART team for engaging North Bay in helping shape the future of SMART.</p> <p>A few thoughts:</p> <ul style="list-style-type: none"> • That "end to end" bike/pedestrian connector can't come soon enough. It's something that's always been lacking, the connectivity between regions...other than crowded freeways. I was saddened when the original path plan fell short in execution, and finding a way to wrap this significant addition wouldn't just benefit "long bike trips" - it could create great runs and walks that really get people out there (and when they get tired...the train awaits!). • Something frequent/reliable is needed to get folks from the northern Santa Rosa stop to the SR (Schulz) Airport. This seems like a significant oversight with no agencies coming together for a solution that doesn't involve UBER or walking. I'd take SMART from Novato to the SR Airport without hesitation; the one-miler is a fail even if I could do it in 15 minutes by foot. Think about bad weather, people who don't want to walk OR take a one-mile shuttle (with infrequent stops). 	<p>Thank you for your comments.</p> <p>The FY 24 Budget significantly advances pathway development and delivery. The budget will support the construction of 6.69 miles of pathway (between Golf Course to Bellevue that will connect Rohnert Park and Santa Rosa, between Southpoint Blvd. and Main St. That will connect Petaluma to Penngrove, and between McInnis Pkwy. to Smith Ranch Rd. in San Rafael) and the completion of Lakeville segment). The budget also funds the design work for over 12 miles of pathway in both Marin and Sonoma County. This design work is readying over 5 miles of pathway that already has grant funding commitments that will eventually fund construction of those segments. Progressing the design on the other 6.8 miles of</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	<ul style="list-style-type: none"> Getting to Healdsburg is going to be a big win (if it happens)! We love the town, and while it's a breeze of a ride on a traffic-less morning, it would be a real joy to take the train into the Dry Creek area. Likewise, anywhere East a la Highway 37. We'd ride this in a minute. <p>Thank you!</p>	<p>pathway will bring these segments closer to shovel-ready, which will allow SMART to pursue additional grant funds and support their near-term completion.</p> <p>SMART will be launching SMART Connect on June 12, 2023 which will provide on-demand shuttle service between SMART's Airport Station, the Sonoma County Airport, and surrounding areas.</p>
05/22/23	<p>We took the train from SR to Novato. We had a great time and will ride it again. It was very difficult to find parking in SR for 9 hrs. In Novato there is a parking lot and no charge.</p>	<p>Thank you for your comments.</p> <p>There is no charge for parking at SMART owned lots between the hours of 4am and midnight. There are two lots that are not SMART owned. They are Railroad Square in Santa Rosa and Cotati.</p>
05/22/23	<p>Bring back Wi-Fi on the Smart Trains</p>	<p>Thank you for your comments.</p> <p>SMART has considered bringing back Wifi, but it has been cost prohibitive. We will revisit each budget cycle.</p>
05/22/23	<p>I am a frequent visitor from Arizona and ride your train at least once a month (air to Oakland, BART, Ferry and SMART to Santa Rosa.) Great to see additional train service, especially later night service. Would be nice if some business-oriented person or firm would recognize opportunity for short distance transportation from Ferry to Larkspur Rail Station (perhaps college student bike carts like we have for Arizona Spring Training.) Looking forward to your north expansion to Windsor and beyond. Also, your thoughts on using existing rail right of way to access East Bay is fantastic. Go for it!</p>	<p>Thank you for your comments.</p>
05/22/23	<p>I have lived in big railroad cities, Chicago, Seattle, LA, MPLS. a dedicated bus lane, down the freeway is what was needed only the bike path is a benefit</p>	<p>Thank you for your comments.</p>
05/22/23	<p>Shut SMART down. It uses too much taxpayer money.</p>	<p>Thank you for your comments.</p>
05/22/23	<p>Whatever keeps the SMART TRAIN running and its route expanding I support 200%. It is a vital resource. I have not owned a car since 1992 by choice. I am a retiree</p>	<p>Thank you for your comments.</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	<p>living on a financial shoestring. I cannot stress enough how the SMART TRAIN enhances my life and makes possible vital activities with its presence in our community. The SMART TRAIN is a godsend to all of us it serves. Its glib critics simply do not know the profound degree to which it enhances our lives. Most, if not all, of its critics have never traveled on it. They speak from ignorance. Keep up the great work</p>	
<p>5/22/23</p>	<p>I am a resident of Windsor. And, I live only a 7 minute walk from the intersection where the SMART train will board passengers - when the train finally comes to Windsor. What are the plans? I hear work will resume. But when? Could you give me some details please?</p>	<p>Thank you for your comments.</p> <p>As soon as we have information regarding when construction of the Santa Rosa to Windsor project will move forward, we will be sure to notify the public.</p>
<p>05/22/23</p>	<p>My Priority 1: Better connection to ferry to San Francisco. It should not be that expensive to extend the tracks to the actual ferry. San Francisco has by far the highest per capita transit use and population of non-drivers in the West. With proper advertising, that is a huge captive market - but not with the current connection.</p> <p>Priority 2: more frequent and later trains.</p>	<p>Thank you for your comments.</p> <p>The SMART station is approximately a half a mile from the Larkspur Ferry Terminal, or a 10-minute walk. While this walk is feasible for ambulatory riders, SMART recognizes that it can be challenging for those with limited mobility, and we therefore allow 20-30 minutes for this connection. In addition, we are launching a microtransit shuttle pilot at the Sonoma County Airport Station this June, which could be expanded to Larkspur and other stations if successful.</p> <p>In May, SMART launched the Starlighter which provides later service in the evenings on Fridays and Saturdays.</p>
<p>05/23/23</p>	<p>Disappointing that no funds have been allocated to the Cloverdale extension.</p>	<p>Thank you for your comments.</p> <p>We continue to seek funding for Windsor to Cloverdale.</p>
<p>05/23/23</p>	<p>This letter is in response to SMART's FY 23/24 Draft Adopted Budget. Although I do not have any specific knowledge or insight in critiquing the budgeted revenues and expenses cited in the document, I do believe certain Ridership Strategies should expanded to reflect a greater</p>	<p>Thank you for your comments.</p> <p>SMART has not made any decisions regarding when we will be seeking</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	<p>Ridership Objective.</p> <p>1) Marketing efforts should educate and prepare Marin and Sonoma voters for the 2026 transit sales tax measure to extend the ¼ cent sales tax.</p> <p>2) Planning and Real Estate efforts should be accelerated to develop the unsightly and vacant 4.5 acre parcel owned by SMART that is adjacent to the Downtown Petaluma SMART Station. The land should be sold or leased to the most qualified TOD residential developer. Immediate built-in ridership would result.</p> <p>3) First/Last Mile Microtransit Program should be implemented to connect to the Larkspur Ferry Terminal.</p> <p>4) Improved Train-Bus connections from San Rafael Transit Center to downtown San Francisco should be implemented. SMART and Golden Gate Transit should partner in providing timed-transfer bus service to connect with all south-bound weekday and weekend trains. Such a bus route should additionally serve the CalTrain Station to complete a region-wide rail to rail connection.</p>	<p>reauthorization of the ¼ cent sales tax.</p> <p>SMART continues to work with the City of Petaluma to determine the best use of that property.</p> <p>SMART will be launching SMART Connect on June 12, 2023 which will provide on-demand shuttle service between SMART’s Airport Station, the Sonoma County Airport, and surrounding areas. If successful, it will be expanded to other stations.</p>
05/23/23	<p>These trains are bulky, noisy, and not streamlined at all, with poor design. These trains should support commuters, us taxpayers! not tourists, instead be efficient with space and take those fixed tables out of the cabins and make more seats so that people do not have to travel standing to their destination. There is no food service so get rid of those fixed tables. It's bad enough those bicycles (again poor design) stick you on the way in and out of the cabin and I've gotten a black and blue on my arm from bumping into them, as they stick out. Can't you see these trains need to be efficient? no wonder locals don't use this train system, it is quicker with GGT to San Francisco. Add a lot more connectors so one can get to places of work in Sonoma and Marin County. Also, add the connector lines to your map planners! Want to hear something? I was on the train and Mexican-speaking people got on the train and were calling on their cell phones back to Mexico, saying they just boarded a train! and the 'thing train ride' felt like an old big TRUCK, that is how bumpy and awful the rides are. Funny we got BART as an example then follow their model plan. Unsatisfied rider and a Sonoma County taxpayer!!</p>	<p>Thank you for your comments.</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
05/23/23	<p>I have been a supporter of the SMART train from the beginning. I understand and appreciate the difficulty and complexity of financial planning and revenue development. I am grateful for all that has been accomplished in building the SMART <u>rail</u> services and now freight, at least in the southern section. <u>But as a Cloverdale resident, I am extremely disappointed in the consistent refusal of the administration to make any tangible or real effort to bring SMART service to Cloverdale, even though it was promised from the very beginning.</u> Highway 101 as the only north/south transportation link is a disaster waiting to happen. Building and providing RAIL SERVICE should be the priority. The pleasing amenities of pathways growing everywhere do nothing to address real transportation needs. Northern Sonoma County has paid its share of taxes from the beginning but any return on our investment can only be reached by car and is a half hour away.</p> <p>When will any real work be done (even in the planning stage) for rail service north of Healdsburg? Why is Cloverdale SMART service only ever mentioned as "planned"? I fear my comments will fall on deaf ears. I even wonder how aware the administration is of Northern Sonoma County and Cloverdale. It troubles me that the Board of Directors has no evident representation from those of Cloverdale or northern Sonoma County. I submit my comments respectfully but am deeply frustrated by any effort being made to bring the SMART train to where it was promised years ago.</p>	<p>Thank you for your comments.</p> <p>We continue to seek funding for Windsor to Cloverdale.</p>
05/22/23	<p>I was a Flagger and an Ambassador - - I would like to pass on in addition to the good way we were treated... I had in interacting with people on the Platform etc. - - they would suggest that we/you</p> <ol style="list-style-type: none"> 1) have some C-cars built so that there could be more capacity and not have to split break up a Train set 2) that there be an additionally large Service Center and Southern Hub, so that riders didn't have to wait for a South bound to be sent North so people could head to Santa Rosa, first thing 3) also so that the disabled trains didn't have to make such a big disruption to the schedule - - these things are like the expansion of the System---making for increasing ridership; so that they can be depended upon - - I am 	<p>Thank you for your comments.</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	<p>among those that voted for the tax assessment - - I hope that it is continued to be brought up for passage - - and I look forward to the opening of the next Stations - - have a good Summer!</p>	
<p>05/23/23</p>	<p>My friends. As freight is one of the four pillars of SMART's business it needs some immediate attention re: publicity.</p> <p>I've been an advocate of the restoration of the old Northwestern Pacific rail line even before moving to Sonoma County and as a resident, now have encouraged local acquaintances to use the service. But now with what I consider negative comments during the last Board meeting plus the recent quote in the Marin Independent Journal, I am in receipt of questions from contacts about SMART "getting out of the freight business". Per your CFO's comments you need new customers. The previous staff made an error in not reconnecting some of the previously connected spurs to the new rails. But that can be resolved and there is some funding to do that. With the renovation of the rails past the Windsor Industrial Park those spurs can be reconnected to service customers in that park.</p> <p>In my career I have started new businesses that were serving Fortune 500 customers (e.g. Gap, Chevron, Cisco) and one of our prime tasks in doing that was to convince those customers that we would remain in business to service their requirements going forward. These latest comments starting at the last board meeting and now in the Marin newspaper surely are having a deleterious effect on any new customers and could even jeopardize your existing ones. Your freight competiton, the trucking industry is fiercely competitive and will highlight these rumors about "getting out of the freight business"</p> <p>So to this new committee, take some time to learn about the rail common carrier business and then work with Eddy and Ms Gonzales to promote positive press and media regarding how SMART is committed to maintaining freight service to existing customers. And as has been discussed in the new budget new customers are needed to enhance the income. As the line is extended northward, there will be oportunites for serving new</p>	<p>Thank you for your comments.</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	customer too but they will need assurances of continued service. Go forward with success	
05/24/23	I believe that the money should be put towards freight service so the historic line can still remain in service.	Thank you for your comments.
05/26/23	<p>Some background: I am originally from Sonoma County – Geyserville, Sebastopol, Healdsburg, and Cloverdale. I remember when Greyhound provided good service, and when Golden Gate Transit started providing service as far north as Santa Rosa, in 1972. Later, I would take a GGT bus from San Francisco to Santa Rosa and then a No. 60 Sonoma County Transit bus to Cloverdale. Now, I take a GGT bus to San Rafael and then a SMART train to Airport Boulevard, where my sister picks me up.</p> <p>As other people have said, the most important emphasis on the budget should be extending the service to Windsor and Healdsburg, designing and building the portions that are funded (including the pathways), and continuing to seek funding for the extension to Cloverdale. The Petaluma North Station and McDowell Crossing are important, but mostly of local interest, and the East-West Project has not been developed enough to be a real distraction from the Northern Extensions.</p> <p>Extending SMART north will provide faster service for riders than the buses can do. On weekdays, SCT’s No. 60 line takes about an hour and a half to go from Santa Rosa to Cloverdale. The Santa Rosa Downtown SMART Station is at milepost 53.8 and Cloverdale’s will be at milepost 84.7 – that is 30.9 miles, and it will not be an hour and half train ride.</p> <p>This is not intended as a criticism of the Sonoma County bus service. It provides good local service, something that SMART’s regional service can’t do. For instance, the No. 60 line has 15 timepoints between the terminals, including stops at the Larkfield Shopping Center and the Shiloh Center & Wal-Mart.</p> <p>The possibility of bus interregional connections at Cloverdale is really interesting. Greyhound used to have bus service from San Francisco on Highway 101 and 128 to Fort Bragg. When Greyhound cut that service, someone tried to keep it running, but the effort failed. Now, the Mendocino Transit Authority’s Route 75</p>	Thank you for your comments.

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	<p>has one trip a day, weekdays and Saturdays, on Highways 128 and 253 between Navarro River Junction and Ukiah. Extending SMART to Cloverdale could help to restore the bus service between Cloverdale and Fort Bragg.</p>	
<p>05/27/23</p>	<p>Per the request in the recent email, I just perused the budget document. I appreciate being requested to review and comment. I also hold an MBA from Harvard Business School and am capable of dissecting such documents. However, reviewing a budget for operating and investing in a transit system is complex and I doubt that most residents of Sonoma or Marin have the time to make much of a difference as the info is presented. I therefore have no comments.</p> <p>I can comment on what would tilt us toward using the system more regularly.</p> <ul style="list-style-type: none"> • General impediments. We live in Healdsburg and not too far from where the station will be. Until that is in place, the impediment to drive to the airport station is large enough that for most trips, it makes sense to just keep driving. • SFO/OAK access. Although we enjoy having an increasing level of airline service from STS, these flights more often than not do not meet our needs. Hence, we must travel to SFO or OAK for flights. If the service connected easily and ran when needed to allow for such trips, we would use it frequently. • San Francisco and Berkeley city access. As per the SFO/OAK connection desire, we would use the service frequently if we could get better service to get into San Francisco and Berkeley easily. We enjoy San Francisco yet the burden to drive there for the day or even a single overnight is an impediment. As for Berkeley, we subscribe to the Berkeley rep full season and drive there and back in one evening. If we could take SMART both ways, we would do so regularly. The same would be true to attend sporting events in San Francisco and Oakland. • We just returned from a 2-3 week trip to Japan. The rail transit systems there are wonderful EVERYWHERE, connections are easy, and make it feasible to travel without the need of 	<p>Thank you for your comments.</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
	<p>a car or taxi. Please keep working toward achieving a similarly wonderful transit system here.</p>	
<p>05/27/23</p>	<p>Thank you for the opportunity to comment on the budget. I very much appreciate the SMART train and the growing SMART pathway!</p> <p>1) I found in the text clearly the locus of responsibility for the pathway; however, would it be possible to reflect these people and positions in the organizational charts? I do not see at all in the organizational charts the people who are growing and maintaining the pathway and it is important for many of us to know.</p> <p>2) I would urge you to please budget a moderate amount more funding towards wayfinding within half a mile of the stops. I would like to see a walking and biking map for each station, posted at each station showing walking and biking access for the immediate half mile area for people of all ages and abilities including sidewalks and bike paths or even bike access in high stress streets sharing with cars. This station area access map should also be online. Google maps does not do this need justice at all in my experience arriving at Hamilton, Cotati, Santa Rosa or Petaluma. At least now the BikeLink lockers show up on Google Maps to indicate a biking location. And finding I can order BY MAIL a map from Sonoma and Marin Bike Coalitions, as I stand in the station wondering how I safely can access my local destination today by bike, is a non-starter. I could not find where the safe route was out from each of these stations on multiple transportation trips recently.</p> <p>The lack of immediate station access bike/ped maps fails to serve so many people trying to use train with foot and bike for transportation uses, and reduces ridership. It is a disservice to an excellent train.</p> <p>Please budget to place safe routes maps for the immediate vicinity at each station for walking and biking. Thank you.</p>	<p>Thank you for your comments.</p> <p>We are currently working with the MTC to install Transit Information Displays at our stations providing wayfinding, bicycle and pedestrian information, and local transit connections. We are also currently in the design process for wayfinding on the SMART Multi-use pathway. The FY24 budget includes funding for pathway wayfinding installation.</p>
<p>05/29/23</p>	<p>Why is there zero funding for the bike/walk path between Rohnert Park and Santa Rosa? Is it even being planned for?</p>	<p>Thank you for your comments.</p> <p>The Sonoma County Pathway project which will build the pathway between Golf Course Drive to Bellevue Avenue is being built as part of the Petaluma North Station.</p>

Fiscal Year 2023/2024 Draft Budget Comments

Date Received	Comment	Response
		It will be under construction sometime later this calendar year.
06/01/23	On SMART land, invest in a Logistics Park with spurs whereby SMART can attract incoming and out goods for transfer from Trucks to Rail or vic-a-verse to insure the viability of freight. Transferring to rail, intermodal or container will also satisfy the reduction of GHG under SB 350.	Thank you for your comments.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2023-2024, PROVIDING FOR THE ESTABLISHMENT OF NEW DISTRICT EMPLOYEES PURSUANT TO PUBLIC UTILITIES CODE SECTIONS 105050 AND 105052(b) AND FIXING THE COMPENSATION AND SALARY OF ALL DISTRICT EMPLOYEES FOR FISCAL YEAR 2023-2024, ADOPTING A STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2023-2024, AND DELEGATING AUTHORITY TO INVEST CERTAIN FUNDS UNDER THE CONTROL OF THE BOARD OF DIRECTORS TO THE CHIEF FINANCIAL OFFICER

WHEREAS, Section 8.01 of Article VIII of the Administrative Code of the Sonoma-Marín Area Rail Transit District (“SMART”) requires that the Board of Directors (“Board”) adopt an annual budget for the ensuing fiscal year no later than the District’s June meeting; and

WHEREAS, a preliminary Annual Budget for Fiscal Year 2023-2024 was prepared by the Chief Financial Officer and presented to the Board at its May 17, 2023 meeting; and

WHEREAS, the preliminary Annual Budget for Fiscal Year 2023-2024 has been available for public inspection since May 22, 2023, in excess of the minimum public inspection period prescribed by the Administrative Code; and

WHEREAS, at its duly noticed meetings on May 3, May 17, and June 21, the Board fully reviewed and considered the Annual Budget for Fiscal Year 2023-2024, at which time all interested persons were given the opportunity to hear and be heard; and

WHEREAS, at its meetings on May 17, and June 21, the Board duly considered the creation of employee positions and the fixing of the compensation and salary for those newly created positions as well as the adjustment of the compensation and salary of some existing positions; and

WHEREAS, certain non-cash transactions such as the recording of donated assets and depreciation do not require appropriation authority and are not included in the annual budget but must be recorded during the preparation of financial statements for each fiscal year; and

WHEREAS, administrative and accounting adjustments and corrections which are necessary to move funds or expense in accordance with accepted accounting practice may be necessary and do not require appropriation authority for each fiscal year; and

WHEREAS, California Government Code Section 53607 authorizes the Board to delegate to the Chief Financial Officer the authority to invest certain funds of SMART on deposit with the County of Sonoma Treasury for up to one year; and

WHEREAS, included in the delegation of authority for investments is the authority to transfer funds between accounts in order to maximize investment returns for the District; and

WHEREAS, upon such delegation the Chief Financial Officer assumes full responsibility for those transactions until the Board revokes this authority or does not renew the annual delegation by resolution; and

WHEREAS, nothing in this resolution limits the Chief Financial Officer's authority pursuant to Government Code Sections 53635 and 53684; and

WHEREAS, all investments are reported monthly to the Board of Directors as required by Government Code Section 53646; and

WHEREAS, California Government Code Section 53646 requires that the Chief Financial Officer annually submit a statement of investment policy to the Board for its review and approval; and

WHEREAS, the Chief Financial Officer presented and the Board duly considered the Statement of Investment Policy for Fiscal Year 2023-2024 at a noticed public meeting of the Board of Directors on May 17, 2023 and June 21, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Year 2023-2024 Annual Budget for the Sonoma-Marin Area Rail Transit District attached hereto is hereby approved.

BE IT FURTHER RESOLVED that the funding for this Final Budget is being provided to SMART by way of Measure Q sales tax, fare revenue, state operating support, federal funds, and reimbursements from grants from the State of California revenues, among other funds, all as more fully described in the Fiscal Year 2023-2024 Annual Budget.

BE IT FURTHER RESOLVED that based upon competent evidence and acting pursuant to the provisions of the Enabling Legislation, the salaries, wages, compensation and expenses for management and non-management employees for Fiscal Year 2023-2024 shall be as provided for also in Appendix C, SMART Position Authorizations, and such compensation shall be compensation in full for all official services performed by such managers and employees, unless expressly provided otherwise.

BE IT FURTHER RESOLVED that the Chief Financial Officer is authorized to complete any necessary budgetary and accounting transfers and adjustments to implement the adopted Fiscal Year 2023-2024 Budget and to re-establish valid prior year encumbrances. Such adjustments shall include but not be limited to decreasing appropriations in any and all funds associated with projects initiated prior to the 2022-2023 fiscal year-end to meet actual available resources. Authority includes budgetary and accounting adjustments necessary to assign year-end actual fund balances, and increasing or decreasing appropriations for previously approved projects,

operations and maintenance expenses and budgetary and accounting adjustments necessary to assign actual fund balances.

BE IT FURTHER RESOLVED that the Chief Financial Officer is authorized to complete any administrative or accounting adjustments necessary for the proper presentation of the District's financial statements that are in accordance with the Board's Direction and approval of the Budget, including noncash adjustments for depreciation and recording donated assets.

BE IT FURTHER RESOLVED that, in accordance with the provisions of Government Code Section 53646, the Statement of Investment Policy for Fiscal Year 2023-2024 is provided for in the Fiscal Year 2023-2024 Budget, Appendix E is hereby approved and adopted.

BE IT FURTHER RESOLVED that, pursuant to Government Code Section 53607, the Board of Directors hereby delegates to the Chief Financial Officer the authority to create and maintain accounts as necessary for management of the District's funds, including the ability to invest and reinvest funds in the Sonoma County Treasury for a period of one year and to create accounts as required by State of California for deposit of grant funds.

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 June 2023, by the following vote:

DIRECTORS:
AYES:
NOES:
ABSENT:
ABSTAIN:

Eric Lucan, Chair, Board of Directors
Sonoma-Marin Area Rail Transit District

ATTEST:

Leticia Rosas, Clerk of the Board of Directors
Sonoma-Marin Area Rail Transit District

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, DECLARING AND RATIFYING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2023-2024

WHEREAS, Article XIII B of the California Constitution (“Article XIII B”) places various limitations on the appropriations of the State of California and local public agencies; and

WHEREAS, Article XIII B requires the Sonoma-Marín Area Rail Transit District (“SMART”) to set an annual appropriations limit based on factors which include the appropriations limit for the prior fiscal year, population growth (if any), and inflation; and

WHEREAS, SMART’s annual appropriations limit was first set at \$100,000,000 for Fiscal Year 2008-2009 with the passage of Measure Q; and

WHEREAS, SMART approved subsequent annual appropriations limits as required by law; and

WHEREAS, the information supporting these adjustments is in Appendix F of the Fiscal Year 2023-2024 budget; and

WHEREAS, the information used to make these calculations for SMART was made available for public inspection on May 22, 2023 and has been available for at least 15 days prior to the scheduled adoption of this resolution, in accordance with the requirements of California Government Code section 7910.

NOW, THEREFORE, BE IT RESOLVED that the foregoing recitals are true and correct.

BE IT FURTHER RESOLVED that the Appropriations Limit for SMART Fiscal Year 2023-2024 shall be \$169,517,286.

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 June 2023, by the following vote:

- DIRECTORS:**
- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Eric Lucan, Chair, Board of Directors
Sonoma-Marín Area Rail Transit District

ATTEST: _____
Leticia Rosas, Clerk of the Board of Directors
Sonoma-Marín Area Rail Transit District



FISCAL YEAR 2023/2024

ADOPTED BUDGET

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT



Contents

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT’S BOARD OF DIRECTORS	2
SONOMA-MARIN AREA RAIL TRANSIT EXECUTIVE MANAGEMENT TEAM	2
ABOUT SMART.....	3
SMART’s History	3
SMART’s Passenger Rail System.....	5
SMART OVERVIEW	7
Performance Measures	9
Budget Cycle.....	10
Basis of Budgeting	11
Fund Structure.....	11
BUDGET OVERVIEW	12
REVENUES	13
Fiscal Year 2024 Estimated Revenues	14
Sales Tax.....	15
State Revenues	15
Federal Revenues	17
State Funds – Project Specific.....	18
Other SMART Revenues	19
EXPENDITURES BY OBJECTIVES - RIDERSHIP	21
EXPENDITURES BY OBJECTIVES - PATHWAYS	22
EXPENDITURES BY OBJECTIVES - EXTENSIONS	23
EXPENDITURES BY OBJECTIVES - FREIGHT	24
EXPENDITURES.....	25
Passenger Rail Operations.....	25
Administration.....	28
ENVIRONMENTAL PROJECTS	33
STATE OF GOOD REPAIR AND CAPITAL PROJECTS.....	34
FREIGHT	37
CARRYFORWARD FUNDS/EXPENDITURES.....	41
RESERVES	43
DEBT	44
APPENDIX A - PASSENGER RAIL OVERVIEW OF SOURCES & USES	45
APPENDIX B - FREIGHT OVERVIEW OF SOURCES & USES.....	47
APPENDIX C - POSITION AUTHORIZATION.....	48
APPENDIX D -STATISTICAL INFORMATION.....	50
APPENDIX E - STATEMENT OF INVESTMENT POLICY	54
APPENDIX F: APPROPRIATION CALCULATION.....	62
APPENDIX G - ORGANIZATION CHART	63

Sonoma-Marin Area Rail Transit District's Board of Directors

SMART is governed by a 12-member Board consisting of elected officials appointed as specified in AB 2224: two county supervisors each from Marin and Sonoma counties, three appointed City Council members from each county and two representatives from the Golden Gate Bridge District.

Eric Lucan - Chair
Marin County Board of Supervisors

Melanie Bagby - Vice Chair
Sonoma County Mayors and Councilmembers Association

Kate Colin
Transportation Authority of Marin

Chris Coursey
Sonoma County Board of Supervisors

Rachel Farac
Transportation Authority of Marin

Debora Fudge
Sonoma County Mayors and Councilmembers Association

Patty Garbarino
Golden Gate Bridge, Highway and Transportation District

Barbara Pahre
Golden Gate Bridge, Highway and Transportation District

Gabe Paulson
Marin County Council of Mayors and Councilmembers

David Rabbitt
Sonoma County Board of Supervisors

Chris Rogers
Sonoma County Mayors and Councilmembers Association

Mary Sackett
Marin County Board of Supervisors

Sonoma-Marin Area Rail Transit Executive Management Team

Eddy Cumins
General Manager

Tom Lyons
General Counsel

Bill Gamlen
Chief Engineer

Heather McKillop
Chief Financial Officer

About SMART

The Sonoma-Marín Area Rail Transit (SMART) District was established by the California Legislature through the enactment of AB 2224 in 2002. The SMART District includes both Sonoma and Marin Counties and was created for the purpose of providing unified and comprehensive structure for the ownership and governance of the passenger and freight rail system within Sonoma and Marin Counties and to provide passenger and freight train service along the existing publicly owned railroad right-of-way.

SMART passenger rail service began in August of 2017 with two-way passenger train service on 43 miles to 10 stations between Downtown San Rafael in Marin County and Airport Boulevard in Sonoma County.

Train service is provided in state-of-the-art diesel multiple unit (DMU) rail vehicles utilizing one of the first Positive Train Control systems for passenger rail. Prior to the COVID-19 shutdown, service was provided roughly every 30-minutes during commute hours with additional service midday and weekends. In late 2019, two new stations were built in Downtown Novato and Larkspur near the regional Ferry to San Francisco. These two stations in Marin County brought rail service to its current total of 45 miles with 12 passenger stations. SMART along with partner agencies have constructed 25 miles of Class 1 bicycle/pedestrian pathway on its right-of-way connecting to the stations where cyclists can find secure parking at the station or on-board the train for their bikes, SMART manages twelve (12) of those miles.

In March of 2022, SMART assumed the freight operations from the Northwestern Pacific Railroad Company (NWPCo) which had been operating service from Napa County to Petaluma since 2011.

SMART's History

2002	SMART was created by the California Legislature
2008	SMART's ¼ cent sales tax was passed
August 2017	Service Started between San Rafael and Santa Rosa Airport to include 34 trips/ weekday and 10 trips/ weekend
October 2017	Tubbs Fire
August 2018	1 st Anniversary of the start of service
January 2019	One Millionth Rider Mark
February 2019	Flooding
August 2019	2 nd Anniversary of the start of service
October 2019	Kincade Fire
December 2019	Larkspur Extension and Downtown Novato Station opens
January 2020	Service increases to 38 trips/weekday

March 2020	COVID-19 Shelter-in-Place Orders go into effect; trips reduced to 16 trips/ weekday and no weekend service
August 2020	3 rd Anniversary of the start of service
August 2020	LNU Lighting Complex Fires
May 2021	Fares lowered by 40%; additional 10 weekday trips are added for a total of 26 weekday trips; Saturday service returns
June 2021	Reached Two Millionth Rider Mark
August 2021	4 th Anniversary of the start of service
November 2021	New General Manager is hired
March 2022	Assumed freight operations from the Northwestern Pacific Railroad Company (NWPCo.)
May 2022	Sunday service returns
June 2022	Additional 10 weekday trips are added for a total of 36 weekday trips
July 2022	Started operations of freight service with SMART employees
August 2022	5 th Anniversary of the start of service
September 2022	Launched real-time map and arrival prediction tool on SMART website
October 2022	Additional 2 weekday trips are added for a total of 38 weekday trips
May 2023	Launched Starlighter night service: 2 trips on Friday and Saturday
June 2023	Launched Free Summer Youth Pass
June 2023	Launched new SMART Connect service at Sonoma County Airport Station

SMART's Passenger Rail System

System Statistics

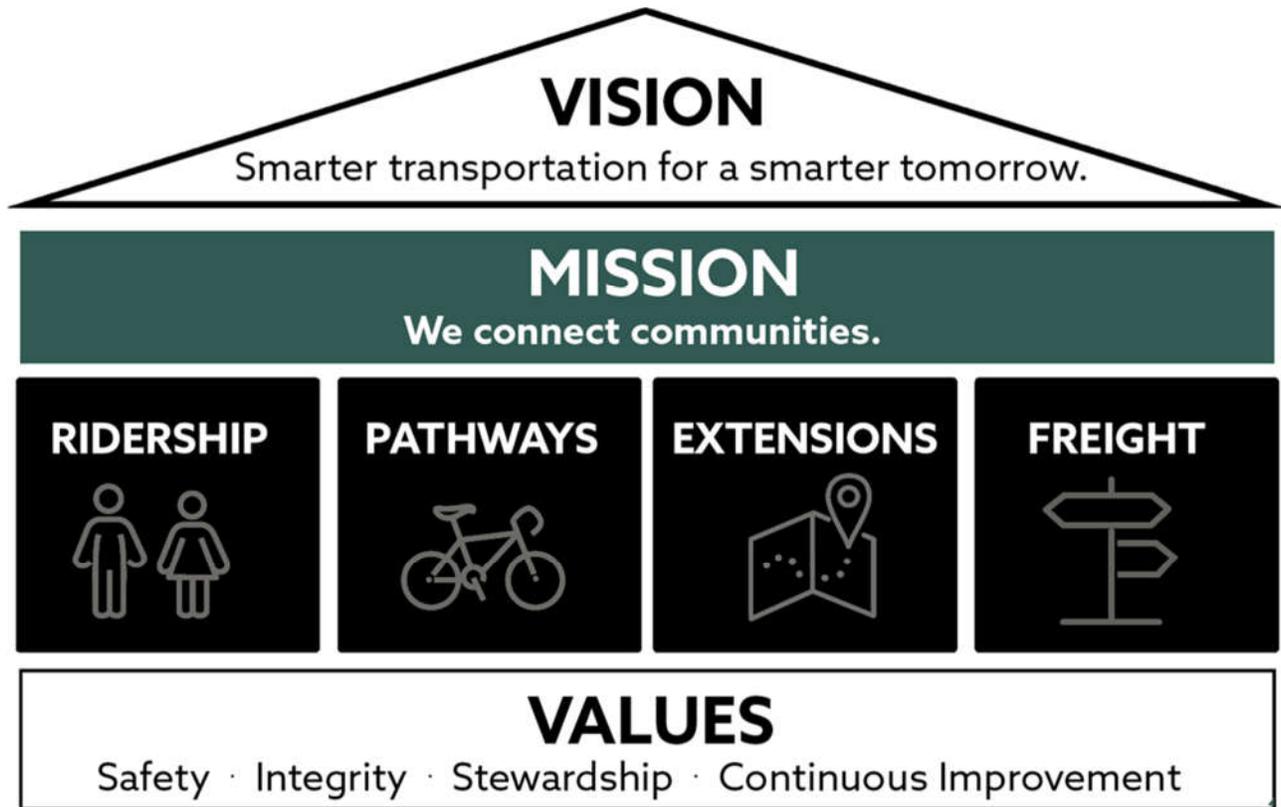
- Forty-five (45) miles rail corridor - connecting the Larkspur Ferry to the Sonoma County Airport
- Twelve (12) miles of twenty-five (25) miles pathway constructed and maintained by SMART, providing a first/ last mile connection to the rail corridor
- Twelve (12) stations
- Six (6) park-n-ride lots
- Sixty-eight (68) public crossings
- Twenty-seven (27) bridges
- Two (2) tunnels
- Fleet of eighteen (18) Diesel Multiple Units (DMUs)





SMART Overview

In Fiscal Year 2022, the Board of Directors approved SMART's Vision, Mission, Objectives, and Values. In Fiscal Year 2023, strategies for the objectives were developed and presented.



Ridership - Strategies

- Implement Microtransit 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 and 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

Pathway - Strategies

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

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

Freight - Strategies

- Increase annual revenue by \$500,000+
- Decrease expenditures by \$100,000+
- 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
- Manage maintenance requirements:
 - Bridges, tracks, crossings, equipment, etc.

Performance Measures

In FY 21, SMART looked at developing performance measures to help the agency move from reporting data to measuring performance. After several meetings with the Board of Directors, the following measures were determined to merit agency focus in the near term.

- Operating Expense per Vehicle Revenue Mile
- Operating Expense per Passenger Mile
- Passenger Trips per Vehicle Revenue Mile
- Average Fare per Passenger

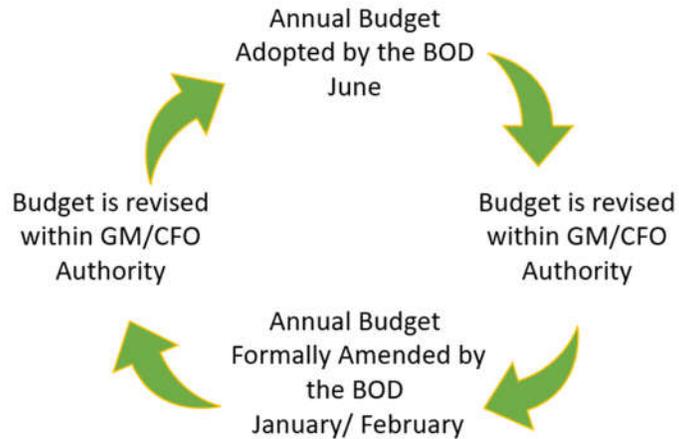
The Board adopted metrics are highlighted below. Additional NTD metrics provided for information.

NTD Metrics	2019	2020	2021	2022
Boardings	716,847	567,103	122,849	354,328
Vehicle Revenue Miles	923,002	821,415	398,291	679,245
Passenger Miles	18,371,183	13,516,234	3,148,345	7,855,912
Operating Expense	\$ 27,490,190	\$ 28,757,008	\$ 24,833,822	\$ 27,834,598
Operating Cost per Vehicle Revenue Mile	\$ 29.78	\$ 35.01	\$ 62.35	\$ 40.98
Operating Cost per Passenger Mile	\$ 1.50	\$ 2.13	\$ 7.89	\$ 3.54
Passenger Trips per Vehicle Revenue Mile	0.8	0.7	0.3	0.52
Fare Revenues	\$ 4,094,540	\$ 3,090,457	\$ 706,938	\$ 1,283,112
Farebox Recovery (Fare Revenues/Operating Expense)	15%	11%	3%	5%
Cost per Boarding (Operating Expense/ Boardings)	\$ 38.35	\$ 50.71	\$ 202.15	\$ 78.56
Average Fare (Fares/ Boardings)	\$ 5.71	\$ 5.45	\$ 5.75	\$ 3.62
Subsidy per Boarding [(Cost - Fare)/ Boardings]	\$ 32.64	\$ 45.00	\$ 196.39	\$ 74.93

Note: Fiscal Years 2020, 2021, and 2022 were impacted by COVID and had reduced or curtailed service.

Budget Cycle

The Administrative Code of SMART, as adopted by the Board of Directors in July 2013, provides that the Board of Directors will adopt an annual budget no later than the District's June meeting for the ensuing fiscal year.



The budget outlines the expected revenues and expenditure amounts needed for salaries, benefits, services, supplies, capital and other necessary spending throughout the fiscal year. The budget limits the amount of total expenditures that can be incurred without further Board approval.

In the event that total expenditures need to be increased, a budget amendment can be presented to the Board of Directors for approval.

Mid-year, an amended budget will be presented to the Board of Directors for approval. The amended budget will include the most recent expectations for revenues and expenditures projected through fiscal year end.

Budget adjustments can be made and approved by the Chief Financial Officer as long as total expenditures in the Board-adopted budget are not exceeded.

At the end of each fiscal year, once the financial audit has been finalized, a comparison of the previous year's budget to actual expenditures will be generated and presented to the Board of Directors for information.

Basis of Budgeting

The District's financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Sales taxes are recorded when earned and reported as non-operating revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District's budget is prepared on a modified accrual basis with the following exceptions:

- Inclusion of capital outlays and debt principal payments as expenditures
- Inclusion of asset sale proceeds and debt issuance proceeds
- Exclusion of gains and losses on disposition of property and equipment
- Exclusion of the non-cash portion of long-term unfunded pension accruals

Fund Structure

SMART reports its financial activity as an enterprise. We have two funds, the General Fund (01), with several sub funds for purposes of segregating expenditures, and the Freight Fund (60).

Fund	Description
01	General Fund
02	Bond Fund
03	Bond Reserve Fund
08	General Reserve Fund
15	Self-Insurance Fund
18	OPEB Pension Fund
20	Equipment Replacement Fund
30	Landing Way Replacement Fund
50	Capital Projects Fund
60	Freight

BUDGET OVERVIEW

Passenger

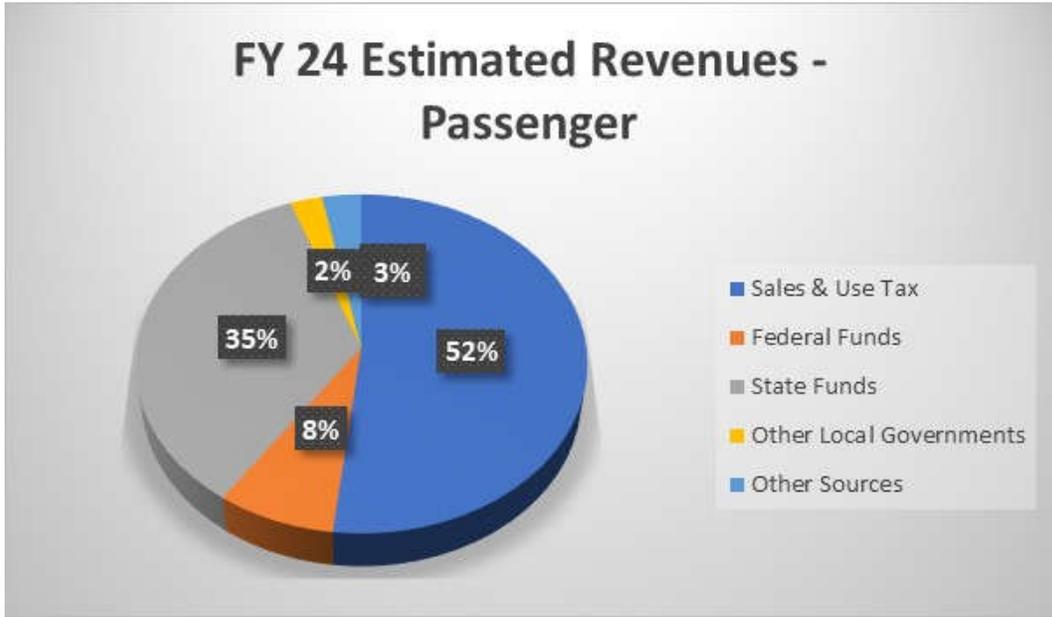
The Fiscal Year 2024 revenue estimate for passenger rail and pathways totals \$98.6 million compared to \$78.6 million in Fiscal Year 2023. Of the \$98.6 million, \$25.4 million is anticipated federal and state project specific capital grants for construction. Fiscal Year 2023 was the last year we received Federal COVID-19 relief operating funds, therefore federal funds for operating activities decreased by \$7.5 million in Fiscal Year 2024 which is offset in the chart below by federal capital revenues for a net decrease of \$4.9 million. State and Federal grants provide \$13.7 million support to the Fiscal Year 2024 operating budget.

Overall expenditures are expected to increase in Fiscal Year 2024 due to the large capital construction program that is anticipated to occur this coming year. The capital projects are \$29.1 million higher than in Fiscal Year 2023.

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

Revenues



Ticket Vending Machine (TVM)

Fiscal Year 2024 Estimated Revenues

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

Sales Tax

On November 4, 2008, more than two-thirds of the voters in Sonoma and Marin counties approved Measure Q implementing the 2008 Measure Q Sales Tax. The 2008 Measure Q Sales Tax is a sales and use tax of one quarter of one percent (1/4%) imposed for a period of 20 years beginning April 1, 2009, on the gross receipts from all tangible personal property sold at retail businesses in the counties and a use tax at the same rate on the storage, use, or other consumption in the counties of such property purchased from any retailer, subject to certain exceptions. While we saw a decrease of revenues in Fiscal Year 2020, growth was double digits for Fiscal Year 2021 and 2022. While Fiscal Year 2023 is estimated to be 4.1% higher than Fiscal Year 2022, we are predicting slow or no growth in Fiscal Year 2024.

SMART HISTORICAL SALES TAX COLLECTIONS

	Sales Tax	Growth Rate	
2009	\$ 4,976,687		
2010	\$ 24,059,929	383.45%	Actual
2011	\$ 26,826,843	11.50%	Actual
2012	\$ 28,303,501	5.50%	Actual
2013	\$ 30,435,753	7.53%	Actual
2014	\$ 32,473,329	6.69%	Actual
2015	\$ 33,845,426	4.23%	Actual
2016	\$ 34,776,012	2.75%	Actual
2017	\$ 36,061,895	3.70%	Actual
2018	\$ 37,135,476	2.98%	Actual
2019	\$ 41,241,140	11.06%	Actual
2020	\$ 38,978,630	-5.49%	Actual
2021	\$ 44,002,410	12.89%	Actual
2022	\$ 49,074,830	11.53%	Actual
2023	\$ 51,090,000	4.11%	Estimated
2024	\$ 51,103,000	0.03%	Estimated
	\$ 564,384,861		

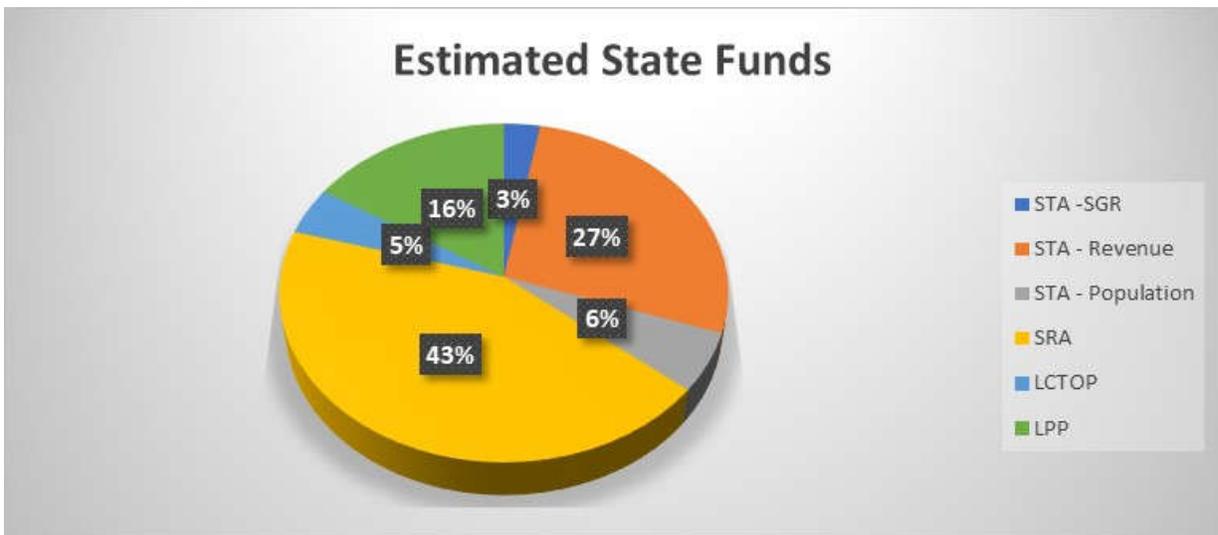
State Revenues

SMART receives formula allocation from four (4) state revenue programs itemized below. SMART may receive other state grants but those are allocated on an application basis, are project specific, and are typically one-time allocations.

- **State Transit Assistance:** A portion of the revenues derived from the sales tax on diesel fuel purchases and registration fees is appropriated by the State Legislature to the State Transit Assistance Program (“STA”) for public transportation purposes. These STA revenues are allocated to public transit agencies throughout the State based on population and operating revenues

through formula. This fund source was increased through 2017 Senate Bill 1, the Road Repair and Accountability Act. SB1 created an additional STA program, the STA State of Good Repair (SGR) Program to provide annual funding to transit operators in California for eligible transit maintenance, rehabilitation, and capital projects.

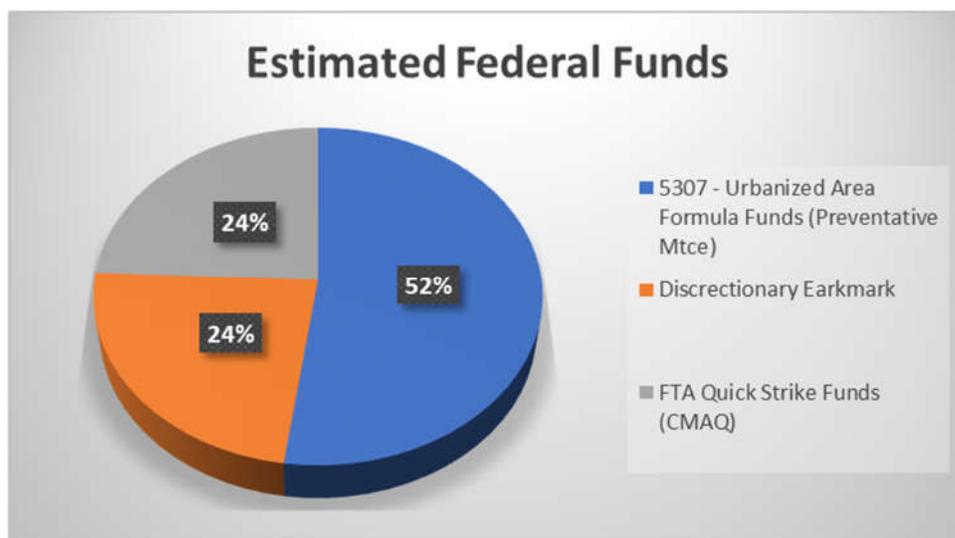
- **State Rail Assistance:** Another new funding source created by SB 1 is the State Rail Assistance (SRA) program. SRA directs a 0.5% portion of new diesel sales tax revenue for allocation: half to the five (including, Altamont Corridor Express Authority (ACE), North County Transit Development Board (Coaster), Peninsula Corridor Joint Powers Board (Caltrain), Sonoma-Marín Area Rail Transit District (SMART), Southern California Regional Rail Authority (Metrolink)) commuter rail providers and half to intercity rail corridors.
- **State Local Partnership Program:** SB 1 created the Local Partnership Program Formula fund source. This program continuously appropriates funding annually from the Road Maintenance and Rehabilitation Account to local and regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees, which taxes or fees are dedicated solely for transportation improvements. The funds are managed by the California Transportation Commission, which also manages a Competitive portion of the Local Partnership Program.
- **Low Carbon Transit Operations Program (LCTOP):** LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Funds for this program come from State Cap and Trade auctions. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.



Federal Revenues

SMART is a direct recipient of Federal Transit Administration (FTA) Funds.

- **5307 Funds:** FTA Urbanized Area Formula Funds which can be used for capital projects, operating assistance, job access, reverse commute projects, and transportation related planning. SMART became eligible for these funds starting in Fiscal Year 2019-20.
- **FTA/ Quick-Strike Funds:** The Safe and Seamless Mobility Quick-Strike program is a one-time, competitive grant program established by the Metropolitan Transportation Commission. Federal funding was made available to support local and regional projects that could be implemented quickly to benefit communities responding and adapting to the COVID-19 environment. The program emphasizes bicycle/pedestrian safety and mobility, connections to transit, and projects that advance equitable mobility. SMART was awarded these funds and transferred them to the FTA for execution into a grant.
- **Community Project Funds (Discretionary Earmark):** The Consolidated Appropriations Act, 2023 appropriated \$360.46 million in Community Project Funding (CPF), also known as Congressionally Directed Spending (CDS). The SMART Rail Extension to Healdsburg - Preliminary Design was nominated by U.S. Congressman Jared Huffman.



State Funds - Project Specific

- Windsor Extension
 - AHSC - Affordable Housing & Sustainable Communities
 - Total grant \$5,000,000
 - FY 24 - \$1,093,230
 - SCC - Solutions for Congested Corridors
 - Grants to be announced in June
 - \$30,000,000 requested
 - \$6,559,379 budgeted in FY 24
 - ITIP - Interregional Transportation Improvement Program
 - \$10,000,000 awarded
 - \$2,186,460 budgeted in FY 24
- Windsor to Healdsburg
 - TIRCP - Transit & Intercity Rail Capital Program
 - \$34,338,000 available
 - \$3,200,000 budgeted in FY 24
- Petaluma North Station
 - TIRCP - Transit & Intercity Rail Capital Program
 - \$9,521,187 total grant
 - \$3,546,955 budgeted in FY 24
- McDowell Crossing
 - TIRCP - Transit & Intercity Rail Capital Program
 - \$578,813 available and budgeted in FY 24
- Sonoma County Pathway
 - ATP - Active Transportation Program
 - \$10,756,925 total grant
 - \$5,210,927 budgeted in FY 24
- Quality of Life & Economic Impact Assessment
 - Caltrans Sustainability Communities Competitive Planning Grant
 - \$400,000 grant pending announcement in June 2023

Local Governments - Project Specific

- Petaluma North Station
 - City of Petaluma
 - \$2,000,000 all budgeted in FY 24
- Sonoma County Transportation Authority
 - Measure M \$2,000,000 total
 - \$480,108 budgeted in FY 24
 - \$1,519,892 budgeted in FY 23

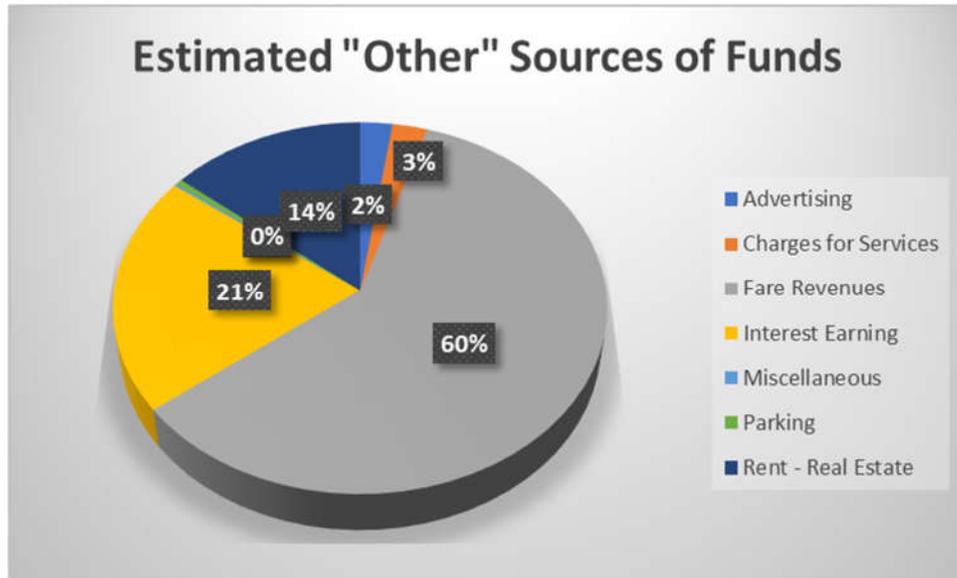
Other SMART Revenues

- **Farebox Revenues:** SMART passengers pay for their rides using the fare structure approved by the SMART Board in 2015 and 2016. SMART participates in the regional Clipper fare system that allows riders to transfer seamlessly among Bay Area operators using one fare media card. SMART also has its own mobile ticket app that provides easy purchasing of multiple or discounted tickets without purchasing a Clipper card. The fares are based on the distance travelled by a rider, like other commuter rail services. In May of 2021, fares were lowered by approximately 40%. SMART also provides several discounts to SMART riders with a youth, senior, low income, and passengers with disabilities fare. SMART’s Fiscal Year 2021-22 average passenger fare was \$3.62. See chart below for current fare rates.

One-Way						
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Daily Max
Adult Fare	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50	\$ 15.00
Seniors, youth, low-income, and passengers with disabilities (50%)	\$ 0.75	\$ 1.50	\$ 2.25	\$ 3.00	\$ 3.75	\$ 7.50

- In May 2021, a new “Weekend Day Pass” was implemented. The Weekend Day Pass is \$10.00 for adults and \$5.00 for seniors, youth, passengers with disabilities and START customers. The Weekend Day Pass offers unlimited rides for the entire day.
- In September 2021, the 31-day pass was lowered to \$135.00 for adults and \$67.50 for youth, seniors, and passengers with disabilities. Effective July 1, 2023, the 31-day pass will be priced based on a 3-day work week and an average of 3-zones travelled. This will further reduce the price of this pass to \$117.00 for adults and \$58.50 for seniors, youth, and passengers with disabilities. This is an additional 13% decrease.
- **Advertising Revenues:** Revenues from advertising space sold onboard trains and station platform shelter panels.
- **Charges for Services:** Includes flagging services.
- **Interest Earnings:** Interest earnings are expected to increase in Fiscal Year 2024 due to the current interest rates.
- **Lease Revenues:** Are expected to increase by approximately 3%.
- **Miscellaneous Revenues:** Vary each year, but are assumed to be like Fiscal Year 2022

- **Parking Revenue:** Parking fees are suspended during the hours of 4:00 am and 11:59 pm. Effective July 1, 2023, those wishing to park overnight pay a fee of \$5.00 between the hours of 12:00 am and 3:59 am.



RIDERSHIP

Expenditures by Objectives - Ridership

Ridership – Strategies

- ✓ Implement Microtransit 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 by Objectives - Pathways

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	
- Mclinnis 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	\$ 4,962,682
Administration	\$ 6,830,042
Total Pathways	\$ 31,785,344

EXTENSIONS

Expenditures by Objectives - Extensions

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	\$ 5,967,888
Total	\$ 27,773,092

FREIGHT

Expenditures by Objectives - Freight

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

Expenditures

Passenger Rail Operations

Passenger Rail Operations has three (3) major divisions that work together to move people in a safe, reliable, and affordable way.

The Transportation Division is responsible for operating the trains, checking fares, assisting passengers, ensuring onboard passenger safety, and guaranteeing compliance with FRA regulations related to train operations and passenger service. In addition, the Operations Control Center monitors the status of the entire system, dispatches passenger and freight trains, and is the emergency point of contact for outside first responder agencies.

The Vehicle Maintenance Division is responsible for preventative maintenance work, inspections, cleaning, and repairs of the Diesel Multiple Units (DMUs), along with interior inspections and cleaning.

The Maintenance of Way Division is responsible for track and right of way inspection and maintenance, train control and grade crossing warning device maintenance and regulatory required inspections, and maintenance of all SMART owned facilities (pathway, stations, moveable bridge electronics and mechanics, buildings, and right of way fencing.)

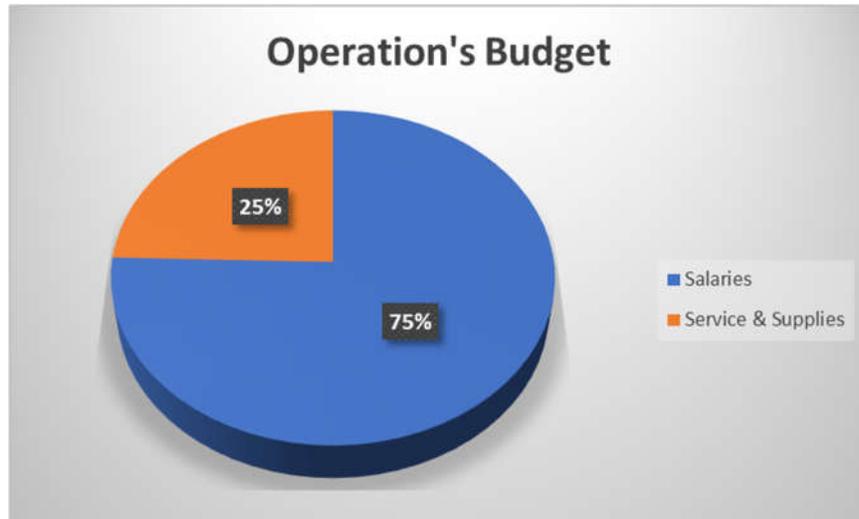
In addition to Transportation, Vehicle Maintenance and Maintenance of Way two additional functions are under the operations budget.

Public Safety

The Public Safety Department coordinates with Federal, State, and local jurisdictions to provide incident response, facility safety, and keep the public and our customers safe.

Train Control Systems

The Train Control Systems is responsible for monitoring and managing SMART's train control systems. The train control systems perform such functions as: safely route trains, safely separate trains, track and report the location of trains, detect and report broken rail, detect and report misaligned switches, detect and report misaligned bridges, and detect and report faults. In addition, other integral parts of the train control systems include positive train control (PTC), traffic signal interconnection, and grade crossing warning systems.



The Operations Department has 116 full-time equivalent (FTE) employees with an estimated budget for salaries and benefits of \$18,762,237. Salaries and Benefits make up 75% of the total Operations budget, see above.

Operations	FY 24
Operations General	\$ 795,111
Maintenance of Way	\$ 4,118,672
Transportation	\$ 8,650,043
Vehicle Maintenance	\$ 4,465,516
Safety	\$ 732,895
Total	\$ 18,762,237



This budget funds one (1) additional Parts Clerk, one (1) new Inventory Manager/ Asset Management Specialist, three (3) new Engineer/ Conductor positions, and converts a Signal Technician to a Vehicle Maintenance Supervisor position.

Salaries and Benefits are increasing by \$2.6 million or 16%. This is a result of the five (5) new positions, implementation of raises in accordance with the collective bargaining agreements, and an estimated increase of 10% in benefits.

In October 2022, SMART increased weekday trips from 36 to 38. In Fiscal Year 2023 added evening service on Friday and Saturdays, consisting of two additional trips on Friday on Saturday. This service will continue in FY24 and will provide additional service for special events as warranted. In addition, we are anticipating increases in utilities, fuel, and fare collection fees. Even with these increases, we are showing a 3% decrease in service and supplies expenditures in Fiscal Year 2024.

Account	Account Description	FY 23 Amended Budget	FY 24 Requested Budget
51061	Maintenance of Equipment	\$ 467,378	\$ 476,304
51062	Maintenance of Radios	\$ 151,386	\$ -
51063	Maintenance of Signals	\$ 180,000	\$ 115,000
51064	Maintenance of Revenue Vehicles	\$ 1,016,275	\$ 691,000
51071	Maintenance of Facilities	\$ 249,114	\$ 269,775
51074	Maintenance of Railway	\$ 179,174	\$ 199,750
51075	Maintenance of Pathway	\$ 22,500	\$ 35,500
51225	Training & Travel Expense	\$ 42,000	\$ 75,000
51252	Fare Collection Fees	\$ 196,000	\$ 216,000
51401	Rental/ Leases - Equipment	\$ 58,000	\$ 58,160
51605	Mileage Reimbursement & Auto Tolls	\$ 1,000	\$ 1,000
51802	Contract Services - Administrative	\$ 622,940	\$ 659,190
51804	Contract Services - Transportation	\$ 93,000	\$ 93,000
51902	Communications	\$ 65,300	\$ 50,260
52021	Uniform Expense	\$ 103,000	\$ 83,500
52061	Fuel and Lubricants	\$ 1,942,000	\$ 1,968,000
52091	Memberships	\$ 3,050	\$ 3,300
52101	Miscellaneous Expense	\$ 1,500	\$ 51,500
52111	Office Expense	\$ 45,000	\$ 60,000
52117	Postage	\$ 8,000	\$ 7,500
52141	Small Tools and Equipment	\$ 185,881	\$ 129,500
52142	Computer Hardware	\$ -	\$ 7,000
52143	Software	\$ 29,019	\$ 32,200
52191	Utilities	\$ 775,520	\$ 830,120
	Grand Total	\$ 6,437,037	\$ 6,112,559

Administration

The Administration budget funds the day-to-day business functions of the organization such as finance, human resources, planning, legal, real estate, information technology, and government/ legislative relations.

Communications and Marketing Department

The Communications Department consists of three different areas of focus: Media and Public Relations, Marketing, and Customer Service.

Media and Public Relations is responsible for keeping SMART's external audiences informed and engaged about the agency's services, programs, and projects. Some examples are:

- Digital and Social Media Platforms
- Websites
- Media relations
- Community presentation, construction outreach, and events
- Rail Safety Education

Marketing is responsible for outreach and marketing. Some examples are:

- Digital, Print, On-Board Train, and Platform Advertising
- Marketing Collateral

Customer Service is responsible for responding to customer inquiries through phone calls and emails received.

Finance and Procurement Department

The Finance Department includes the following functions:

- Accounting
- Budget
- Finance
- Government/ Legislative Relations
- Grants Budgeting and Reporting
- Payroll
- Procurement
- Treasury

Human Resource Department

Human Resources is responsible for personnel issues, recruitment and selection of employees, employee compensation, labor negotiations, and performance management.

Information Systems (IS) Department

The IS Department develops, operates, and maintains SMART's information and telecommunications systems.

- Maintains the cybersecurity of all SMART IT systems
- Administrative Information Systems for 4 offices including email, servers, and printers
- Railroad Information Systems such as CCTV, radio, platform equipment, and fare collection devices
- 1,300 devices consisting of computers, cell phones, vehicle locators, printers, radios, cameras, and network devices

Legal Department

The Legal department is responsible for the following:

- Transactional Matters
- Litigation
- Risk Management

Planning Department

Planning is responsible for the following functions:

- Rail and multiuse pathway planning and service delivery studies
- Ridership and service planning analyses and recommendations
- Capital planning studies
- Local and regional agency planning coordination
- First-last mile solutions planning

Real Estate

The Real Estate Department is responsible for managing SMART's Right-of-Way and processing all third-party requests for access to the Right-of-Way. It also handles property sales and acquisitions and supports all departments with title research and boundary information.

Engineering

Engineering is responsible for planning and managing the expansion of the rail and pathway systems, managing SMART's existing infrastructure, supporting grant applications, and coordinating with local jurisdictions. Most of the staff time in engineering is charged to projects, but time associated with leave, training, and non-project related activities are included in the chart below.

Administration	FY 24
General Administration	\$ 2,901,721
Information Systems	\$ 652,356
Human Resources	\$ 569,528
Legal	\$ 746,872
Marketing & Communications	\$ 520,730
Board Office	\$ 206,044
Real Estate	\$ 445,223
Planning	\$ 518,020
Engineering (Non-Project Specific)	\$ 366,967
Total	\$ 6,927,460

SMART's District Administration has 44 full-time equivalent (FTE) employees with an estimated budget for salaries and benefits of \$6,927,460. One (1) procurement position and two (2) new engineering positions have been added in Fiscal Year 2024 to accommodate the additional workload due to additional federal and state grants for pathway and extensions. A three percent (3%) cost of living increase has been included for all non-bargaining unit employees.

The Administrative Budget has increased by \$1.2 million (12%) over Fiscal Year 2023. Much of this increase is related to the following projects:

- \$400,000 for Quality of Life & Economic Analysis (Grant Funded)
- \$16,000 for Bike Locker Upgrades
- \$150,000 for wayfinding on the pathways
- \$500,000 for first/last mile to include the Airport Station Microtransit pilot.

The other large increase is in insurance, the largest driver being railroad liability insurance. We have not received our final insurance quotes but are anticipating a 15% to 20% increase. We have also formalized the tuition reimbursement program and budgeted \$131,535 for Fiscal Year 2024. The Maintenance of Radios line item was transferred from Operations to Information Systems.

Account	Account Description	FY 23 Amended Budget	FY 24 Requested Budget
51042	Insurance	\$ 2,361,764	\$ 2,795,395
51045	Provisions for Claims	\$ 500,000	\$ 500,000
51062	Maintenance of Radios	\$ -	\$ 156,200
51206	Auditing/ Accounting Services	\$ 51,030	\$ 58,500
51207	Fiscal Accounting Services	\$ 3,600	\$ 6,000
51211	Legal	\$ 1,026,000	\$ 1,071,000
51214	Agency Extra Help	\$ 100,000	\$ 155,000
51225	Training & Travel Expense	\$ 157,000	\$ 336,535
51226	Contracted Services	\$ 222,040	\$ 192,000
51241	Printing Services	\$ 45,800	\$ 57,300
51242	Fiscal Agent Fees	\$ 5,000	\$ 5,000
51244	Permits/ Fees	\$ 30,500	\$ 30,500
51301	Public/ Legal Notices	\$ 41,500	\$ 54,800
51401	Rental/ Leases - Equipment	\$ 56,000	\$ 56,000
51421	Rental/ Leases - Buildings	\$ 460,866	\$ 460,867
51605	Mileage Reimbursement & Auto Tolls	\$ 40,320	\$ 40,560
51802	Contract Services - Administrative	\$ 1,890,574	\$ 3,093,200
51803	Contract Services - Personnel	\$ 248,850	\$ 186,000
51902	Communications	\$ 275,700	\$ 287,550
51918	Claims Processing Payroll	\$ 37,170	\$ 45,000
52021	Uniform Expense	\$ 5,000	\$ 5,000
52091	Memberships	\$ 53,879	\$ 62,510
52101	Miscellaneous Expense	\$ 1,000,000	\$ 1,000,000
52111	Office Expense	\$ 60,000	\$ 63,600
52115	Books/ Periodicals	\$ 10,500	\$ 3,500
52117	Postage	\$ 10,000	\$ 10,000
52141	Small Tools and Equipment	\$ 2,000	\$ 3,000
52142	Computer Hardware	\$ 116,000	\$ 163,500
52143	Computer Software	\$ 610,400	\$ 791,200
52161	Marketing/ Promotional Items	\$ 20,000	\$ 30,000
52162	Public Relations Expense	\$ 45,000	\$ 62,000
	Grand Total	\$ 10,389,058	\$ 11,781,717

Environmental Projects

As part of SMART’s expansions and pathway projects, riparian mitigation projects are often required by the environmental permits to compensate for temporary and permanent construction impacts. These projects entail restoring creeks and rivers by planting native trees and scrubs, removing invasive plant species, and removing trash. There are performance and monitoring criteria for each project for periods of 5 to 10 years to confirm success of the mitigation efforts.

Department	Project	FY 24 Amount
Environmental		
	San Rafael Creek (Larkspur Mitigation)	\$ 33,558
	McInnis Monitoring	\$ 133,575
	IOS Riparian Mitigation	\$ 220,000
	Las Gallinas Riparian Enhancement & Monitoring	\$ 16,188
	Mira Monte Mitigation	\$ 75,000
Total		\$ 478,321

Riparian Mitigation in Petaluma for Pathway Projects



State of Good Repair and Capital Projects

49 CFR 625.5 defines State of Good Repair (SGR) as the condition in which a capital asset can operate at a full level of performance. Per FTA, “having well maintained, reliable transit infrastructure - track, signal systems, bridges, tunnels, vehicles and stations - will help ensure safe, dependable and accessible services.”

SMART has broken our costs into State of Good Repair and Capital Projects. State of Good Repair expenditures are those costs that keep our assets in a condition where the asset can operate at a full level of performance. This requires regular repairs and replacement of those assets. Costs in the FY 25 and FY 26 Planned Columns are not necessarily funded.

Department	Project	FY 24 Amount	FY 25 - Planned*	FY 26 - Planned*
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	\$ -	\$ 463,020
Expansion				
	Santa Rosa Airport Station to Windsor Station	\$ 10,000,000	\$ 35,735,937	\$ -
	Windsor Station to Healdsburg Station	\$ 5,000,000	\$ 77,700,000	\$ 78,900,000
	Petaluma North Station	\$ 6,027,063	\$ 6,154,468	\$ -
	N. McDowell Boulevard Crossing Reconstruction	\$ 778,141	\$ 762,702	\$ -
Total		\$ 21,805,204	\$ 120,353,107	\$ 78,900,000
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	\$ 11,000	\$ 474,000
Miscellaneous				
	Platform Real-Time Signage	\$ 250,000		
Total		\$ 250,000	\$ -	\$ -

Department	Project	FY 24 Amount	FY 25 - Planned*	FY 26 - Planned*
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	\$ 7,348,000	\$ 7,503,950



The FY 24 Budget significantly advances pathway development and delivery. The budget will support the construction of 6.69 miles of pathway (between Golf Course to Bellevue that will connect Rohnert Park and Santa Rosa, between Southpoint Blvd. and Main St. That will connect Petaluma to Penngrove, and between McInnis Pkwy. to Smith Ranch Rd. in San Rafael). and the completion of Lakeville segment). The budget also funds the design work for over 12 miles of pathway in both Marin and Sonoma County. This design work is readying over 5 miles of pathway that already has grant funding commitments that will eventually fund construction of those segments. Progressing the design on the other 6.8 miles of pathway will bring these segments closer to shovel-ready, which will allow SMART to pursue additional grant funds and support their near-term completion.

See the following link for pathway interactive maps:

https://sonomamarintrain.org/smart_pathway

Department	Project	FY 24 Amount	FY 25 - Planned*	FY 26 - Planned*
Pathways				
	Guerneville Road to Airport Boulevard Pathway	\$ 1,429,430	\$ 7,959,720	\$ 5,306,480
	Hanna Ranch to S. Rowland Blvd. Pathway	\$ 246,466	\$ 2,231,002	\$ -
	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	\$ 6,095,744	\$ -
Total		\$ 19,812,122	\$ 16,286,466	\$ 5,306,480

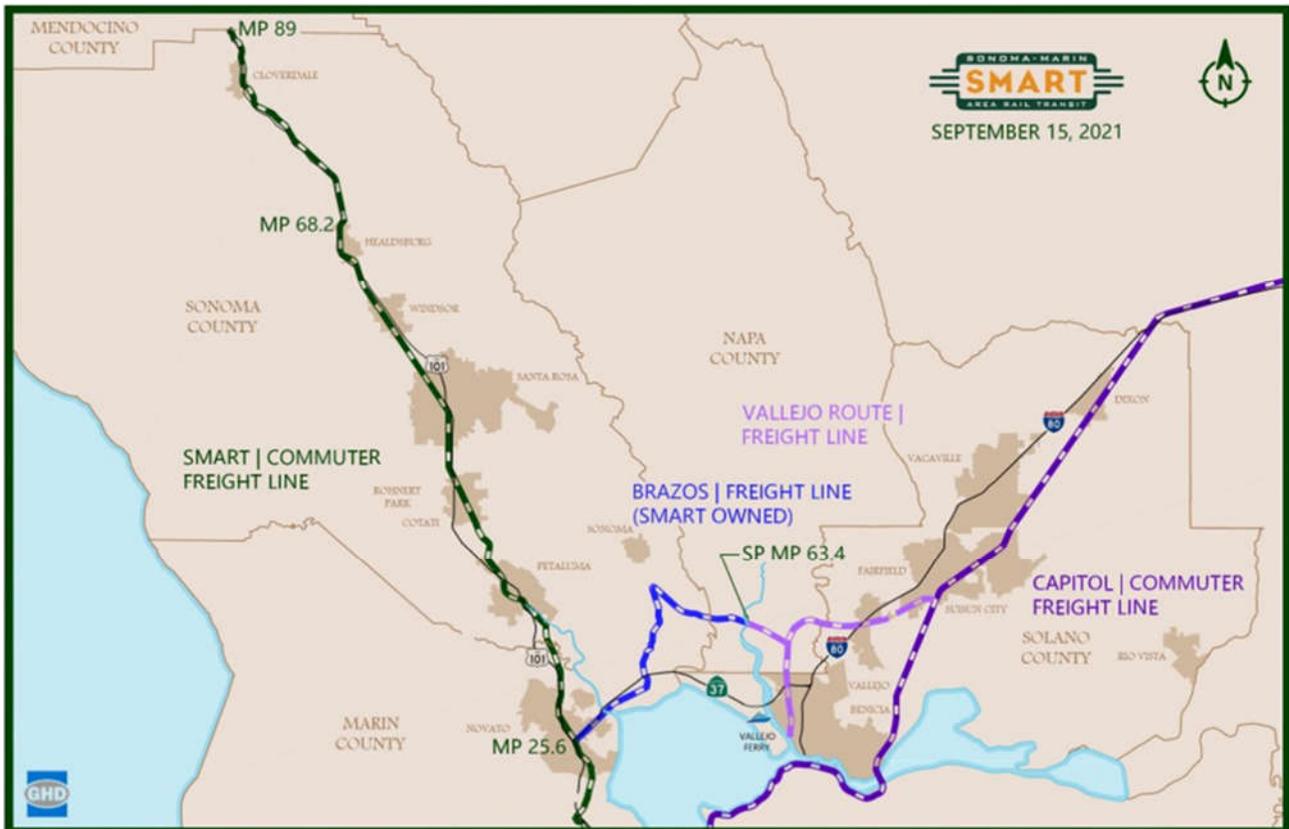
* Planned amounts are necessarily funded at this time

FREIGHT

Freight

In July of 2022, SMART began in-house operations of freight services. Revenues for freight operations in Fiscal Year 2024 are estimated at \$2.4 million. We anticipate spending \$920,876 on salaries and benefits, \$1,170,629 on operations, and \$648,405 on capital repairs and replacements in Fiscal Year 2024.

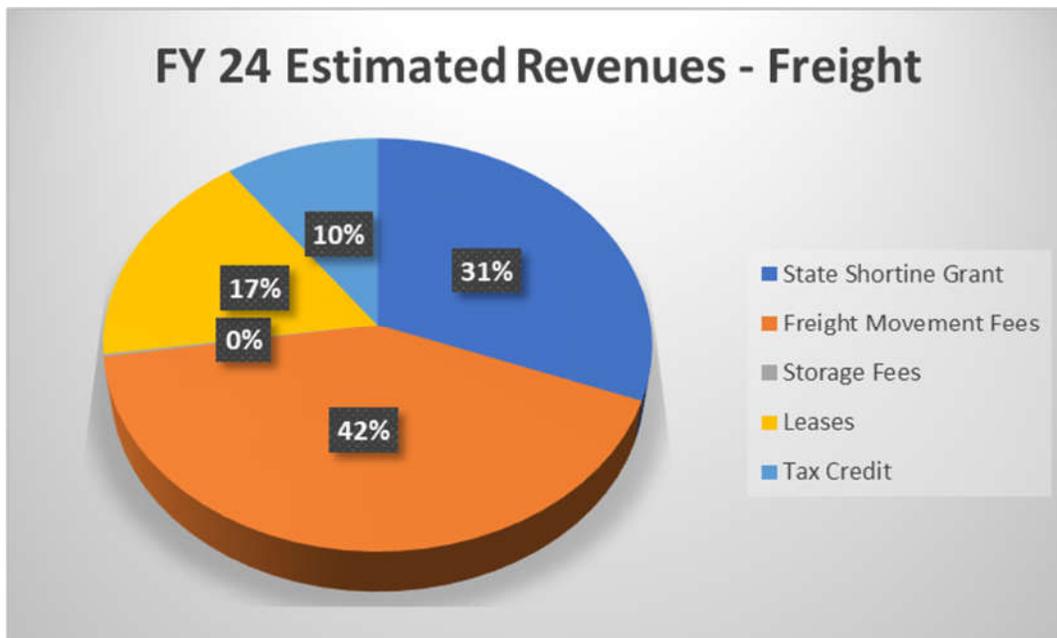
In March of 2022, SMART assumed the freight operations from the Northwestern Pacific Railroad Company (NWPCo) which had been operating service from Napa County to Petaluma since 2011. SMART began in-house operations on July 1, 2022. Currently there are three customers that receive primarily feed grain. In addition, there is a freight car storage location at the Schellville yard. Service consists of two round trips a week to Petaluma customers as well as two round trips to the California Northern Railroad to receive and deliver rail cars to and from the interchange.



Revenues and expenditures for freight operations are being tracked separately in Fund 60. Administrative expenses are allocated based on a ratio of total miles freight operated versus total miles passenger rail operated. In addition to the administrative allocation, this ratio will be used for other allocation of expenses such as radio maintenance and mainline track maintenance.

The SMART Board of Directors previously approved six (6) FTE to operate the Freight Division for the organization. The FY 24 budget for salaries and benefits for freight operations is estimated at \$920,876. The details regarding these positions can be found in Appendix C. A three percent (3%) cost of living increase is included for Fiscal Year 2024.

Now that SMART has acquired the freight operations, we have been evaluating and prioritizing the work that needs to be done to run the service and comply with all Federal Railroad Administration requirements. Work to clean up Schellville Depot was done in Fiscal Year 2023 and repairs to high priority bridges continue. In addition, the Freight Manager continues to reach out to returning and potential new customers to increase revenues to replace the revenues lost with the elimination of storage fees from Liquid Petroleum Gas (LPG) tank cars.



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



Account	Account Description	FY 23 Amended Budget	FY 24 Requested Budget
50995	Cost Allocation - Salaries & Benefits	\$ 39,503	\$ 59,975
51042	Insurance	\$ 68,000	\$ 73,704
51061	Maintenance of Equipment	\$ 64,850	\$ 33,250
51062	Maintenance of Radios	\$ 2,034	\$ 2,034
51063	Maintenance of Signals	\$ 25,000	\$ 15,000
51064	Maintenance of Revenue Vehicles	\$ 162,500	\$ 95,000
51071	Maintenance of Facilities	\$ 25,000	\$ 25,000
51074	Maintenance of Railway	\$ 79,300	\$ 60,000
51211	Legal	\$ 25,000	\$ -
51225	Training & Travel Expense	\$ 25,000	\$ 10,000
51244	Permits/ Fees	\$ 110,000	\$ 110,000
51401	Rental/ Leases - Equipment	\$ 65,000	\$ 55,000
51605	Mileage Reimbursement & Auto Tolls	\$ 2,500	\$ 2,500
51802	Contract Services - Administrative	\$ 471,875	\$ 223,206
51902	Communications	\$ 16,000	\$ 15,000
52021	Uniform Expense	\$ 5,000	\$ 5,000
52061	Fuel and Lubricants	\$ 105,000	\$ 115,000
52091	Memberships	\$ 975	\$ 1,000
52101	Miscellaneous Expense	\$ 68,074	\$ 102,500
52141	Small Tools and Equipment	\$ 40,000	\$ 15,000
52142	Computer Hardware	\$ 9,000	\$ -
52143	Computer Software	\$ 33,100	\$ 33,640
52191	Utilities	\$ 15,000	\$ 15,000
52195	Cost Allocation - Services & Supplies	\$ 158,012	\$ 104,120
Grand Total		\$ 1,615,723	\$ 1,170,929

There are four projects scheduled for Fiscal Year 2024. They are the completion of the Brazos Branch Project Phase I, Brazos Branch Phase II, tie replacement, and grade crossing repair.

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

The freight fund doesn't not have reserves and the fund balance is estimated at \$960,091 at the end of Fiscal Year 2024.



CARRYFORWARD FUNDS/EXPENDITURES

As part of the FY 24 budget, we are anticipating carrying forward \$3,738,306 from Fiscal Year 2023 to Fiscal Year 2024 for passenger rail. This includes projects and programs that are not estimated to be completed or expended in Fiscal Year 2023. Both the revenues and expenditures will be rolled forward. Because we are estimating what will be spent between now and June 30, 2023, this number will most likely change and will be adjusted in Fiscal Year 2024 once we know actual expenditures in Fiscal Year 2023.

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
Class and Comp Study - Koff	\$ 84,350	\$ 49,875
Totals	\$ 11,557,783	\$ 3,738,306

As part of the FY 24 budget, we are anticipating carrying forward \$496,692 from Fiscal Year 2023 to Fiscal Year 2024 for freight. The Brazos Branch bridge repair project is not expected to be completed and fully expended in Fiscal Year 2023. Both the revenues and expenditures will be rolled forward. Because we are estimating what will be spent between now and June 30, 2023, this number will most likely change and will be adjusted in Fiscal Year 2024 once we know actual expenditures in Fiscal Year 2023.

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



Freight Repairs

Payran to Lakeville Pathway Project



Reserves

SMART has several reserves that have been established for various purposes.

Pension & OPEB Liability Reserve

This reserve is to ensure that we have funds set aside for future pension costs. We have set aside \$500,000 for Fiscal Year 2024. The Fiscal Year 2024 balance is \$4,574,676.

Vehicles & Equipment Reserve

This reserve is used to accumulate funds for future capital equipment needs such as DMU replacement. The Fiscal Year 2023 balance is \$9,625,000. We are adding an additional \$1,000,000 for a total reserve of \$10,625,000 in Fiscal Year 2024.

Corridor Completion Reserve

This reserve was established in the FY 2020/2021 amended budget to set aside funds for design, environmental, or leveraging grants. The current balance is \$7,000,000.

Operating Reserve

The Fiscal Year 2023 operating reserve was \$10 million. We have calculated 25% of the operating costs for Fiscal Year 2024 which would result in a reserve of \$11,278,617 or an increase of \$1,278,617.

Fund Balance

The estimated fund balance for Fiscal Year 2024 year-end is \$27,833,704.

Debt

In October of 2020, SMART pursued a successful taxable advance refunding of the 2011A bonds. The refunding matched the existing March 1, 2029, final maturity of the 2011A bonds. These bonds are secured by a gross lien of SMART's ¼ cent sales tax. The bonds were rated "AA" by Standard & Poor's. The new debt service schedule is listed below.

Fiscal Year	Series 2020 Bonds Principal	Series 2020 Bonds Interest	Debt Service
2021	\$3,365,000.00	\$566,576.35	\$3,931,576.35
2022	13,280,000.00	1,656,755.80	14,936,755.80
2023	14,015,000.00	1,581,192.60	15,596,192.60
2024	14,765,000.00	1,479,443.70	16,244,443.70
2025	15,580,000.00	1,324,115.90	16,904,115.90
2026	15,860,000.00	1,136,844.30	16,996,844.30
2027	16,105,000.00	893,869.10	16,998,869.10
2028	16,385,000.00	614,930.50	16,999,930.50
2029	13,615,000.00	284,281.20	13,899,281.20
Total	\$122,970,000.00	\$9,538,009.45	\$132,508,009.45

APPENDIX A - PASSENGER RAIL OVERVIEW OF SOURCES & USES

FISCAL YEAR 2023-2024 AMENDED BUDGET - SOURCES AND USES				
		A	B	C
		FY 23 Amended Budget	FY 24	Difference
1	Beginning Fund Balance *	\$ 37,393,310	\$ 39,066,717	\$ 1,673,407
2	Revenues			
3	Rollforward from FY 2023	\$ 3,730,989	\$ 3,738,306	\$ 7,317
4	SMART S&U Tax			
5	Measure Q	\$ 51,090,000	\$ 51,103,000	\$ 13,000
6	Federal Funds			
7	5307 - Urbanized Area Formula Funds (Preventative Maintenance)	\$ 4,148,529	\$ 3,997,642	\$ (150,887)
8	American Rescue Plan	\$ 7,507,797	\$ -	\$ (7,507,797)
9	Discretionary Earmark	\$ -	\$ 1,800,000	\$ 1,800,000
10	FRA Suicide Prevention Grant	\$ 80,000	\$ -	\$ (80,000)
11	Quick Strike (CMAQ) (Pathway Payran to Lakeville)	\$ 806,000	\$ 1,857,999	\$ 1,051,999
12	State Funds			
13	AHSC - Windsor	\$ -	\$ 1,093,230	\$ 1,093,230
14	ATP - SoCo Pathway - CTC/Caltrans/MTC	\$ 2,567,394	\$ 5,210,927	\$ 2,643,533
15	Caltrans Sustainability Communities Competative Planning Grant	\$ -	\$ 400,000	\$ 400,000
16	LCTOP - Low Carbon Transit Operating	\$ 534,762	\$ 520,218	\$ (14,544)
17	LPP - Local Partnership Program	\$ -	\$ 1,857,999	\$ 1,857,999
18	ITIP - Windsor Systems	\$ -	\$ 2,186,460	\$ 2,186,460
19	SCC - Windsor	\$ -	\$ 6,559,379	\$ 6,559,379
20	SRA - State Rail Assistance	\$ 3,700,000	\$ 5,026,754	\$ 1,326,754
21	STA - State Transit Assistance (Population)	\$ 534,918	\$ 653,792	\$ 118,874
22	STA - State Transit Assistance (Revenue)	\$ 2,291,573	\$ 3,170,013	\$ 878,440
23	STA - SGR (State of Good Repair)	\$ 318,586	\$ 330,712	\$ 12,126
24	TIRCP - Petaluma North and McDowell Crossing	\$ -	\$ 4,125,768	\$ 4,125,768
25	TIRCP SH 37 Network Integration	\$ 750,000	\$ -	\$ (750,000)
26	TIRCP - Windsor to Healdsburg	\$ -	\$ 3,200,000	\$ 3,200,000
27	Other Sources			
28	Advertising	\$ 100,000	\$ 70,000	\$ (30,000)
29	Charges for Services	\$ 28,235	\$ 75,637	\$ 47,402
30	Fare Revenues	\$ 1,600,000	\$ 1,803,384	\$ 203,384
31	Interest Earning	\$ 450,000	\$ 627,926	\$ 177,926
32	Misc.	\$ 130,000	\$ 5,659	\$ (124,341)
33	Parking	\$ -	\$ 15,000	\$ 15,000
34	Rent - Real Estate	\$ 266,631	\$ 423,721	\$ 157,090
35	Sale of Property	\$ 15,000	\$ -	\$ (15,000)
36	Regional Funds			
37	Measure M - SCTA	\$ 1,519,892	\$ 480,108	\$ (1,039,784)
38	Other Governments	\$ 153,855	\$ 2,000,000	\$ 1,846,145
39	Total Revenues	\$ 78,593,172	\$ 98,595,328	\$ 20,002,156
40	Total Revenues + Fund Balance+ Rollforward	\$ 119,717,471	\$ 141,400,351	\$ 21,682,880

41				
42		FY 23 Amended Budget	FY 24	Difference
43	Debt Service	\$ 15,596,193	\$ 16,244,444	\$ 648,251
44	Salaries & Benefits	\$ 24,620,542	\$ 27,157,564	\$ 2,537,022
45	Reduction for Salaries Charged to Projects	\$ (1,104,891)	\$ (1,467,867)	\$ (362,976)
46	Reduction for Allocation of Salaries/ Services/ Supplies to Freight	\$ (197,515)	\$ (164,036)	\$ 33,479
47	Service & Supplies	\$ 15,873,763	\$ 19,429,772	\$ 3,556,009
48	Total Salaries, Benefits, Service, & Supplies	\$ 39,191,899	\$ 44,955,433	\$ 5,763,534
49	Contribution to OPEB/ CalPERS Liability Fund	\$ 500,000	\$ 500,000	\$ -
50	Contribution to Capital Sinking Fund	\$ 2,000,000	\$ 1,000,000	\$ (1,000,000)
51	Operating Reserve	\$ -	\$ 1,278,617	\$ 1,278,617
52	Total Reserve Contributions	\$ 2,500,000	\$ 2,778,617	\$ 278,617
54	Environmental	\$ 451,350	\$ 478,321	\$ 26,971
53	Planning	\$ 675,000	\$ 250,000	\$ (425,000)
55	Total Planning & Environmental	\$ 1,126,350	\$ 728,321	\$ (398,029)
56	Total Debt Service, Operating, Reserves, Environmental/ Planning	\$ 58,414,442	\$ 64,706,815	\$ 6,292,373
57	Balance	\$ 61,303,029	\$ 76,693,536	\$ 15,390,507
58				
59		FY 23 Amended Budget	FY 24	Difference
60				
61	State of Good Repair			
62	Bridges	\$ 226,241	\$ 8,000	\$ (218,241)
63	DMU	\$ 1,226,500	\$ 1,785,000	\$ 558,500
64	Equipment	\$ 85,030	\$ 69,500	\$ (15,530)
65	Information Technology	\$ 264,500	\$ 235,400	\$ (29,100)
66	Non-Revenue Vehicles	\$ 917,840	\$ 919,000	\$ 1,160
67	Other Construction	\$ 120,563	\$ -	\$ (120,563)
68	Safety and Security	\$ 477,225	\$ -	\$ (477,225)
69	Track, MOW, and Facilities	\$ 634,548	\$ 487,300	\$ (147,248)
70	Total State of Good Repair	\$ 3,952,447	\$ 3,504,200	\$ (448,247)
71				
72		FY 23 Amended Budget	FY 24	Difference
73				
74	Capital Projects			
75	Expansion	\$ 2,272,025	\$ 21,805,204	\$ 19,533,179
76	Land Purchase	\$ 255,000	\$ -	\$ (255,000)
77	Pathways	\$ 10,025,851	\$ 19,812,122	\$ 9,786,271
78	Total Capital Expenditures	\$ 12,552,876	\$ 41,617,326	\$ 29,064,450
79				
80		FY 23 Amended Budget	FY 24	Difference
81	Future Match for Federal/ State Funds	\$ 2,000,000	\$ -	\$ (2,000,000)
82	Rollforward from FY 2023 Expenditures	\$ 3,730,989	\$ 3,738,306	\$ 7,317
83	Ending Fund Balance	\$ 39,066,717	\$ 27,833,704	\$ (11,233,013)
	* Excludes Reserves			

APPENDIX B - FREIGHT OVERVIEW OF SOURCES & USES

FISCAL YEAR 2023-2024 BUDGET: SOURCES AND USES				
		A	B	C
		FY 23	FY 24	Difference
1	Beginning Fund Balance	\$ 1,107,702	\$ 1,301,011	\$ 193,309
2	Revenues			
3	State Grant (42341)	\$ 4,000,000	\$ -	\$ (4,000,000)
4	State Shortline Grant (Blackpoint)	\$ 206,000	\$ 740,000	\$ 534,000
5	Freight Movement Fees	\$ 1,100,000	\$ 1,000,000	\$ (100,000)
6	Leases	\$ 245,000	\$ 415,000	\$ 170,000
7	Storage	\$ 25,000	\$ 4,800	\$ (20,200)
8	45(g) Tax Credit	\$ 239,190	\$ 239,190	\$ -
9	Total Revenues	\$ 5,815,190	\$ 2,398,990	\$ (3,416,200)
10	Total Revenues + Fund Balance	\$ 6,922,892	\$ 3,700,001	\$ (3,222,891)
11				
12		FY 23	FY24	Difference
13				
14	Salaries	\$ 786,060	\$ 920,876	\$ 134,816
15	Service & Supplies	\$ 1,615,723	\$ 1,170,629	\$ (445,094)
16	Total Salaries, Benefits, Service, & Supplies	\$ 2,401,783	\$ 2,091,505	\$ (310,278)
17	Balance	\$ 4,521,109	\$ 1,608,496	\$ (2,912,613)
18				
19		FY 23	FY24	Difference
20				
21	Blackpoint Bridge	\$ 725,741	\$ -	\$ (725,741)
22	Highway 37 Grade Crossing Reconstruction	\$ 505,394	\$ -	\$ (505,394)
23	Brazos Branch - Bridge Repairs (High Priority)	\$ 1,845,963	\$ 58,405	\$ (1,787,558)
24	Brazos Branch - Phase II	\$ -	\$ 440,000	\$ 440,000
25	New York Air Brake	\$ 68,000	\$ -	\$ (68,000)
26	PTC	\$ 75,000	\$ -	\$ (75,000)
27	Tie Replacement	\$ -	\$ 50,000	\$ 50,000
28	Grade Crossing Repair		\$ 100,000	\$ 100,000
29	Total Capital & SOGR	\$ 3,220,098	\$ 648,405	\$ (2,571,693)
30	Balance	\$ 1,301,011	\$ 960,091	\$ (340,920)

APPENDIX C - POSITION AUTHORIZATION

# of Positions	Position Title	Hourly		Annual	
		Min	Max	Min	Max
Administrative					
1	Accountant I	\$ 34.36	\$ 41.77	\$ 71,470	\$ 86,874
1	Accounting Manager	\$ 56.31	\$ 68.44	\$ 117,125	\$ 142,362
1	Accounts Payable Technician	\$ 29.14	\$ 35.43	\$ 60,608	\$ 73,699
1	Administrative Analyst / Purchasing	\$ 44.42	\$ 53.99	\$ 92,402	\$ 112,305
2	Administrative Assistant	\$ 27.78	\$ 33.76	\$ 57,781	\$ 70,228
1	Assistant General Counsel	\$ 89.10	\$ 108.29	\$ 185,318	\$ 225,252
1	Assistant Planner	\$ 38.31	\$ 46.56	\$ 79,676	\$ 96,836
1	Budget and Finance Manager	\$ 60.64	\$ 73.72	\$ 126,123	\$ 153,332
1	Budget and Grants Analyst	\$ 52.29	\$ 63.57	\$ 108,770	\$ 132,229
1	Chief Financial Officer	\$ 118.70	\$ 144.27	\$ 246,890	\$ 300,086
1	Clerk of the Board	\$ 42.25	\$ 51.36	\$ 87,881	\$ 106,820
1	Communications and Marketing Manager	\$ 72.44	\$ 88.04	\$ 150,675	\$ 183,132
1	Community Outreach Coordinator	\$ 39.27	\$ 47.74	\$ 81,690	\$ 99,300
1	Community Outreach Specialist	\$ 59.44	\$ 72.25	\$ 123,638	\$ 150,289
1	General Counsel	\$ 118.70	\$ 144.27	\$ 246,890	\$ 300,086
1	General Manager	\$ 147.91	\$ -	\$ 307,649	\$ -
1	Human Resources Manager	\$ 72.18	\$ 87.75	\$ 150,139	\$ 182,511
1	Human Resources Principal Analyst	\$ 59.44	\$ 72.25	\$ 123,638	\$ 150,289
1	Human Resources Technician	\$ 36.45	\$ 44.31	\$ 75,820	\$ 92,166
1	Information Systems Analyst	\$ 45.99	\$ 55.90	\$ 95,658	\$ 116,282
1	Information Systems Manager	\$ 75.46	\$ 91.73	\$ 156,952	\$ 190,802
1	Information Systems Technician	\$ 40.23	\$ 48.89	\$ 83,682	\$ 101,700
1	Legal Administrative Assistant	\$ 36.45	\$ 44.31	\$ 75,820	\$ 92,166
1	Payroll Technician	\$ 29.20	\$ 35.48	\$ 60,737	\$ 73,806
1	Principal Planner	\$ 64.14	\$ 77.96	\$ 133,407	\$ 162,158
1	Purchasing Assistant	\$ 30.37	\$ 36.93	\$ 63,179	\$ 76,805
1	Procurement Manager	\$ 66.25	\$ 80.54	\$ 137,799	\$ 167,514
1	Programming and Grants Manager	\$ 76.11	\$ 92.51	\$ 158,302	\$ 192,430
1	Railroad Information Systems Specialist	\$ 58.00	\$ 70.50	\$ 120,639	\$ 146,647
1	Real Estate Manager	\$ 81.95	\$ 99.62	\$ 170,449	\$ 207,213
1	Risk Manager	\$ 64.14	\$ 77.96	\$ 133,407	\$ 162,158
1	Senior Buyer	\$ 48.87	\$ 59.39	\$ 101,642	\$ 123,535
1	Senior Planner	\$ 52.29	\$ 63.57	\$ 108,770	\$ 132,229
1	Senior Real Estate Officer	\$ 55.21	\$ 67.09	\$ 114,833	\$ 139,556
	Interns (Multiple)				
35					
# of Positions	Position Title	Hourly		Annual	
Capital		Min	Max	Min	Max
3	Assistant Engineer	\$ 46.44	\$ 56.46	\$ 96,601	\$ 117,446
1	Associate Engineer	\$ 55.21	\$ 67.09	\$ 114,833	\$ 139,556
1	Chief Engineer	\$ 97.40	\$ 118.38	\$ 202,585	\$ 246,226
1	Junior Engineer	\$ 42.27	\$ 51.39	\$ 87,922	\$ 106,891
1	Manager Train Control Systems	\$ 97.40	\$ 118.38	\$ 202,585	\$ 246,226
1	Principal Engineer	\$ 72.44	\$ 88.04	\$ 150,675	\$ 183,132
1	Senior Engineer	\$ 60.64	\$ 73.71	\$ 126,123	\$ 153,310
9					

# of Positions	Position Title	Hourly		Annual	
		Min	Max	Min	Max
Operations					
1	Administrative Assistant	\$ 27.78	\$ 33.76	\$ 57,781	\$ 70,228
1	Administrative Services Manager	\$ 46.44	\$ 56.46	\$ 96,601	\$ 117,446
1	Assistant Superintendent of Transportation	\$ 65.08	\$ 79.10	\$ 135,357	\$ 164,536
3	Bridge Tender		\$ 35.09		\$ 72,987
1	Chief of Police	\$ 88.25	\$ 107.26	\$ 183,561	\$ 223,110
3	Code Compliance Officer	\$ 35.59	\$ 43.24	\$ 74,020	\$ 89,938
12	Controller /Supervisor	\$ 49.78	\$ 60.50	\$ 103,542	\$ 125,845
6	Conductor *		\$ 44.62		\$ 92,810
	Conductor Trainee*		\$ 37.94		\$ 78,915
28	Engineer *		\$ 53.65		\$ 111,592
	Engineer Trainee*		\$ 45.61		\$ 94,869
1	Facilities Maintenance Supervisor	\$ 51.76	\$ 62.92	\$ 107,656	\$ 130,879
3	Facilities Maintenance Technician		\$ 44.26		\$ 92,061
1	Inventory/ Asset Management Specialist	\$ 54.21	\$ 68.05	\$ 112,757	\$ 141,544
10	Laborers - Vehicle Maintenance		\$ 33.71		\$ 70,117
2	Laborers - Track Maintenance		\$ 32.81		\$ 68,245
1	Operations Manager	\$ 102.27	\$ 124.31	\$ 212,719	\$ 258,566
3	Parts Clerk	\$ 33.02	\$ 40.15	\$ 68,685	\$ 83,511
1	Safety & Compliance Officer	\$ 67.27	\$ 81.77	\$ 139,920	\$ 170,085
2	Signal Supervisor	\$ 55.21	\$ 67.09	\$ 114,833	\$ 139,556
8	Signal Technician **		\$ 58.12		\$ 120,890
	Signal Technician Trainee (2) **		\$ 43.59		\$ 90,667
1	Superintendent of Vehicle Maintenance	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
1	Superintendent of Transportation	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
1	Superintendent Signals and Way	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
5	Track Maintainer I		\$ 43.47		\$ 90,418
1	Track Maintainer II		\$ 47.82		\$ 99,466
2	Track Maintenance Supervisor	\$ 51.64	\$ 62.77	\$ 107,420	\$ 130,558
5	Vehicle Maintenance Supervisor	\$ 52.54	\$ 63.86	\$ 109,284	\$ 132,829
12	Vehicle Maintenance Technician ***		\$ 53.56		\$ 111,405
	Vehicle Maintenance Tech Trainee (2) ***		\$ 40.17		\$ 83,554
116					

# of Positions	Position Title	Hourly		Annual	
		Min	Max	Min	Max
Freight					
0.5	Freight Administrative Assistant	\$ 27.78	\$ 33.76	\$ 57,781	\$ 70,228
1	Freight Manager	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
4.5	Freight Utility Worker	\$ 35.23	\$ 42.83	\$ 73,270	\$ 89,081
6					

Total FTE	166				
*	Total positions cannot exceed 34.				
**	Total positions cannot exceed 8.				
***	Total positions cannot exceed 12.				

APPENDIX D -STATISTICAL INFORMATION

SMART is a special district established by the California Legislature through the enactment of AB 2224 in 2002. The SMART District includes both Sonoma and Marin Counties and was created for the purpose of providing unified and comprehensive structure for the ownership and governance of the passenger and freight rail system within Sonoma and Marin Counties and to provide passenger and freight train service along the existing publicly owned railroad right-of-way.

Marin County

Marin County is in the northwestern part of the San Francisco Bay Area. Its county seat is San Rafael. Marin County is across the Golden Gate Bridge from San Francisco, and is included in the San Francisco-Oakland-Berkeley, CA Metropolitan Statistical Area.

As of 2019, Marin County had the sixth highest income per capita of all U.S. counties. The county is governed by the Marin County Board of Supervisors.

San Quentin State Prison is located in the county, as is George Lucas' Skywalker Ranch. The Marin County Civic Center was designed by Frank Lloyd Wright and draws thousands of visitors a year to guided tours of its arch and atrium design. Marin County's natural sites include the Muir Woods redwood forest, the Marin Headlands, Stinson Beach, the Point Reyes National Seashore, and Mount Tamalpais.

Sonoma County

Sonoma County is in the northwestern part of the San Francisco Bay Area. Its county seat and largest city is Santa Rosa. It is to the north of Marin County and the south of Mendocino County.

Sonoma County includes the Santa Rosa and Petaluma Metropolitan Statistical Areas. It is the northernmost county in the nine-county San Francisco Bay Area region.

In California's Wine Country region, which also includes Napa, Mendocino, and Lake counties, Sonoma County is the largest producer. It has thirteen approved American Viticultural Areas and more than 350 wineries. According to Visit California, tourism spending in 2022 was \$2.3 billion which exceeded the pre-pandemic number of \$2.24 billion.

POPULATION OF MARIN COUNTY AND INCORPORATED CITIES

Area	2016	2017	2018	2019	2020	2021	2022	2023
Marin County	263,010	262,313	262,234	260,969	258,956	259,512	255,470	252,959
Belvedere	2,129	2,131	2,148	2,139	2,124	2,103	2,078	2,045
Corte Madera	9,631	9,625	10,043	10,138	10,114	10,147	9,967	9,885
Fairfax	7,528	7,533	7,714	7,443	7,399	7,496	7,410	7,354
Larkspur	12,312	12,325	12,588	12,331	12,253	12,963	12,728	12,571
Mill Valley	15,024	14,956	14,669	14,743	14,674	14,002	13,817	13,664
Novato	54,593	54,516	54,151	54,062	53,702	53,008	51,936	51,392
Ross	2,538	2,536	2,528	2,548	2,550	2,330	2,280	2,267
San Anselmo	13,017	12,982	12,908	12,845	12,757	12,772	12,515	12,405
San Rafael	60,551	60,661	60,020	60,207	59,807	61,179	60,237	59,681
Sausalito	7,227	7,234	7,421	7,301	7,252	7,159	6,955	6,865
Tiburon	9,644	9,647	9,366	9,581	9,540	9,065	8,903	8,798
Remainder of County	68,816	68,167	68,678	67,631	66,784	67,288	66,644	66,032

Source: County/City estimates as of January 1, 2022 and January 1, 2023
State of California, Department of Finance, Demographic Research Unit

POPULATION OF SONOMA COUNTY AND INCORPORATED CITIES

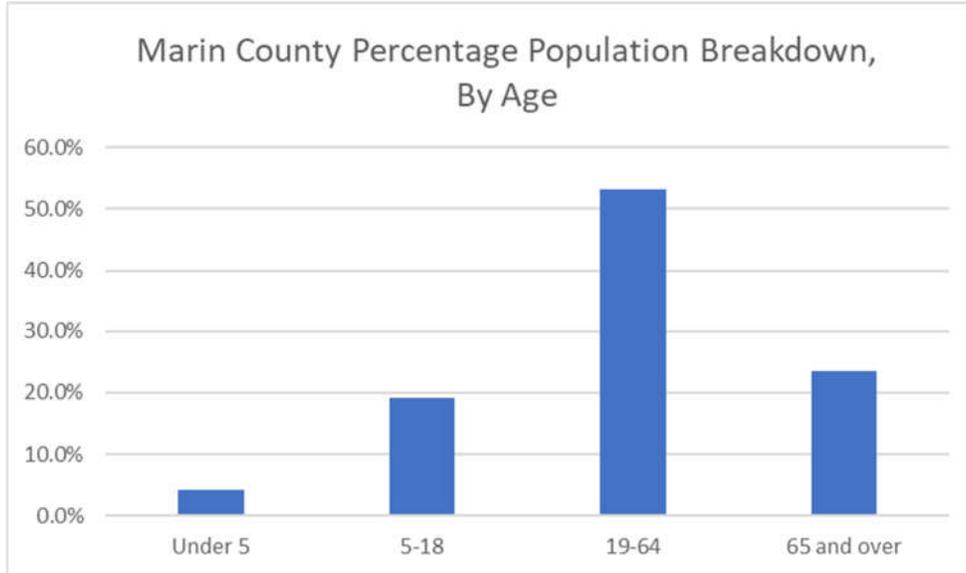
Area	2016	2017	2018	2019	2020	2021	2022	2023
Sonoma County	503,322	502,758	498,849	495,058	491,134	484,674	480,623	478,174
Cloverdale	8,927	8,988	9,141	9,279	9,213	9,029	8,869	8,787
Cotati	7,376	7,453	7,739	7,628	7,533	7,512	7,410	7,360
Healdsburg	11,734	11,757	12,232	12,166	12,089	11,174	10,993	10,914
Petaluma	61,488	61,657	62,251	62,195	61,873	59,756	58,552	58,321
Rohnert Park	42,586	42,490	43,178	43,134	43,069	44,287	43,701	43,693
Santa Rosa	176,937	178,064	177,017	175,183	173,628	177,396	175,351	174,523
Sonoma	10,929	11,072	11,423	11,164	11,050	10,755	10,804	10,677
Windsor	27,445	27,492	28,356	28,596	28,248	26,134	25,836	25,560
Remainder of County	155,900	153,785	147,512	145,713	144,431	138,631	131,674	130,991

Source: County/City estimates as of January 1, 2022 and January 1, 2023
State of California, Department of Finance, Demographic Research Unit

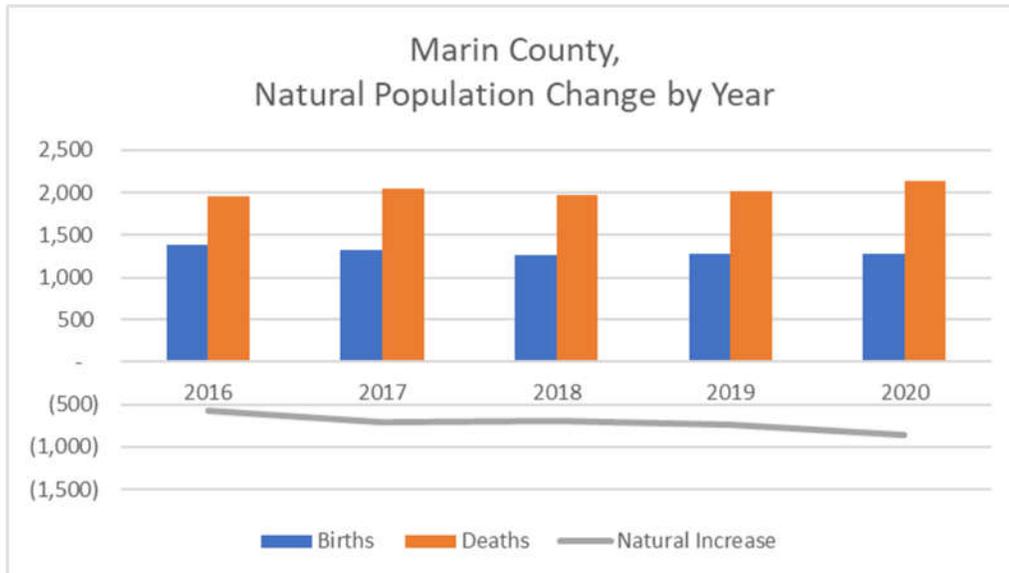
DEMOGRAPHICS OF MARIN AND SONOMA COUNTIES

MARIN COUNTY

Average age in Marin County is 47.1 years with 60.1% of the population having a bachelor's degree. The life expectancy is 85.2 years which is over five years longer than the average American.



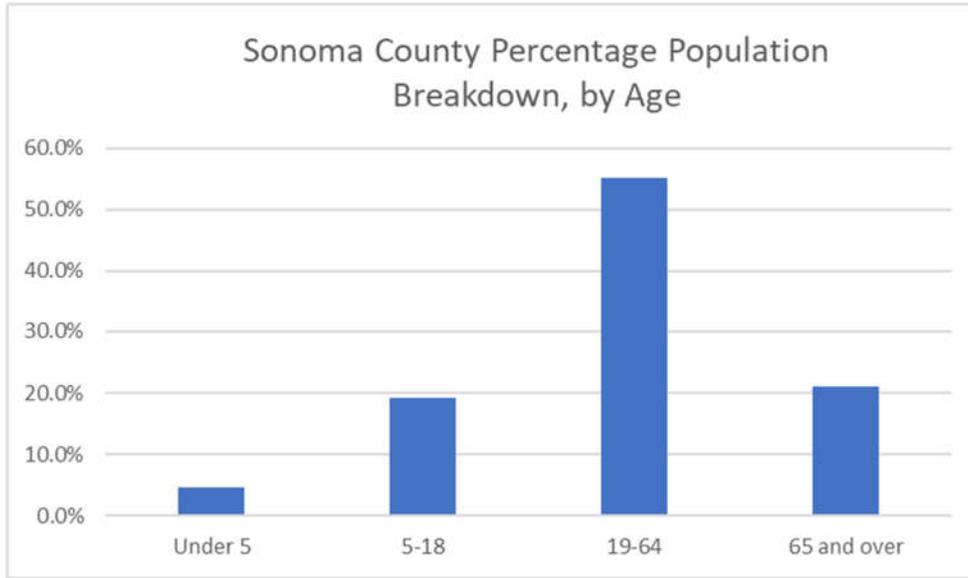
Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit



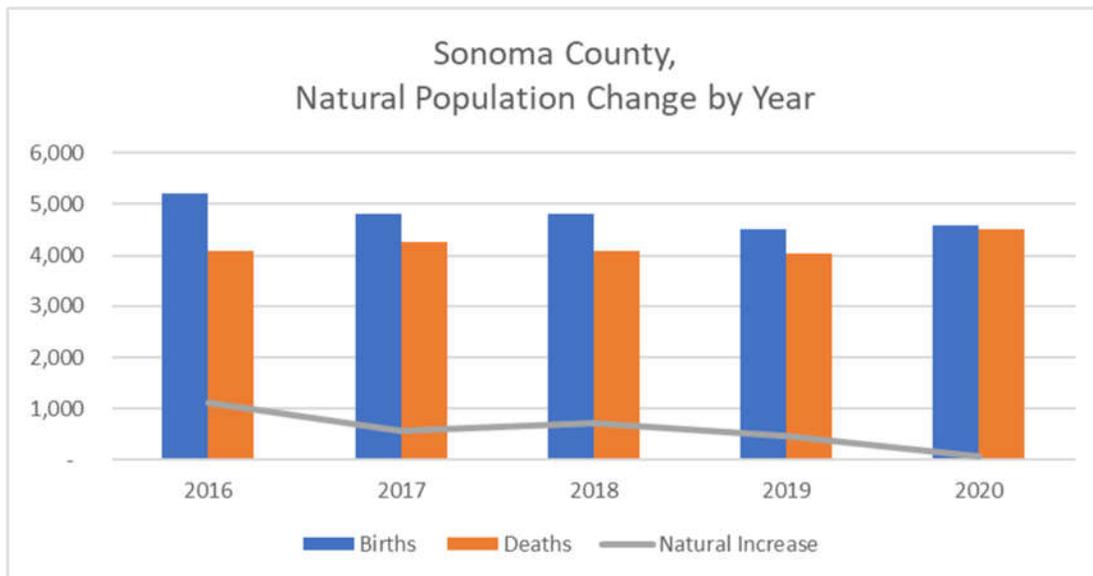
Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit

Sonoma County

Average age in Sonoma County is 42.4 years with 37.1% of the population having a bachelor's degree. The life expectancy is 81.6 years which is over 1 ½ years longer than the average American.



Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit



Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit

APPENDIX E - STATEMENT OF INVESTMENT POLICY

1.0 Policy:

This investment policy is intended to outline the guidelines and practices to be used in effectively managing the SMART District (District's) available cash and investment portfolio. District monies not required for immediate cash requirements will be invested in compliance with the California Government Code Section 53600, et seq.

2.0 Scope:

This policy applies to all the financial assets accounted for in the District's Annual Comprehensive Financial Report and any new fund created by the District, unless specifically exempted. The investment of bond proceeds will be governed by the provisions of relevant bond documents.

3.0 Prudence:

The Board of Directors and Chief Financial Officer adhere to the guidance provided by the "prudent investor rule," California Government Code Section 53600.3, which obligates a fiduciary to ensure that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

4.0 Objectives:

In accordance with California Government Code Section 53600.5, and in order of importance, the Chief Financial Officer shall adhere to the following three criteria:

- (a) Safety of Principal - Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- (b) Liquidity - Investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without substantial loss of value.
- (c) Return on Investment - The District's investment portfolio shall be designed with the objective of attaining a market rate of return

throughout budgetary and economic cycles, considering the District's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority:

The authority of the Board to purchase or sell securities for the District's portfolio, may be delegated by the Board to the Chief Financial Officer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked. The Chief Financial Officer shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

The oversight responsibility for the investment program is hereby delegated to the Chief Financial Officer who shall monitor and review all investments for consistency with this Investment Policy.

The Chief Financial Officer may delegate investment decision making and execution authority to an independent SEC-registered investment advisor. The advisor shall comply with this Policy and other written instructions as are provided by the Chief Financial Officer.

6.0 Investment Procedures:

The Chief Financial Officer shall establish written operational procedures pertaining to the investment of District funds. These procedures shall be compliant with the parameters and limits set forth by this investment policy. The procedures should regulate actions regarding safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer.

7.0 Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business to the Chief Financial Officer. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

8.0 Authorized Financial Dealers and Institutions:

For brokers/dealers of government securities and other investments, the Chief Financial Officer shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations. Before engaging in investment transactions with a broker/dealer, the Chief Financial Officer shall obtain a signed verification form that attests the individual has reviewed the District's Investment Policy and intends to present only those investment recommendations and transactions to the District that is appropriate under the terms and conditions of the Investment Policy.

If an Investment Advisor is authorized to conduct investment transactions on the District's behalf, the Investment Advisor may use their own list of approved broker/dealers and financial institutions for investment purposes.

9.0 Authorized and Suitable Investments:

The District is governed by the California Government Code, Sections 53600, *et seq.* Within the context of these limitations, the investments listed below are authorized. Those investments not identified are ineligible.

- 1. U.S. Treasury Obligations.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- 2. U.S. Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 3. California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency.
- 4. Other State Obligations.** Registered treasury notes or bonds of any of the other forty-nine (49) United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other forty-nine (49) United States, in addition to California.

5. **Bankers' Acceptances.** Time drafts or bills of exchange that are drawn on and accepted by a commercial bank and brokered to investors in the secondary market. The maximum maturity of an issue will be one hundred eighty (180) days. Securities eligible for investment under this subdivision shall be rated in the highest letter and number category by nationally recognized statistical-rating organization. The maximum exposure shall be no more than 40% of the portfolio value. However, no more than 30% of the agency's money may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

6. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all the following conditions in either paragraph a or paragraph b:
 - a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets of more than five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "AA" or higher by a nationally recognized statistical-rating organization.

 - b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "AA" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of two hundred seventy (270) days or less. The District may invest no more than 25% of its money in eligible commercial paper. The District may purchase no more than 10% of the outstanding commercial paper of any single issuer.

7. **Medium-Term Notes.** Medium-term notes are defined in Government Code Section 53601 as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "AA" or better by a nationally recognized statistical-rating organization. Purchases of medium-term notes shall not include other instruments authorized by section 53601 and may not exceed 30% of the portfolio value.

8. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Securities eligible for investment under this subdivision shall be rated in the highest letter and number category by a nationally recognized rating service for short-term ratings (A-1/P1/F-1) and AA or better for longer-term ratings. Purchases of negotiable certificates of deposit may not exceed 30% of the District's aggregate portfolio.
9. **Time Deposits.** The District may invest in non-negotiable time deposits (CDs) that are FDIC insured or fully collateralized in a state or national bank, savings association, or federal association, federal or state credit union located in California, including U.S. branches of foreign banks licensed to do business in California. To be eligible to receive local agency deposits, a financial institution must receive a minimum overall "satisfactory rating" for meeting the credit needs of California Communities in its most recent evaluation. CDs are required to be collateralized as specified under Government Code Section 53630 et seq. The District, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds per Government Code Section 53649. No deposits shall be made at any time in CDs issued by a state or federal credit union if a member of the Governing Council or the Finance Director serves on the board of directors or any committee appointed by the board of directors of the credit union. In accordance with Government Code Section 53638, any deposit shall not exceed that total shareholder's equity of any depository bank, nor shall the deposit exceed the total net worth of any institution.
10. **Local Agency Investment Fund (LAIF)** is a pooled investment fund through the State Chief Financial Officer. Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted by State Treasury policy.
11. **Money Market Funds.** The Chief Financial Officer may invest in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (Government Code Section 53601(k).)

The following criteria will be used in evaluating companies:

- a. Attain the highest-ranking letter and numerical rating provided by not less than two nationally recognized rating services; or
- b. Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five (5) years' experience managing money market mutual funds and with assets under management more than five hundred million dollars (\$500,000,000).
- c. The maximum purchase price of shares shall not exceed 20% of the portfolio. However, no more than 10% of the agency's funds may be invested in shares of beneficial interest of any one mutual fund.

12. Local Government Investment Pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all the following criteria:

- a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- b. The adviser has not less than five (5) years of experience investing in the securities and obligations authorized in subdivisions (a) to (o) Government Code Section 53601, inclusive.
- c. The adviser has assets under management of more than five hundred million dollars (\$500,000,000).

Credit criteria and sectors and issuers percentages for investments listed in this section will be determined at the time the security is purchased. A decline in the overall investment balances that causes the percentage to any investment to be above its maximum policy limit will not be considered out of compliance. The District may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed rating category for that given investment type, the Chief Financial Officer shall notify the District General Manager and District Council and recommend a plan of action.

10.0 Prohibited Investments:

Under the provisions of California Government Code Sections 53601.6 and 53631.5, the

District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, mortgage-derived, interest-only strips or any investment that may result in a zero-interest accrual if held to maturity.

11.0 Collateralization:

Collateralization is required on Certificates of Deposit as per California Government Code section 53601. The collateralization level for certificates of deposit is 100% of market value of principal and accrued interest.

The entity chooses to limit collateral to the following: U.S. Treasuries and Federal Agency Obligations. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. Clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

12.0 Safekeeping and Custody:

All securities purchased may be delivered versus payment (“DVP”) basis and held in safekeeping pursuant to a safekeeping agreement.

13.0 Maximum Maturities:

To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein. No investments may be acquired that exceed five (5) years, unless approved by the Board at least ninety (90) days in advance of the purchase.

14.0 Internal Control:

The Chief Financial Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. The Chief Financial Officer may, at any time, further restrict the securities approved for investment as deemed appropriate.

15.0 Performance Standards:

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, considering the District’s investment risk constraints and cash flow needs.

16.0 Reporting:

In accordance with Government Code Section 53607, the Chief Financial Officer shall submit an annual report to the Board indicating the types of investment by fund, institution, date of maturity, and amount of deposit, and shall provide the current

market value of all securities with a maturity of more than twelve (12) months, rates of interest, and expected yield to maturity.

17.0 Investment Policy Adoption:

The Chief Financial Officer may, at any time, further restrict the securities approved for investment as deemed appropriate.

Additionally, the Chief Financial Officer shall annually send a copy of the current Investment Policy to all approved dealers. Each dealer is required to return a signed statement indicating receipt and understanding of the District's investment policies.

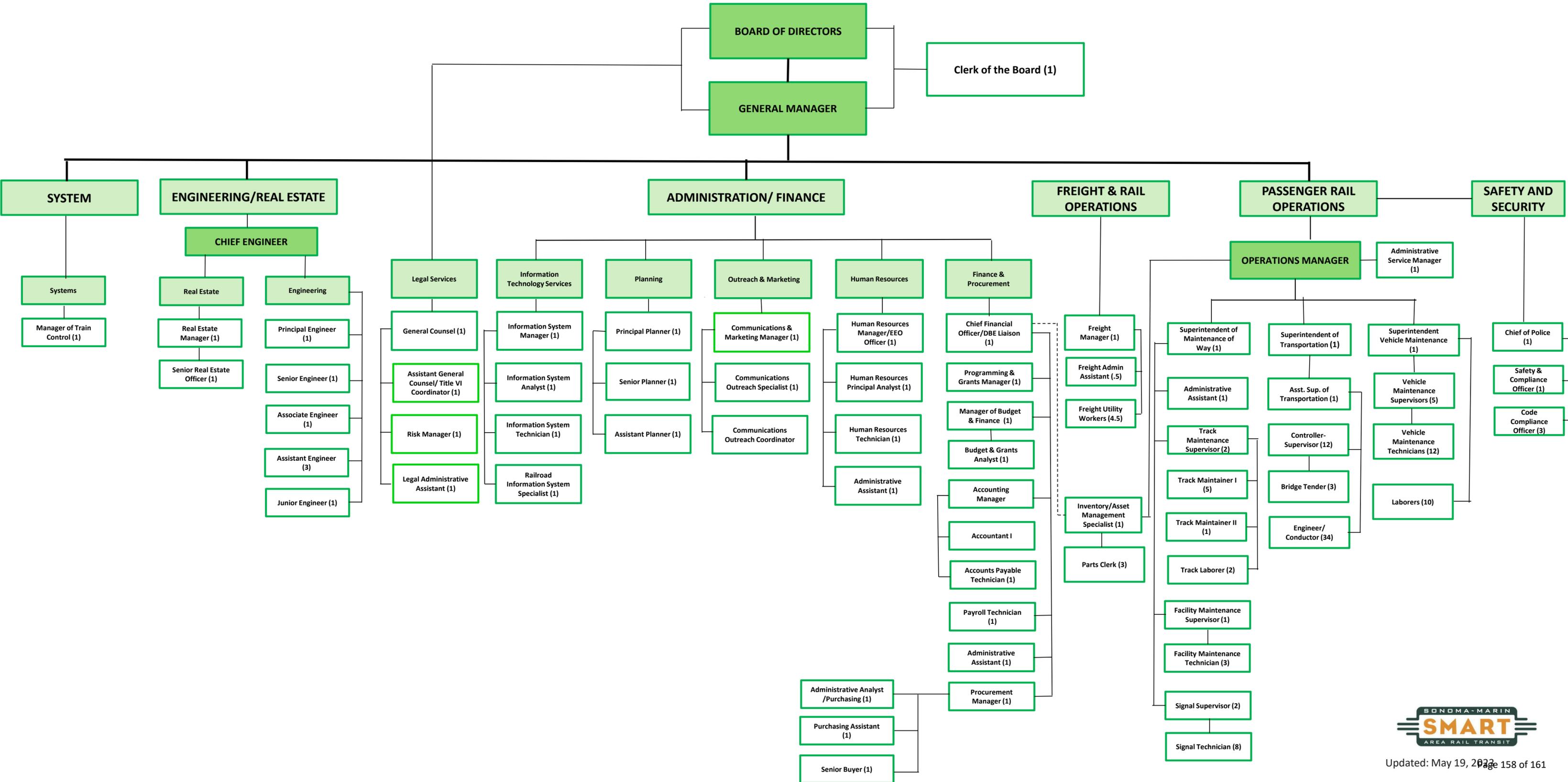
APPENDIX F: APPROPRIATION CALCULATION

	FY 22	FY 22	FY 23
Beginning Limit	\$146,414,925	\$152,544,355	\$163,175,521
Per Capita Increase in Cost of Living	1.0573	1.0755	1.0444
Population Change	0.9854	0.9946	.9947
County Used for Population Change	Sonoma	Sonoma	Sonoma
Total	\$152,544,355	\$163,175,521	\$169,517,286

* Per Government Code §7901, special districts located in two or more counties, such as SMART, may choose to use the change in population for the portion of the district which has the highest assessed valuation.

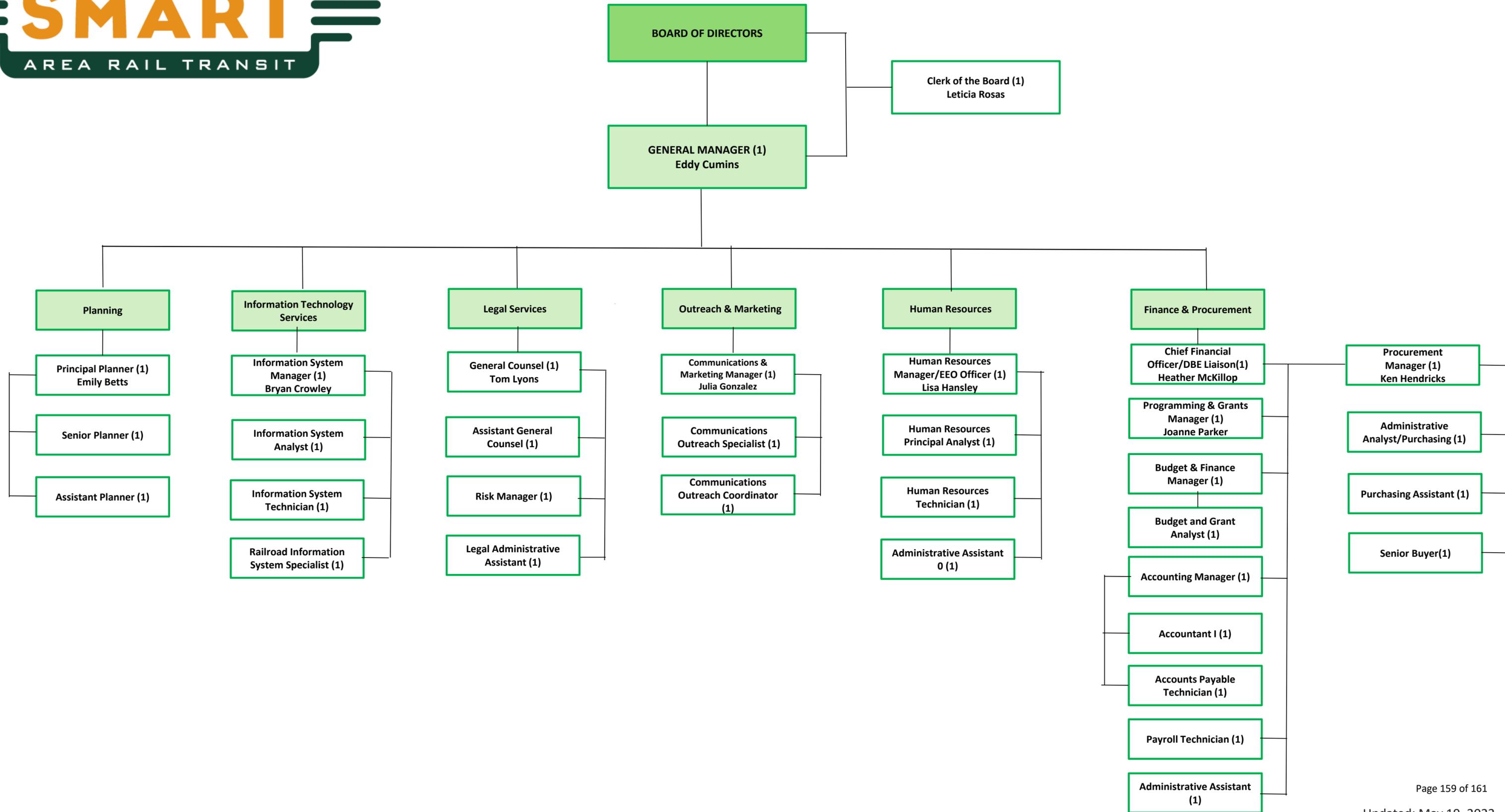
APPENDIX G - ORGANIZATION CHART

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT - ORGANIZATION CHART



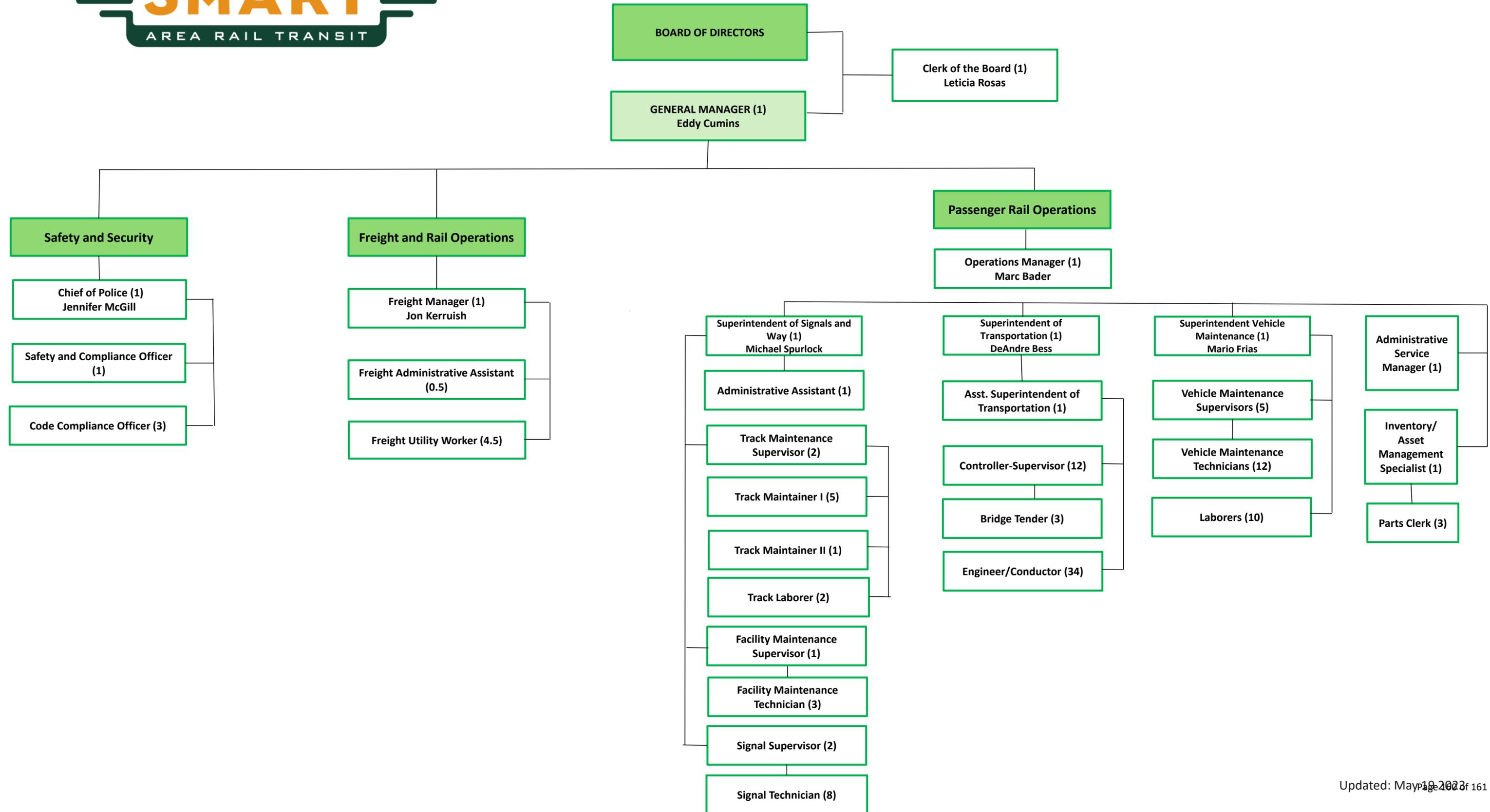


ADMINISTRATION/FINANCE ORGANIZATION CHART





OPERATIONS ORGANIZATION CHART





CAPITAL ORGANIZATION CHART

