



CITIZENS OVERSIGHT COMMITTEE MEETING

May 28, 2025 – 1:30 PM

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

Members of the public who wish to attend in person may do so at:

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

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

HOW TO WATCH THE LIVE MEETING USING THE ZOOM

<https://sonomamarintrain-org.zoom.us/j/86106089165?pwd=0AzMqhvsBQawhHwBsErmcESCOkiOs.1>

Webinar ID: 861 0608 9165

Passcode: 713200

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 0608 9165; Passcode: 713200

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 COC@SonomaMarinTrain.org by 5:00 PM on *Tuesday, May 27, 2025*.

During the Meeting:

The 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.



CITIZENS OVERSIGHT COMMITTEE MEETING
MEETING AGENDA
May 28, 2025 – 1:30 PM

Members of the public who wish to attend in person may do so at:

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

1. Call to Order
2. Approval of March 26, 2025 Minutes
3. COC Members Announcements
4. General Manager's Report
5. Public Comment on Non-Agenda Items
6. Fiscal Year 2025-26 Draft Budget – *Presented by Chief Financial Officer, Heather McKillop*
7. Next Meeting of the Citizens Oversight Committee, **September 24, 2025** – 1:30pm – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 95492
8. Adjournment

ACCOMMODATION:

Public participation is solicited without regard to race, color, national origin, age, sex, gender identity, religion, disability or family status. Upon request, SMART will provide for written agenda materials in appropriate alternative formats, disability-related modification or other accommodation, to enable individuals 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.



**CITIZENS OVERSIGHT COMMITTEE
MEETING MINUTES**

March 26, 2025 – 1:30pm

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

1. Call to Order [0:39 Minutes Mark on the Video Recording]

Chair Sheehan-Meyer called the meeting to order at 1:30pm. Members Engdahl, Hagerty, Larrabure, McCubbin, Mann, Nachor, and Reyes Diaz present. Member Johnson absent.

2. New COC Member Introductions – *Presented by Clerk of the Board, Leticia Rosas* [1:39 Minutes Mark on the Video Recording]

Clerk of the Board, Leticia Rosas introduced four new COC members and one re-appointment: Richard Gregory Johnson, Matthew Larrabure, Emma Mann, Jefferson Reyes Diaz and re-appointee Dani Sheehan Meyer.

Chair Sheehan-Meyer acknowledged past COC members: Sherry Adams, Lucy Dilworth, Zachary Kushel, and Conor McKay.

3. Elections of Chairperson and Vice-Chairperson for Two (2) Year Terms – *Presented by Clerk of the Board* [7:10 Minutes Mark on the Video Recording]

Clerk of the Board, Leticia Rosas provided an overview presentation, which is located on SMART's website: Highlights include:

Elections of Chair/Vice Chair Responsibilities

- Duties of the Chairperson
- Duties of the Vice-Chairperson
- Chairperson Nominations
- Chairperson Elections
- Vice-Chairperson Nominations
- Vice-Chairperson Elections

Clerk of the Board, Leticia Rosas asked for Chairperson nominations. Member McCubbin nominated Dani Sheehan-Meyer for Chair and Thomas Engdahl for Vice-Chair. Member Hagerty second. The **MOTION** carried 8-0

4. Approval of November 13, 2024 [10:00 Minutes Mark on the Video Recording]

MOTION: COC Minutes approved as presented. The motion carried 5-0 (Member Johnson absent; Members Larrabure, Mann and Reyes Diaz abstained).

5. COC Members Announcements [11:00 Minutes Mark on the Video Recording]

None

6. General Manager's Report [11:20 Minutes Mark on the Video Recording]

General Manager Cumins provided a PowerPoint presentation, which is posted on SMART's website. Highlights include:

- Ridership Update
- Upcoming Service Improvements
- Pathway Opening Events
- Windsor Extension Update
- 2026 Election Cycle
- National Transit Appreciation
- Questions

Comments [28:50 Minutes Mark on the Video Recording]

7. Public Comments on Non-Agenda Items [1:02:36 Minutes Mark on the Video Recording]

None

8. Fiscal Year 2025-26 Budget Timeline – *Presented by Chief Financial Officer, Heather McKillop* [1:03:00 Minutes Mark on the Video Recording]

Chief Financial Officer, Heather McKillop provided an overview annual budget presentation, which is posted on SMART's website. Highlights include:

Introduction – FY 2025/2026 Budget

- Strategic Plan
- Strategies – Ridership, Pathway, Extensions and Freight
- Revenue
- FY 2026 Expenditures
- State of Good Repair
- Timeline

Comments [1:19:00 Minutes Mark on the Video Recording]

9. Next Meeting of the Citizens Oversight Committee, **May 28, 2025** – 1:30pm – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 95492
10. Adjournment - Meeting adjourned at 2:54pm.

Respectfully submitted,

Leticia Rosas
Clerk of the Board

Approved on: _____



DATE: May 28, 2025

TO: Citizens Oversight Committee Members

FROM: Heather McKillop, Chief Financial Officer

SUBJECT: Fiscal Year 2025-26 Draft Budget

RECOMMENDATION: Information and Discussion

The Fiscal Year 2026 Draft Budget is being presented to the Citizen’s Oversight Board for review and comment.

Passenger Rail and Pathways

The Fiscal Year 2026 revenue estimate for passenger rail and pathways totals \$81.9 million compared to \$124.4 million in Fiscal Year 2025. Of the \$81.9 million, \$5.7 million is anticipated federal and state project specific capital grants for construction. State and Federal grants provide \$18.6 million support to the Fiscal Year 2025 operating budget and state of good repair. The \$18.6 million includes \$5.6 million from 5337 Federal State of Good Repair Funds, which are being received in Fiscal Year 2026 for the first time.

Overall expenditures have decreased in Fiscal Year 2026 due to completion of a large capital construction program in Fiscal Year 2025, which included the Petaluma North Station, three pathway segments, and the Windsor Station and Extension. The engineering and construction project costs are \$62 million less than in Fiscal Year 2025.

Fund Balance	FY25 Amended Budget	FY26 Budget	Difference
Beginning Fund Balance	\$ 81,342,877	\$ 61,508,650	\$ (19,834,227)
Revenues			
Revenues	FY25 Amended Budget	FY26 Budget	Difference
SMART S&U Tax	\$ 53,570,427	\$ 50,899,964	\$ (2,670,463)
Federal Funds	\$ 8,444,271	\$ 11,273,703	\$ 2,829,432
State Funds	\$ 54,788,550	\$ 12,985,431	\$ (41,803,119)
Regional Funds	\$ 1,276,000	\$ 1,048,400	\$ (227,600)
Other Sources	\$ 6,333,036	\$ 5,733,161	\$ (599,875)
Total Revenues	\$ 124,412,284	\$ 81,940,659	\$ (42,471,625)
Expenditures			
Expenditures	FY25 Amended Budget	FY26 Budget	Difference
Debt Service	\$ 16,904,116	\$ 16,996,844	\$ 92,728
Salaries & Benefits	\$ 28,822,096	\$ 30,418,226	\$ 1,596,130
- Reduction for Salaries Charged to Projects	\$ (1,655,611)	\$ (1,663,687)	\$ (8,076)
- Reduction for Admin Salaries and Services to Freight	\$ (32,895)	\$ (34,944)	\$ (2,049)
Services & Supplies	\$ 19,367,741	\$ 18,238,151	\$ (1,129,590)
Contribution to OPEB/CalPERS Liability Fund	\$ 1,000,000	\$ 750,000	\$ (250,000)
Vehicle/Equipment Capital Reserve	\$ 2,000,000	\$ 1,000,000	\$ (1,000,000)
Operating Reserve	\$ 450,346	\$ 1,231,027	\$ 780,681
Projects			
Non-Capital	\$ 4,632,481	\$ 4,658,214	\$ 25,733
State of Good Repair	\$ 1,164,218	\$ 8,831,723	\$ 7,667,505
Equipment	\$ 886,108	\$ 2,419,000	\$ 1,532,892
Facilities	\$ 65,944,804	\$ 6,459,886	\$ (59,484,918)
Infrastructure	\$ 2,484,052	\$ -	\$ (2,484,052)
Non-Revenue Vehicles	\$ 971,305	\$ 346,000	\$ (625,305)
Land Acquired	\$ 1,307,750	\$ -	\$ -
Total Expenditures	\$ 144,246,511	\$ 89,650,440	\$ (53,288,321)
Fund Balance			
Fund Balance	FY25 Amended Budget	FY26 Budget	Difference
Final Fund Balance	\$ 61,508,650	\$ 53,798,869.56	\$ (7,709,780.54)

Freight Rail

In Fiscal Year 2026, total revenues are estimated at \$2.6 million and total expenditures are estimated at \$2.6 million. The estimated fund balance at the end of Fiscal Year 2026 is estimated to be \$0.

Comments on the Draft Budget

The draft Fiscal Year 2026 budget was posted on SMART's website on Friday, May 9, 2025, and was sent to the over 9,400 individuals that are signed up to receive SMART related

information. Members of the public can also view the budget in person at SMART's main office at the address below. Public comments will be accepted until 5:00pm Monday, June 2, 2025. Comments can be emailed to Claire Springer, Budget and Finance Manager at cspringer@sonomamarintrain.org or sent to:

Sonoma-Marín Area Rail Transit District
Attn: Claire Springer
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

The SMART Board of Directors will be asked to adopt the final budget at their meeting on Wednesday, June 18, 2025. All comments, and whether they have been incorporated into the final budget, will be reported to the SMART Board of Directors at that meeting.

Attachment(s): Draft Fiscal Year 2026 Budget



Draft Proposed Fiscal Year 2025/2026 Budget

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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.

Chris Coursey – Chair

Sonoma County Board of Supervisors

Mary Sackett – Vice Chair

Marin County Board of Supervisors

Janice Cader Thompson
Sonoma County Mayors' and
Councilmembers Association

Kate Colin
Transportation Authority of Marin

Victoria Fleming
Sonoma County Mayors' and
Councilmembers Association

Patty Garbarino
Golden Gate Bridge, Highway and
Transportation District

Ariel Kelley
Sonoma County Mayors' and
Councilmembers Association

Eric Lucan
Marin County Board of Supervisors

Mark Milberg
Transportation Authority of Marin

Barbara Pahre
Golden Gate Bridge Highway/Transportation
District

Gabe Paulson
Marin County Council of Mayors and
Councilmembers

David Rabbitt
Sonoma County Board of Supervisors

Sonoma-Marin Area Rail Transit Executive Management Team

Eddy Cumins
General Manager

Jessica Sutherland
General Counsel

Bill Gamlen
Chief Engineer

Heather McKillop
Chief Financial Officer

Marc Bader
Chief Operating Officer

About SMART

The Sonoma-Marín Area Rail Transit (SMART) District was established by the California Legislature with the authorization of Assembly Bill 2224 in 2002. The SMART District includes Sonoma and Marin Counties and was created to provide the unified and comprehensive structure for ownership and governance of the passenger and freight rail system within Sonoma and Marin Counties, as well as to provide passenger and freight train service along the existing publicly owned railroad right-of-way.

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

In March of 2022, SMART assumed the right-of-way between Healdsburg and the Mendocino County line from the North Coast Rail Authority (NCRA) and the freight operations on the Brazos Branch from the Northwestern Pacific Railroad Company (NWPCo), the service operator from Napa County to Petaluma since 2011.

Passenger rail service is provided by diesel multiple unit (DMU) rail vehicles utilizing one of the first Positive Train Control systems for passenger rail. In late 2019, two new stations were built in Downtown Novato and Larkspur, facilitating connection to the regional Ferry to San Francisco. These two stations in Marin County brought rail service to its current total of 45 miles. In January of 2025, SMART opened its newest infill station, Petaluma North, for a total of 13 passenger stations. The rail and pathway extension to Windsor will open in June of 2025, and will increase the number of passenger stations to 14 and the length of SMART's system to 48 miles.

SMART is currently operating at its highest levels of service ever, with 42 weekday trips and 16 weekend trips.

As of 2024, SMART and partner agencies had constructed 28 miles of bicycle/pedestrian pathway, including 21 miles of Class I pathway, on its right-of-way. The pathway connects to the stations where cyclists can find secure parking or can bring their bicycles on-board the train. With the additions opened in 2025, SMART has added 9.2 miles, for a total length of pathway of 37.2 miles.

SMART's History

2002	The SMART District 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 weekday trips and 10 weekend trips
October 2017	Tubbs Fire
January 2019	SMART reaches the One Millionth Rider mark
February 2019	Area flooding
October	Kincade Fire

December 2019	Larkspur Extension and Downtown Novato Station open
January 2020	Service increases to 38 weekday trips
March 2020	COVID-19 Shelter-in-Place orders; weekday trips reduced to 16 and weekend service annulled
August 2020	LNU Lighting Complex Fires
May – June 2021	Fares lowered by 40%; 10 additional weekday trips are added for a total of 26 weekday trips; Saturday service returns
March 2022	Assumed freight operations from the Northwestern Pacific Railroad Company (NWPCo.)
June 2022	Additional 10 weekday trips added for a total of 36 weekday trips
September 2022	Launched real-time map and arrival prediction tool on SMART website
October 2022	Additional two weekday trips are added for a total of 38 weekday trips
June 2023	Launched free Summer Youth Pass
June 2023	Commenced new SMART Connect service at Sonoma Co. Airport Station
July 2023	Reduced 31-day pass price by 15% to reflect hybrid work schedule of 3 days a week in office
October 2023	Added one weekend round trip for total of 16 weekend trips
November 2023	Groundbreaking for Petaluma North Station and pathways
November 2023	Secured funding to complete previously suspended work on the Windsor Extension and re-engaged contractors
January – March 2024	Strategic Plan listening sessions held to inform the Strategic Plan update
April 2024	Youth and Seniors Ride Free Program implemented
June 2024	Launched SMART Connect shuttle at Larkspur
August 2024	Additional four weekday trips added for a total of 42 weekday trips
December 2024	SMART's 2025-2030 Strategic Plan adopted
January 2025	Opened Petaluma North Station and completed the McDowell Boulevard grade crossing and paving work
January 2025	McInnis Pathway construction completed and pathway opened
June 2025	Pathway segments from South Point Boulevard in Petaluma to Main Street in Penngrove and from Golf Course Drive in Rohnert Park to Bellevue Avenue in Santa Rosa to open to the public
June 2025	Windsor Extension to be completed, Windsor Station to open
June 2025	Pathway segment from Airport Boulevard in Santa Rosa to Windsor Road in Windsor to open as part of the Windsor Extension project
June 30, 2025	Healdsburg Extension Progressive Design-Build bid closing

SMART's Passenger Rail and Pathway System

System Statistics

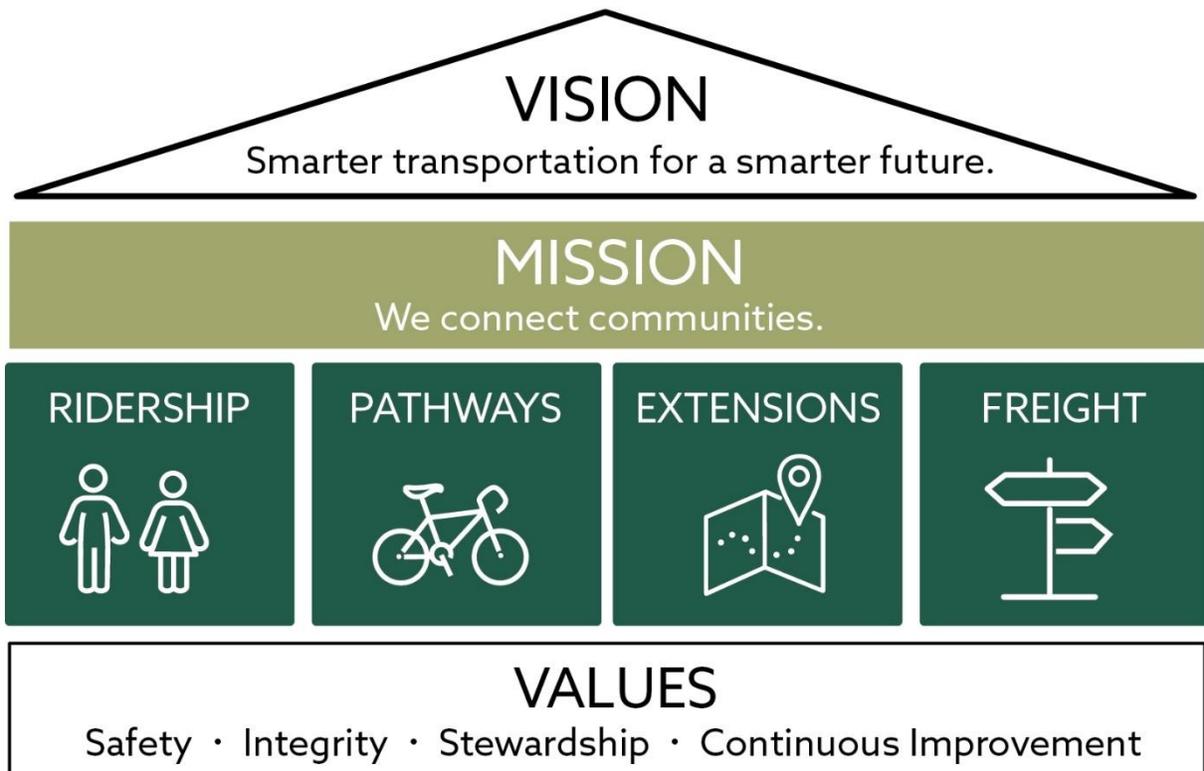
- Forty-eight (48) miles rail corridor – connecting the Larkspur Ferry to the Town of Windsor
- Twenty-one (21) miles of thirty-nine (39) miles of pathway opened by the end of June 2025 and maintained by SMART, providing a first/ last mile connection to the rail corridor
- Fourteen (14) stations constructed and open as of the end of June 2025
- Seven (7) park-n-ride lots (inclusive of Windsor)
- Seventy-four (74) public crossings
- Thirty-five (35) bridges
- Two (2) tunnels
- Fleet of eighteen (18) Diesel Multiple Units (DMUs)





SMART’s Mission, Vision, and Values

In Fiscal Year 2022, the Board of Directors established and approved SMART’s Vision, Mission, Objectives, and Values. In Fiscal Year 2023, strategies for these objectives were developed and presented. In Fiscal Year 2025, guided by the Citizen’s Oversight Committee, the Board of Directors approved the Strategic Plan 2025-2030, which identifies a robust set of strategies to achieve identified goals around SMART’s four pillars: Ridership, Pathways, Extensions, and Freight. SMART’s 2025-2030 Strategic Plan incorporated many of the existing SMART services, projects, and initiatives funded and implemented in Fiscal Years 2024 and 2025, while identifying new strategies and actions to guide the agency through 2030.



Fiscal Year 2025 Progress Toward SMART’s Goals

While the Strategic Plan was adopted in the second quarter of Fiscal Year 2025, the 2025 Budget was developed to support and implement its core goals. The following sections present the projects delivered under each of the four strategic objective areas.

Ridership

The Fiscal Year 2025 Budget aimed to increase ridership through a range of initiatives, including the opening of new stations as the system moves to full buildout. As such, SMART entered the new year by opening the Petaluma North Station, the City of Petaluma’s second station. In June

of 2025, the Windsor Station is slated to open, extending the system an additional three miles to the north. This marks a significant milestone in SMART's development, and the first extension of the SMART system since the Larkspur Station opened in 2019. This station adds Windsor into the SMART network and completes a project that began back in 2019, which was then suspended in 2020, and then reactivated in 2023. While ridership has been increasing steadily over the last several years, these new connections will bring a wave of new users to SMART.

SMART increased its service in Fiscal Year 2025 by implementing two additional weekday round trips, bringing the total number of weekday trips to forty-two (42). This increased number of trains during weekdays better serves community members traveling for work, school, or leisure. Through the strategic addition of service, SMART has increased both peak hour and off-peak ridership in FY25. SMART continued to provide additional service for events like the Marin County Fair, Giants games, and the Butter and Eggs Festival.

The Youth and Seniors Ride Free program began in April 2024 and has led to increases in youth, senior, and adult ridership. Comparing ridership data for March 2024 and March 2025, SMART saw an increase in youth ridership of 130%, an increase in senior ridership of 71%, and an increase in adult riders of 11%. Youth and seniors now make up an estimated 42% of SMART riders, mirroring the demographic patterns in Sonoma and Marin Counties. The increased ridership among both fare-paying and free-fare riders points to the success of this program and other efforts to grow ridership.

The SMART Shuttle added a second location in June of 2024 with the SMART Connect Larkspur Shuttle, linking the Larkspur station to the Ferry Terminal. This is in addition to the already existing SMART Connect Airport Shuttle, that connects SMART's Airport Station with the Sonoma County Airport. The Larkspur Shuttle is funded through a partnership between SMART, the Golden Gate Bridge Highway and Transportation District, and the Transportation Authority of Marin. While the initial offering of the Larkspur Shuttle was four days a week, positive customer feedback led to an expansion of service in April 2025 to seven days a week. Both shuttles now operate daily, providing SMART riders with an integral first and last mile connection.

To further increase ridership, SMART has closely monitored the system to improve its service and enhance rider experience. The rollout of real-time Public Information Display Signs occurred over the winter, and now provide the public with real-time information on train arrival times at every station platform. Working with partner agencies, SMART has collaborated to facilitate regional connectivity through the Marin-Sonoma Coordinated Transit Service Plan (MASCOTS) to integrate public transportation service in the North Bay. SMART has increased coordination efforts with transit providers to improve bus and ferry connections and adjust wherever necessary and possible. As a result of these projects, services, programs, and enhancements, SMART is currently outpacing its Fiscal Year 2025 ridership estimate of 904,200 riders and is on course to surpass 1,000,000 annual riders for the first time since its inception.

Pathway

The Fiscal Year 2025 Budget funded the design and construction of several pathway segments. The McInnis to Smith Ranch pathway segment was opened in January, adding 0.9 miles of

multi-use pathway for public use. In June of 2025, SMART will open two pathway segments filling in gaps in Sonoma County, from Southpoint Boulevard in Petaluma to Main Street in Penngrrove and from Golf Course Drive in Rohnert Park to Bellevue Avenue in Santa Rosa. These two segments increased the pathway mileage by 5.6 miles. The Windsor Extension adds three miles of pathway from Airport Boulevard in unincorporated Santa Rosa to Windsor River Road in Windsor. Completing these segments substantially advances SMART's progress toward building a continuous pathway for the public that provides a connections to SMART stations and the communities in the North Bay for cyclists and pedestrians.

The Joe Rodota to Third Street pathway segment in Santa Rosa had planned to commence construction in Fiscal Year 2025, but due to increased project costs, construction was postponed until those funding challenges could be addressed. Funds have been allocated in the Fiscal Year 2026 budget and the project has been combined with City of Santa Rosa work, as well as work requested and funded by a private developer to take advantage of economies of scale.

Two segments – from Guerneville Road to Airport Boulevard in Santa Rosa and from Hanna Ranch Road to Vintage Way in Novato – were planned to start construction in Fiscal Year 2025, but are moving into the construction phase in Fiscal Year 2026 due to funding and permitting requirements. The Puerto Suello pathway design project was procured and initiated in Fiscal Year 2025 and will continue work into the new fiscal year. There are remaining pathway segments in Marin and Sonoma Counties that are still in the design stage, which will continue into Fiscal Year 2026.

Extensions

In Fiscal Year 2025, SMART completed and opened the Petaluma North Station and the Windsor Extension, significantly expanding SMART's system, bringing rail service and pathways to the residential communities in northern Petaluma and Windsor.

SMART had planned to enter the design phase of the Healdsburg Extension in Fiscal Year 2025. The development of the progressive design-build strategy has required significant staff time, and therefore the procurement and award stage of the process will extend into Fiscal Year 2026. Currently, Fiscal Year 2026 only includes funding initiation of the project.

During Fiscal Year 2025, SMART succeeded in having the Plan Bay Area amended to include SMART system extensions north to Healdsburg and Cloverdale. Securing the inclusion of SMART's extensions in Plan Bay Area was a key action outlined in the Strategic Plan, and it makes the Healdsburg and Cloverdale extensions eligible for regional design and construction funding.

SMART is involved in planning activities related to the East/West Rail Highway 37 Corridor Project and will continue to participate in corridor activities. Working with partners, SMART seeks to incorporate rail into the corridor project. SMART's engineering team is working with Caltrans on a rail service plan analysis.

Freight

In Fiscal Year 2025, the Freight Division secured \$4 million of funding through the State of California for operations, capital, and State of Good Repair projects. While not the \$10 million that had been hoped for, this amount will allow freight to move into the Fiscal Year 2026 without immediate fiscal pressure. The new funds allowed additional projects to be added in Fiscal Year 2025 for maintenance of three of the bridges. In Fiscal Year 2025, the timbers were purchased to address long lead times, and the engineering department has prepared documents to allow for the procurement of the bridge maintenance agreement. These will begin construction in Fiscal Year 2026.

Additionally, SMART partnered with Caltrans to complete the grade crossing repair in front of the Schellville Depot in Fiscal Year 2025.

The freight division of SMART continues to seek out additional customers and ways to increase revenue. Freight's storage customer is currently storing cars at its Schellville location. While overall freight has held steady in revenue generation, it is actively working to advance strategies to increase its revenues.

Performance Measures – National Transit Database (NTD)

After data reporting was required by Congress in 1974, the Federal Transit Administration's National Transit Database (NTD) was set up as the system of record to track the financial, operating and asset conditions of American transit systems. The NTD records the financial, operating, and asset condition of transit systems helping to keep track of the industry and provide publicly available information and statistics. The NTD is designed to support local, state and regional planning efforts and to help governments and other decision-makers make multi-year comparisons and trend analyses. It contains a wealth of information such as agency funding sources, inventories of vehicles and maintenance facilities, safety event reports, measures of transit service provided and consumed, and data on transit employees.

FTA uses NTD data to apportion funding to urbanized and rural areas in the United States. Transit agencies report data on a number of key metrics including Vehicle Revenue Miles (VRM), Vehicle Revenue Hours (VRH), Passenger Miles Traveled (PMT), Unlinked Passenger Trips (UPT), and Operating Expenses (OE).¹

SMART reports our information to NTD in October of each year for the previous fiscal year after the completion of the annual financial audit

¹ <https://www.transit.dot.gov/ntd>

NTD Metrics	2020	2021	2022	2023	2024
Boardings	567,103	122,849	354,328	640,099	850,270
Vehicle Revenue Miles	821,415	398,291	679,245	977,309	1,013,842
Passenger Miles	13,516,234	3,148,345	7,855,912	13,922,153	18,401,990
Operating Expense	\$ 28,757,008	\$ 24,833,822	\$ 27,834,598	\$ 30,585,066	\$ 35,581,765
Operating Cost per Vehicle Revenue Mile	\$ 35.01	\$ 62.35	\$ 40.98	\$ 31.30	\$ 35.10
Operating Cost per Passenger Mile	\$ 2.13	\$ 7.89	\$ 3.54	\$ 2.20	\$ 1.93
Passenger Trips per Vehicle Revenue Mile	0.7	0.3	0.5	0.7	0.8
Investment Per Passenger Mile (IPPM) = (Cost - Fare/ Passenger Miles)	\$ 1.90	\$ 7.66	\$ 3.38	\$ 2.07	\$ 1.81
Fare Revenues	\$ 3,090,457	\$ 706,938	\$ 1,283,112	\$ 1,800,747	\$ 2,192,253
Farebox Recovery (Fare Revenues/Operating Expense)	11%	3%	5%	6%	6%
Average Fare (Fares/ Boardings)	\$ 5.45	\$ 5.75	\$ 3.62	\$ 2.81	\$ 2.58
Cost per Boarding (Operating Expense/ Boardings)	\$ 50.71	\$ 202.15	\$ 78.56	\$ 47.78	\$ 41.85
Subsidy per Boarding [(Cost - Fare)/ Boardings]	\$ 45.00	\$ 196.39	\$ 74.93	\$ 44.97	\$ 39.27

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

Fiscal Year 2026 – Budgeting for Success: Developing a Budget that Advances the Strategic Plan Goals

The five-year Strategic Plan provides a financial roadmap for achieving SMART’s goals, as it informs the allocation of resources, investment decisions, and budgeting strategies needed to execute those goals. With each annual budget, SMART assesses requirements to meet its obligations, namely debt service, reserves, as well as operations and maintenance expenditures. After funding these obligations, SMART evaluates revenues for capital and state of good repair projects. SMART leadership and finance staff look at specific projects and initiatives requested to determine how they fit into the priorities set by the Strategic Plan across capital, operating, and administrative budgets. While many of the plan’s actions are already partially or fully funded, other activities and initiatives have not yet have received funding, either from outside sources or internal Measure Q funds.



Figure 3: Strategic Plan-Budget Feedback Loop

For the Fiscal Year 2026 Budget, funding was prioritized as detailed here to ensure that the budget supports the implementation of the Strategic Plan. Listed below are the Strategic Plan's five-year goals and the strategies that inform the Fiscal Year 2026 Budget.

Ridership Goal: Increase to 5,000 riders per day

Strategies to advance this goal in Fiscal Year 2026:

- Maintain SMART's system at the utmost state of good repair, providing reliability, safety, cleanliness, and accessibility for all riders
- Work with other transit providers to improve connections for easier first/last mile
- SMART Connect Shuttle service 7 days a week for improved first/last mile
- Continue affordable and user-friendly fare programs through the extension of the Youth and Seniors Fare Free program
- Complete SMART's Quality of Life Study
- Enrich the customer experience with an upgrade to the SMART website
- Continue monitoring the system/ridership and adjusting where necessary
- FY26 Ridership estimate: 1,120,000

Pathway Goal: Maintain existing pathway, design and construct planned pathway, enhance user experience

Strategies to advance this goal in Fiscal Year 2026:

- Maintain the existing pathway in a state of good repair
- Construct Joe Rodota to Third Street segment
- Complete preliminary design work for the Puerto Suello Tunnel segment
- Initiate construction of Hanna Ranch to Vintage Way in Novato and Guerneville to Airport in Santa Rosa pathway segments
- Complete design and permitting stage of pathways, ensure all segments are shovel ready
- Pursue grant funding for unfunded segments
- Brainstorm ways to improve pathway for users, and investigate possible funding partners
- Expand the information available about the pathway on SMART's website

Extension Goal: Complete system extension to Cloverdale and explore planning the development of east/west alignment

Strategies to advance this goal in Fiscal Year 2026:

- Healdsburg Extension – award progressive design-build contract, initiate first package(s)
- Pursue funding for extension north to Cloverdale
- East/ West Rail
 - Continue participation in Highway 37 corridor activities
 - Work with partners to incorporate rail into the project
 - Complete Caltrans rail service plan analysis
 - Continue to partner with Caltrans and FRA Corridor ID Program through SMART East-West project development and subsequent phases

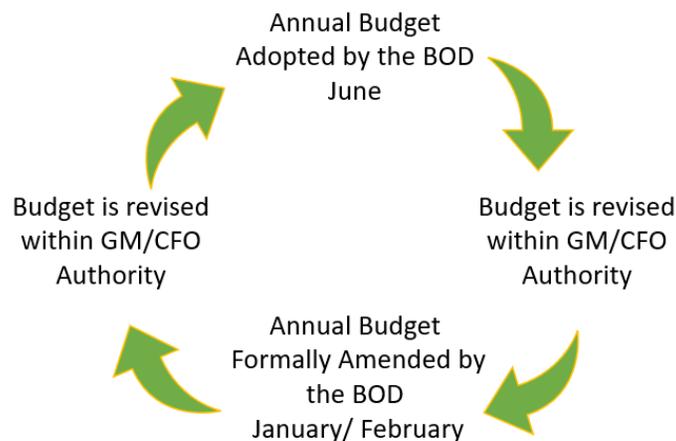
Freight Goal: Ensure long-term sustainability of freight operations

Strategies to advance this goal in Fiscal Year 2026:

- Market freight and storage opportunities at SMART to acquire new business and increase annual revenue
- Leverage storage track at Schellville and Burdell
- Promote transload opportunities at Victory Station (Schellville)
- Evaluate potential fee increase
- Conduct required maintenance on bridges, track, crossings, equipment, and other components of the freight operation

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.

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. In the event that total expenditures need to be increased, a budget amendment must 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.

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 funder 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 Engineering Projects Fund
60	Freight

BUDGET OVERVIEW

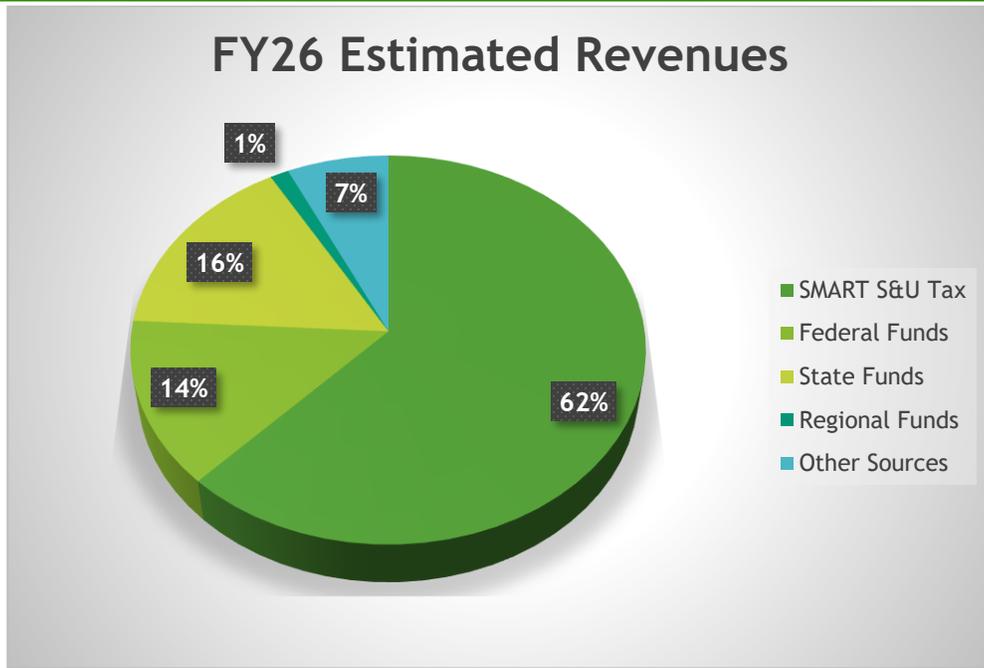
Passenger

The Fiscal Year 2026 revenue estimate for passenger rail and pathways totals \$81.9 million. Compared to \$124.4 million in Fiscal Year 2025, Fiscal Year 2026 revenues appear lower because many large capital construction projects were completed as of the end of Fiscal Year 2025. For example, revenues related to design and construction projects for pathways and extensions total \$7.5 million in Fiscal Year 2026 as compared to \$43.3 million in Fiscal Year 2025.

SMART will receive Federal 5337 funds for State of Good Repair projects in this fiscal year, allowing the agency to undertake necessary maintenance, replacement, and rehabilitation projects. These 5337 funds in the amount of \$5.6 million are in addition to the State and Federal grants which provide \$12.5 million of formula funds to support to the Fiscal Year 2026 operating budget.

Revenues	FY25 Amended Budget	FY26 Budget	Difference
SMART S&U Tax	\$ 53,570,427	\$ 50,899,964	\$ (2,670,463)
Federal Funds	\$ 8,444,271	\$ 11,273,703	\$ 2,829,432
State Funds	\$ 54,788,550	\$ 12,985,431	\$ (41,803,119)
Regional Funds	\$ 1,276,000	\$ 1,048,400	\$ (227,600)
Other Sources	\$ 6,333,036	\$ 5,733,161	\$ (599,875)
Total Revenues	\$ 124,412,284	\$ 81,940,659	\$ (42,471,625)
Expenditures	FY25 Amended Budget	FY26 Budget	Difference
Debt Service	\$ 16,904,116	\$ 16,996,844	\$ 92,728
Salaries & Benefits	\$ 28,822,096	\$ 30,418,226	\$ 1,596,130
- Reduction for Salaries Charged to Projects	\$ (1,655,611)	\$ (1,663,687)	\$ (8,076)
- Reduction for Admin Salaries and Services to Freight	\$ (32,895)	\$ (34,944)	\$ (2,049)
Services & Supplies	\$ 19,367,741	\$ 18,238,151	\$ (1,129,590)
Contribution to OPEB/CalPERS Liability Fund	\$ 1,000,000	\$ 750,000	\$ (250,000)
Vehicle/Equipment Capital Reserve	\$ 2,000,000	\$ 1,000,000	\$ (1,000,000)
Operating Reserve	\$ 450,346	\$ 1,231,027	\$ 780,681
Projects			
Non-Capital	\$ 4,632,481	\$ 4,658,214	\$ 25,733
State of Good Repair	\$ 1,164,218	\$ 8,831,723	\$ 7,667,505
Equipment	\$ 886,108	\$ 2,419,000	\$ 1,532,892
Facilities	\$ 65,944,804	\$ 6,459,886	\$ (59,484,918)
Infrastructure	\$ 2,484,052	\$ -	\$ (2,484,052)
Non-Revenue Vehicles	\$ 971,305	\$ 346,000	\$ (625,305)
Land Acquired	\$ 1,307,750	\$ -	\$ -
Total Expenditures	\$ 144,246,511	\$ 89,650,440	\$ (53,288,321)

Revenues



DRAFT

Fiscal Year 2026 Estimated Revenues

Revenues by Funding Sources	FY 26
Sales and Use Tax	
Measure Q	\$ 46,265,300
Measure Q Cost of Collection	\$ (683,796)
Net Sales & Use Tax	\$ 45,581,504
Measure Q Roll forward	\$ 3,818,460
Transfer from Reserve Funds	\$ 1,500,000
Subtotal	\$ 50,899,964
Federal Funds	
5307 - Urbanized Area Formula Funds	\$ 3,848,178
5337 - Federal State of Good Repair Funds	\$ 5,642,175
Community Project Funds - Discretionary Earmark	\$ 1,520,000
Quick Strike (CMAQ) McInnis to Smith Ranch Rd Pathway	\$ -
FRA - Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$ -
FRA - Suicide Prevention Grant	\$ -
FTA/ OBAG 2 - Hanna Ranch to Vintage Way	\$ 91,600
FTA/ OBAG 3 - Hanna Ranch to Vintage Way	\$ 171,750
Subtotal	\$ 11,273,703
State Funds	
AHSC - Affordable Housing and Sustainable Communities	\$ 1,610,000
Caltrans Sustainability Communities Competitive Planning Grant	\$ 159,354
ITIP - Complete Streets	\$ 896,000
LCTOP - Low Carbon Transit Operating Program	\$ 760,918
LPP - Local Partner Program	\$ 727,443
SB1 - SRA - State Rail Assistance	\$ 3,500,000
STA - State of Good Repair (SGR)	\$ 340,634
STA - State Transit Assistance (Revenue)	\$ 2,094,129
STA - State Transit Assistance (Population)	\$ 1,266,953
TIRCP - Windsor to Healdsburg (Design)	\$ 1,380,000
State Funds - Shuttle Service	\$ 250,000
Subtotal	\$ 12,985,431
Regional Funds	
RM3 - Civic Center Kiss-n-Ride	\$ 224,000
RM3 - Hanna Ranch to Vintage Way	\$ 824,400
Subtotal	\$ 1,048,400
Other Sources	
Advertising	\$ 175,000
Charges for Services	\$ 112,851
Fares - Passenger Rail	\$ 2,541,000
Fares - Shuttle	\$ 2,000
Interest Earning	\$ 800,000
Misc.	\$ 55,885
Parking	\$ 17,580
Rent - Real Estate	\$ 494,025
Other Governments/ Private Sector	\$ 1,534,821
Subtotal	\$ 5,733,161
Total Revenues	\$ 81,940,659

THE FLOW OF FUNDING

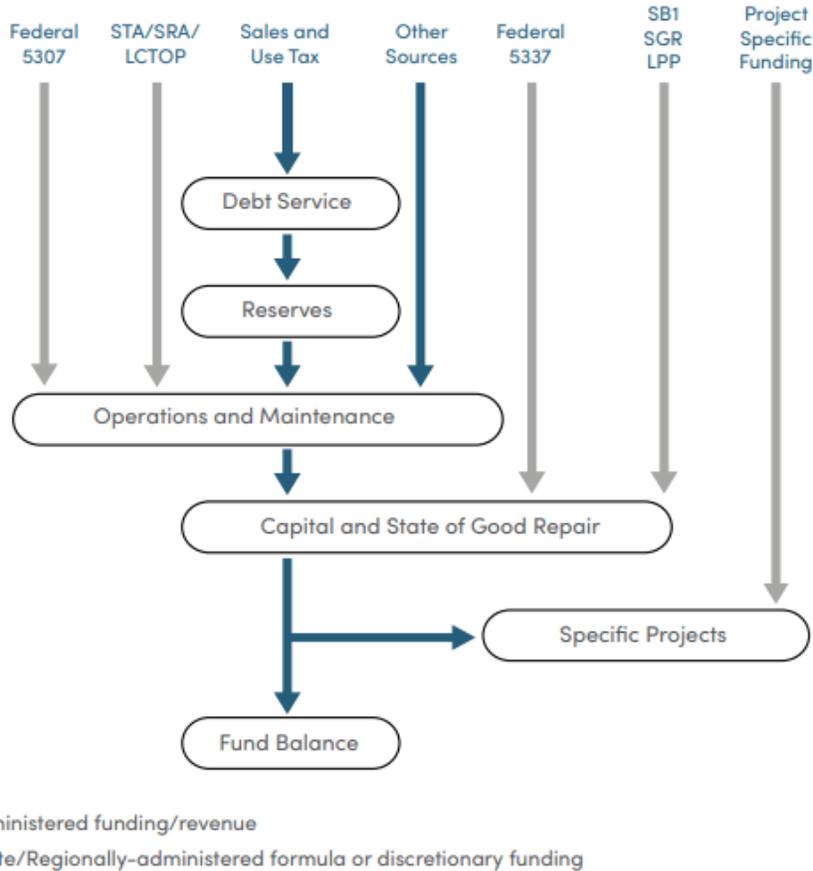


Figure 6: Flow of Funding

This funding flow chart was included in the Strategic Plan and helps to illustrate the funding SMART receives from all funding sources, and the activities each source can fund.

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, subsequent growth was in the double digits for Fiscal Year 2021 and 2022. While Fiscal Year 2023 finished out a little over a percentage point above Fiscal Year 2022, Fiscal Year 2024 showed a decrease in revenues from the previous year. Fiscal Year 2025 forecasts are down from the initial budgeted amount shown here, likely coming in under the 2024 amount. Taking into account the current uncertainty in the economy and the collections

amount we have seen so far in Fiscal Year 2025, we are utilizing a conservative estimate for Fiscal Year 2026.

SMART HISTORICAL SALES TAX COLLECTIONS

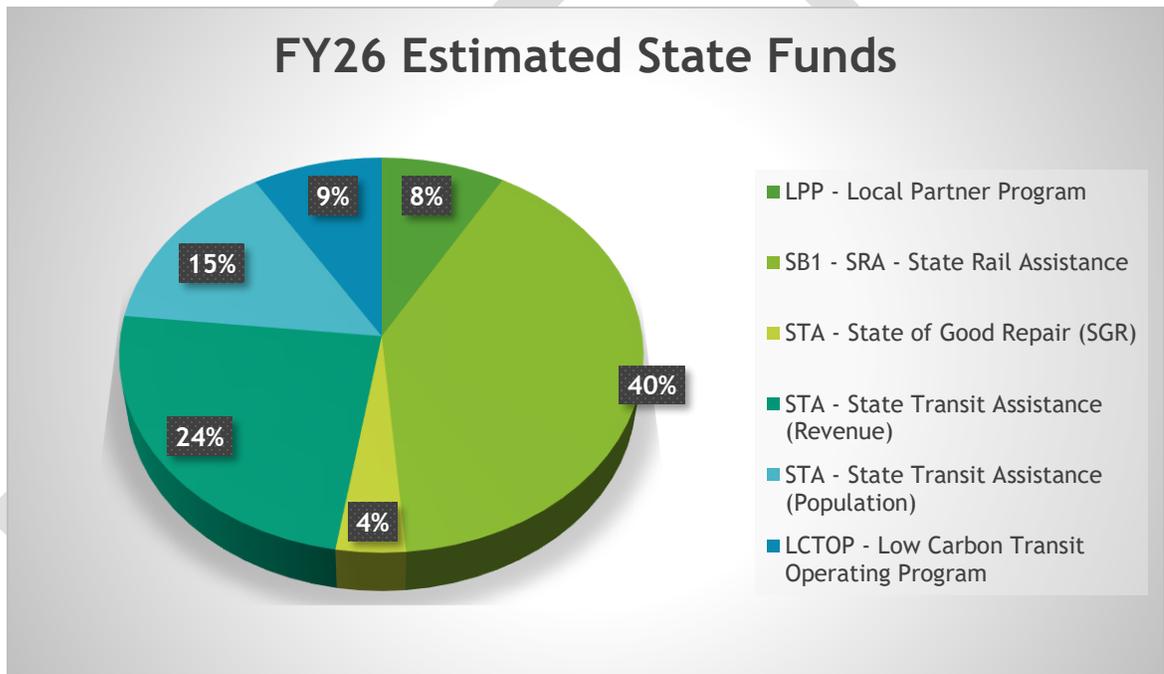
	Sales Tax	Growth Rate	
2009	\$ 4,976,687		
2010	\$ 24,059,929	383.45%	Actual
2011	\$ 26,826,843	11.50%	Actual
2012	\$ 28,303,501	5.50%	Actual
2013	\$ 30,435,753	7.53%	Actual
2014	\$ 32,473,329	6.69%	Actual
2015	\$ 33,845,426	4.23%	Actual
2016	\$ 34,776,012	2.75%	Actual
2017	\$ 36,061,895	3.70%	Actual
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	\$ 49,649,375	1.17%	Actual
2024	\$ 48,837,349	-1.64%	Actual
2025	\$ 50,426,000	3.25%	Estimated
2026	\$ 46,265,300	-8.25%	Estimated
	\$ 657,369,885		

State Revenues

SMART receives formula allocation from four (4) state revenue programs itemized below. SMART may receive other state grants but those are competitive applications, are project specific, and typically provide one-time funding.

- **State Transit Assistance (STA):** 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 for public transportation purposes. These STA revenues are allocated to public transit agencies throughout the State based on population and operating revenues by formula. This fund source 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 (SRA):** Created through Senate Bill 1 (SB1), SRA directs a 0.5% portion of new diesel sales tax revenue for allocation: half to the state's five commuter rail providers (Altamont Corridor Express Authority (ACE), North County Transit Development Board (Coaster), Peninsula Corridor Joint Powers Board (Caltrain), Sonoma-Marin Area Rail Transit District (SMART), Southern California Regional Rail Authority (Metrolink)) and half to intercity rail corridors.

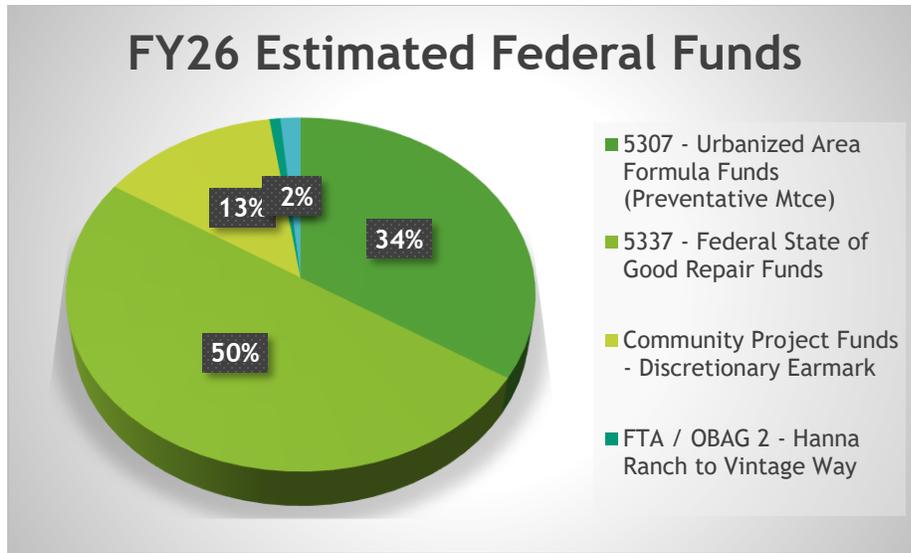
- **Local Partnership Program (LPP):** SB 1 established the Local Partnership Program Formula fund source. This program continuously appropriates funding annually from the Road Maintenance and Rehabilitation Account to local and regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees 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, or support equipment acquisition, fueling, maintenance and other costs to operate those services or facilities.



Federal Revenues

SMART is a direct recipient of Federal Transit Administration (FTA) and Federal Rail Administration (FRA) grant funds. The Fiscal Year 2026 Budget includes the following federal funds sources:

- 5337 Funds: FTA Formula funds providing capital assistance for maintenance, replacement, and rehabilitation projects of fixed guideway systems to help transit agencies in urbanized areas maintain assets in a state of good repair. SMART became eligible for these funds in Fiscal Year 2025, but as this fund source is budgeted in arrears, Fiscal Year 2026 will be our first year receiving these funds.
- 5307 Funds: FTA Urbanized Area Formula Funds that can be used for capital projects, operating assistance, job access, reverse commute projects, and transportation related planning. SMART became eligible for these funds in Fiscal Year 2020.
- Community Project Funds: 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 and funded directly through an Act of Congress.
- One Bay Area Grant 2 (OBAG 2): Federal Highway Administration funds for projects in the Bay Area as determined by the Metropolitan Transportation Commission, the second round featured \$900 million in funding, of which SMART was awarded for its Hanna Ranch Road to Vintage Way pathway segment in Marin County.
- One Bay Area Grant 3 (OBAG 3): Federal Highway Administration funding for projects that improve safety, spur economic development, and help the Bay Area meet climate change and air quality improvement goals as determined by the Metropolitan Transportation Commission. The third round of this program included more than \$750 million in federal funding, and the Hanna Ranch Road to Vintage Way pathway segment is also partially funded with this round of funding.



State Funds – Project Specific

- Windsor to Healdsburg Extension
 - TIRCP – Transit and Intercity Rail Capital Program
 - \$1,380,000 budgeted in FY26
- Joe Rodota to Third Street in Santa Rosa Pathway Construction
 - AHSC – Affordable Housing Sustainable Communities Program
 - \$225,000 of funding rolling into FY26
 - LPP – Local Partnership Program
 - \$727,443 budgeted in FY26
- Guerneville Road to Airport Boulevard in Santa Rosa Pathway Construction
 - ITIP Complete Streets – Interregional Transportation Improvement Program
 - \$896,000 budgeted to FY26
- Petaluma North Station Solar Project
 - AHSC – Affordable Housing Sustainable Communities Program
 - \$1,300,000 budgeted in FY26
- Quality of Life & Economic Impact Assessment
 - STP: Sustainable Transportation Planning Grant through Caltrans
 - \$159,354 rolling into FY26
- Shuttle Service
 - Funded by State of California General Fund Budget Act of 2023
 - \$250,000 budgeted to FY26
- Workforce Development
 - AHSC – Affordable Housing Sustainable Communities Program
 - \$85,000 budgeted in FY26

Regional Funds – Project Specific

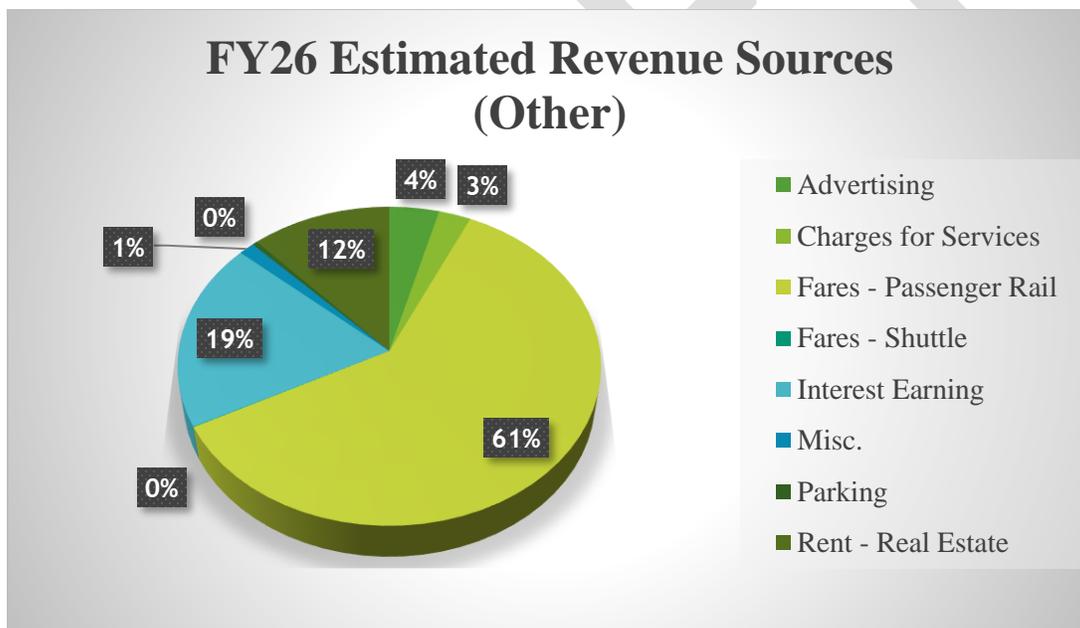
- Civic Center Kiss-n-Ride

- RM3 – Regional Measure 3
 - \$224,000 budgeted to FY26
- Hanna Ranch to Vintage Way in Novato
 - RM3 – Regional Measure 3
 - \$824,400 budgeted in FY26

Local Governments/Private Sector – Project Specific

- Joe Rodota to 3rd Street Traffic Signal Construction
 - City of Santa Rosa
 - \$831,804 budgeted in FY26
- 4th Street Station Access (as part of Joe Rodota to 3rd Street Project)
 - Private Developer
 - \$703,017 budgeted in FY26

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.

- In May 2021, a new Weekend Day Pass was implemented. The Weekend Day Pass is \$10.00 for adults and \$5.00 for passengers with disabilities and Clipper 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. In July 2023, the 31-day pass was lowered again and was priced based on a 3-day work week and an average of 3-zones travelled. This reduced the price to \$117.00 for adults and \$58.50 for seniors, youth, and passengers with disabilities.
- In April 2024, the Youth and Seniors Ride Free Program was implemented, and is planned to continue through June 2025. In April of 2025, the program was re-approved by the Board to continue through June 2026.
- Advertising Revenues: Revenues from advertising space sold onboard trains and station platform shelter panels.
- Charges for Services: Includes flagging services SMART provides for external entities that need to do work in SMART's right of way.
- Interest Earnings: Interest earnings are budgeted in Fiscal Year 2026 at less than in Fiscal Year 2025 due to decreased fund balance and lower interest rates.
- Lease Revenues: Revenues generated by real estate holdings
- Miscellaneous Revenues: These revenues vary each year but are assumed to be similar to past Fiscal Years.
- 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 to park between the hours of 12:00 am and 3:59 am, for up to five nights.
- Shuttle Revenue: SMART Connect marked its first full year of shuttle service in Fiscal Year 2024, expanded to a second location at the Larkspur Station in Fiscal Year 2025 and has recently extended to seven days a week from its previous four days a week service levels. Revenues are budgeted based on a percentage increase from previous years

RIDERSHIP

Expenditures – Ridership

Planned ridership expenditures are based on the following priorities for reaching Strategic Plan goals:

- Continue “Youth and Seniors Ride Free” program
- Undertake Preventative Maintenance and State of Good Repair projects to maintain the safety, quality, and efficiency of SMART’s rail system
- Maintain compliance with all requirements and regulations
- Collaborate with transit providers to improve bus/ferry connections
- Continue monitoring the system/ridership and adjusting where necessary
- Improve website ease of use for riders
- Ridership estimate: 1,210,000

Ridership	
Category	FY26 Budget Amount
Administration	\$ 10,492,618.59
Operations	\$ 27,140,233.00
Website	\$ 154,666.67
Quality of Life & Economic Analysis	\$ 60,000.00
Healdsburg Storage Racks	\$ 36,500.00
Generator Plug Retrofit at all Platforms	\$ 20,489.00
Power Drop at Fulton	\$ 30,000.00
Replace Standby battery banks for wayside signals	\$ 70,400.00
Guideway & Track Main Line Surfacing	\$ 345,338.00
Fire Suppression System	\$ 60,000.00
DMU Light Replacement	\$ 200,000.00
IT Projects	\$ 248,000.00
Bridges - St. Vincent Culvert	\$ 250,000.00
Civic Center Kiss-n-Ride (Design)	\$ 224,000.00
Ram Truck (1502)	\$ 50,000.00
F150 Crew Cab XL (2 axle) - 1608	\$ 48,000.00
F150 Crew Cab XL - 1609	\$ 48,000.00
Used Hyrail boom Truck	\$ 200,000.00
Switches - 4/year	\$ 120,000.00
On-Board DMU Cameras	\$ 750,000.00
Fabric Building for Scrubber storage/ garage	\$ 30,000.00
Backup Generator at Roblar	\$ 50,000.00
Coupler/ Gear Shaft Overhaul	\$ 625,000.00
Cummins New Engine after Treatment System	\$ 700,000.00
Cummins Mid-Life Overhaul or New Engines	\$ 1,250,000.00
Radiator Fan Modification	\$ 150,000.00
Battery Overhaul	\$ 90,000.00
Transmission Overhaul	\$ 90,000.00
Mahle Cooling System Overhaul	\$ 250,000.00
Master Control Overhaul	\$ 192,000.00
DMU Air Brake Overhaul and Air Supply Unit	\$ 1,151,404.00
Energy Cushion Device Crash System	\$ 150,000.00
RailQuip Car Mover	\$ 100,000.00
Calipri Digital Wheel Measurement Gauge	\$ 75,000.00
Total	\$ 45,451,649.26

PATHWAYS

Expenditures – Pathways

Planned pathway expenditures are based on the following priorities for reaching Strategic Plan goals:

- Construct funded segments of the pathway
 - Hanna Ranch Rd to Vintage Way
 - Guerneville Rd to Airport Blvd
 - Joe Rodota to 3rd Street
- Complete design and permitting of pathway segments
- Continue mitigation projects to mitigate impact of the pathway as required
- Maintain pathway in a state of good repair
- Complete pathway wayfinding program
- Expand information available about the pathway on SMART’s website

Pathways	
Category	FY26 Budget Amount
Administration	\$ 2,330,835.00
Operations	\$ 34,461.00
Engineering	\$ 341,174.28
Website	\$ 154,666.67
IT Projects	\$ 248,000.00
Quality of Life & Economic Analysis	\$ 60,000.00
Mitigate Pathway Segments	
- Petaluma Riparian Construction & Monitoring	\$ 23,800.00
- Crane Creek Riparian Monitoring	\$ 518,930.00
- Helen Putnam Riparian Monitoring	\$ 125,131.82
- Windsor Riparian Mitigation Monitoring	\$ 38,800.00
Design Pathway Segments	
- Marin-Sonoma Pathway - Design	\$ 221,660.17
- Marin Pathway - Design	\$ 275,000.00
- Puerto Suello Pathway - Design	\$ 385,465.00
Pathway Repairs & Rehab	\$ 115,200.00
Pathway Wayfinding Project	\$ 85,000.00
Windsor to Healdsburg Project Development - Pathway	\$ 38,500.00
Windsor to Healdsburg - Pathway	\$ 367,500.00
Construct Pathway Segments	
- Joe Rodota Trail to 3rd Street	\$ 1,454,886.00
- Hanna Ranch Road to Vintage Way	\$ 1,145,000.00
- Guerneville Road to Airport Blvd.	\$ 1,120,000.00
Total	\$ 9,084,009.94

EXTENSIONS

Expenditures – Extensions

Planned extension expenditures are based on the following priorities for reaching Strategic Plan goals:

- Award contract for progressive design-build of the Extension from Windsor to Healdsburg
- Finish the development phase of the progressive design-build project from Windsor to Healdsburg
- Install and bring online Petaluma North Station solar project
- Continue participating in Highway 37 corridor activities to incorporate East/ West rail
- Conduct mitigation activities for extension/station projects as required

Extensions	
Category	FY26 Budget Amount
Administration	\$ 6,421,723.12
Engineering	\$ 209,106.82
Website	\$ 154,666.67
IT Projects	\$ 248,000.00
State Route 37 Study	\$ 6,000.00
Quality of Life & Economic Analysis	\$ 60,000.00
Mitigate Extension Projects	
- San Rafael Creek Riparian Construction & Monitoring	\$ 63,816.75
- Las Gallinas Riparian Enhancement & Monitoring	\$ 23,800.00
- Mira Monte Restoration	\$ 195,000.00
- IOS-1 Riparian Mitigation	\$ 240,000.00
Petaluma North - Solar Project	\$ 1,300,000.00
Windsor to Healdsburg Project Development	\$ 236,500.00
Windsor to Healdsburg	\$ 2,257,500.00
Total	\$ 11,416,113.35

FREIGHT

Expenditures – Freight

Planned Freight expenditures are based on the following priorities for reaching Strategic Plan goals:

- Conduct required maintenance on bridges, track, crossings, equipment, and other components of the freight operation
- Fiscal Year 2026 budgets funds to improve bridges
 - Bridge timbers were purchased in prior fiscal years to support Fiscal Year 2026 bridge improvements
 - Bridges to be repaired: Novato Creek, Sears Point Drainage, Wingo – Sonoma Creek
- Partner to repair Grandview Avenue grade crossing
- Replace railroad ties at the end of their useful life
- Continue to market freight and storage opportunities at SMART
- Leverage storage track at Schellville and Burdell
- Promote transload opportunities at Victory Station (Schellville)

Freight	
Category	FY26 Budget Amount
Salaries and Benefits	\$ 1,075,090
Operations	\$ 943,788
Grade Crossing Repair (Grandview Avenue)	\$ 20,000
Tie Replacement	\$ 50,000
Bridges	
- Brazos Branch - Phase II (Novato Creek)	\$ 54,121
- Phase II (Sears Point Drainage)	\$ 217,974
- Phase II (Wingo - Sonoma Creek)	\$ 203,205
Work for Others: SR37 Grade Crossing Modificati	\$ 7,000
Total	\$ 2,571,179

Expenditures

Passenger Rail Operations

Passenger Rail Operations delivers SMART's core mission to move people in a safe, reliable, and affordable way.

Transportation

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. 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.

Vehicle Maintenance

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

Maintenance of Way

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 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 departments are under the operations budget.

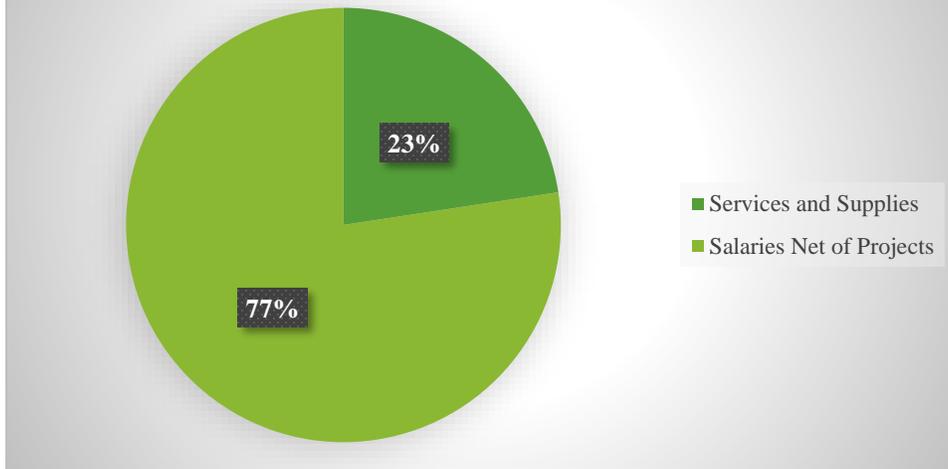
Public Safety

The Public Safety Department works to ensure public, infrastructure, and facility safety, including coordinating with Federal, State, and local jurisdictions to provide incident response.

Train Control Systems

Train control systems perform a wide variety of functions – including: safely routing trains, safely separating trains, tracking and reporting the location of trains; detecting and reporting broken rail; detecting and reporting misaligned switches; detecting and reporting misaligned bridges; and detecting and reporting faults; interconnecting traffic signals; operating grade crossing warning systems; and providing positive train control (PTC) to prevent derailments and collisions.

FY26 Operations Budget



In Fiscal Year 2026, the Operations Department has 121 full-time equivalent (FTE) employees with an estimated budget for salaries and benefits of \$21,034,689. Salaries and Benefits make up 77% of the total Operations budget.

Operations Salaries and Benefits	FY26
Operations General	\$ 1,266,868
Maintenance of Way	\$ 4,724,656
Transportation	\$ 9,537,047
Vehicle Maintenance	\$ 4,403,361
Safety	\$ 1,102,757
Total:	\$ 21,034,689

This budget funds no new Operations positions. However, it does transition one position in the Safety division from limited-term to full-time permanent and upgrades that position to a Senior Code Compliance Officer. This budget assumes all currently open positions are filled.

Department	Current Position	Requested Position
Safety	Code Compliance Officer (Limited Term)	Senior Code Compliance Officer

Operations Salaries and Benefits are increasing by \$1,301,024 or 6.6%. These increases result from the implementation of raises in accordance with SMART's collective bargaining agreements and cost of living increases, as well as an projected increases in health benefits (at 15%) and other benefits (at an average of 10%).

SMART operates 42 weekday trips and 16 trips each weekend day. This represents a 10.5% increase in weekday trips and a 60% increase in weekend trips compared to January 2020. The Operations Supplies and Services Budget (shown below) funds the full year of operations of SMART rail service to the Windsor Station, and accounts for the additional operations costs for increased track mileage. Finance and Operations leadership reviewed the Operations budget to identify cost savings based on preceding years' data. One notable difference in this budget is the removal of funds in the Contract Services – Administrative account for exigencies to more accurately reflect historical spending. Finance and Operations management reviewed the Operations budget to identify cost savings based on preceding years' data. Overall, this results in a 12.1% reduction in Supplies and Services from the Fiscal Year 2025 Amended Budget.

Account Description	FY 25 Amended Budget	FY26 Requested Budget
Maintenance of Equipment	\$ 485,904	\$ 443,947
Maintenance of Signals	\$ 142,500	\$ 190,000
Maintenance of Revenue Vehicles	\$ 361,000	\$ 546,000
Maintenance of Facilities	\$ 263,345	\$ 297,794
Maintenance of Railway	\$ 233,363	\$ 239,300
Maintenance of Pathway	\$ 30,500	\$ 30,500
Training & Travel Expense	\$ 58,050	\$ 66,164
Rental/ Leases - Equipment	\$ 51,960	\$ 56,400
Mileage Reimbursement & Auto Tolls	\$ 1,000	\$ 380
Contract Services - Administrative	\$ 1,132,252	\$ 269,776
Contract Services - Transportation	\$ 842,337	\$ 786,249
Communications	\$ 50,996	\$ 53,700
Uniform Expense	\$ 69,200	\$ 65,000
Personal Protective Equipment	\$ 26,100	\$ 25,500
Fuel and Lubricants	\$ 1,829,684	\$ 1,780,000
Memberships	\$ 1,900	\$ 1,600
Miscellaneous Expense	\$ 10,000	\$ -
Office Expense	\$ 54,000	\$ 54,532
Postage	\$ 32,500	\$ 24,000
Consumables	\$ 62,500	\$ 53,500
Small Tools and Equipment	\$ 79,320	\$ 100,000
Software	\$ 77,823	\$ 25,663
Public Relations Expense	\$ 123,902	\$ 30,000
Utilities	\$ 957,980	\$ 1,000,000
Grand Total	\$ 6,978,116	\$ 6,140,005

Administration

The Administration budget funds the day-to-day business functions of the organization including finance, human resources, planning, legal, real estate, information technology, government/legislative relations, and engineering not dedicated to specific projects.

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 through media relations, digital and social media platforms, SMART's website, rail safety education, and community presentations.

Marketing is responsible for outreach and marketing, including producing marketing materials and managing advertising both for SMART services and on SMART's trains and platforms.

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

Finance and Procurement Department

The Finance Department is responsible for a wide variety of compliance functions required of SMART by state and federal law. These include accounting, budgeting, finance, payroll, treasury, procurement, and grant budgeting and reporting.

Human Resource Department

The Human Resources Department is responsible for recruitment and selection of employees, employee compensation, labor negotiations, performance management, and compliance with state and federal labor laws and regulations.

Information Systems Department

The Information Systems Department develops, operates, and maintains SMART's information and telecommunications systems. It manages the function and cybersecurity of: administrative Information Systems for 4 offices including email, servers, and printers; 1,500 devices consisting of computers, cell phones, vehicle locators, printers, radios, cameras, and network devices; railroad Information Systems such as CCTV, radio, platform equipment, and fare collection devices.

Legal Department

The Legal Department is responsible for transactional matters, litigation, and risk management for SMART.

Planning Department

The Planning Department is responsible for 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; planning first-last mile solutions.

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

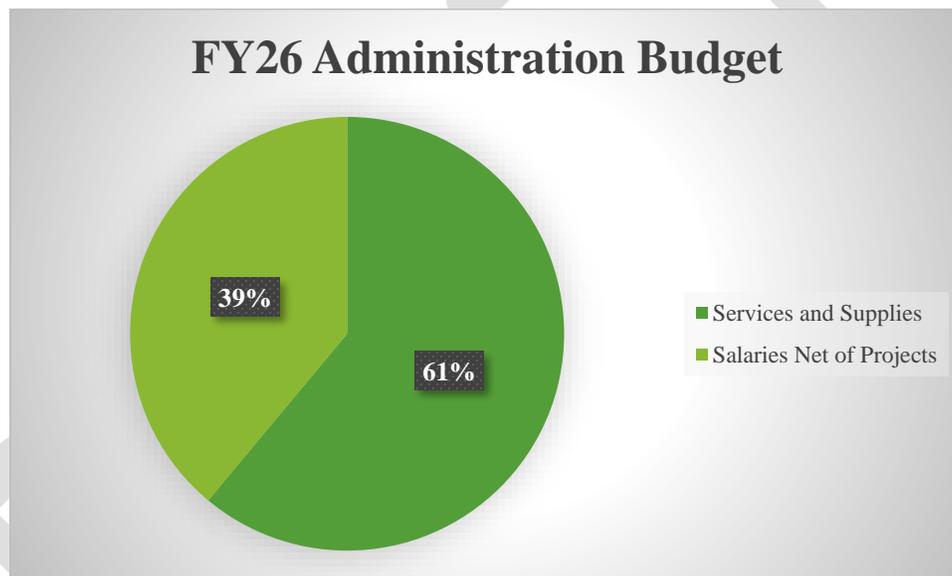
SMART's Engineering Department is responsible for planning and managing the expansion of the rail and pathway systems, managing SMART's existing infrastructure, supporting grant applications, and coordinating with local jurisdictions. Most of the staff time in engineering is charged to projects, but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

In Fiscal Year 2026, SMART's Administration Division has 47 full-time equivalent (FTE) employees and interns with an estimated budget for salaries and benefits of \$7,719,850. The Budget does not add any new positions under Administration. However, it does upgrade several positions to different job titles. By this action, current personnel will stay within the current pay structure but will be eligible for higher annual raises for more years. The exception to this is the Junior Engineer position, which is currently vacant. By changing this position to an Associate Engineer, this position is upgraded to lead small projects and assist in the delivery of larger projects in this year and beyond.

Department	Current Position	Requested Position
Finance	Procurement Technician	Buyer I
Human Relations	HR Specialist	HR Analyst
Planning	Assistant Planner	Associate Planner
Engineering	Junior Engineer	Associate Engineer

A three percent (3%) cost of living increase has been included for all non-bargaining unit employees, except for those eligible for a five percent (5%) raise based on their current pay within the range for their position classification. Two limited-term positions from Fiscal Year 2025 were eliminated, one in the Marketing and Outreach Department and one in the Legal Department. Projected increases in health benefits (at 15%) and other benefits (at an average of 10%) were included. These changes led to a 2.1% increase in Administrative salaries and benefits between Fiscal Year 2025 and Fiscal Year 2026.

Administration Salaries & Benefits	FY26
Finance	\$ 3,274,876
IS	\$ 685,807
HR	\$ 606,689
Legal	\$ 792,440
Marketing and Outreach	\$ 594,841
Board	\$ 190,962
Real Estate	\$ 582,211
Planning	\$ 392,974
Planning - Pathway	\$ 197,568
Engineering (non-Project Specific)	\$ 401,481
Total:	\$ 7,719,850



Overall, the Administrative Budget has decreased by \$238,995 over the Fiscal Year 2025 Amended Budget. This decrease is attributable to:

- Combined efforts to budget more accurately
- Fewer new program implementation costs
- A decrease in expected training and travel costs. After initiation of District staff development funds in Fiscal Year 2025, the program budget was decreased to match actual use of funds by employees.
- Several major projects were completed in Fiscal Year 2025, reducing expenses for contracted services and public relations expenses.

Other budget areas show increases due to 15% jump in railroad, liability, property and other insurance outlays; higher amounts projected for the provisions for Claims; additional costs related to the maintenance of radios.

Account Description	FY 25 Amended Budget	FY26 Requested Budget
Insurance	\$ 3,184,605	\$ 3,652,064
Provisions for Claims	\$ 500,000	\$ 750,000
Maintenance of Radios	\$ 196,910	\$ 233,931
Auditing/ Accounting Services	\$ 61,710	\$ 59,870
Fiscal Accounting Services	\$ 6,300	\$ 4,000
Legal Services	\$ 775,000	\$ 790,000
Agency Extra Help	\$ 155,000	\$ 90,866
Training & Travel Expense	\$ 310,678	\$ 173,760
Contracted Services	\$ 225,000	\$ 110,000
Printing Services	\$ 62,800	\$ 65,400
Fiscal Agent Fees	\$ 5,000	\$ 3,000
Permits/ Fees	\$ 20,090	\$ 30,180
Fare Collection Fees	\$ 306,500	\$ 293,452
Public/ Legal Notices	\$ 64,000	\$ 38,146
Rental/ Leases - Equipment	\$ 56,035	\$ 51,440
Rental/ Leases - Buildings	\$ 453,667	\$ 453,667
Mileage Reimbursement & Auto Tolls	\$ 41,642	\$ 33,212
Contract Services - Administrative	\$ 2,555,479	\$ 2,303,508
Contract Services - Personnel	\$ 270,500	\$ 208,650
Communications	\$ 353,200	\$ 299,908
Claims Processing Payroll	\$ 50,000	\$ 45,000
Facility Services	\$ 3,600	\$ 3,600
Uniform Expense	\$ 5,000	\$ 3,700
Personal Protective Equipment	\$ 3,000	\$ 2,000
Memberships	\$ 62,390	\$ 62,130
Miscellaneous Expense	\$ 1,000,000	\$ 1,000,000
Office Expense	\$ 50,600	\$ 49,600
Books/ Periodicals	\$ 3,500	\$ 2,500
Postage	\$ 8,265	\$ 5,600
Small Tools and Equipment	\$ 1,000	\$ 700
Computer Hardware	\$ 182,500	\$ 171,600
Computer Software	\$ 1,067,570	\$ 986,062
Marketing/ Promotional Items	\$ 30,000	\$ 42,000
Public Relations Expense	\$ 262,000	\$ 75,000
Utilities	\$ 3,600	\$ 3,600
Grand Total	\$ 12,337,140	\$ 12,098,146

Non-Capital Projects

Environmental Projects

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

Project Name	FY26 Budget Amount
San Rafael Creek Riparian Construction & Monitoring	\$ 63,816.75
Las Gallinas Riparian Enhancement & Monitoring	\$ 23,800.00
Mira Monte Restoration	\$ 195,000.00
Petaluma Riparian Construction & Monitoring	\$ 23,800.00
Crane Creek Riparian Monitoring	\$ 549,712.00
Helen Putnam Riparian Monitoring	\$ 125,131.82
Windsor Riparian Mitigation Monitoring	\$ 38,800.00
IOS-1 Riparian Mitigation	\$ 240,000.00
Total	\$ 1,260,060.57

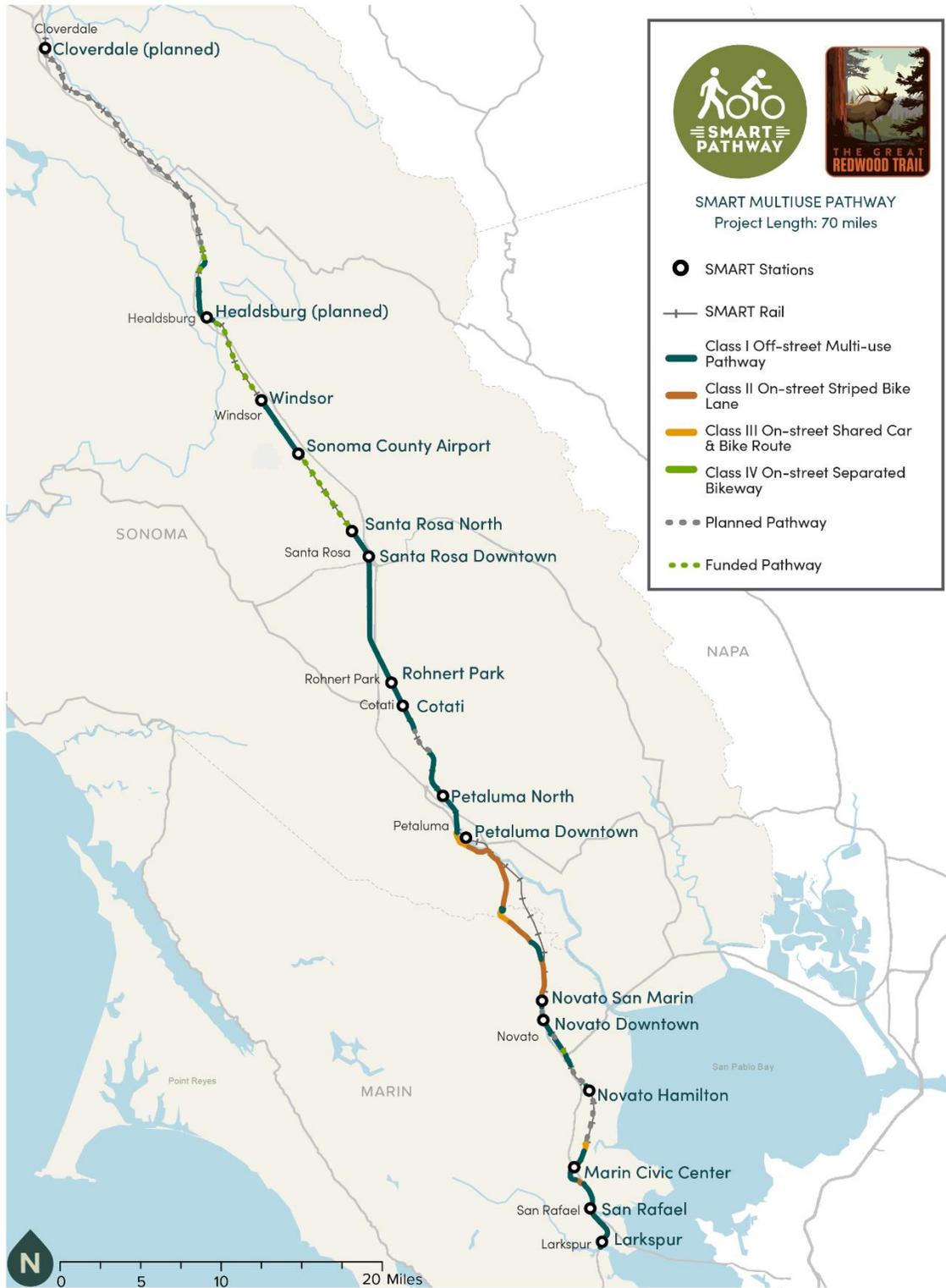
Other Non-Capital Projects

Categorized as non-capital, these projects serve an organizational need and advance SMART objectives but do not directly result in a tangible asset to the Agency, defined as having a useful life of at least a year and a value of at least \$5,000. Many of these non-capital projects are funded by grants. Others, namely the Joe Rodota Trail to 3rd Street Project, are assets being built as part of a SMART capital project but result in an asset for another entity with dedicated outside funding.

Non-Capital Projects		FY26
Department	Project Name	Amount
Maintenance of Way	Generator Plug Retrofit at all Platforms	\$ 20,489.00
	Power drop - Fulton	\$ 30,000.00
Total		\$ 50,489.00
Marketing and Outreach	Website	\$ 464,000.00
Total		\$ 464,000.00
MOW and Vehicle Maintenance	Healdsburg Storage Racks	\$ 36,500.00
Total		\$ 36,500.00
Engineering - Pathway	Pathway Design - Marin & Sonoma & Puerto Suello	\$ 882,125.17
Total		\$ 882,125.17
Engineering	Windsor to Healdsburg Project Development	\$ 275,000.00
	Joe Rodota Trail to 3rd Street Project - City & Developer	\$ 1,534,821.00
	State Route 37	\$ 6,000.00
Total		\$ 1,815,821.00
Planning	Quality of Life & Economic Analysis	\$ 180,000.00
Total		\$ 180,000.00
	Total Non-Capital Projects	\$ 3,428,935

Pathway Segments Completing Design	Length (in miles)
Marin-Sonoma Pathways - \$221,660	6.2
- Main Street to East Railroad Avenue	1.48
- Joe Rodota Trail 3rd Street	0.06
- Santa Rosa Downtown Station to 6th Street	0.04
- Guerneville Road to West Steele Lane	0.32
- West Steele Lane to San Miguel Boulevard	1.2
- San Miguel Boulevard to Airport Boulevard	3.1
Marin Pathways - \$275,000	5.95
- Smith Ranch Road to Main Gate Road/ Novato - Hamilton Station	2.65
- State Access Road to Bay Trail	1.4
- Hanna Ranch Road to South Side of Novato Creek	1.26
- Grant Avenue to Olive Avenue	0.26
- Olive Avenue to Rush Creek Place	0.38
Puerto Suello to San Pedro Road - \$385,465	

This table breaks down the pathway segments listed above in the Pathway Design line item with the segment length and budget amount assigned to the item in Fiscal Year 2026.



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.” 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 replacements of those assets

SMART has broken out costs for projects related to capital assets into State of Good Repair and Capital/Engineering Projects.

State of Good Repair Projects		FY26
Department	Project Name	Amount
Engineering	Bridges	\$ 250,000
Total		\$ 250,000
Vehicle Maintenance	Coupler/ Gear Shaft Overhaul	\$ 625,000
	Cummins New Engine after Treatment System	\$ 700,000
	Cummins Mid-Life Overhaul or New Engines	\$ 1,250,000
	Radiator Fan Modification	\$ 150,000
	Battery Overhaul	\$ 90,000
	Transmission Overhaul	\$ 90,000
	Mahle Cooling System Overhaul	\$ 250,000
	Master Control Overhaul	\$ 192,000
	DMU Air Brake Overhaul and Air Supply Unit	\$ 1,151,404
	On-Board DMU Cameras	\$ 750,000
	Fire Suppression System	\$ 60,000
	DMU Light Replacement	\$ 200,000
Total		\$ 5,508,404
Maintenance of Way	Guideway & Track Main Line Surfacing	\$ 345,338
	Switches - 4/year	\$ 120,000
	Replace Standby battery banks for wayside signals	\$ 70,400
Total		\$ 535,738
Maintenance of Way - Pathway	Pathway Repairs & Rehab	\$ 115,200
Total		\$ 115,200
Other	Miscellaneous State of Good Repair Project	\$ 2,422,381
Total		\$ 2,422,381
	Total State of Good Repair	\$ 8,831,723

The Fiscal Year 2026 Budget includes expenditures related to capital projects for specific pathway segments and extensions. These costs are funded by revenues from various grants and Measure Q.

In the Fiscal Year 2026, there are several State of Good Repair projects, including a repair of the St. Vincent’s Culvert (bridge), various overhauls and modifications, light replacements on the DMUs, a new on-board camera system, as well as an overhaul of the fire suppression system on the trains. On the right-of -way, there is funding for guideway and track surfacing, pathway repairs and rehabilitation, and switches and battery banks.

Project Specific		FY26
Department	Project Name	Amount
Planning - Pathway	Wayfinding	\$ 85,000.00
Total		\$ 85,000.00
Engineering - Pathway	Joe Rodota Trail to 3rd Street	\$ 1,454,886.00
	Hanna Ranch Road to Vintage Way	\$ 1,145,000.00
	Guerneville Road to Airport Blvd.	\$ 1,120,000.00
Total		\$ 3,719,886.00
Engineering	Petaluma North - Solar Project	\$ 1,300,000.00
	Windsor to Healdsburg Extension	\$ 2,625,000.00
	Civic Center Kiss-n-Ride (Design)	\$ 224,000.00
Total		\$ 4,149,000.00
	Total Project Specific	\$ 7,953,886

Several pathway projects are funded in the Fiscal Year 2026 Budget. The first of these is the completion of the pathway wayfinding signage project, which was designed in Fiscal Year 2024, and commenced installation in Fiscal Year 2025. The funds allocated in this budget will also construct the Joe Rodota Trail to Third Street in Santa Rosa segment of the pathway and initiate construction on the 0.4 mile Hanna Ranch Road to Vintage Way pathway segment in Novato, and the 4.7 mile Guerneville Road to Airport Boulevard pathway segment in Santa Rosa.

The Petaluma North Station Solar Project will be constructed using funds from the State of California’s Affordable Housing Sustainable Communities grant program. This will add solar panels to the station site with the intention of offsetting energy usage and costs at the station with solar power.

The Windsor to Healdsburg Extension progressive design-build project will commence in Fiscal Year 2026. The amount currently budgeted for the Extension is rolling from Fiscal Year 2025, with the intention that more revenues and expenditures will be added through a budget amendment to fund any design or early works packages that can be accomplished in Fiscal Year 2026. That decision will be made in tandem with the awarding of the progressive design-build contract later in the year.

The Civic Center Kiss-n-Ride project will include the design costs for a designated location at the Civic Center where passengers can be driven and dropped off in order to connect with SMART rail service. Future construction will be contingent on grant funding.

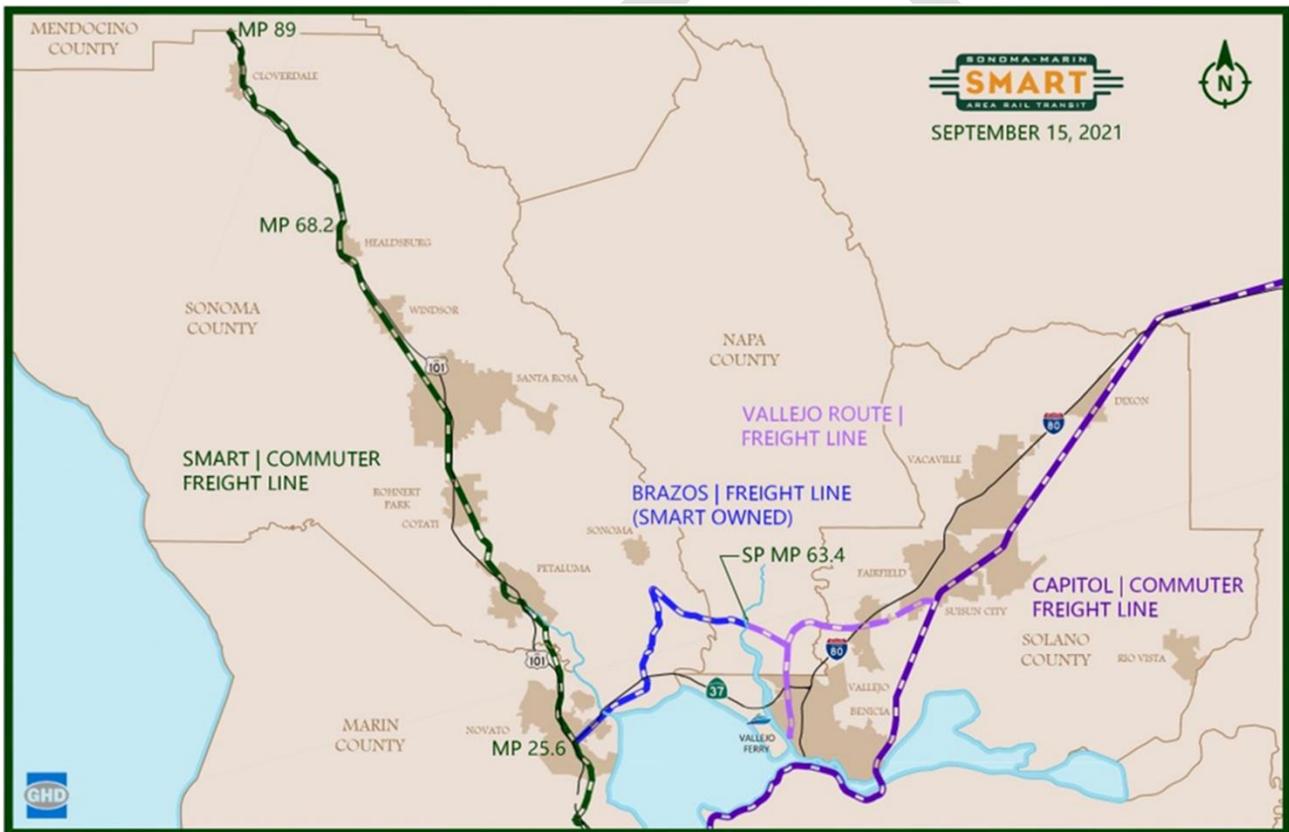
Capital Administration and Operations Projects		FY26
Department	Project Name	Amount
IS	IS Equipment	\$ 744,000.00
Total		\$ 744,000.00
Operations Administration	Non-Revenue Vehicles	\$ 346,000.00
Total		\$ 346,000.00
Maintenance of Way	Fabric Building for Scrubber storage/ garage	\$ 30,000.00
	Backup Generator at Roblar	\$ 50,000.00
Total		\$ 80,000.00
Vehicle Maintenance	Energy Cushion Device Crash System	\$ 150,000.00
	RailQuip Car Mover	\$ 100,000.00
	Calipri Digital Wheel Measurement Gauge	\$ 75,000.00
Total		\$ 325,000.00
	Total Projects/ Capital	\$ 1,495,000

The Fiscal Year 2026 Budget funds capital projects required for the Administration and Operations Divisions. The Information Systems Department has many pieces of equipment that are capital items and require replacement on a regular schedule. These IS projects include servers, firewalls, routers, switches, concentrators, and routers. The non-revenue vehicle program at SMART schedules vehicles for replacement based on their useful life calculations. There are three trucks and a hyrail boom truck included as part of the Operations budget. A fabric building to provide storage for the scrubber and act as a small garage and a backup generator at the Roblar facility will be utilized by SMART's Maintenance of Way Division. SMART's DMUs are due for an overhaul to the energy cushion device crash system based on the manufacturer's guidance. The RailQuip car mover will be utilized in the SMART Rail Operations Center yard to allow the DMUs to be able to be moved for maintenance purposes.

FREIGHT

Freight

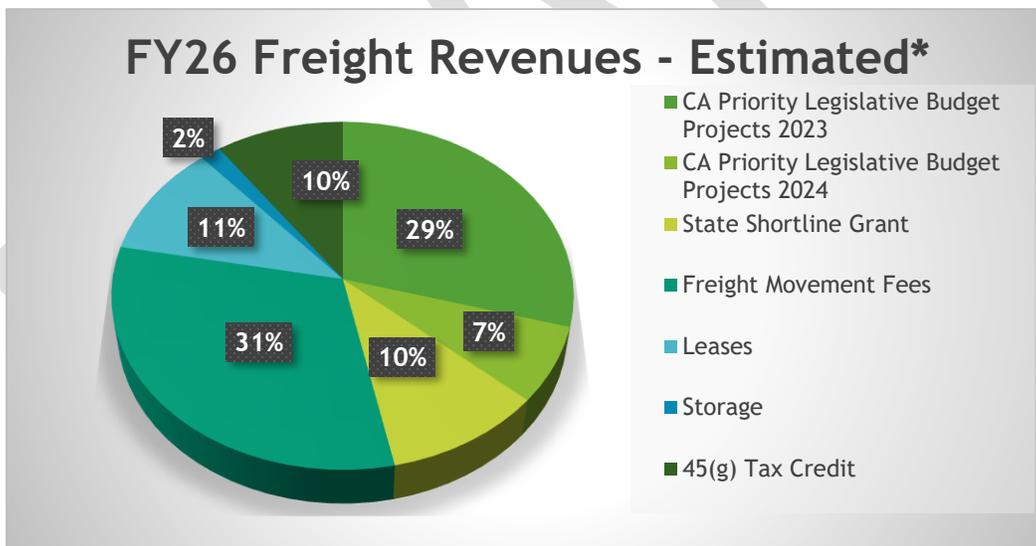
In March of 2022, SMART assumed the freight operations from the Northwestern Pacific Railroad Company (NWPCo) which had been operating service from Napa County to Petaluma since 2011. SMART began in-house operations on July 1, 2022. Over the past three years, SMART has worked to maintain and improve the freight right-of-way and facilities as well as increase its revenue base by attracting storage and freight customers. Currently there are three customers that receive primarily feed grain. In addition, there is a freight car storage location at the Schellville yard, currently storing rail cars for one customer. 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.



For Fiscal Year 2026, revenues for freight operations are estimated at \$2.5 million. SMART anticipates spending \$1,075,089 on salaries and benefits, \$943,789 on operations, and \$552,301 on capital repairs and replacements. Revenues and expenditures for freight operations are tracked separately in Fund 60. Administrative expenses are allocated from Fund 01 based on a ratio of total passenger miles freight operated to total passenger miles commuter rail operated, with a passenger mile for freight defined as cars multiplied by miles.

The SMART Board of Directors approved six and a half (6.5) fulltime equivalent (FTEs) positions in December 2025 to operate the Freight Division for the organization. The Fiscal Year 2026 budget for salaries and benefits for freight operations is estimated at \$1,075,089. This budget funds one (1) freight manager, three (3) freight utility workers, two (2) freight utility worker/dispatchers, and a half-time (1/2) administrative assistant. The details regarding these positions can be found in Appendix C. A three percent (3%) cost of living increase is included for Fiscal Year 2026.

The SMART Freight Division evaluates and prioritizes the work necessary to run the service and comply with all Federal Railroad Administration requirements. Improvements to the Schellville Depot and repairs to high priority bridges were completed in previous fiscal years. Further maintenance on the Novato Creek Bridge, the Sears Point Drainage Bridge, and the Wingo-Sonoma Creek Bridge is included in the Fiscal Year 2026 budget. Additionally, The Freight Manager continues to reach out to potential new customers to increase revenues.



*Chart does not include the two revenue sources that register at 0%, Caltrans SR 37 Engineering Support, and Miscellaneous

Revenues	
CA Priority Legislative Budget Projects 2023	\$ 750,000
CA Priority Legislative Budget Projects 2024	\$ 180,528
Caltrans SR37 Construction Support	\$ 7,000
State Shortline Grant	\$ 262,651
Freight Movement Fees	\$ 800,000
Leases	\$ 270,000
Storage	\$ 40,000
45(g) Tax Credit	\$ 251,000
Misc.	\$ 10,000
Total Revenues	\$ 2,571,179

DRAFT



Account Description	FY25 Amended Budget	FY26 Requested Budget
Salaries and Benefits	\$ 947,674	\$ 1,075,090
Freight Cost Allocation - Administration	\$ 32,895	\$ 22,538
Insurance	\$ -	\$ -
Maintenance of Equipment	\$ 55,285	\$ 37,085
Maintenance of Radios	\$ -	\$ -
Maintenance of Signals	\$ 15,000	\$ 15,000
Maintenance of Revenue Vehicles	\$ 23,000	\$ 65,000
Maintenance of Facilities	\$ 13,800	\$ 15,000
Maintenance of Railway	\$ 119,000	\$ 150,000
Training & Travel Expense	\$ 2,500	\$ -
Permits and Fees	\$ 52,960	\$ 73,090
Rental/ Leases - Equipment	\$ 57,947	\$ 58,905
Mileage Reimbursement & Auto Tolls	\$ 1,000	\$ 1,000
Contract Services - Administrative	\$ 252,598	\$ 250,230
Communications	\$ 9,678	\$ 10,000
Uniform Expense	\$ 5,000	\$ 2,000
Fuel and Lubricants	\$ 115,200	\$ 90,200
Memberships	\$ 1,100	\$ 1,100
Miscellaneous Expense	\$ 122,841	\$ 101,500
Postage	\$ 4,770	\$ 4,500
Small Tools and Equipment	\$ 21,600	\$ 16,000
Software	\$ 8,640	\$ 8,640
Utilities	\$ 22,000	\$ 22,000
Total	\$ 1,884,488	\$ 2,018,878
Projects		
Grade Crossing Repair (Schellville)	\$ 141,633	\$ -
Brazos Branch - Phase II (Novato Creek)	\$ 133,221	\$ 54,121
Phase II (Sears Point Drainage)	\$ 225,000	\$ 217,974
Phase II (Wingo - Sonoma Creek)	\$ 250,000	\$ 203,205
Tie Replacment	\$ 50,000	\$ 50,000
WFO: SR37 Grade Crossing Modification - Engineering	\$ 12,500	\$ 7,000
Grade Crossing Repair (Grandview Avenue)	\$ -	\$ 20,000
Total	\$ 670,721	\$ 552,301
Grand Total	\$ 2,555,209	\$ 2,571,179

Reserves

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

Pension & OPEB Liability Reserve

This reserve is to ensure that SMART has funds set aside for future pension costs. We have set aside \$1,000,000 for Fiscal Year 2026 for a Fiscal Year 2026 balance of \$6,574,676.

Vehicles & Equipment Reserve

This reserve is used to accumulate funds for future capital equipment needs such as DMU replacement. The Fiscal Year 2025 balance is \$11,317,250. The Fiscal Year 2026 budget adds an additional \$1,000,000 for a total reserve of \$12,317,250.

Corridor Completion Reserve

This reserve was established in the Fiscal Year 2021 amended budget to set aside funds for design, environmental costs, or to leverage grant funding. The balance as of June 30, 2025 is \$7,000,000. Staff is recommending utilizing \$1.5 million for ROW in Fiscal Year 2026. That would leave a remaining balance of \$5,500,000.

Operating Reserve

The Fiscal Year 2025 operating reserve was \$11,728,963. We have calculated 25% of the operating costs for Fiscal Year 2026 which would result in an increase of \$1,231,027 for a total of \$12,959,990.

Fund Balance

The estimated fund balance for Fiscal Year 2025 year-end is \$81,342,877. The difference between revenues and expenditures for Fiscal Year 2026 is \$9,209,708. Of that, \$1,500,000 will be coming from the Corridor Completion Reserve and the remaining \$7,709,708 will be coming from the unassigned fund balance. This leaves a fund balance of \$53,798,870 at the conclusion of Fiscal Year 2026.

Debt

In October of 2020, SMART successfully pursued a taxable advance refunding of the 2011A bonds. The refunding matched the existing March 1, 2029 final maturity date of the 2011A bonds. These bonds are secured by a gross lien on SMART's ¼ cent sales tax. The bonds were rated "AA" by Standard & Poor's. The 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

Appendix A - Passenger Rail/Pathway Sources & Uses				
FISCAL YEAR 2025-2026 DRAFT BUDGET - SOURCES AND USES				
		A	B	C
		FY25 Amended Budget	FY26 Requested Budget	Difference
1	Beginning Fund Balance *	\$ 81,342,877	\$ 61,508,650	\$ (19,834,227)
2	Revenues			
3	SMART S&U Tax			
4	Measure Q	\$ 50,426,000	\$ 46,265,300	\$ (4,160,700)
5	Measure Q Cost of Collection	\$ (800,000)	\$ (683,796)	\$ 116,204
6	Net Sales & Use Tax	\$ 49,626,000	\$ 45,581,504	\$ (4,044,496)
7	Measure Q Roll Forward	\$ 2,636,677	\$ 3,818,460	\$ 1,181,783
8	Transfer from Capital Fund	\$ 1,307,750	\$ 1,500,000	\$ 192,250
9	Subtotal	\$ 53,570,427	\$ 50,899,964	\$ (2,670,463)
10	Federal Funds			
11	5307 - Urbanized Area Formula Funds (Preventative Maintenance)	\$ 3,770,292	\$ 3,848,178	\$ 77,886
12	5337 - Federal State of Good Repair Funds	\$ -	\$ 5,642,175	\$ 5,642,175
13	Discretionary Earmark	\$ 1,800,000	\$ 1,520,000	\$ (280,000)
14	FTA / OBAG 2 - Hanna Ranch to Vintage Way	\$ -	\$ 91,600	\$ 91,600
15	FTA/ OBAG 3 - Hanna Ranch to Vintage Way	\$ -	\$ 171,750	\$ 171,750
16	FRA - Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$ 1,749,298	\$ -	\$ (1,749,298)
17	FRA Suicide Prevention Grant	\$ 50,954	\$ -	\$ (50,954)
18	Quick Strike (CMAQ) McInnis to Smith Ranch Rd	\$ 1,073,727	\$ -	\$ (1,073,727)
19	Subtotal	\$ 8,444,271	\$ 11,273,703	\$ 2,829,433
20	State Funds			
21	AHSC - Affordable Housing and Sustainable Communities	\$ 7,117,376	\$ 1,610,000	\$ (5,507,376)
22	ATP - SoCo Pathway - CTC/Caltrans/MTC	\$ 6,809,453	\$ -	\$ (6,809,453)
23	Caltrans Sustainability Communities Competitive Planning Grant	\$ 400,000	\$ 159,354	\$ (240,646)
24	Clean California Transit Grant	\$ 881,316	\$ -	\$ (881,316)
25	ITIP - Complete Streets	\$ -	\$ 896,000	\$ 896,000
26	LCTOP - Low Carbon Transit Operating	\$ 566,356	\$ 760,918	\$ 194,562
27	LPP - Local Partnership Program	\$ 1,188,864	\$ 727,443	\$ (461,421)
28	ITIP - Windsor Systems	\$ 6,624,890	\$ -	\$ (6,624,890)
29	SCC - Windsor	\$ 13,035,910	\$ -	\$ (13,035,910)
30	SRA - State Rail Assistance	\$ 3,700,000	\$ 3,500,000	\$ (200,000)
31	STA - State Transit Assistance (Population)	\$ 1,162,223	\$ 1,266,953	\$ 104,730
32	STA - State Transit Assistance (Revenue)	\$ 2,451,807	\$ 2,094,129	\$ (357,678)
33	STA - SGR (State of Good Repair)	\$ 340,634	\$ 340,634	\$ -
34	State Funds - Shuttle Service	\$ 500,000	\$ 250,000	\$ (250,000)
35	TIRCP - Petaluma North and McDowell Crossing	\$ 8,559,722	\$ -	\$ (8,559,722)
36	TIRCP - Windsor to Healdsburg	\$ 1,450,000	\$ 1,380,000	\$ (70,000)
37	Subtotal	\$ 54,788,550	\$ 12,985,431	\$ (41,803,119)
38	Regional Funds			
39	Regional Measure 3 (RM3)	\$ 1,276,000	\$ 1,048,400	\$ (227,600)
40	Subtotal	\$ 1,276,000	\$ 1,048,400	\$ (227,600)
41	Other Sources			
42	Advertising	\$ 132,100	\$ 175,000	\$ 42,900
43	Charges for Services	\$ 109,564	\$ 112,851	\$ 3,287
44	Fare Revenues - Passenger Rail	\$ 2,215,290	\$ 2,541,000	\$ 325,710
45	Fare Revenues - Shuttle	\$ 1,200	\$ 2,000	\$ 800
46	Interest Earning	\$ 1,500,000	\$ 800,000	\$ (700,000)
47	Misc.	\$ 54,257	\$ 55,885	\$ 1,628
48	Parking	\$ 11,400	\$ 17,580	\$ 6,180
49	Rent - Real Estate	\$ 479,636	\$ 494,025	\$ 14,389
50	Other Governments/Private Sector	\$ 1,829,589	\$ 1,534,821	\$ (294,768)
51	Subtotal	\$ 6,333,036	\$ 5,733,161	\$ (599,875)
52	Total Revenues	\$ 124,412,284	\$ 81,940,659	\$ (42,471,625)
53	Total Revenues + Fund Balance	\$ 205,755,161	\$ 143,449,309	\$ (62,305,852)

		FY25 Amended Budget	FY26 Requested Budget	Difference
54				
55				
56	Debt Service	\$ 16,904,116	\$ 16,996,844	\$ 92,728
57	Salaries & Benefits	\$ 28,822,096	\$ 30,418,226	\$ 1,596,130
58	Reduction for Salaries Charged to Projects	\$ (1,655,611)	\$ (1,663,687)	\$ (8,077)
59	Reduction for Allocation of Salaries/ Services/ Supplies to Freight	\$ (32,895)	\$ (34,944)	\$ (2,049)
60	Service & Supplies	\$ 19,367,741	\$ 18,238,151	\$ (1,129,590)
61	Total Salaries, Benefits, Service, & Supplies	\$ 46,501,331	\$ 46,957,746	\$ 456,415
62	Contribution to OPEB/ CalPERS Liability Fund	\$ 1,000,000	\$ 750,000	\$ (250,000)
63	Contribution to Capital Sinking Fund	\$ 2,000,000	\$ 1,000,000	\$ (1,000,000)
64	Operating Reserve	\$ 450,346	\$ 1,231,027	\$ 780,681
65	Total Reserve Contributions	\$ 3,450,346	\$ 2,981,027	\$ (469,319)
66	Total Debt Service, Operating, Reserves	\$ 66,855,793	\$ 66,935,616	\$ 79,823
67	Balance	\$ 138,899,368	\$ 76,513,693	\$ (62,385,675)
68				
69				
70	Non-Capital Projects	\$ 4,632,481	\$ 4,658,214	\$ 25,733
71	Total Non-Capital Projects	\$ 4,632,481	\$ 4,658,214	\$ 25,733
72	State of Good Repair and Projects	\$ 1,164,218	\$ 8,831,723	\$ 7,667,505
73	Total State of Good Repair	\$ 1,164,218	\$ 8,831,723	\$ 7,667,505
74	Capital Projects			
75	Equipment	\$ 886,108	\$ 2,419,000	\$ 1,532,892
76	Facilities	\$ 65,944,804	\$ 6,459,886	\$ (59,484,918)
77	Infrastructure	\$ 2,484,052	\$ -	\$ (2,484,052)
78	Non-Revenue Vehicles	\$ 971,305	\$ 346,000	\$ (625,305)
79	Land Acquisition	\$ 1,307,750	\$ -	\$ (1,307,750)
80	Total Capital Expenditures	\$ 71,594,019	\$ 9,224,886	\$ (62,369,133)
81	Ending Fund Balance	\$ 61,508,650	\$ 53,798,870	\$ (7,709,780)

APPENDIX B – FREIGHT OVERVIEW OF SOURCES & USES

Appendix B - Freight Sources and Uses				
Fiscal Year 2025-2026 Budget (Estimated)				
		FY25 Amended Budget	FY26 Requested Budget	Difference
1	Beginning Fund Balance	\$ 213,236	\$ -	\$ (213,236)
2	Revenues			
3	California State Transportation Agency (Cal STA)	\$ 393,549	\$ -	\$ (393,549)
4	CA Priority Legislative Budget Projects 2023	\$ -	\$ 750,000	\$ 750,000
5	CA Priority Legislative Budget Projects 2024		\$ 180,528	\$ 180,528
6	Caltrans SR 37 Construction Support	\$ 12,500	\$ 7,000	\$ (5,500)
7	State Shortline Grant	\$ 399,776	\$ 262,651	\$ (137,125)
8	Freight Movement Fees	\$ 700,000	\$ 800,000	\$ 100,000
9	Leases	\$ 270,000	\$ 270,000	\$ -
10	Storage	\$ 104,800	\$ 40,000	\$ (64,800)
11	45(g) Tax Credit	\$ 250,580	\$ 251,000	\$ 420
12	Misc.	\$ 342,420	\$ 10,000	\$ (332,420)
13	Total Revenues	\$ 2,473,625	\$ 2,571,179	\$ 97,554
14	Total Revenues + Fund Balance	\$ 2,686,861	\$ 2,571,179	\$ (115,682)
15	Expenditures			
16	Salaries & Benefits	\$ 947,674	\$ 1,075,089	\$ 127,415
17	Services & Supplies	\$ 926,833	\$ 943,789	\$ 16,956
18	SR 37 Grade Crossing PE Review	\$ 12,500	\$ 7,000	\$ (5,500)
19	Tie Replacement	\$ 50,000	\$ 50,000	\$ -
20	Brazos Branch - Novato Creek	\$ 133,221	\$ 54,121	\$ (79,100)
21	Brazos Branch - Sears Point Drainage	\$ 225,000	\$ 217,974	\$ (7,026)
22	Brazos Branch - Wingo - Sonoma Creek	\$ 250,000	\$ 203,205	\$ (46,795)
23	Grade Crossing Repair	\$ 141,633	\$ 20,000	\$ (121,633)
24	Total	\$ 2,686,861	\$ 2,571,179	\$ (115,682)
25	Ending Fund Balance	\$ -	\$ -	\$ -

APPENDIX C – POSITION AUTHORIZATION

# of Positions	Position Title	Hourly		Annual	
		Min	Max	Min	Max
1	Accountant I	\$ 38.39	\$ 47.99	\$ 79,851.20	\$ 99,819.20
1	Accounting Manager	\$ 67.73	\$ 84.66	\$ 140,878.40	\$ 176,092.80
1	Accounts Payable Technician	\$ 32.29	\$ 40.36	\$ 67,163.20	\$ 83,948.80
3	Administrative Assistant	\$ 33.10	\$ 41.38	\$ 68,848.00	\$ 86,070.40
1	Assistant General Counsel	\$ 93.38	\$ 116.73	\$ 194,230.40	\$ 242,798.40
1	Associate Planner	\$ 44.30	\$ 55.38	\$ 92,144.00	\$ 115,190.40
1	Budget and Finance Manager	\$ 67.73	\$ 84.66	\$ 140,878.40	\$ 176,092.80
1	Buyer I	\$ 39.15	\$ 48.94	\$ 81,432.00	\$ 101,795.20
1	Chief Financial Officer	\$ 122.45	\$ 153.06	\$ 254,696.00	\$ 318,364.80
1	Clerk of the Board/ Executive Assistant	\$ 47.94	\$ 59.93	\$ 99,715.20	\$ 124,654.40
1	Communications and Marketing Coordinator	\$ 41.33	\$ 51.66	\$ 85,966.40	\$ 107,452.80
1	Communications and Marketing Manager	\$ 76.64	\$ 95.80	\$ 159,411.20	\$ 199,264.00
1	Communications and Marketing Specialist	\$ 56.98	\$ 71.23	\$ 118,518.40	\$ 148,158.40
1	General Counsel	\$ 122.52	\$ 153.15	\$ 254,841.60	\$ 318,552.00
1	General Manager	\$ 156.92	\$ -	\$ 326,393.60	\$ -
2	Grants and Budget Analyst	\$ 54.24	\$ 67.80	\$ 112,819.20	\$ 141,024.00
1	Grants and Legislative Affairs Manager	\$ 78.52	\$ 98.15	\$ 163,321.60	\$ 204,152.00
1	Human Resources Analyst	\$ 47.71	\$ 59.58	\$ 99,236.80	\$ 123,926.40
1	Human Resources Manager	\$ 76.64	\$ 95.80	\$ 159,411.20	\$ 199,264.00
1	Information Systems Analyst	\$ 47.94	\$ 59.93	\$ 99,715.20	\$ 124,654.40
1	Information Systems Manager	\$ 78.56	\$ 98.20	\$ 163,404.80	\$ 204,256.00
1	Information Systems Technician	\$ 42.37	\$ 52.96	\$ 88,129.60	\$ 110,156.80
1	Legal Administrative Assistant	\$ 38.39	\$ 47.99	\$ 79,851.20	\$ 99,819.20
1	Ops Information Systems Technician	\$ 45.63	\$ 57.04	\$ 94,910.40	\$ 118,643.20
1	Payroll Technician	\$ 34.07	\$ 42.59	\$ 70,865.60	\$ 88,587.20
1	Planning Manager	\$ 76.64	\$ 95.80	\$ 159,411.20	\$ 199,264.00
1	Procurement and Contracts Analyst	\$ 50.37	\$ 62.96	\$ 104,769.60	\$ 130,956.80
1	Procurement and Contracts Manager	\$ 71.16	\$ 88.95	\$ 148,012.80	\$ 185,016.00
1	Real Estate Manager	\$ 84.55	\$ 105.69	\$ 175,864.00	\$ 219,835.20
1	Regulatory Compliance & Civil Rights	\$ 76.64	\$ 95.80	\$ 159,411.20	\$ 199,264.00
1	Senior Buyer	\$ 55.60	\$ 69.50	\$ 115,648.00	\$ 144,560.00
1	Senior Management Analyst	\$ 61.33	\$ 76.66	\$ 127,566.40	\$ 159,452.80
1	Senior Planner	\$ 56.98	\$ 71.23	\$ 118,518.40	\$ 148,158.40
1	Senior Real Estate Officer	\$ 56.95	\$ 71.19	\$ 118,456.00	\$ 148,075.20
	Interns (Multiple)	\$ 20.00		\$ 41,600.00	\$ -
35					
# of Positions	Position Title				
Capital					
2	Assistant Engineer	\$ 50.37	\$ 62.96	\$ 104,769.60	\$ 130,956.80
2	Associate Engineer	\$ 58.41	\$ 73.01	\$ 121,492.80	\$ 151,860.80
1	Chief Engineer	\$ 100.47	\$ 125.59	\$ 208,977.60	\$ 261,227.20
1	Junior Engineer	\$ 43.44	\$ 54.30	\$ 90,355.20	\$ 112,944.00
1	Manager Train Control Systems	\$ 100.47	\$ 125.59	\$ 208,977.60	\$ 261,227.20
1	Principal Engineer	\$ 78.56	\$ 98.20	\$ 163,404.80	\$ 204,256.00
1	Senior Engineer	\$ 67.73	\$ 84.66	\$ 140,878.40	\$ 176,092.80
9					

# of Positions	Position Title				
Operations					
1	Administrative Services Specialist	\$ 47.93	\$ 59.91	\$ 99,694.40	\$ 124,612.80
3	Bridge Tender	\$ -	\$ 35.83	\$ -	\$ 74,526.40
1	Chief Operating Officer	\$ 105.65	\$ 132.06	\$ 219,752.00	\$ 274,684.80
1	Chief of Police	\$ 91.04	\$ 113.80	\$ 189,363.20	\$ 236,704.00
3	Code Compliance Officer	\$ 37.45	\$ 46.81	\$ 77,896.00	\$ 97,364.80
6	Conductor *	\$ -	\$ 46.88	\$ -	\$ 97,510.40
	Conductor Trainee*	\$ -	\$ 39.86	\$ -	\$ 82,908.80
28	Engineer *	\$ -	\$ 56.37	\$ -	\$ 117,249.60
	Engineer Trainee*	\$ -	\$ 47.91	\$ -	\$ 99,652.80
1	Facilities Maintenance Supervisor	\$ 52.80	\$ 64.18	\$ 109,824.00	\$ 133,494.40
3	Facilities Maintenance Technician		\$ 44.81	\$ -	\$ 93,204.80
2	Inventory and Parts Clerk	\$ 34.07	\$ 42.59	\$ 70,865.60	\$ 88,587.20
1	Materials Sourcing Specialist	\$ 39.33	\$ 49.16	\$ 81,806.40	\$ 102,252.80
1	Inventory and MMS Manager	\$ 61.34	\$ 76.68	\$ 127,587.20	\$ 159,494.40
1	Lead Facility Maintenance Engineer	\$ -	\$ 49.29	\$ -	\$ 102,523.20
1	Maintenance of Way Manager	\$ 80.52	\$ 100.65	\$ 167,481.60	\$ 209,352.00
1	Maintenance of Way Superintendent	\$ 67.73	\$ 84.66	\$ 140,878.40	\$ 176,092.80
2	Operation Communication Specialist	\$ 38.39	\$ 47.99	\$ 79,851.20	\$ 99,819.20
1	Safety & Compliance Officer	\$ 69.40	\$ 86.75	\$ 144,352.00	\$ 180,440.00
1	Senior Administrative Assistant	\$ 36.53	\$ 45.66	\$ 75,982.40	\$ 94,972.80
1	Senior Code Compliance Officer	\$ 43.07	\$ 53.83	\$ 89,580.40	\$ 111,969.52
2	Signal Supervisor	\$ 56.31	\$ 68.43	\$ 117,124.80	\$ 142,334.40
8	Signal Technician **	\$ -	\$ 59.34	\$ -	\$ 123,427.20
	Signal Technician Trainee (2) **	\$ -	\$ 44.50	\$ -	\$ 92,560.00
2	Track Maintenance - Laborers	\$ -	\$ 33.50	\$ -	\$ 69,680.00
5	Track Maintainer I	\$ -	\$ 44.38	\$ -	\$ 92,310.40
1	Track Maintainer II	\$ -	\$ 48.82	\$ -	\$ 101,545.60
2	Track Maintenance Supervisor	\$ 52.67	\$ 64.03	\$ 109,553.60	\$ 133,182.40
1	Transportation Manager	\$ 80.52	\$ 100.65	\$ 167,481.60	\$ 209,352.00
1	Transportation Superintendent	\$ 67.73	\$ 84.66	\$ 140,878.40	\$ 176,092.80
12	Transportation Supervisor	\$ 59.87	\$ 74.84	\$ 124,529.60	\$ 155,667.20
10	Vehicle Maintenance - Laborers		\$ 34.31	\$ -	\$ 71,364.80
1	Vehicle Maintenance Manager	\$ 80.52	\$ 100.65	\$ 167,481.60	\$ 209,352.00
5	Vehicle Maintenance Supervisor	\$ 59.87	\$ 74.84	\$ 124,529.60	\$ 155,667.20
12	Vehicle Maintenance Technician ***		\$ 54.23	\$ -	\$ 112,798.40
	Vehicle Maintenance Tech Trainee (2) ***		\$ 40.67	\$ -	\$ 84,593.60
119					
Freight					
0.5	Administrative Assistant	\$ 33.10	\$ 41.38	\$ 68,848.00	\$ 86,070.40
1	Freight Manager	\$ 80.52	\$ 100.65	\$ 167,481.60	\$ 209,352.00
3	Freight Utility Worker	\$ 37.45	\$ 46.81	\$ 77,896.00	\$ 97,364.80
2	Freight Utility Worker/ Dispatcher	\$ 37.45	\$ 46.81	\$ 77,896.00	\$ 97,364.80
6.5					
Total FTE	169.5				
*	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, which created the Sonoma-Marín Area Rail Transit (SMART) District and established a comprehensive set of powers and duties regarding the formation, governance, organization, maintenance, and operation of the District. The SMART District includes both Sonoma and Marin Counties and was created to provide a 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, with its county seat located in 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. The county is governed by the Marin County Board of Supervisors. According to the 2020 Census, Marin County had the second highest income per capita of all U.S. counties.

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 outdoor attractions 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, with its county seat in its largest city, Santa Rosa. It is positioned to the north of Marin County and the south of Mendocino County. It is the northernmost county in the nine-county San Francisco Bay Area region. Sonoma County includes the Santa Rosa and Petaluma Metropolitan Statistical Areas.

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 Sonoma County was over \$2.4 billion in 2024. In Marin County, tourism spending was \$953 million in 2024.

POPULATION OF MARIN COUNTY AND INCORPORATED CITIES

Area	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Marin County	263,010	262,313	262,234	260,969	258,956	259,512	255,470	252,959	254,743	254,550
Belvedere	2,129	2,131	2,148	2,139	2,124	2,103	2,078	2,045	2,052	2,058
Corte Madera	9,631	9,625	10,043	10,138	10,114	10,147	9,967	9,885	9,957	9,966
Fairfax	7,528	7,533	7,714	7,443	7,399	7,496	7,410	7,354	7,400	7,407
Larkspur	12,312	12,325	12,588	12,331	12,253	12,963	12,728	12,571	12,750	12,731
Mill Valley	15,024	14,956	14,669	14,743	14,674	14,002	13,817	13,664	13,679	13,688
Novato	54,593	54,516	54,151	54,062	53,702	53,008	51,936	51,392	51,578	51,690
Ross	2,538	2,536	2,528	2,548	2,550	2,330	2,280	2,267	2,290	2,309
San Anselmo	13,017	12,982	12,908	12,845	12,757	12,772	12,515	12,405	12,519	12,551
San Rafael	60,551	60,661	60,020	60,207	59,807	61,179	60,237	59,681	59,917	59,885
Sausalito	7,227	7,234	7,421	7,301	7,252	7,159	6,955	6,865	6,936	6,941
Tiburon	9,644	9,647	9,366	9,581	9,540	9,065	8,903	8,798	8,894	8,910
Remainder of County	68,816	68,167	68,678	67,631	66,784	67,288	66,644	66,032	66,771	66,414

Source: County/City estimates as of January 1, 2024 and January 1, 2025
State of California Department of Finance, Demographic Research Unit

POPULATION OF SONOMA COUNTY AND INCORPORATED CITIES

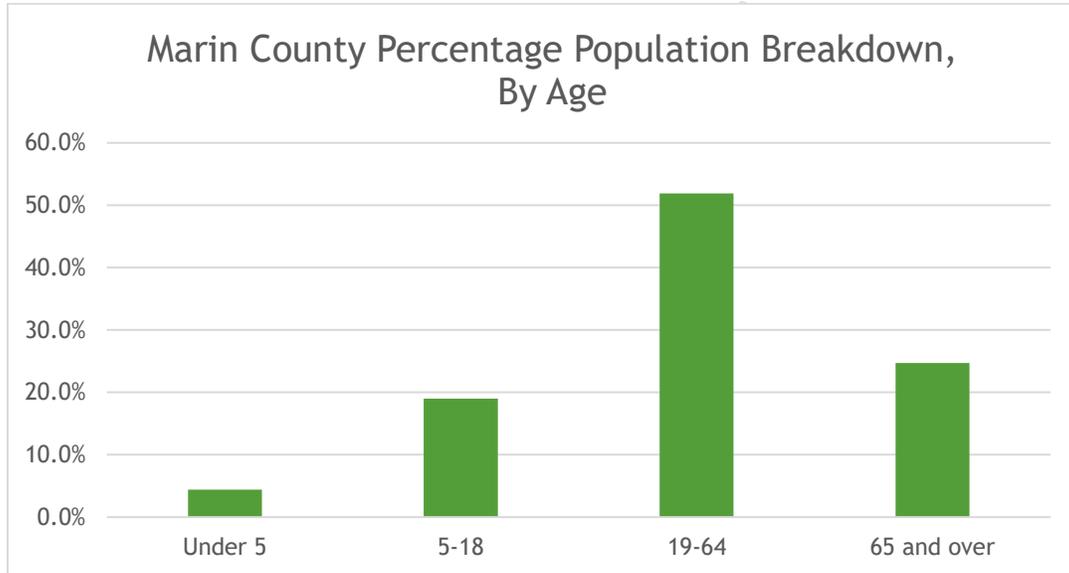
Area	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sonoma County	503,322	502,758	498,849	495,058	491,134	484,674	480,623	478,174	482,050	482,848
Cloverdale	8,927	8,988	9,141	9,279	9,213	9,029	8,869	8,787	8,763	8,678
Cotati	7,376	7,453	7,739	7,628	7,533	7,512	7,410	7,360	7,353	7,290
Healdsburg	11,734	11,757	12,232	12,166	12,089	11,174	10,993	10,914	11,010	10,972
Petaluma	61,488	61,657	62,251	62,195	61,873	59,756	58,552	58,321	58,858	59,094
Rohnert Park	42,586	42,490	43,178	43,134	43,069	44,287	43,701	43,693	44,089	44,062
Santa Rosa	176,937	178,064	177,017	175,183	173,628	177,396	175,351	174,523	177,043	178,452
Sebastopol	7,648	7,650	7,795	7,830	7,741	7,477	7,418	7,366	7,338	7,367
Sonoma	10,929	11,072	11,423	11,164	11,050	10,755	10,804	10,677	10,595	10,507
Windsor	27,445	27,492	28,356	28,596	28,248	26,134	25,836	25,560	25,669	25,625
Remainder of County	148,252	146,135	139,717	137,883	136,690	138,631	131,674	130,991	131,332	130,801

Source: County/City estimates as of January 1, 2024 and January 1, 2025
State of California Department of Finance, Demographic Research Unit

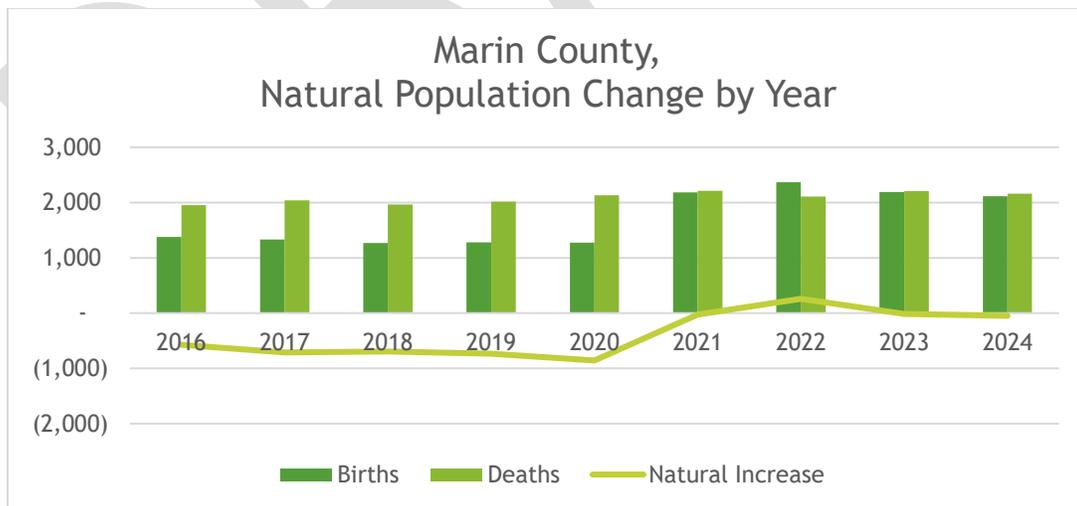
DEMOGRAPHICS OF MARIN AND SONOMA COUNTIES

Marin County

The median age in Marin County is 48.2 years with 59.9% of the population having a bachelor’s degree. The life expectancy is 84.3 years which is almost five years longer than the average American’s life expectancy.



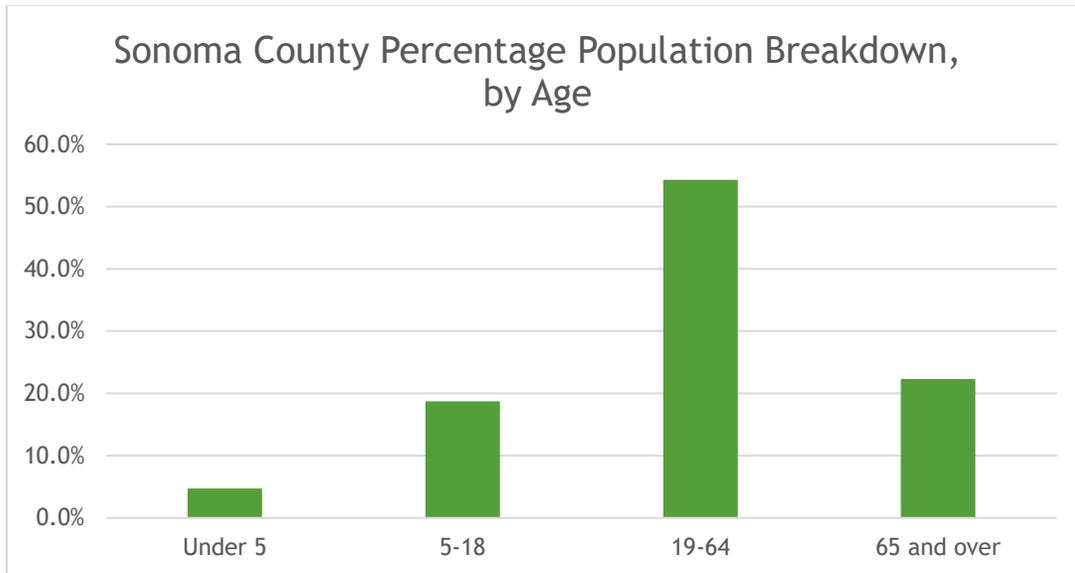
Source: Census.gov



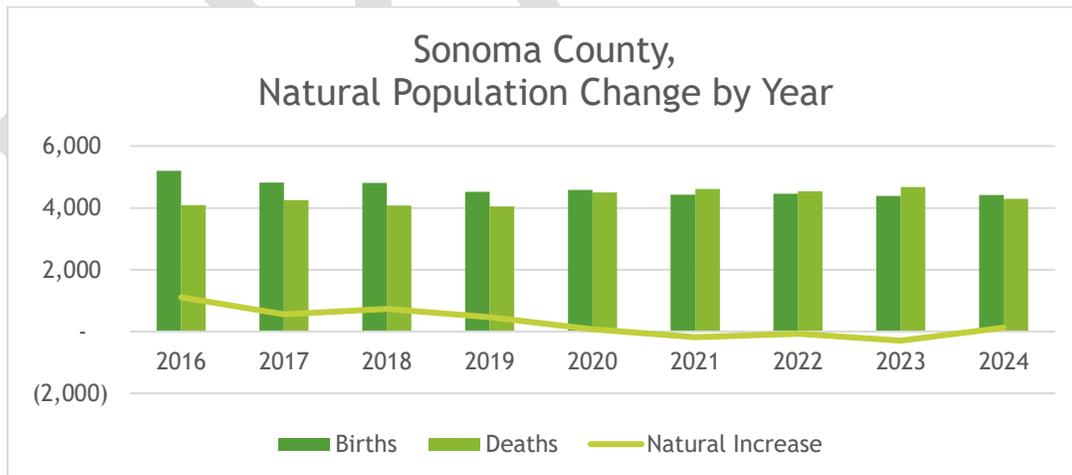
Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit

Sonoma County

The median age in Sonoma County is 43.3 years with 37.4% of the population having a bachelor's degree. The life expectancy is 80.6 years which is slightly over the California average of 79.4 years.



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

SMART's 2024-2025 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. Investment of Surplus.

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 shall 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, taking into account 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 such 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 considered

to be 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 of 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 in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or its equivalent 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 "A-1" 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 "A" or its equivalent 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. No more than 10% of SMART's total investment assets may be invested in the commercial paper and medium-term notes of any single issuer.

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 in excess of 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 of 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 in excess of 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 percent to any investment 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. A 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, taking into account 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

Information not yet received, however it will be included in the Final Budget

APPENDIX G – ORGANIZATION CHART

To be added to the Final Budget document.

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