



**BOARD OF DIRECTORS
REGULAR MEETING AGENDA**

May 17, 2017 – 1:30 PM

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

1. Call to Order
2. Approval of the May 3, 2017 Board Meeting Minutes
3. Public Comment on Non-agenda Items
4. Board Member Announcements
5. General Manager's Report
6. Consent
 - a. Approval of Monthly Financial Reports
 - b. Approval of James Flageollet Contract Amendment No. 4
 - c. Approve SMART's Policy for Events Impacting Passenger Service
 - d. Authorize the General Manager to Execute Concession Service Agreement with Becoming Independent
7. Review Fiscal Year 2016-17 Year-End Financial Report, Proposed Preliminary Fiscal Year 2017-18 Budget
8. Presentation and Discussion of the Updated Draft Timetable Concepts for Inaugural SMART Service (*Review and Provide Direction*)
9. Next Regular Meeting Board of Directors, June 7, 2017 – 12:00PM – 3748 Regional Parkway, Santa Rosa, CA 95403 (*Note Time Change and Meeting Location*)
10. Adjournment

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**BOARD OF DIRECTORS
REGULAR MEETING MINUTES AND WORKSHOP**

May 3, 2017 - 1:30 PM

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

1. Call to Order

Chair Fudge called the meeting to order at 1:30 PM. Directors Eddie, Hillmer, Lucan, Mackenzie, Pahre, Phillips, Rabbitt, Sears and Zane were present. Directors Arnold and Russell absent.

2. Approval of the April 19, 2017 Board Meeting Minutes

MOTION: Director Eddie moved approval of April 19, 2017 minutes as presented. Director Mackenzie second. The motion carries 10-0-0 (Directors Arnold and Russell absent).

3. Public Comment on Non-Agenda Items

None.

4. Board Member Announcements

None.

5. General Manager's Report

General Manager Farhad Mansourian asked Board members their availability for May 17th Board meeting for conducting a security briefing on the train.

On Monday, May 1st he met with a representative of the Federal Railroad Administration in Sacramento to discuss pending approval items. He was informed that City of Petaluma's Quiet Zone is nullified and that SMART should resume blowing the horn as required by Federal Law. SMART resumed to normal operation (sounding the horn) on Tuesday, May 2nd.

He acknowledged Assistant Planner Elizabeth (Libby) Dipple for her work in the Operation Lifesaver Program. As part of the California Operation Lifesaver Authorized Team she was placed in the Top 3 Rail Safety educational presenters. In 2016, her efforts resulted in 97 Rail Safety presentations reaching 16,660 people throughout Sonoma and Marin Counties. These presentations placed her 2nd overall in the State of California, an impressive outreach for anyone to achieve, and a tremendous asset for raising rail safety awareness.

He mentioned that on April 18th and 20th the Community Outreach Division conducted five rail safety trainings for Sonoma County Transit. Eighty-two (82) bus operators were trained in anticipation of SMART's start of passenger rail service.

Mr. Mansourian announced he will meet with all transit agencies in Sonoma and Marin Counties to review the final train schedule in anticipation of the start of passenger rail service.

Directors' Comments

Director Mackenzie said the US House of Representatives passed the budget that goes through September 2017 and asked if SMART had any information. Mr. Mansourian responded that passing of the budget was good news for SMART. They have funded the majority of the transportation projects and even added new projects.

Director Phillips stated his interest in City of Petaluma's Quiet Zone application status. He read the FRA letter it seems the City of Petaluma failed to include a couple of private grade crossings. The City of San Rafael is concerned about safety features in operating at this time. He asked once the City of Petaluma amends their Quiet Zone application if there is intent to re-establish the Quiet Zone function. Mr. Mansourian responded that he was not provided with any information regarding the decision. He understands that the City of Petaluma is in communication with the FRA representative, and when he receives official information he will notify members of the Board. Director Phillips said his understanding is that there are two possibilities for the decision: 1) safety concerns and 2) deficiencies in the documents excluding a grade crossing--that can be corrected.

Director Rabbitt asked if in fact the City of Petaluma did not include a grade crossing, would the 21-day Notice of Establishment period start at the time the grade crossing is included. Mr. Mansourian responded, yes. He stated that the collaboration with CPUC and FRA regarding Quiet Zones is a very complicated process. It's critical for cities, both counties and SMART to work together to develop a successful plan. Your Board approved four years ago spending over \$10M to upgrade signal systems and make improvements to make the SMART corridor "Quiet Zone-ready" for Sonoma and Marin communities. These safety measures help these crossings qualify for inclusion in a Quiet Zone should the local jurisdiction desire to establish such a zone.

Director Zane stated the Valley Oak Park Apartments is near SMART's right-of-way (approximately 800 units with a diverse community with young children). It would be helpful to conduct safety outreach there.

Director Rabbitt gave a history of how Quiet Zones were established. He said that the Railroads, Federal Railroad Administration (FRA) and California Public Utility Commission (CPUC) were not in favor of Quiet Zones; however, cities worked with Congress to pass legislation to enable Quiet Zones. The FRA does not determine if the implementation of a Quiet Zone is safe; they only approve the document checklist that is submitted by the lead agency. The CPUC letter addressed a strong argument for what is legal vs. best management practice for outreach plans. It seems that SMART's outreach efforts will need to increase. However it should be the primary responsibility of the jurisdiction/agency that submitted the Quiet Zone application to provide outreach. He suggested that the cities, counties and SMART collaborate in a robust outreach plan to assist in the implementation of Quiet Zones. Mr. Mansourian responded that it's critical that all collaborate in this effort. From 2012-2015 SMART was a construction and planning agency; and construction outreach was conducted. In late 2015-2016 train safety outreach was conducted. Now with the start of passenger service, rail safety and Quiet Zone outreach will be conducted.

Director Phillips stated that he would like to discuss Quiet Zones in Agenda Item #7.

Patricia Tuttle Brown stated that she liked the board meeting set up.

Tom Brandon asked for clarification about the May 17th Board Meeting if the public will be able to attend the train ride. Mr. Mansourian responded that the security briefing will be closed session and the public cannot attend.

6. Consent

- a. Approve W. Bradley Electric, Inc. Services (WBE) Contract Amendment No. 2

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

Director Rabbitt asked if the conduit was damaged because of specifications or construction. Mr. Mansourian responded that it's a performance problem and SMART will be reimbursed by the contractor.

MOTION: Director Mackenzie moved approval of the Consent Agenda as presented. Director Lucan second. The motion carried 10-0-0 (Directors Arnold and Russell absent)

7. Conduct Workshop – Passenger Start-Up Service Preparedness (*Non-Action Item for Discussion/Provide Direction*)

General Manager Mansourian stated that at your last Board meeting, staff provided an update on Signal Systems, Vehicles and Systems. Staff, consultants and contractors have been working very hard to continue to make progress toward Opening Day.

He introduced Chief of Police Welch who gave a PowerPoint presentation regarding Start-Up Preparedness. She introduced key staff members who gave brief presentations.

Chief of Police Welch provided an overview of the following:

- Customer Service - Golden Gate Transit is trained and ready
 - Customer Service Center will begin on May 16th
 - Lost and Found Process
 - Daily Reports will be distributed to SMART

- Ambassador Program
 - Provide on-platform customer service to SMART riders
 - Answer public questions
 - Assist with Clipper machine
 - Thanks to Yasamin and Colleen from Human Resources department who have been tasked with recruiting and hiring for this program.

Programming and Grants Manager Joanne Parker gave an overview of the following:

- Fare Options for Riders – Clipper
 - Installation of the Clipper Vending machines will be completed soon.
 - Revenue collection begins on July 5th for ½ fare and September 5th for full fare.
 - Clipper Cards and 31-day pass sales will begin June 17th.
 - SMART Office will have counter service for walk-ins and will have Adult, Senior and Youth cards available; also available at www.clippercard.com.
 - SMART is in the process of becoming an authorized Regional Transit Connection Card.

Chair Fudge clarified that SMART is not scheduled to start passenger service on June 17th; however, Clipper cards will be available for purchase and ready to use by start of passenger service late spring.

Comments

Director Lucan asked if a local Veteran's group approached SMART to become a source of veteran verification. Mr. Mansourian responded that the Veteran's discount can be purchased through the Eco-Pass program and SMART has not been contacted by a Veteran's organization.

Director Zane asked if there has been vandalism on installed Clipper Vending Machines. Chief Welch responded no.

Jack Swearingen asked the definition of a transfer credit. Ms. Parker responded your Board approved a fare policy that included a progressive transit credit of \$1.50 off for full fare riders and \$0.75 off for half fare riders. This applies to bus operators and ferry that are in the Clipper program.

Chief Financial Officer Erin McGrath gave an overview of the following:

- Fare Options for Riders – Mobile App
 - It will improve consumers' convenience to purchase tickets anywhere and anytime.

- Avoids potential lines at the platform Clipper Card vending machines.
- Provides an alternative for tourists or occasional riders who don't have a Clipper Card.

Director Mackenzie stated that SMART will be on the existing Clipper 1.0 program and it's in the process of being updated to 2.0 with great improvements in the near future.

Chief of Police Welch gave an overview of the following:

- Platforms
 - Emergency Call boxes are being installed on the platforms. Although most people have cell phones this will give riders the ability to get help immediately.
 - Recycling – SMART has partnered with Marin County Hazardous Waste Management and Sonoma County Waste Management to obtain a Cal Recycle beverage container.
 - Maps – SMART is coordinating with Metropolitan Transportation Commission for regional transit maps to be displayed at the platforms.
 - Signage – Appropriate signage is being installed by Maintenance of Way Division this week and shall be completed soon.

Chief Engineer Bill Gamlen stated that In January 2017, your Board directed staff to install cost-effective parking lots at Airport Boulevard and Downtown Petaluma:

- Parking Lots - Shall be completed by end of May
- Bike Lockers - SMART has entered into contract, and installations shall be completed by end of June.

Comments:

Director Hillmer asked how many bicycles fit on the train. Mr. Gamlen responded a total of 20-24 bicycles on a two-car train.

Concessions

Chief Welch stated that she is pleased to announce our partnership with Becoming Independent to manage the train concession. She introduced Chief Executive Officer Luana Vaetoe. Ms. Vaetoe introduced Fund Development Director Lisa Folsom-Ernst, Executive Administrator Hazel Ricco, Malachi Shane and Kailee Gillard. She gave an overview of the program. Highlights included:

- Concessions – Partnership with Becoming Independent
 - Becoming Independent (BI) has a team of people working to serve local coffees, locally baked pastries, organic coffee, and small assortment of afternoon snacks, beer and wine.
 - They will bring the BUZZ to the train. They are in the process of partnering with Taylor Maid Farms for local coffee, Oliver's Market and Village Bakery for pastries.
 - They will have the new branding logo on swag that will be worn on train.
 - In the process for obtaining ABC License for beer and wine.

Comments

Director Zane asked what type of wine will be served. Ms. Vaetoe responded that it depends how many different vendors will be willing to have a partnership. Ms. Zane stated that the ham and cheese croissants from Village Bakery are delicious.

Chair Fudge suggested having a beer/wine of the month/quarter. This will give opportunities for different vendors to participate.

Communications and Systems Engineer Mark Golucki provided a summary of the following:

- Wi-Fi Service
 - All trains are equipped with Wi-Fi.
 - The current contract has a tiered system option, if your Board would like to include different live stream service.
 - Internet service will be provided at all platforms.

Assistant Planner Elizabeth (Libby) Dipple provided an overview of the following:

- Real-Time Passenger Information
 - SMART contracted with Swiftly Real-Time Transit Mobile App.
 - Real-Time Information where the vehicle (train) is positioned will be available.
 - Real-Time Information works - The train sends its global position and the software transfers to the data provider.
 - Examples of the Swiftly Mobile app were shown.

Comments

Rick Coates suggested that organic wine and beer have priority. Also, does the train have a display that announces the next stop? Chair Fudge responded “yes” the train has a display.

Jack Swearingen asked if the Wi-Fi will be password protected. Mr. Golucki responded that Wi-Fi will have a log-in specification and be free of charge.

Chair Fudge asked for clarification on the tiered system. Mr. Golucki said that the system has the option to have subscribed users; and the system would allow for streaming movies and video games. That option would not be free of charge to passengers unless they subscribe.

Director Mackenzie reported that the Swiftly App shows no active trains running from Sonoma County Airport to Downtown San Rafael; however, it shows Downtown Petaluma is the nearest station from the SMART office.

Programming and Grants Manager Joanne Parker gave an overview of the following:

- SMART Bus Connections
 - Santa Rosa CityBus Re-Imagining Service changes to begin on May 21st
 - Petaluma Service modification will begin Summer 2017
 - Sonoma County Transit Service Modification – Includes Route 56-Cloverdale to

Sonoma County Airport

- Golden Gate Transit – Includes Route 35 – San Rafael to Larkspur

Comments

Director Mackenzie asked if Sonoma State University President and Public Safety department contacted SMART to discuss potential linkages between the University and the Cotati Depot Station. Mr. Mansourian responded that he has been contacted, and SMART has provided information and will continue to work with them.

Director Hillmer asked how SMART will handle bicyclists / bicycles when there is no capacity left on each train. Mr. Mansourian responded that SMART hosted a train ride with Marin and Sonoma Bicycle Coalitions. The Coalitions provided feedback to SMART by saying that the bicycle community will start to move to other stations that have capacity. Also, a Bicycle Parking Infrastructure Plan was developed and the recommendation was to provide bike lockers at key SMART station locations.

Chief of Police Welch stated SMART needs to be prepared in case of an emergency and bus bridges are necessary. Highlights included:

- Bus Bridge – Emergencies
 - Request for Proposals has been issued.
 - SMART will compile a rotation call list.
 - Pre-designated locations for pick-up and drop-off will be determined.
 - ADA/Bike needs – SMART is coordinating Paratransit for the ADA component and agencies that can provide services for bicycles.

Comments

Director Lucan asked if SMART has considered ride sourcing like “LyftLine.” Chief Welch responded that SMART has done some research for the ADA component. He mentioned the Marin Transit has a partnership with “Lyft, Inc.” for carpooling services.

Director Rabbit stated that having a single track system makes SMART a little vulnerable during an emergency situation. Will the Bus Bridge take the public to the nearest station? Chief Welch responded that if an emergency happens while the train is not on the platform, the public will be removed from the train safely and transported by bus to the nearest platform to be transported to their next platform.

Communications and Marketing Manager Jeanne Mariani-Belding stated there is much excitement for the start of passenger service. The Outreach Division has conducted over 140 safety presentations. Marketing Highlights included:

- SMART-branded Clipper Card will be available to purchase.
- Advertising – Digital billboard, Buses and Digital portals to educate the community.
- SMART has been working with Clipper staff for upcoming events at stations and platforms.
- SMART has partnered with Petaluma Transit during Petaluma’s Butter & Eggs Parade and Festival to inform the public about their new transit schedule in

anticipation of SMART's passenger service starting.

- A marketing company has recently been contracted through the Request for Proposals Process.
- A sneak peak of the new Website was illustrated. User friendly information is easily available.

Outreach Highlights included:

- Safety, Safety and more Safety messaging is being conducted to educate the public to be aware of the train.
- School presentations.
- Community events.
- Quiet Zones Outreach Plan with local municipalities in Marin and Sonoma Counties.

Comments

Director Phillips stated that the City of San Rafael continues to prepare for the establishment of Quiet Zones. The City of San Rafael is the lead agency for City of Novato and County of Marin and has submitted their Quiet Zone application to CPUC after the April 19th Board meeting of Petaluma. He is concerned about the reports with regards to Outreach in the community--there is a high school not too far from the downtown platform.

Assistant Planner Libby Dipple provided an overview of the following:

- Ridership Surveys
 - Surveys will be conducted during the few weeks of start-up
 - Ways to improve and travel data

Comments:

Director Lucan suggested implementing a survey prior to logging into the free Wi-Fi on board. Mr. Mansourian said that the system does have the ability to incorporate a short survey prior to Wi-Fi logging in.

Safety and Security

Mr. Mansourian stated that Chief of Police Welch held the largest medical emergency drill in Marin County. Three Federal Railroad Administration Inspectors were in attendance and the Chief Inspector thanked SMART for an outstanding performance. Fifteen (15) Fire Departments, 4 Law Enforcement Agencies, 2 Regional Hospitals, and 4 helicopters participated in the drill.

Chief Welch illustrated a video of the drill. The drill was performed in the morning and afternoon. She thanked everyone who participated.

Comments

Director Mackenzie asked what lessons were learned during this exercise. Chief Welch responded that it is important to have good communication and understand what resources are needed at the time. SMART has a facility in Novato that will be used to

store/stage equipment for emergencies in Marin County. Also, she and the Operations Department are exploring resources to have in both counties.

Director Phillips stated that while playing golf with a member of the fire department, he was told that the exercise was well conducted and was beneficial to the participants in the exercise.

Chief of Police Welch gave an overview of the following:

- Code Enforcement Officer – They participate in homeless clean ups and enforcement along the right-of-way. Once passenger service begins they will be tasked with parking enforcement and checking fares.
- Visible Intermodal Prevention and Response (VIPR) Teams – This is a Transportation Security Administration program and we have their full support and commitment for resources when needed.
- Federal, State and Local Support – They are very supportive and will be assisting SMART as we progress.
- Upcoming May tabletop – SMART will be hosting the Department of Homeland Security later this month.

Comments

Director Rabbitt said SMART runs on a single track and asked what can be done if an incident happens on the track. Chief Welch responded that Caltrain hosted a training one year ago that dealt with these types of incidents, and staff received valuable information. The most important aspect is to continue to train and coordinate with various resources.

Director Phillips asked the status of the homeless population along the right-of-way. Chief Welch responded that it's a daily task and constant effort to reach out to the community and remind them the safety issues along the track. The Outreach Department has conducted presentations at local organizations and shelters, and the Code Compliance Officers are monitoring the right-of-way daily.

Special Events Across Tracks

Lastly, Chief Welch stated that SMART receives many requests throughout the year for special events that cross the track. Highlights included:

- In 2016 SMART issued 14 permits for events across tracks for parades, foot/bike races and health fairs.
- Impact to SMART Operations if events interrupt service – slower speed, staff time for schedule adjustments, outreach time for delay notification and riders will be delayed.
- Metro Los Angeles, North County Transit (Sprinter and Coaster), San Diego Metropolitan District, Caltrain, VTA and ACE – none of these agencies recommend an event that disrupts service; Metro LA had 1 exception for high security concerns.

Until now, SMART has been accommodating and adjusting testing schedules for special events. Mr. Mansourian stated that SMART has been receiving requests and would like to receive direction since the start of passenger service is approaching soon. Also, a policy will be brought back to your Board for approval based on feedback received today.

Comments

Director Lucan agreed that a policy is needed for safety concerns so that service will not be disrupted. He suggested having a communication plan to discuss with the organizations about the process.

Director Phillips stated that he agrees with Director Lucan. Having an inconsistent train schedule will cause confusion.

Director Rabbitt stated that the California Highway Patrol (CHP) does an excellent job during bicycle events in Sonoma County. He suggested that the Penngrove 4th of July Parade be accommodated considering safety first.

Director Zane stated that vehicles are still stopping on the tracks. She suggested that Outreach Department reach out to large agencies that host events along the tracks.

Director Pahre stated that SMART needs to stick to the train schedule and some organizations will be upset; however, it's not wise to disrupt service.

Director Rabbitt clarified that accommodations can be made on both sides. He hopes the train schedule has room to accommodate events. Also, not every event is the same and desires that Penngrove Community and SMART work together to continue to coordinate the 4th of July Parade.

Chair Fudge stated that the Town of Windsor's annual parade in May will need to have an alternative parade schedule once passenger service begins in Windsor. SMART needs to continue with their schedule and not interrupt service and continue to educate the public and organizations.

Mr. Mansourian stated that a policy with principles will be brought back to your Board for approval especially not compromising safety and language for weekday and weekend schedules.

It was confirmed that the June 7th Board meeting be held at the Rail Operations Center from Noon to 5pm.

Comments

Duane Bellinger suggested having a drop off and pickup location for the 4th of July Penngrove Parade.

Rick Coates mentioned that the Friends of SMART are willing to assist in monitoring events.

Lastly, Mr. Mansourian acknowledged and thanked Chief of Police Welch for all her work in preparing the presentation.

8. Next Regular Meeting of Board of Directors, May 17, 2017 – 1:30 PM – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
9. Adjournment – Meeting adjourned at 3:42PM

Respectfully submitted,

Leticia Rosas-Mendoza
Clerk of the Board

Approved on: _____



Debora Fudge, Chair
Sonoma County Mayors and
Councilmembers Association

Kathrin Sears, Vice Chair
Marin County Board of Supervisors

Judy Arnold
Marin County Board of Supervisors

Jim Eddie
Golden Gate Bridge,
Highway/Transportation District

Dan Hillmer
Marin Council of Mayors and
Councilmembers

Eric Lucan
Transportation Authority of Marin

Jake Mackenzie
Sonoma Mayors and Councilmembers
Association

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gary Phillips
Transportation Authority of Marin

David Rabbitt
Sonoma County Board of Supervisors

Carol Russell
Sonoma Mayors and Councilmembers
Association

Shirlee Zane
Sonoma County Board of Supervisors

Farhad Mansourian
General Manager

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May 17, 2017

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

SUBJECT: Monthly Financial Reports

Dear Board Members:

RECOMMENDATION: Information Item

SUMMARY:

As of April 30, SMART ended the month with an unrestricted cash balance of \$55,165,436 and bond fund investments totaling \$19,793,186. Gross Sales Tax Revenue received through the month of April is \$24,329,204. Spending is currently below overall budgetary authority as approved by the Board. Please see Item #7 on the Agenda for a detailed report and update on current year spending.

Very truly yours,

Erin McGrath
Chief Financial Officer

Attachment(s): Monthly Financial Reports
Contract Summary

SMART
Monthly Financial Report
As of April 2017

	FY 2016-17 Budget	YTD Actuals	Remaining Budget
Revenues			
Sales/Use Taxes	36,286,248	24,329,204	11,957,044
Interest Earnings	377,500	547,571	-
Rent - Real Estate	487,197	383,822	103,375
Federal - FHWA	1,619,924	1,151,427	468,497
Other Governments	2,478,177	2,111,468	366,709
Measure M	350,000	5,240	344,760
MTC - RM2	8,436,937	1,349,153	7,087,784
Fare Revenue	1,976,000	-	-
Charges For Services	30,000	47,786	-
State Grants	2,104,500	8,071	2,096,429
Federal FTA Funds	5,533,042	809,328	4,723,714
Miscellaneous Revenue	60,000	426,780	-
Revenue Total	59,739,525	31,169,852	27,148,311
Expenditures			
Administration			
Salaries & Benefits	4,199,937	3,232,510	967,427
Services & Supplies	6,612,101	3,843,057	2,769,044
Other Charges	18,791,927	12,195,003	6,596,924
Machinery & Equipment	64,635	37,849	26,786
	<u>29,668,600</u>	<u>19,308,420</u>	<u>10,360,180</u>
Capital			
Salaries & Benefits	1,196,770	795,579	401,191
Services & Supplies	451,772	219,838	231,934
Other Charges	138,177	62,636	75,542
Land	479,500	318,169	161,331
Machinery & Equipment	22,864,796	1,966,462	20,898,334
Infrastructure	30,444,898	18,430,478	12,014,420
Intangible Assets	2,000	2,000	-
	<u>55,577,913</u>	<u>21,795,161</u>	<u>33,782,753</u>
Operations			
Salaries & Benefits	11,106,865	7,338,275	3,768,590
Services & Supplies	5,537,434	2,229,490	3,307,944
Buildings & Capital Improvements	2,833,289	904,889	1,928,400
Appropriations for Contingencies	492,290	-	492,290
	<u>19,969,878</u>	<u>10,472,654</u>	<u>9,497,224</u>
Expenditure Total	105,216,392	51,576,234	53,640,157

Investment Report

	As of April 2017
Bond Reserve Fund	
Sonoma County Treasury Pool	17,072,500
Interest Fund	
Sonoma County Treasury Pool	1,346,573
Project Fund	
Sonoma County Treasury Pool	321,324
Principal Fund	
Sonoma County Treasury Pool	1,052,789
SMART Fund Balance	
Bank of Marin	13,214,956
Sonoma County Treasury Pool	41,950,480
	74,958,622



Contract Summary

Active Contracts as of May 11, 2017

Contractor	Scope	Fiscal Year 16-17 Projected	Fiscal Year 16-17 Actuals-To-Date
A.J. Janitorial Service	Janitorial Services for the ROC, Fulton, and Roblar	\$22,148	\$14,295
Adobe Associates Inc.	Real Property Support Services	\$12,000	\$0
Alcohol & Drug Testing Services, LLC	DOT Drug and Alcohol Testing	\$24,875	\$10,946
Alliant Insurance Services	Insurance Brokerage & Risk Management Services	\$69,000	\$0
Aramark Uniform Services	Employee Uniform Provider and Cleaning Service	\$17,987	\$5,335
Area West Environmental, Inc	Environmental Compliance Support Services	\$50,000	\$22,194
Barbier Security Group	Security Guard/Patrol Services	\$69,000	\$41,857
Bender Rosenthal, Inc.	Real Estate Support Services for Larkspur Extension	\$223,780	\$64,922
Bernadette Lambert	Right of Way Acquisition Legal Services	\$4,500	\$0
Bettin Investigations	Background Investigations	\$10,000	\$7,625
Big Cat Advertising	Digital Advertisement Services	\$18,000	\$15,000
BKF Engineers Inc.	Real Property Support Services	\$10,000	\$0
Burke, Williams & Sorensen, LLP	Litigation Support Services	\$150,000	\$111,021
Cal Accessibility, Inc.	ADA Compliance Support Services for CP4	\$25,000	\$6,636
CALOPPS - City of Foster City	Internet Employment Website - CALOPPS	\$2,000	\$0
Cascade Training Center	AED Program Management	\$1,750	\$1,750
Century Urban	Real Estate Advisory Services	\$18,513	\$14,138
Certified Employment Group	Temporary Staffing Services	\$40,000	\$33,155
CIH Services Inc.	Industrial Hygiene Testing and Related Services	\$12,000	\$7,737
Coates Field Service, Inc.	Real Estate Acquisition and Relocation Services	\$25,000	\$6,818
Conservation Corps North Bay	ROW Maintenance & Weed Abatement	\$40,000	\$0
CSW/Stuber-Stroeh Engineering Group	Real Property Services	\$18,000	\$0
David Rzepinski & Associates	Transit Market, Fare Analysis, Coordination	\$35,000	\$13,694
David Tattersall & Co.	Real Estate Appraisal Services	\$10,000	\$0
David Tattersall & Co. Real Estate Advisory Service	Real Estate Appraisal Services for Larkspur Extension	\$42,000	\$18,700
Dennis Walther	Electrical Service Design Review	\$5,200	\$5,200
Dr. Mark Clementi	Pre-Employment Psychological Evaluations	\$34,250	\$18,495
eLock Technologies, LLC	Station Bike Lockers and Maintenance Services	\$274,161	\$0
Empire Cleaners	Uniform Dry-Cleaning, Laundering, and Related Services	\$8,465	\$1,127
Emtec Consulting Services, LLC	Oracle Accounting System Support Services	\$64,761	\$53,128
ePath Learning, Inc.	Cloud-Based Training / Learning Management Software	\$6,000	\$0
George Hills Company, Inc.	Third Party Claims Administration Services	\$21,400	\$4,556
GHD, Inc.	SWPP Compliance, AutoCAD Management, Traffic and Hydraulic Analysis for CP4	\$168,778	\$65,288
GP Crane & Hoist Services	Cal/OSHA Crane Inspection Services	\$900	\$450
Granicus, Inc.	Media Streaming & Internet Broadcasting Services	\$8,000	\$6,550
Hanson Bridgett LLP	Legal Services	\$125,158	\$125,158
HDR Engineering, Inc.	Movable Bridge Support	\$1,245	\$1,244
Holland Company	Testing and Measuring Track Geometry, Track Strength, Rail Profile, and Related Services	\$24,000	\$24,000
Hulcher Services, Inc.	Derailment & Hazmat Services	\$40,000	\$0
ICF Jones & Stokes, Inc.	Environmental Permitting Management and Support Services	\$210,000	\$176,459
Intellectra, Inc.	Internet/Cellular Tower Maintenance Services	\$35,750	\$24,791
Intelligent Technology Solutions, Inc.	Maximo MMS Implementation and Support Services	\$314,857	\$274,759
Interwest Consulting Group	Acquisition and Relocation Services	\$3,749	\$1,330
Irwin Inc.	Construction Contract Document Preparation	\$20,000	\$0
James Flageollet	Legal Services	\$129,180	\$127,875

Contractor	Scope	Fiscal Year 16-17 Projected	Fiscal Year 16-17 Actuals-To-Date
John Zanzi	Fire and Life Safety Planning	\$20,000	\$9,088
Kathy Wood & Associates	Acquisition and Relocation Services	\$36,252	\$0
Krebs Construction Services, Inc	Project Cost Management Services	\$30,000	\$683
Kurland Digital	Website Hosting and Support Services	\$700	\$700
LTK Engineering Services	Vehicle and Systems Design and Construction Management Services	\$2,894,583	\$1,664,018
Macias Gini & O'Connell LLP (MGO)	Financial Audit Services	\$44,401	\$44,401
Maggiora & Ghilotti, Inc.	Non-Motorized Pathway E. Cotati Ave to Golf Course Drive	\$1,169,955	\$1,167,830
Managed Health Network	Employee Assistance Program (EAP) Services	\$1,910	\$1,241
Masabi LLC	SMART Mobile Ticketing Pilot Project	\$135,000	\$0
MGrodner, LLC	Project Management Services	\$50,000	\$42,653
Moore Iacofano Goltsman, Inc.	Marketing Implementation and Website Design	\$39,500	\$34,725
Nelson\Nygaard Consulting Associates, Inc.	Bicycle Parking Investment Plan	\$2,351	\$2,351
Netspeed Solutions, Inc.	Avaya IP Office Support and Professional Services at Petaluma, ROC, and MOW	\$5,300	\$5,300
Netspeed Solutions, Inc.	Avaya IP Office Support and Professional Services at Roblar	\$10,823	\$10,815
Netwoven Inc.	Design Information Architecture for Document and Project Management Technology	\$62,664	\$54,275
North Bay SAP Services	Substance Abuse Professional Services	\$5,000	\$0
Nossaman LLP	Legal Services - Railroad Regulatory Issues & Transit D-B Projects	\$201,955	\$131,631
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$21,950	\$9,246
Oracle	Fusion Enterprise Resource Planning (ERP) Software & Hosting Services	\$47,880	\$35,910
Parks Electric	Installation of Power Circuits and Related Electrical Work at the Roblar Facility	\$2,775	\$2,775
Parodi Investigative Solutions	Pre-Employment Background Investigation Services	\$24,600	\$19,250
Paychex, Inc.	Payroll Processing Services	\$21,632	\$18,308
PGH Wong Engineering	Construction Management Support Services	\$87,970	\$87,970
Platinum Advisors, LLC	State Legislative Advocacy Services	\$120,000	\$100,000
Portola Systems, Inc.	SMART Station Network Configuration Services	\$277,284	\$262,524
Public Financial Management, Inc.	Financial Advisory Services	\$5,000	\$0
Public Financial Management, Inc.	Arbitrage Rebate Compliance Services	\$2,000	\$0
RailPros, Inc.	Professional Engineering Services for Larkspur Extension	\$761,653	\$679,497
Reforestation Services, Inc.	Vegetation Control Services	\$23,206	\$20,579
ServPro of Lake Mendocino and Sonoma County	Biohazard Clean-Up and Hazmat Services	\$24,360	\$0
Shimmick Construction Co, Inc.	D/B Construction of IOS2, Haystack, OMF, Station Finishes and Pathway	\$6,549,511	\$4,189,802
SPTJ Consulting	Network Infrastructure, Security, Migration and Setup Services	\$389,880	\$196,898
Stacy and Witbeck/Herzog, JV	Design/ Build Construction of Civil, Track & Structures Improvements of IOS-1	\$10,895,435	\$9,581,373
State Water Resources Control Board	Mira Monte Site Cleanup Program	\$6,400	\$3,582
Steve Taylor Excavation	Vehicle Detector Loop Installation Services	\$12,323	\$12,323
STV, Inc.	On-Call Railroad Bridge Inspection Services	\$100,000	\$87,121
Sumitomo Corporation	Manufacture & Delivery of Vehicles	\$20,843,756	\$1,333,396
Summit Signal, Inc.	I/STE A - Constructing Black Point Bridge Automation Project	\$194,250	\$194,250
Summit Signal, Inc.	Emergency Call-Out Services for Track and Signals	\$70,000	\$26,960
Summit Signal, Inc.	Track and Signal Inspections	\$85,110	\$76,896
Swiftly, Inc.	AVL Mobile Application and Website Interface	\$9,900	\$9,900
The GBS Group	Internet Connectivity (Wi-Fi) for SMART Trains	\$1,090,348	\$767,841
Utah Transit Authority	DMU Wheel Truing Services	\$3,262	\$0
Van Scoyoc Associates	Federal Legislative Advocacy Services	\$54,000	\$36,000
WBE	Design and Installation of Security Equipment	\$207,072	\$167,210

Contractor	Scope	Fiscal Year 16-17 Projected	Fiscal Year 16-17 Actuals-To-Date
Xentrans, Inc.	DMU WiFi Development Services	\$54,090	\$54,090
Zeba Consulting, Inc.	Marketing and Advertising Consultant Services	\$24,536	\$12,268
Totals		\$49,166,984	\$22,461,913

* Actuals-To-Date includes invoices that have been approved as of May 11, 2017, but may not have been processed in SMART's Financial System.

**FOURTH AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
AND JAMES FLAGEOLLET**

This Fourth Amendment dated as of _____, 2017 (the “Fourth Amendment”) to the Agreement by and between the SONOMA-MARIN AREA RAIL TRANSIT DISTRICT (“SMART”) and JAMES FLAGEOLLET (“CONSULTANT”), dated as of March 6, 2013 (the “Original Agreement,” and as supplemented and amended by the First, Second, Third and this Fourth Amendment, the “Agreement”).

RECITALS

WHEREAS, SMART and CONSULTANT previously entered into the Original Agreement to provide legal services in support of the District Counsel; and

WHEREAS, SMART desires to amend the Agreement to extend the term of the Agreement to June 30, 2018 and to increase the not-to-exceed amount by \$50,000 for a total not-to-exceed amount of \$655,000.

NOW, THEREFORE, in consideration of the recitals set forth above and the covenants contained herein, it is mutually agreed by and between the parties that:

AGREEMENT

1. **ARTICLE 2. “COMPENSATION”** is hereby deleted and replaced in its entirety with the following:

“For all services and incidental costs required hereunder, Consultant shall be paid \$130 per hour, all inclusive. Provided however that total payments hereunder shall not exceed \$655,000. SMART shall render payment of approved invoices within 30 days of receipt.”

2. **Section 3. “TERM”** is hereby deleted and replaced in its entirety with the following:

“The term of this Agreement shall remain in effect until June 30, 2018, unless terminated earlier in accordance with the provisions of **Section 9** below.”

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

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as set forth below.

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

Dated: _____

By _____
Farhad Mansourian, General Manager

JAMES FLAGEOLLET

Dated: _____

By _____
Its _____

APPROVED AS TO FORM

Dated: _____

By _____
District Counsel



May 17, 2017

Debora Fudge, Chair
Sonoma County Mayors and
Councilmembers Association

Kathrin Sears, Vice Chair
Marin County Board of Supervisors

Judy Arnold
Marin County Board of Supervisors

Jim Eddie
Golden Gate Bridge,
Highway/Transportation District

Dan Hillmer
Marin Council of Mayors and
Councilmembers

Eric Lucan
Transportation Authority of Marin

Jake Mackenzie
Sonoma Mayors and Councilmembers
Association

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gary Phillips
Transportation Authority of Marin

David Rabbitt
Sonoma County Board of Supervisors

Carol Russell
Sonoma Mayors and Councilmembers
Association

Shirlee Zane
Sonoma County Board of Supervisors

Farhad Mansourian
General Manager

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

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

SUBJECT: SMART’s Policy for Events Impacting Passenger Service

Dear Board Members:

RECOMMENDATION:

Reaffirm SMART’s priority in maintaining passenger service by adopting updated policies for events crossing or in close proximity to the railroad tracks.

SUMMARY:

As SMART prepares for the start of service, it is imperative safety is our priority. SMART anticipates thirty weekday trips and a reduced schedule on weekends and holidays. During the weekdays, the railroad tracks will be continuously occupied from 4am until 10:30pm by passenger service. Between 10:30pm and 4am the tracks will be occupied for freight service, track inspections and track maintenance. Passenger trains will be traveling through 63 grade crossings every fifteen minutes on weekdays.

Any impact to the train schedule, for a special event or incident, effects the entire alignment with a delay of service for our passengers.

Staff recommends in the interest of safety and service reliability, SMART shall not issue permits for events crossing railroad tracks during weekdays.

With fewer runs on weekend and holidays, SMART can consider events to cross the tracks if those events take place outside the passenger operational period.

Event permits will be reviewed on a case by case basis and the following shall apply:

1. Events during operational period will not be allowed.
2. Event organizers/sponsors are required to pay for all SMART staff expenditures.
3. SMART permit should be included in the local jurisdiction permitting process.
4. SMART permit will require insurance and indemnification to be paid by the applicant.

FISCAL IMPACT: None.

REVIEWED BY: Finance *alb* Administration _____
 Counsel _____ Engineering _____
 HR _____ other _____

Very truly yours,


Jennifer Welch
Chief of Police



May 17, 2017

Debora Fudge, Chair
 Sonoma County Mayors and
 Councilmembers Association

Kathrin Sears, Vice Chair
 Marin County Board of Supervisors

Judy Arnold
 Marin County Board of Supervisors

Jim Eddie
 Golden Gate Bridge,
 Highway/Transportation District

Dan Hillmer
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 Councilmembers

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

SUBJECT: Authorize General Manager to Execute Concession Service Agreement with Becoming Independent

Dear Board Members:

RECOMMENDATION:

Authorize General Manager to Execute Concession Service Agreement with Becoming Independent.

SUMMARY:

In 2016 staff issued a Request for Proposal (RFP) for Concession Services, there were no responsive bidders to this RFP. Since then, outreach has taken place to contact potential concessionaires with capacity to serve SMART. As introduced at your May 3rd Board meeting, Becoming Independent has committed to a partnership with SMART for concession sales.

Becoming Independent, a Sonoma County nonprofit organization, will provide staffing and sell coffee, pastries, snacks, beer and wine options for our riders on each of the concession train cars.


Although the menu of items is being finalized, Becoming Independent's goal is to focus on locally sourced food and beverages.

With no ridership data, your Board agreed to allow a concessionaire to operate on the trains for one year at no charge. After one year, SMART and the concessionaire will evaluate costs and revenue to determine a fee structure for subsequent years.

We recommend that you authorize the General Manager to execute Concession Services Agreement in substantially the form attached hereto and subject to final approval as to form by General Manager and District Counsel.

FISCAL IMPACT: None.

REVIEWED BY: Finance  Administration _____
 Counsel  Engineering _____
 HR _____ other _____

Very truly yours,

Jennifer Welch
Chief of Police

Attachment: Draft Agreement for Concession Services

AGREEMENT FOR CONCESSION SERVICES

This agreement (“Agreement”), dated as of _____ (“Effective Date”) is by and between the Sonoma-Marin Area Rail Transit District (hereinafter “SMART”), and Becoming Independent (hereinafter “Concessionaire”).

RECITALS

WHEREAS, Concessionaire represents that it is duly qualified to provide food, beverage and retail service on SMART trains and other related services; and

WHEREAS, in the judgment of the Board of Directors of SMART, it is necessary and desirable to employ the services of Concessionaire for Concession sales on board trains.

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

AGREEMENT

ARTICLE 1. RECITALS.

Section 1.01 The above Recitals are true and correct.

ARTICLE 2. LIST OF EXHIBITS.

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

- (a) **Exhibit A:** Scope of Work
- (b) **Exhibit B:** Key Personnel

ARTICLE 3. SCOPE OF SERVICES.

Section 3.01 Scope of Work. Concessionaire shall perform the services described in **Exhibit A** (cumulatively referred to as the “Scope of Work”).

Section 3.02 Cooperation with SMART. Concessionaire shall cooperate with the Authorized Officer in the performance of all work hereunder. The Authorized Officer is the Operations Manager.

Section 3.03 Performance Standard. Concessionaire shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Concessionaire’s profession. If SMART determines that any of Concessionaire’s work is not in accordance with such level of competency and standard of

care, SMART, in its sole discretion, shall have the right to do any or all of the following: (a) require Concessionaire to meet with SMART to review the quality of the work and resolve matters of concern; (b) require Concessionaire to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of **Article 6**; or (d) pursue any and all other remedies at law or in equity.

Section 3.04 Assigned Personnel.

(a) It is understood and agreed by the parties that at all times during the term of this Agreement that Becoming Independent shall serve as the primary staff person of Concessionaire to undertake, render and oversee all of the services under this Agreement. Additional personnel shall be identified in Exhibit B to this Agreement.

(b) Concessionaire shall assign only competent personnel to perform work hereunder. All personnel hired to work on the train must undergo background screening, the scope of which to be approved by SMART. SMART reserves the right to have access to screening information as needed. In the event that at any time SMART, in its sole discretion, desires the removal of any person or persons assigned by Concessionaire to perform work hereunder, Concessionaire shall remove such person or persons immediately upon receiving written notice from SMART.

(c) In the event that any of Concessionaire's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Concessionaire's control, Concessionaire shall be responsible for timely provision of adequately qualified replacements.

ARTICLE 4. PAYMENT TO SMART.

Section 4.01 Compensation Structure

(a) Because SMART train service will be new to the area without a history of patronage, SMART will provide the concession space rent-free to the Concessionaire for a period of twelve (12) months. The Concessionaire and SMART shall negotiate compensation beyond the (12) month free period.

(b) During the twelve-month rent-free period, Concessionaire will still be required to submit a Quarterly Statement of Revenue and Expenses.

(c) Sales of all food and beverages by the Concessionaire must be recorded at the time of sale in the presence of the customer on a cash register or other device with the ability to provide a receipt to the customer either on paper or via email. Such register must maintain a tape or digital record of each transaction in a way that will provide a detailed audit trail and daily totals and not be subject to tampering. Further, the register must be made reasonably available to SMART for inspection of audit functions.

Section 4.02 Basis and Manner of Payment to SMART

(a) In the event that the parties elect to extend the term of this Agreement, they shall evaluate the compensation structure and make adjustments as necessary.

Section 4.03 Books and Records; Annual Reporting; Audits

Concessionaire agrees to keep accurate books and records according to generally accepted accounting principles. At least annually, Concessionaire shall deliver to SMART a statement setting forth the Gross Sales for the year immediately preceding. This statement shall be certified as correct by the Concessionaire's authorized officer or manager, certified or audited by a certified public accountant, and otherwise in a form satisfactory to SMART. SMART's CFO or his/her designee shall have authority to engage an audit to examine any and all relevant records of the business in order to determine the correct reporting of sales and its obligations under this agreement.

ARTICLE 5. TERM OF AGREEMENT.

Section 5.01 The term of this Agreement shall be twelve (12) months, unless terminated earlier in accordance with the provisions of **Article 6** below.

ARTICLE 6. TERMINATION.

Section 6.01 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, either party shall have the right, in its sole discretion, to terminate this Agreement by giving sixty (60) days' written notice to the other party.

Section 6.02 Termination for Cause. Notwithstanding any other provision of this Agreement, should either party fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, the other party may immediately terminate this Agreement by giving written notice of such termination, stating the reason for termination.

Section 6.03 Authority to Terminate. The SMART Board of Directors has the authority to terminate this Agreement on behalf of SMART. In addition, the Authorized Officer or General Manager, in consultation with SMART Counsel, shall have the authority to terminate this Agreement on behalf of SMART.

ARTICLE 7. INDEMNIFICATION.

Concessionaire agrees to accept responsibility for loss or damage to any person or entity, including SMART, and to defend, indemnify, and hold harmless, and release SMART, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity that arise out of, pertain to, or relate to negligence, recklessness, or willful misconduct of Concessionaire hereunder, whether or not there is concurrent negligence on SMART's part, but, to the extent required by law, excluding liability due to SMART's conduct. This indemnification obligation is not limited in

any way by any limitation on the amount or type of damages or compensation payable to or for Concessionaire or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

ARTICLE 8. INSURANCE.

With respect to performance of work under this Agreement, Concessionaire shall maintain and shall require all of its subcontractors, Concessionaires, and other agents to maintain, insurance as described below.

Section 8.01 General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount no less than Five Million Dollars (\$5,000,000) limit for each occurrence and Five Million Dollars (\$5,000,000) annual aggregate. Said commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

(a) SMART, its officers and employees, is named as additional insured for all liability arising out of the on-going and completed operations by or on behalf of the named insured in the performance of concession sales between SMART and Becoming Independent.

(b) Said policy shall include a Railroads CG 24 17 endorsement removing the exclusion of coverage for bodily injury or property damage arising out of operations within 50 feet of any railroad property

(c) The insurance provided herein is primary and non-contributory coverage to SMART with respect to any insurance or self-insurance programs maintained by SMART.

Section 8.02 Automobile Insurance. Automobile Liability insurance covering any bodily injury or property damage, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle, whether or not owned by the Concessionaire, on or off the District premises. The policy or policies shall provide a minimum limit of Five Million Dollars (\$5,000,000) each accident:

Section 8.03 Liquor Law Liability. Concessionaire shall also procure and maintain in full force and effect during the entire term of this Agreement liquor law liability insurance with limits of not less than Five Million Dollars (\$5,000,000).

Section 8.04 Workers' Compensation and Employers' Liability Insurance.

(a) Workers' compensation insurance with statutory limits as required by the Labor Code of the State of California. Concessionaire shall also procure and maintain Employers' Liability Insurance in the amount of One Million Dollars (\$1,000,000) per accident or disease.

(b) The policy shall contain a waiver of subrogation in favor of SMART and its officers, directors, employees, volunteers, and agents, while acting in such capacity, and their successors and assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.

Section 8.05 Documentation. The following documentation shall be submitted to SMART:

(a) Properly executed Certificates of Insurance clearly evidencing all coverages and limits required above. Said Certificates shall be submitted prior to the execution of this Agreement. Concessionaire agrees to maintain current Certificates of Insurance evidencing the above-required coverages and limits on file with SMART for the duration of this Agreement.

(b) Copies of properly executed endorsements required above for each policy. Said endorsement copies shall be submitted prior to the execution of this Agreement. Concessionaire agrees to maintain current endorsements evidencing the above-specified requirements on file with SMART for the duration of this Agreement.

(c) Upon SMART's written request, Concessionaire shall provide certified copies of the insurance policies to SMART. Said policy copies shall be submitted within thirty (30) days of SMART's request. After the Agreement has been signed, signed Certificates of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.

Section 8.06 Policy Obligations. Concessionaire's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

Section 8.07 Material Breach. If a party, for any reason, fails to maintain insurance coverage, which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. The other party, in its sole option, may terminate this Agreement and obtain damages resulting from said breach. Alternatively, the other party may purchase such required insurance coverage, and without further notice may deduct from sums due to Concessionaire any premium costs advanced for such insurance. These remedies shall be in addition to any other remedies available.

ARTICLE 9. PROSECUTION OF WORK.

When work is requested of Concessionaire by SMART, all due diligence shall be exercised and the work accomplished without undue delay. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Concessionaire's performance of this Agreement shall be extended by a number of days equal to the number of days Concessionaire has been delayed.

ARTICLE 10. EXTRA OR CHANGED WORK.

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

ARTICLE 11. REPRESENTATIONS OF CONCESSIONAIRE.

Section 11.01 Standard of Care. SMART has relied upon the professional ability and training of Concessionaire as a material inducement to enter into this Agreement. Concessionaire hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Concessionaire's work by SMART shall not operate as a waiver or release.

Section 11.02 Status of Concessionaire. The parties intend that Concessionaire, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Concessionaire is not to be considered an agent or employee of SMART and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits SMART provides its employees. In the event SMART exercises its right to terminate this Agreement pursuant to **Article 7**, above, Concessionaire expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

Section 11.03 Taxes. Concessionaire agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including but not limited to state and federal income and FICA taxes. Concessionaire agrees to indemnify and hold SMART harmless from any liability which it may incur to the United States or to the State of California as a consequence of Concessionaire's failure to pay, when due, all such taxes and obligations. In case SMART is audited for compliance regarding any withholding or other applicable taxes, Concessionaire agrees to furnish SMART with proof of payment of taxes on these earnings.

Section 11.04 Records Maintenance. Concessionaire shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to SMART for inspection at any reasonable time. Concessionaire shall maintain such records for a period of four (4) years following completion of work hereunder.

Section 11.05 Conflict of Interest. Concessionaire covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Concessionaire further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by SMART, Concessionaire shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with SMART disclosing Concessionaire's or such other person's financial interests.

Section 11.06 Nondiscrimination. Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis, including without limitation, SMART's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

ARTICLE 12. ASSIGNMENT AND DELEGATION.

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

ARTICLE 13. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING INVOICES AND MAKING PAYMENTS.

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

If to SMART: Sonoma-Marín Area Rail Transit District
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

If to Concessionaire: Becoming Independent
1425 Corporate Center Parkway
Santa Rosa, CA 95407

When a notice, invoice or payment is given by a generally recognized overnight courier service, the notice, invoice or payment shall be deemed received on the next business day. When a copy of a notice, invoice or payment is sent by facsimile or email, the notice, invoice or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, invoice or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, invoices and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

ARTICLE 14. MISCELLANEOUS PROVISIONS.

Section 14.01 No Waiver of Breach. The waiver by SMART of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

Section 14.02 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Concessionaire and SMART acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Concessionaire and SMART acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

Section 14.03 Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

Section 14.04 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

Section 14.05 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Venue for any action to enforce the terms of this Agreement or for the breach thereof shall be in the Superior Court of the State of California in the County of Sonoma.

Section 14.06 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

Section 14.07 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

Section 14.08 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

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

CONCESSIONAIRE:

By: _____

Its: _____

Date: _____

SONOMA-MARIN AREA RAIL TRANSIT (SMART)

By: _____
Farhad Mansourian, General Manager

Date: _____

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

By: _____
Katherine DiPasqua, Sr. Administrative Analyst

Date: _____

APPROVED AS TO FORM FOR SMART:

By: _____
Tom Lyons, District Counsel

Date: _____

EXHIBIT A SCOPE OF WORK

The Agreement's term is for a period of one (1) year, with two (2) one (1)-year option terms, exercisable at the District's sole discretion. The specific services to be provided consist of the following:

MENUS, INVENTORY

The Concessionaire shall provide and serve a variety of foods and beverages, including beer and wine onboard SMART's rail cars. Food and beverages should include, but not necessarily be limited to, coffee/espresso, tea, beer, wine, pastries, packaged snacks, juices, bottled water and other bottled drinks. The Concessionaire is encouraged to feature Marin and Sonoma County businesses, brands and products whenever possible. The Concessionaire can suggest other items it believes SMART riders may want, as space allows. SMART reserves the right to limit the hours of alcohol sales at its sole discretion.

From time to time during the term, SMART shall, at its discretion, be permitted to request Concessionaire to add or delete items from its menu consistent with the perceived needs and desires of passengers, the quality of the products being offered, and the proper and safe operation of the train system. The Concessionaire shall promptly comply therewith. Within the first three months' operation, SMART will conduct a survey of train riders to get input on preferred foods and beverages. The Concessionaire will be expected to make reasonable adjustments to its menu according to the survey results. At any time, the Concessionaire may propose to change the food, beverages, and sundry items to be sold on trains.

Coffee shall be of a premium quality and shall be prepared fresh throughout periods of operation. SMART reserves the right to request a change to the brand and type of coffee to be served on the trains based on customer feedback. For the benefit of SMART, train passengers and the public, the Concessionaire hereby warrants and represents that all food, beverages and other goods furnished or used pursuant to the Concession Agreement shall be of merchantable quality and fit for the purposes intended. SMART does not waive any warranty, either express or implied, as set forth in Sections 2312 through 2317, inclusive of the California Commercial Code.

The Concessionaire shall maintain adequate inventories of food, beverages, sundries and supplies necessary for the proper operation of its business. The Concessionaire is encouraged to purchase environmentally-friendly supplies. Proposers also should familiarize themselves with local restrictions on the use of certain types of packaging, including but not limited to, any limitations on the use of Styrofoam packaging.

The Concessionaire will be responsible for removing all trash from the trains, which it generates in connection with its onboard food, beverage and retail concession operations. SMART will

bear the cost of the subsequent disposal of the trash once it is appropriately transferred to SMART trash receptacles.

As SMART always attempts to adhere to operating schedules, the loading and unloading of supplies, inventory and trash by the Concessionaire cannot interfere with SMART's operations.

All inventory shall be purchased for the account of the Concessionaire and without use of the name or the credit of SMART. Parking at the Rail Operations Center or Stations by delivery vehicles shall be limited to the actual times required for pick-up and delivery with reasonable dispatch. With respect to deliveries, the Concessionaire shall arrange to be on-hand when deliveries are made. SMART shall not be responsible for signing for the merchandise or for any losses incurred by the Concessionaire. Schedules for loading and unloading will be determined in conjunction with Operations staff prior to start of service.

All equipment supplied by Concessionaire in order to provide service shall be approved by SMART prior to start of concession service. Should SMART reject any proposed equipment, SMART shall provide recommendations for reasonable alternatives.

FOOD AND BEVERAGE SERVICE

The Concessionaire shall serve food and beverages to passengers at the times and in the manner herein set forth, including maintaining, preparing and serving food and beverages of superior type and quality in conformity with all applicable laws and regulations covering food preparation and service establishments. Emphasis should be placed on providing exceptional customer service combined with the goal of achieving maximum revenue. Food and beverage service shall commence on each active train each day with the first scheduled train trip and shall continue without interruption on each active train during all trips. The Concessionaire and SMART shall determine based on ridership and customer demand if midday concession service is appropriate and financially feasible. Concession service will be focused on the morning and evening commute times.

Concessionaire shall have the ability to provide customers with receipts on all forms of payment. It shall be the Concessionaire's exclusive responsibility to maintain adequate supplies of all equipment necessary for the proper operation of its business, including change if cash is accepted.

The Premises shall consist of the snack bar areas located onboard SMART trains (see Exhibit D). The Concessionaire agrees to continue the operation of its business on the Premises at all times during the term of the Concession Agreement; to carry in stock on the Premises sufficient inventories to fully stock the same; to maintain an adequate sales force on the Premises; to keep the Premises open for business during all times required; and to use the utmost skill and diligence in the conduct of the Concessionaire's business on the Premises as is prudently necessary to ensure that the highest standard of service to SMART and the public is maintained.

SMART's first phase of operation will service 43 miles ranging from the Sonoma County Airport in Santa Rosa to downtown San Rafael. There are currently a total of 10 stations, with stops in Santa Rosa, Rohnert Park, Cotati, Petaluma, Novato and San Rafael. An eleventh station at Larkspur will be added in subsequent years. Other additional stations are possible and are currently in development. SMART's estimates its weekday ridership to be approximately 3,000 daily during the work week.

All trains will be housed at the Rail Operations Facility in Santa Rosa at night. Service and housing schedules may change from time to time at the District's discretion. Reduced schedules are likely on holidays.

STAFFING

Concessionaire is expected to assign only competent personnel to the food and beverage service. All personnel hired to work on the train must undergo background screening, the scope of which to be approved by SMART. SMART reserves the right to have access to screening information as needed. Service personnel shall be required by the Concessionaire to report for duty at a time to be determined, in advance of train departure and in accordance with operational timetables. Lateness shall not be tolerated by the Concessionaire. In addition to the personnel required to staff the bars on the trains, a full-time manager shall be available by phone every day and capable of on-site presence within four hours to oversee operations. A Becoming Independent staff member shall accompany Becoming Independent participants at all times on the train or at the Rail Operations Center.

Due to the size of the concessions area, the Concessionaire is limited to two Becoming Independent employees per train set. Additional staffing may be utilized for special events. SMART will make every effort to provide Concessionaire 60 days' notice prior to event date.

PRICING

Every sale conducted by the Concessionaire must be recorded at the time of sale in the presence of the customer, and must result in a receipt or record to the customer if so requested. Concessionaire shall charge reasonable prices for food, beverages and retail items. The appropriate sales tax shall be assessed at the point of sale.

EXCLUSIVE FRANCHISE

For the term of the Concession Agreement, the Concessionaire shall have the exclusive right and franchise to provide food, beverages and merchandise for sale to passengers on SMART's trains. There will be no concessions provided at SMART Stations.

EXHIBIT B
KEY PERSONNEL

Luana Vaetoe
Becoming Independent
Chief Executive Officer

P: 707.524.6607 | F: 707.523.2127
1425 Corporate Center Pkwy
Santa Rosa, CA 95407

JayJay Rico
Becoming Independent
Community Engagement

707-524-6613 • jrico@becomingindependent.org
1425 Corporate Center Pkwy
Santa Rosa, CA 95407



Debora Fudge, Chair
Sonoma County Mayors and
Councilmembers Association

May 17, 2017

Kathrin Sears, Vice Chair
Marin County Board of Supervisors

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

Judy Arnold
Marin County Board of Supervisors

Jim Eddie
Golden Gate Bridge,
Highway/Transportation District

SUBJECT: Review Fiscal Year 2016-17 Year-End Financial Report, Proposed Preliminary Fiscal Year 2017-18 Budget

Dan Hillmer
Marin Council of Mayors and
Councilmembers

Dear Board Members:

Eric Lucan
Transportation Authority of Marin

RECOMMENDATION: Review and Provide Feedback.

Jake Mackenzie
Sonoma Mayors and Councilmembers
Association

SUMMARY:

Today we are presenting for your review the Fiscal Year 2016-17 Year-End Financial Report and Proposed Fiscal Year 2017-18 Annual Budget. This May review provides time for your Board to review and provide any guidance in advance of your approval of the budget in June.

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gary Phillips
Transportation Authority of Marin

As in previous years, the budget document is divided into two main sections: The FY 2016-17 Year-End Financial Report, which provides a report on the revised projections compared to the approved budget, and the Proposed Preliminary Fiscal Year 2017-18 Annual Budget, which reflects all revenues and expenditures for the next fiscal year, which begins on July 1, 2017. Within each of those fiscal years, expenditures are divided into three sections: Administrative, Capital and Operations.

David Rabbitt
Sonoma County Board of Supervisors

Carol Russell
Sonoma Mayors and Councilmembers
Association

Shirlee Zane
Sonoma County Board of Supervisors

Detailed discussion of the budget is contained in the budget document itself, which includes tables for each year and Position Authorizations for Fiscal Year 2017-18. Because we are at a critical juncture on project closeout and service start-up, there may be swings between the fiscal year that we cannot anticipate at this time. When we return in June we will detail any changes that are necessary at that time.

Farhad Mansourian
General Manager


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

Year End Report for Fiscal Year 2016-17:

Final spending for the end of Fiscal Year 2016-17 is below overall budgeted amounts. Board-approved expenditures of \$105,216,392 are now projected to decrease to \$85,137,197. While details are outlined in the budget document itself, overall there are two main factors:

- Shifting of capital project costs to Fiscal Year 2017-18, primarily a delay in vehicle payments tied to acceptance procedures of our rail vehicles and shifting of Larkspur project costs due to schedule shifts in award of the construction contract.
- Decrease in anticipated Operations expenditures, primarily in costs associated with carrying passengers, including maintenance and bus contracts, fuel and related expenses, and capital equipment.

Proposed Preliminary Budget for Fiscal Year 2017-18:

The Proposed Budget for Fiscal Year 2017-18 would authorize total expenditures of \$100,424,049. This is funded by Revenues of \$113,137,954, including available fund balance. Revenues include sales tax, fare revenue, grants for capital projects, and other District sources such as reserved sales tax funds for the capital project. Expenditures include all salaries, expenses, services and supplies needed to complete our current capital project and continue with funded extensions, manage District administration and operations, operate train service and maintain the SMART right-of-way. Some highlights in the budget include:

- Operations budget for a full year of passenger service, including full staffing for all 79 anticipated positions, temporary SMART “ambassadors” to assist passengers, fuel, equipment, bus connections and all maintenance needs.
- Increased staff capacity in Administration to handle ongoing trespassing and other security issues and for proper handling of all fare, parking and other revenues.
- Continued capital projects funding to complete remaining four pathway segments and begin work on the construction phase of the Larkspur extension.
- Inclusion of all necessary debt service, creation of equipment replacement fund, and recording of depreciation related to placing capital infrastructure in service.

These and many other details are included in the attached budget proposal. Adjusting for non-cash transactions and removal of capital project costs and other one-time expenses, we are currently anticipating a difference in ongoing costs and annual expenses of \$2.9 million. There are two revenue sources in the budget that are only partial year amounts: fare revenue and the new State commuter rail funding. We anticipate that full year amounts of these two sources would eliminate this operating deficit in the coming years. We rely on our operating fund balance to make up this difference in Fiscal Year 2017-18. Even given this, we anticipate we will be able to close Fiscal Year 2018 with an operating reserve of \$17 million.

The necessary resolution and ordinance that accompany the budget will be provided as part of your June 21 meeting packet, with final budget adoption.

FISCAL IMPACT: No current impact of budget review.

Very truly yours,



Erin McGrath
Chief Financial Officer

Attachment(s): SMART Proposed Budget: Fiscal Year 2017-18 Proposed Annual Budget and Fiscal Year 2016-17 Year-End Report

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
PROPOSED BUDGET: FISCAL YEAR 2017-18**

and

Fiscal Year 2016-17 Year-End Report



PRELIMINARY DRAFT: MAY 17, 2017

PROPOSED BUDGET: FISCAL YEAR 2017-18
and Fiscal Year 2016-17 Year-End Report

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3. PROPOSED BUDGET: FY 2017-18

OVERVIEW

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OVERVIEW

SMART's two-year budget document contains both the Fiscal Year 2016-17 Year-End Financial Report, which reflects financial changes since the budget was approved in June 2016, and the Proposed Fiscal Year 2017-18 Annual Budget to begin in July 2017. The Year-End Financial Report reflects ongoing capital activity on completion of the Phase 1 project, as well as ramp up for the Larkspur extension. The Proposed Annual Budget contains both ongoing Phase 1 project activities and our projected costs for a full year of passenger service.

TABLE 1 (below) provides a combined, broad overview of SMART's budget, including the final report on the end of Fiscal Year 2016-17 and the Proposed Budget for Fiscal Year 2017-18. This chart also shows funds available in SMART's Beginning Fund Balance, which are not annual revenues but contain sales tax funds reserved for completion of the capital project, startup activities, and future financial needs. Detailed discussion of the annual components of each fiscal year and additional charts are provided in the pages that follow, including a breakout of expenditures by Administration, Operations and Capital expenditures.

TABLE 1			
BUDGET REPORT: SUMMARY OF ALL REVENUES AND EXPENSES			
	FY 2016-17	FY 2016-17	FY 2017-18
	APPROVED BUDGET ALL	YEAR END ACTUALS &	PROPOSED BUDGET: ALL
	DEPARTMENTS	ESTIMATES	DEPARTMENTS
	ALL DEPARTMENTS	ALL DEPARTMENTS	
REVENUES			
Beginning Fund Balance	67,014,497	78,674,736	54,144,931
Sales/Use Taxes	36,286,248	36,286,248	37,011,973
Interest and Lease Earnings	864,697	961,154	689,088
Intergovernmental Revenues - Grants	20,522,580	17,780,611	18,261,961
Charges for Services -- Fares, Parking and Fees	2,006,000	53,343	2,980,000
Miscellaneous Revenues	60,000	334,573	50,000
TOTAL REVENUES INCLUDING FUND BALANCE	126,754,022	134,090,665	113,137,954
EXPENDITURES			
Salaries and Benefits	16,503,572	15,578,572	18,209,758
Services and Supplies	12,107,969	10,909,136	14,421,841
Other Charges and Payments	13,663,527	13,773,099	14,314,100
Buildings, Capital Improvements, and Equipment	58,346,630	40,259,407	37,863,216
Interfund Transfers	(1,196,770)	(1,066,770)	(1,208,467)
Contingency & Equipment Reserve	600,000	492,290	1,125,000
Depreciation	5,191,464	5,191,464	15,698,600
TOTAL EXPENDITURES	105,216,392	85,137,197	100,424,049

YEAR-END FINANCIAL REPORT: FY 2016-17 ACTUALS AND ESTIMATES

YEAR-END FINANCIAL REPORT OVERVIEW – TABLE 2:

The Year-end Fiscal Year 2016-17 Financial Report reflects both actual revenues and expenditures to date and estimates for the final weeks of the fiscal year. **TABLE 2**, on the following pages, detail the changes from the Budget as approved by the Board, including subsequent amendments. Where there is a significant change of \$25,000 or more, we have provided an explanation of those changes. A more detailed discussion of the Year-End Financial Report is provided after presentation of **TABLE 2**.

TABLE 2

YEAR-END FINANCIAL REPORT: FY 2016-17 REVISED BUDGET
ADMINISTRATION, CAPITAL AND OPERATIONS

DESCRIPTION	FY 2016-17 APPROVED BUDGET	FY 2016-17 YEAR-END ACTUALS & ESTIMATES	EXPLANATION OF SIGNIFICANT CHANGES
REVENUES:			
Sales/Use Taxes			
Board of Equalization Cost on Taxes	842,890	847,860	
Sales Tax withheld by Trustee	13,600,350	13,600,350	
Net Sales Tax	21,843,008	21,838,038	
Total Sales/Use Taxes	36,286,248	36,286,248	Sales tax anticipated to be on budget
Intergovernmental Revenues			
State - Grant Funds	2,104,500	469,683	Tied to expenditures that have shifted to new Fiscal Year
Federal - ISTECA	-	182,499	Project closeout originally anticipated in prior year
Federal - Grant Funds	7,152,966	8,087,468	Pathway costs shifted from prior year for completion
Other Governments	2,478,177	3,081,949	Project reimbursements from Santa Rosa, Sonoma and Marin
Measure M - Sonoma County	350,000	10,000	Tied to pathway design occurring in FY2018
MTC - Bridge Tolls	8,436,937	5,949,012	Funds shifted to FY2018 to match rail vehicle expenditures
Total Intergovernmental Revenues	20,522,580	17,780,611	
Use of Money/Property			
Interest Earnings	377,500	473,957	Higher fund balance and resulting earnings
Rent - Real Estate	487,197	487,197	
Total Use of Money/Property	864,697	961,154	
Charges for Services			
Fare Revenue	1,976,000	-	Fare revenue shifted to FY18
Other Charges - Fees, Reimbursements	30,000	53,343	Higher right-of-entry permit fees
Total Charges for Services	2,006,000	53,343	
Miscellaneous Revenues			
Sale - Lease/Purchase	-	261,855	Real estate option payments
Miscellaneous Revenue	60,000	72,718	
Total Miscellaneous Revenues	60,000	334,573	
TOTAL REVENUES	59,739,525	55,415,929	

PAGE 1 of 3 (Continued Next Page)

TABLE 2

YEAR-END FINANCIAL REPORT: FY 2016-17 REVISED BUDGET

ADMINISTRATION, CAPITAL AND OPERATIONS

DESCRIPTION	FY 2016-17 APPROVED BUDGET	FY 2016-17 YEAR-END ACTUALS & ESTIMATES	EXPLANATION OF SIGNIFICANT CHANGES
EXPENDITURES:			
ADMINISTRATION			
Salaries and Benefits			
Employee Salaries	3,269,600	3,269,600	
Employee Benefits	930,337	930,337	
Total Salaries and Benefits	4,199,937	4,199,937	
Services and Supplies			
Communications	55,026	174,070	One-time termination charges - internet provider switch for ongoing savings
Insurance	2,073,693	1,629,128	Decreased amount due to shift in passenger operations
Maintenance-Facilities	13,502	17,530	
Miscellaneous Expense	41,600	31,900	
Office Expense	118,480	101,725	
Postage, Printing, Periodicals	39,700	29,200	
Accounting/ Payroll Services	85,701	74,401	
Professional Services	906,796	753,004	Reduced need for IT consulting
Agency Extra Help	100,000	50,000	Reduced need for staff coverage
Board of Equalization Administrative Fees	842,890	847,860	
Legal Services	485,000	751,500	Increase due to negotiations, regulatory expertise
Rents/Leases	680,369	710,910	Includes new lease for Cotati customer service
Computer Software and Hardware	394,198	268,810	Shift of hardware purchases to FY18
Public Outreach	573,000	520,100	Savings on printing/other services
Training, Travel and Memberships	149,873	112,822	Based on actual expenses to date
Mileage Expense	48,020	37,640	
Total Services and Supplies	6,607,848	6,110,599	
Other Charges and Payments			
Bond Principal, Interest	13,600,350	13,600,350	
Settlements		113	
Depreciation	5,191,464	5,191,464	
Total Other Charges	18,791,814	18,791,927	
Buildings & Capital Improvements (Capital Assets)			
Equipment	69,000	63,180	
Total Buildings and Capital Improvements	69,000	63,180	
Contingencies			
Total Contingencies			
TOTAL ADMINISTRATION EXPENDITURES	29,668,599	29,165,644	
CAPITAL			
Salaries and Benefits			
Employee Salaries	937,971	837,971	
Employee Benefits	258,799	228,799	
Total Salaries and Benefits	1,196,770	1,066,770	Based on projected actuals
Services and Supplies			
Maintenance-Facilities	-	17,819	Repair of signal equipment during construction
Professional Services - Project	364,500	239,383	Reduction of work with Real Estate Consultants
Computer Software and Hardware	21,605	-	Cost reduced, shifted to next year
Memberships	2,000	500	
Training, Travel	5,000	5,000	
Permits/Fees	-	45,000	Permits and fees associated with Capital Project
Mileage Expense	-	10,000	Mileage reimbursement for site visits
Total Services and Supplies	393,106	317,703	
Other Charges and Payments			
Other Governments	63,177	172,636	Cooperative work with jurisdictions
Total Other Charges	63,177	172,636	

TABLE 2

YEAR-END FINANCIAL REPORT: FY 2016-17 REVISED BUDGET
ADMINISTRATION, CAPITAL AND OPERATIONS

DESCRIPTION	FY 2016-17 APPROVED BUDGET	FY 2016-17 YEAR-END ACTUALS & ESTIMATES	EXPLANATION OF SIGNIFICANT CHANGES
CAPITAL (continued)			
Buildings & Capital Improvements (Capital Assets)			
Land	231,000	574,181	Mira Monte monitoring, Larkspur Extension Real Estate Costs
Buildings & Improvements	-	-	
Machinery and Equipment	35,100	32,710	
Capital Equipment - Work in Progress	22,446,083	14,125,175	Shift of Rail Car Payments to FY18
Intangible Asset	-	2,000	Utility Easments
Infrastructure	32,409,448	24,273,349	Shift of some Larkspur Extension costs to FY18
Total Buildings and Capital Improvements	55,121,631	39,007,415	
Interfund Transfers			
Salaries and Benefits Transfer - Capital	(1,196,770)	(1,066,770)	Accounting adjustment for salaries included in asset amounts
Total Interfund Transfer	(1,196,770)	(1,066,770)	
TOTAL CAPITAL EXPENDITURES	55,577,914	39,497,753	
OPERATIONS			
Salaries and Benefits			
Employee Salaries	8,582,462	7,982,460	
Employee Benefits	2,524,403	2,329,405	
Total Salaries and Benefits	11,106,865	10,311,865	Savings due to vacancies
Services and Supplies			
Uniform Expense	141,436	141,436	
Communications	57,176	147,484	Cell service for DMU WIFI, radio equipment, phone service
Maintenance-Equipment	62,000	70,858	
Maintenance-Radios	122,095	119,095	
Maintenance-Revenue Vehicles	-	122,608	
Maintenance-Railway	474,000	434,905	Slightly lower costs for debris removal, repair and clean-up
Maintenance of Signals	225,000	225,000	
Maintenance-Buildings/Facilities	21,400	34,530	
Maintenance - Pathway	-	-	
Printing Services	10,000	5,000	
Office Expense	162,549	120,661	Savings based on actuals
Special Services-Operations	1,245,000	492,841	Tied to passenger operations - shifted to FY18
Rents/Leases - Equipment	66,600	118,930	Increased need for rental of specialty equipment
Minor Equipment	275,005	406,834	Ramping up inventory for all operations
Computer Software and Hardware	21,000	239,301	Connectivity and security for Roblar Facility, maintenance managmt. system
Training, Travel and Memberships	323,500	253,700	Savings based on actuals (Relocation reimbursements, specialized training)
Fuel and Lubricants	1,256,654	848,224	Cost of diesel fuel/lubricants adjusted pending full passenger runs
Miscellaneous	24,500	15,642	
Professional Services	286,800	328,304	Increased IT services for connectivity between systems
Utilities	332,300	355,481	
Total Services and Supplies	5,107,015	4,480,834	
Buildings & Capital Improvements (Capital Assets)			
Vehicles, Equipment	2,849,185	978,330	Some equipment purchases shifted to FY18
Software/ Intangible Assets	306,813	210,481	Shift of non-capital costs to Computer software
Total Buildings and Capital Improvements	3,155,998	1,188,811	
Contingencies			
Operating Contingencies	600,000	492,290	Remaining balance
Total Contingencies	600,000	492,290	
TOTAL OPERATIONS EXPENDITURES	19,969,878	16,473,800	
TOTAL EXPENDITURES	105,216,392	85,137,197	

FISCAL YEAR 2016-17 YEAR-END REPORT: DISCUSSION

Below are further details on the FY 2016-17 Year-End Financial Report.

TABLE 2: YEAR-END FINANCIAL REPORT DISCUSSION

Revenues:

Final revenues for Fiscal Year 2016-17 are anticipated to be \$55,415,929. They were reduced by \$4.3 million from the originally proposed budget primarily due to two changes: loss of fare revenue with a delay in the start of passenger service and a shift in grant funding related to rail vehicle payment timing. Below are further details on changes from the original budget:

- Sales tax is still projected to be on target at 3% higher than the prior year. We have noticed a flattening of revenue growth but are not yet recommending a change in expectations.
- State Cap and Trade funds for the 8th and 9th rail vehicle sets are tied to the completion of milestones that are not anticipated to be reached before June and are shifted to the next year.
- Similarly, Bridge Toll funds for final acceptance of the 7th rail vehicle set are also shifted to the new fiscal year.
- The final option payment on a 2009 Railroad Square property sale.
- Interest earnings were increased to reflect good performance by the Sonoma County Pool and higher fund balance during the year.

Expenditures:

Year-end expenditures are projected to be \$85,137,197. In Table 2 they are separated by capital, administrative and operations uses. This is necessary for reporting at the state and federal level and provides additional clarity on the ongoing vs. one-time expenditures. Final expenditures in the year-end report, as a whole, are lower than the approved budget. Notable changes are discussed more in detail below.

Administration: Total expenditures on District administration are projected to be reduced from \$29,668,599 to \$29,165,644. Some notable changes are:

- Decrease in insurance costs due to shift in carrying passengers and thus the execution of new policies.
- Decrease in computer equipment costs related to shifts in purchasing of replacement hardware to new fiscal year
- Although offset by other decreases, legal costs did increase as a result of increased time on labor negotiations, specialized expertise for freight negotiation, and increased claims activities.

Other notable changes are explained in Table 2.

Capital: Total expenditures on capital projects are reduced from \$55,577,914 to \$39,497,753. This is primarily due to the following changes:

- A reduction in Capital Equipment by \$8.3 million related to anticipated delay in payments to the car builder pending final acceptance of the rail vehicles and completion of milestones for the new 8th and 9th vehicle sets. Those payments are shifted to Fiscal Year 2017-18.
- Shifts in Larkspur extension project costs to the next fiscal year following delays related to San Rafael-related project elements.

Other changes are listed in Table 2.

Operations: Total expenditures in the Operations Department have been reduced from \$19,969,878 to \$16,473,800. Notable changes are outlined below:

- Operations special services, which includes contracted operations needs such as fare machine maintenance, emergency bus services and security is reduced by \$752,159 due to the shift in the start of service reducing the need for those services.
- Fuel and lubricants are reduced \$408,430 to match anticipated year-end amounts and are tied to the shift in startup schedules.
- Computer and communications costs were both increased related to increasing needs for train WiFi, connectivity at our Roblar facility, and integration of numerous systems within operations.
- Equipment and vehicles decreased by \$1.9 million due to removal of wheel truing equipment and locomotive from budget. Costs of both exceeded available funds and are other options are being considered.

Please reference Table 2 for other details on changes.

PROPOSED BUDGET: FY 2017-18

PROPOSED BUDGET TABLES OVERVIEW

TABLE 3, which spans the following three pages, shows the Proposed Budget for Fiscal Year 2017-18. It is divided into Revenues and Expenditures. All Revenues are combined into one section. Expenditures are divided into three subsections: Administration, Capital and Operations. Where there is an annual change of significance over the prior year, we have provided an explanation of those changes. More detailed discussion of the Fiscal Year 2017-18 Proposed Budget can be found following **TABLE 3**. Finally, **TABLE 4**, which follows the budget discussion, contains the Personnel and Position Authorizations for Fiscal Year 2017-18 and includes a column showing any changes from the prior year.

TABLE 3

PROPOSED BUDGET FISCAL YEAR 2017-18
ADMINISTRATION, CAPITAL AND OPERATIONS

DESCRIPTION	FY 2016-17 YEAR-END ACTUALS & ESTIMATES	FY 2017-18 PROPOSED BUDGET	EXPLANATION OF SIGNIFICANT CHANGES
REVENUES:			
Sales/Use Taxes			
Board of Equalization Cost on Taxes	847,860	890,253	Increase in state collection costs
Sales Tax withheld by Trustee	13,600,350	14,204,100	Debt schedule increase
Net Sales Tax	21,838,038	21,917,620	
Total Sales/Use Taxes	36,286,248	37,011,973	Assumption of 2% increase
Intergovernmental Revenues			
State - Grant Funds	469,683	4,321,096	State Commuter Rail Funding, Additional Rail Sets
Federal - ISTEAs	182,499	-	Project completed in FY17
Federal - Grant Funds	8,087,468	8,031,643	Larkspur Extension Project ongoing
Other Governments	3,081,949	1,605,000	Construction of Jennings Crossing
Measure M - Sonoma County	10,000	285,000	Sonoma Pathway Project - Payran to Southpoint design
MTC - Bridge Tolls	5,949,012	4,019,222	7th car set final funding, Larkspur extension, transit connection signs
Total Intergovernmental Revenues	17,780,611	18,261,961	
Use of Money/Property			
Interest Earnings	473,957	295,000	Reduction due to drawdown of fund balances
Rent - Real Estate	487,197	394,088	Reduction due to lease termination for Larkspur Extension
Total Use of Money/Property	961,154	689,088	
Charges for Services			
Fare Revenue	-	2,925,000	New
Parking Revenue	-	25,000	New
Other Charges - Fees, Reimbursements	53,343	30,000	Dispatch payments
Total Charges for Services	53,343	2,980,000	
Miscellaneous Revenues			
Sale - Lease/Purchase	261,855	-	Prior Revenue not continued
Miscellaneous Revenue	72,718	50,000	
Total Miscellaneous Revenues	334,573	50,000	
TOTAL REVENUES	55,415,929	58,993,022	

PAGE 1 of 3 (Continued Next Page)

TABLE 3

PROPOSED BUDGET FISCAL YEAR 2017-18
ADMINISTRATION, CAPITAL AND OPERATIONS

DESCRIPTION	FY 2016-17 YEAR-END ACTUALS & ESTIMATES	FY 2017-18 PROPOSED BUDGET	EXPLANATION OF SIGNIFICANT CHANGES
EXPENDITURES:			
ADMINISTRATION			
Salaries and Benefits			
Employee Salaries	3,269,600	4,103,790	
Employee Benefits	930,337	1,205,496	
Total Salaries and Benefits	4,199,937	5,309,286	Step adjustments, benefit cost increases, filling of vacant positions
Services and Supplies			
Communications	174,070	46,700	Elimination of one-time costs
Insurance	1,629,128	2,677,667	Increased liability insurance limits, self insured retention
Maintenance-Facilities	17,530	17,530	
Miscellaneous Expense	31,900	43,600	
Office Expense	101,725	123,030	Savings in prior year not rebudgeted
Postage, Printing, Periodicals	29,200	35,500	
Accounting/ Payroll Services	74,401	86,000	
Professional Services	753,004	908,534	Increased for IT needs and emergency response
Agency Extra Help	50,000	100,000	Placeholder for short term leave coverage if needed
Board of Equalization Administrative Fees	847,860	890,253	State fee increases
Legal Services	751,500	525,000	Prior year rail legal expertise complete
Rents/Leases	710,910	741,194	Increase scheduled in current lease and new Cotati lease
Computer Software and Hardware	268,810	318,401	Replacement computers/software; license renewals
Public Outreach	520,100	312,000	Prior year startup marketing complete
Training, Travel and Memberships	112,822	187,300	Increase for staff training, recruitment of Deputy General Manager
Mileage Expense	37,640	37,740	
Total Services and Supplies	6,110,599	7,050,449	
Other Charges and Payments			
Bond Principal, Interest	13,600,350	14,204,100	Debt schedule increase
Settlements	113	-	
Depreciation	5,191,464	15,698,600	Non-cash accounting entry tied to placing infrastructure in service
Total Other Charges	18,791,927	29,902,700	
Buildings & Capital Improvements (Capital Assets)			
Equipment	63,180	85,000	Server hardware replacements
Total Buildings and Capital Improvements	63,180	85,000	
Contingencies			
Operating Contingencies	-	-	
Total Contingencies			
TOTAL ADMINISTRATION EXPENDITURES	29,165,644	42,347,435	
CAPITAL			
Salaries and Benefits			
Employee Salaries	837,971	919,013	
Employee Benefits	228,799	289,454	
Total Salaries and Benefits	1,066,770	1,208,467	Step adjustments, benefit cost increases
Services and Supplies			
Maintenance-Facilities	17,819	-	All facilities costs in operations following acceptance
Postage, Printing, Periodicals	-	5,000	
Professional Services - Project	239,383	243,000	
Computer Software and Hardware	-	12,645	
Memberships	500	2,000	
Training, Travel	5,000	5,000	
Permits/Fees	45,000	50,000	
Mileage Expense	10,000	10,000	
Total Services and Supplies	317,703	327,645	
Other Charges and Payments			
Other Governments	172,636	110,000	Cooperative work with jurisdictions
Total Other Charges	172,636	110,000	

TABLE 3

**PROPOSED BUDGET FISCAL YEAR 2017-18
ADMINISTRATION, CAPITAL AND OPERATIONS**

DESCRIPTION	FY 2016-17 YEAR-END ACTUALS & ESTIMATES	FY 2017-18 PROPOSED BUDGET	EXPLANATION OF SIGNIFICANT CHANGES
CAPITAL (continued)			
Buildings & Capital Improvements (Capital Assets)			
Land	574,181	2,754,000	Land purchase set-aside for Larkspur extension
Machinery and Equipment	32,710	-	
Capital Equipment - Work in Progress	14,125,175	9,183,100	Railcar final acceptance and new 7th and 8th Set payments
Intangible Asset	2,000	-	
Infrastructure	24,273,349	24,675,197	Larkspur Extension, pathway design and construction
Total Buildings and Capital Improvements	39,007,415	36,612,297	
Interfund Transfers			
Salaries and Benefits Transfer - Capital	(1,066,770)	(1,208,467)	
Total Interfund Transfer	(1,066,770)	(1,208,467)	
TOTAL CAPITAL EXPENDITURES	39,497,753	37,049,942	
OPERATIONS			
Salaries and Benefits			
Employee Salaries	7,982,460	9,060,856	
Employee Benefits	2,329,405	2,631,150	
Total Salaries and Benefits	10,311,865	11,692,005	Filling of vacant positions, step and benefit costs
Services and Supplies			
Uniform Expense	141,436	230,064	Uniforms, protective equipment - based on hiring and replacement
Communications	147,484	191,007	Multiple digital communication systems management
Maintenance-Equipment	70,858	188,000	Truck and heavy equipment maintenance
Maintenance-Radios	119,095	128,675	
Maintenance-Revenue Vehicles	122,608	274,169	Train Wheel truing, vehicle calibration tools, spart parts
Maintenance-Railway	434,905	397,165	Contract reduction due to hiring of permanent staff
Maintenance of Signals	225,000	128,320	Contract reduction due to hiring of permanent staff
Maintenance-Buildings/Facilities	34,530	260,660	Station, platform and facilities cleaning, spare parts
Maintenance - Pathway	-	42,500	Fence repair, weed abatement; new category
Printing Services	5,000	5,000	
Office Expense	120,661	155,000	Growth for additional facilities and staff
Special Services-Operations	492,841	-	Category discontinued, moved to professional services
Agency Extra Help	-	100,000	Allowance for temporary staff as necessary
Rents/Leases - Equipment	118,930	77,880	Equipment purchases replace leases
Minor Equipment	406,834	227,800	Decrease due to prior year purchases of necessary equipment
Computer Software and Hardware	239,301	214,754	
Training, Travel and Memberships	253,700	254,300	
Fuel and Lubricants	848,224	1,423,607	Increased in anticipation of full passenger operations
Miscellaneous	15,642	65,000	Increased for unanticipated daily operating needs
Professional Services	328,304	2,255,938	Fare machine maintenance, emergency response, transit connections
Utilities	355,481	423,910	Projected increase in Utilities - water, garbage, power
Total Services and Supplies	4,480,834	7,043,747	
Buildings & Capital Improvements (Capital Assets)			
Buildings & Improvements	-	15,000	Rail Operations Facility improvements
Vehicles, Equipment	978,330	1,150,919	Rail scrubbing machine, Pathway maintenance vehicle, extra wheel set
Software/ Intangible Assets	210,481	-	Maintenance Management System complete
Total Buildings and Capital Improvements	1,188,811	1,165,919	
Equipment Replacement			
Annual Allocation		525,000	Allocation for future equipment replacement schedule
		525,000	
Contingencies			
Operating Contingencies	492,290	600,000	Contingency for emergencies, unanticipated equipment
Total Contingencies	492,290	600,000	
TOTAL OPERATIONS EXPENDITURES	16,473,800	21,026,672	
TOTAL EXPENDITURES	85,137,197	100,424,049	

PROPOSED FISCAL YEAR 2017-18 BUDGET: DISCUSSION

TABLE 3: PROPOSED BUDGET FISCAL YEAR 2017-18

Overview:

The Fiscal Year 2017-18 budget proposal contains all the anticipated revenues and expenses related to final completion of the Phase 1 project, continuation and ramp-up of the Larkspur extension, and a full year of passenger service operations. There will continue to be a difference between revenues and expenditures since we will not be charging full fares until September. In addition, the passage of SB 1 by the State will bring revenues to the District but will only start beginning January of 2018. As a result of this difference, again we are anticipating that operating expenditures will be \$2.9 million higher than revenues. However, as we discussed last year at this time, we have been protecting a minimum fund balance in all of our financial calculations in order to cover this unique scenario. In addition, in future years, we will have a full year of fare revenue and additional state operating funds. Our anticipated operating reserve balance, at the close of Fiscal Year 2017-18, is projected to be \$17 million. We continue to think that a healthy reserve is key to the ongoing stability of the District. Further, a healthy capital reserve to prepare for unforeseen expenses that a new agency could experience is also critical. Rail accidents, unforeseen regulatory demands and operating realities could mean a number of unanticipated capital expenses in our first year of operations. In addition, we are holding funds for equipment replacement in the future as well as unanticipated capital project closeout costs. For all of these reasons, we are maintaining a total \$10 million capital reserve.

Below is a discussion of all revenues and expenditures changes of note in **Table 3**, the Proposed Budget for Fiscal Year 2017-18.

Revenues:

Revenues available to fund the budget in Fiscal Year 2017-18, not including available fund balance, are \$58,993,022. Revenues include sales tax, new state rail funding, passenger fares and parking fees, and grants for ongoing capital expenses. Some highlights are outlined below:

- As reported during the year, we are beginning to see a slowdown in the growth of sales tax funds in the last three quarters of revenue. As a result, we are budgeting for a more conservative 2% increase in sales tax for the new fiscal year.
- Fare revenue of \$2,925,000 is included in anticipation of full fare service beginning September 2017.
- Grant funding of \$12.6 million is tied to ongoing pathway projects, ramp up of the Larkspur extension, final payments for rail cars and initial payments for the 7th and 8th car sets.
- Conservative projections of \$25,000 related to parking at SMART-owned lots is included.
- A decrease of \$178,957 in interest earnings as a result of the drawdown of fund balance set aside for the project.

Expenditures:

Administration:

There are a few notable increases that lead to an increased overall administrative budget for Fiscal Year 2017-18 from \$29,165,644 to \$42,347,435. Those changes are as follows:

- Increase of \$1,048,539 in liability and self-insured retention costs related to the start of passenger service and a general increase in claims activity.

- Debt service costs increase by \$603,750 in accordance with the 2012 bond sale structure.
- Significant increase in depreciation expense as our new infrastructure and vehicles are placed into service. This does not result in actual spending but is required for transparency in financial reporting.
- Salary and benefits increase of \$1.1 million to fund needed new positions, benefit cost increases, and implementation of regular salary step increments within approved salary ranges.

Capital:

Capital Budget expenditures in Fiscal Year 2017-18 decrease from \$39,497,753 to \$37,049,942. The Proposed Capital Budget includes final payments for completion of Phase 1, including acceptance of all systems, facilities and rail car sets. In addition, the following are also included in Capital expenditures:

- Authorization of \$1.4 million for progress payments for additional four rail cars funded by the State of California Cap and Trade funds.
- Payments of \$7.5 million to vehicle manufacturer for original seven rail car sets.
- Shift of \$2 million for completion of pathway segments in Novato (Franklin to Grant and Rush Creek to Novato North station) that were delayed due to permitting.
- Appropriation of \$13.3 million in anticipated expenditures for the Larkspur extension project.
- Inclusion of \$1.6 million for the City of Santa Rosa for the Jennings Avenue crossing paid entirely by the City of Santa Rosa.
- Deletion of vacant and unused position and addition of a new Associate Engineer position to add to the progression of engineering positions for current staff. Engineering positions are funded primarily by grant and other funds for projects.

Operations:

The Proposed Operations Budget shows increases in SMART operating costs from \$16,473,800 to \$21,026,672 primarily due to increased services related to startup of passenger services. This level of expenditure is necessary to provide 24-hour dispatching, seven day a week scheduled service, train and signal operation, vehicle maintenance and regulatory tracking, and maintenance of all SMART infrastructure and facilities (including track, structures, grade crossings, communications, signals and pathway). Significant highlights include the following:

- Salary and benefits increase of \$1.4 million. This represents an increase over the prior year due to full staffing of the Operations department, positions are listed in further detail in **Table 4**.

- Decreases in Maintenance of Signals and Maintenance of Railway totaling \$134,420 due to hiring of permanent staff. Previously SMART relied on contracts for these functions.
- Increase of \$226,130 for Maintenance of Facilities to ensure stations are cleaned and well-maintained, which includes additional signage, parts and services.
- Deletion of Special Services-Operations account and shift of those expenses to Professional Services. Total budget for Professional services is \$2.3 million. This is an increase of \$1.9 million over the prior year due to the start of service. It includes large contracts for maintenance and management of fare vending machines, payments to transit operators for bus connectors to future SMART stations, Customer Service provided by Golden Gate, expertise in technical systems, hosting and maintenance of WiFi contracts, and emergency bus bridge services.
- Expenditures of \$1,423,607 for fuel and other necessary fluids. This budget is a conservative estimate of costs based on our anticipated vehicle performance and includes contingency for fluctuation of costs.
- Vehicles and Equipment (Capitalized): A total of \$1,150,919 which includes the purchase of additional wheel sets for seamless maintenance and truing of wheels throughout the year, a new vehicle specifically for pathway maintenance, and a scrubber for ongoing conditioning of the rails.
- Creation of an equipment replacement fund with an allocation of \$525,000 tied to vehicles and other equipment. This will be an ongoing annual allocation to provide for the replacement of equipment as needed in the future.
- The budget also includes an appropriated contingency of \$600,000 to allow for necessary expenditures not anticipated at budget time, but which may arise during regular operations. In the current year this funding was used only for emergency costs related to flooding during the storms. Given the startup nature of SMART there are likely a number of logistical or service needs that could require these resources. Operational needs above the contingency amount will be brought to the Board for their consideration, and would be funded by available operating fund balance.

TABLE 4, on the following pages, contains the Personnel and Position Authorizations for Fiscal Year 2017-18 and includes a column showing any significant changes from the prior year. In addition to noted changes, we have adjusted the salary ranges to make them more uniform, with regular steps for advancement within a salary range. In a number of cases, our salary ranges were overly broad and we have thus adjusted them to a more standard 20% range from top to bottom. There are very few significant changes and only two of our positions, Accountant and Real Estate Specialist, required a significant top step shift of 10%. As noted earlier, we have deleted two engineering positions that were unused and vacant and added an Associate Engineer position as a replacement that better fits with our engineering progression. Other minor title changes are noted in Table 4.

TABLE 4

Fiscal Year 2017-18 : Proposed Position Authorization (Revised)

Position	FTE	Salary Range Annual		Salary Range: Hourly		CHANGE
		Low	High	Low	High	
ADMINISTRATIVE						
Accountant	2	68,266	82,971	32.82	39.89	Added One
Accounting and Payroll Assistant	1	49,525	60,195	23.81	28.94	
Administrative Analyst/ Contracts	1	75,338	91,582	36.22	44.03	
Administrative Assistant	2	44,866	54,538	21.57	26.22	
Assistant Planner*	1	64,979	78,978	31.24	37.97	
Assistant General Counsel	1	129,709	157,664	62.36	75.80	
Chief of Police	1	154,190	187,408	74.13	90.10	
Chief Financial Officer	1	207,355	252,054	99.69	121.18	
Clerk of the Board	1	68,266	82,971	32.82	39.89	
Code Compliance Officer	2.5	50,752	61,693	24.40	29.66	Added One
Communications and Marketing Manager	1	120,453	146,411	57.91	70.39	
Community Outreach Coordinator	1	66,602	80,954	32.02	38.92	
Community Outreach Specialist	1	103,854	126,256	49.93	60.70	
Deputy General Manager	1	227,781	276,869	109.51	133.11	
Fiscal Manager	1	117,520	142,834	56.50	68.67	
General Counsel	1	207,355	252,054	99.69	121.18	
General Manager	1	-	293,655		141.18	
Human Resources Manager	1	114,650	139,360	55.12	67.00	
Human Resources Principal Analyst	1	103,854	126,256	49.93	60.70	
Information Systems Specialist	1	114,650	139,360	55.12	67.00	
Legal Administrative Assistant	1	61,838	75,171	29.73	36.14	
Payroll Technician	1	49,525	60,195	23.81	28.94	
Procurement Coordinator	1	96,450	117,229	46.37	56.36	Title Change
Programming and Grants Manager	1	126,547	153,816	60.84	73.95	
Real Estate Officer	1	71,718	87,173	34.48	41.91	Title Change
Real Estate Manager	1	143,166	174,034	68.83	83.67	Title Change
Senior Administrative Assistant	1	61,838	75,171	29.73	36.14	
Senior Administrative Analyst	1	85,238	103,626	40.98	49.82	
Senior Planner	1	85,238	103,626	40.98	49.82	

Subtotal Administrative Full Time Equivalents (FTE)

32.5

CAPITAL POSITIONS						
Assistant Engineer *	2	81,141	98,634	39.01	47.42	
Associate Engineer*	1	96,450	117,229	46.37	56.36	New
Chief Engineer	1	170,186	206,877	81.82	99.46	
Construction Manager *	0	158,038	192,109	75.98	92.36	Deleted
Deputy Project Manager *	1	170,186	206,877	81.82	99.46	
Junior Engineer *	5	71,718	87,173	34.48	41.91	
Project Extra hires *		-	Up to total			
Construction Engineer *	1	106,454	129,397	51.18	62.21	New Title
Senior Rail Engineer *	0	143,166	174,034	68.83	83.67	Deleted

Subtotal Capital Full Time Equivalents (FTE)

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Table 4 : Continued on Next Page (Page 1 of 2)

TABLE 4

Fiscal Year 2017-18 : Proposed Position Authorization (Revised)

Position	FTE	Salary Range Annual		Salary Range: Hourly		CHANGE
		Low	High	Low	High	
OPERATIONS POSITIONS						
Administrative Services Manager	1	81,141	98,634	39.01	47.42	
Assistant Superintendent of Transportation	1	98,862	120,162	47.53	57.77	
Bridge Tender*	2	43,763	53,206	21.04	25.58	
Controller /Supervisor	10	89,565	108,867	43.06	52.34	
Conductor**	11	58,864	71,552	28.30	34.40	
Engineer-Conductor**	21	69,971	85,051	33.64	40.89	
Extra Hires Operations		Up to total amount	190,400			
Facilities Maintenance Supervisor	1	89,565	108,867	43.06	52.34	
Facilities Maintenance Technician	2	54,662	66,435	26.28	31.94	
Laborers	5	43,763	53,206	21.04	25.58	
Operations Manager	1	170,186	206,877	81.82	99.46	
Parts Clerk	2	56,014	68,099	26.93	32.74	
Railroad Information Systems Specialist	1	101,338	123,157	48.72	59.21	
Safety & Compliance Officer	1	109,117	132,642	52.46	63.77	
Signal Supervisor	2	96,450	117,229	46.37	56.36	
Signal Technician	8	75,338	91,582	36.22	44.03	
Superintendent of Vehicle Maintenance	1	117,520	142,834	56.50	68.67	
Superintendent of Transportation	1	117,520	142,834	56.50	68.67	
Superintendent Signals and Way	1	117,520	142,834	56.50	68.67	
Track Maintainer	4	57,429	69,805	27.61	33.56	
Track Maintenance Supervisor	2	91,790	111,592	44.13	53.65	
Vehicle Maintenance Supervisor	4	91,790	111,592	44.13	53.65	
Vehicle Maintenance Technician	8	69,971	85,051	33.64	40.89	

Subtotal Operations Full Time Equivalents (FTE) 79**

TOTAL ALL SMART DEPARTMENTS	122.5
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* Denotes Limited-Term Position Dependent on Project need

** Engineer/Conductor may be filled by Conductors, Total FTE for both positions combined is 21



Debora Fudge, Chair
Sonoma County Mayors and
Councilmembers Association

Kathrin Sears, Vice Chair
Marin County Board of Supervisors

Judy Arnold
Marin County Board of Supervisors

Jim Eddie
Golden Gate Bridge,
Highway/Transportation District

Dan Hillmer
Marin Council of Mayors and
Councilmembers

Eric Lucan
Transportation Authority of Marin

Jake Mackenzie
Sonoma Mayors and Councilmembers
Association

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gary Phillips
Transportation Authority of Marin

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May 17, 2017

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

SUBJECT: Presentation and Discussion of the Updated Draft Timetable
Concepts for Inaugural SMART Service

Dear Board Members:

RECOMMENDATION: Review and Provide Direction

SUMMARY:

We are currently conducting time trials and have modified our earlier draft schedule that incorporates public feedback, comments from our transit colleagues and findings of our time trials. This schedule will be presented to you at the Board meeting so we can continue our field verification.

At your March 2, 2016 Board meeting, you received a briefing on the work which has been done to coordinate SMART service with the work of local transit service providers in our common corridor. Presentations were made by our partners and colleagues representing Golden Gate Transit, Marin Transit, Sonoma County Transit, Santa Rosa City Bus and Petaluma Transit. The importance of the San Rafael Transit Center bus pulse in determining SMART operating concept, and the implications for design of SMART’s vehicles, signal system and infrastructure were also reviewed.

At your April 6, 2016 Board meeting, you received a presentation and discussion of the draft timetable concept which was developed for implementation as SMART’s inaugural revenue service. We have received public input about our draft schedule. In general the public asked for more midday service and more late afternoon/evening service.

We look forward to discussing these important initial service schedules with your Board and receive final direction.

Very truly yours,

Farhad Mansourian
General Manager

DRAFT WEEKDAY SERVICE CONCEPT

DRAFT CONCEPTUAL SMART Weekday Train Service: Sonoma County Airport and San Rafael

TRAIN NO. →	1	3	5	7	9	11	13	15	17	19	21	23	25	27	29
Stations ↓	am								pm						
Sonoma County Airport	4:49	5:19	5:49	6:19	6:49	7:19	7:49	8:19	1:19	3:19	3:49	4:19	4:49	5:19	5:49
Santa Rosa North	4:56	5:26	5:56	6:26	6:56	7:26	7:56	8:26	1:26	3:26	3:56	4:26	4:56	5:26	5:56
Santa Rosa Downtown	5:01	5:31	6:01	6:31	7:01	7:31	8:01	8:31	1:31	3:31	4:01	4:31	5:01	5:31	6:01
Rohnert Park	5:08	5:38	6:08	6:38	7:08	7:38	8:08	8:38	1:38	3:38	4:08	4:38	5:08	5:38	6:08
Cotati	5:12	5:42	6:12	6:42	7:12	7:42	8:12	8:42	1:42	3:42	4:12	4:42	5:12	5:42	6:12
Petaluma Downtown	5:25	5:55	6:25	6:55	7:25	7:55	8:25	8:55	1:55	3:55	4:25	4:55	5:25	5:55	6:25
Novato - San Marin	5:36	6:06	6:36	7:06	7:36	8:06	8:36	9:06	2:06	4:06	4:36	5:06	5:36	6:06	6:36
Novato - Hamilton	5:44	6:14	6:44	7:14	7:44	8:14	8:44	9:14	2:14	4:14	4:44	5:14	5:44	6:14	6:44
Marin Civic Center	5:50	6:20	6:50	7:20	7:50	8:20	8:50	9:20	2:20	4:20	4:50	5:20	5:50	6:20	6:50
San Rafael	5:56	6:26	6:56	7:26	7:56	8:26	8:56	9:26	2:26	4:26	4:56	5:26	5:56	6:26	6:56

TRAIN NO. →	2	4	6	8	10	12	14	16	18	20	22	24	26	28	30
Stations ↓	am							pm							
San Rafael	6:29	6:59	7:29	7:59	8:29	8:59	11:59	3:59	4:29	4:59	5:29	5:59	6:29	6:59	7:29
Marin Civic Center	6:35	7:05	7:35	8:05	8:35	9:05	12:05pm	4:05	4:35	5:05	5:35	6:05	6:35	7:05	7:35
Novato - Hamilton	6:41	7:11	7:41	8:11	8:41	9:11	12:11	4:11	4:41	5:11	5:41	6:11	6:41	7:11	7:41
Novato - San Marin	6:49	7:19	7:49	8:19	8:49	9:19	12:19	4:19	4:49	5:19	5:49	6:19	6:49	7:19	7:49
Petaluma Downtown	7:00	7:30	8:00	8:30	9:00	9:30	12:30	4:30	5:00	5:30	6:00	6:30	7:00	7:30	8:00
Cotati	7:13	7:43	8:13	8:43	9:13	9:43	12:43	4:43	5:13	5:43	6:13	6:43	7:13	7:43	8:13
Rohnert Park	7:17	7:47	8:17	8:47	9:17	9:47	12:47	4:47	5:17	5:47	6:17	6:47	7:17	7:47	8:17
Santa Rosa Downtown	7:24	7:54	8:24	8:54	9:24	9:54	12:54	4:54	5:24	5:54	6:24	6:54	7:24	7:54	8:24
Santa Rosa North	7:29	7:59	8:29	8:59	9:29	9:59	12:59	4:59	5:29	5:59	6:29	6:59	7:29	7:59	8:29
Sonoma County Airport	7:36	8:06	8:36	9:06	9:36	10:06	1:06	5:06	5:36	6:06	6:36	7:06	7:36	8:06	8:36

am times shown in light type face
 pm times shown in bold type face

DRAFT WEEKEND/HOLIDAY CONCEPT WITH FERRY SHUTTLE

DRAFT PHASE 1 Saturday/Sunday/Holiday CONCEPT with San Rafael— Larkspur Shuttle and Current (December 2015) Ferry Schedule						
TRAIN NO ->	51	53	55	57	59	61
Stations↓	am		pm			
Airport	iv 8:03	---	---	3:18	6:18	---
Santa Rosa North	iv 8:10	---	---	3:25	6:23	---
Santa Rosa Downtown	iv 8:15	10:25	12:25	3:30	6:30	---
Rohnert Park	iv 8:22	10:32	12:32	3:37	6:37	---
Cotati	iv 8:26	10:36	12:36	3:41	6:41	---
Petaluma Downtown	iv 8:39	10:49	12:49	3:54	6:54	8:10
Novato-San Marin	iv 8:50	11:00	1:00	4:05	7:05	8:21
Novato-Hamilton	iv 8:58	11:08	1:08	4:13	7:13	8:29
Civic Center	iv 9:04	11:14	1:14	4:19	7:19	8:25
San Rafael	arr. 9:10	11:20	1:20	4:25	7:25	8:31
San Rafael (shuttle)	iv. 9:15	11:25	1:25	4:30	7:35	8:35
Larkspur (shuttle)	arr. 9:25	11:35	1:35	4:40	7:45	8:45
Larkspur (Ferry)	iv. 9:30	11:40	1:40	4:45	---	---
SF (Ferry)	arr. 10:30	12:30	2:30	5:35	---	---

DRAFT PHASE 1 Saturday/Sunday/Holiday CONCEPT with San Rafael—Larkspur Shuttle and Current (December 2015) Ferry Schedule						
TRAIN NO ->	52	54	56	58	60	62
Stations↓	am		pm			
SF (Ferry)	iv. ---	---	12:40	3:45	6:25	7:25
Larkspur (Ferry)	arr. ---	---	1:30	4:35	7:15	8:10
Larkspur (Shuttle)	iv. 9:00	11:10	1:40	4:45	7:20	8:20
San Rafael (Shuttle)	arr. 9:10	11:20	1:50	4:55	7:30	8:30
San Rafael	iv. 9:20	11:25	1:55	5:00	7:35	8:40
Civic Center	iv. 9:26	11:31	2:01	5:06	7:41	8:46
Novato-Hamilton	iv. 9:32	11:37	2:07	5:12	7:47	8:52
Novato-San Marin	iv. 9:40	11:45	2:15	5:20	7:55	9:00
Petaluma Downtown	iv. 9:51	11:56	2:26	5:31	8:06	9:11
Cotati	iv. 10:04	12:09pm	2:39	5:44	---	9:24
Rohnert Park	iv. 10:08	12:13	2:43	5:48	---	9:28
Santa Rosa Downtown	iv. 10:15	12:20	2:50	5:55	---	9:35
North Santa Rosa	iv. ---	---	2:55	6:00	---	9:40
Airport	arr. ---	---	3:02	6:07	---	9:47