

Agenda Item 8 - Marin County Civil Grand Jury Report August 16, 2023



Marin County Civil Grand Jury Report

- Overview
- Recommended Responses
- Discussion
- Next Steps

Overview

- June 22, 2023 – Marin County Civil Grand Jury released report entitled “SMART at a Crossroads – Here Today, Gone Tomorrow”
- Report consisted of six findings and three recommendations
- July 23, 2022 – Board established an Ad Hoc Committee to draft responses to the report
 - Chair Eric Lucan
 - Vice Chair Melanie Bagby
 - Director Barbara Pahre
 - Director Kate Colin
 - Director David Rabbitt

Findings Responses

- Pursuant to Penal Code Section 933.05, the Grand Jury requests responses as follows:
- Respondents must specify one of three options:
 1. Respondent agrees with finding
 2. Respondent disagrees wholly with finding
 3. Respondent disagrees partially with finding

Findings Responses

- F1. SMART is heavily dependent on revenue from voter approved Marin and Sonoma County sales taxes for funding its operations
 - **Recommended Response: Respondent agrees with the finding**
- F2. SMART has never attained the ridership levels that it promised in 2008
 - **Recommended Response: Respondent agrees with the finding**
- F3. SMART's past inability to be open and transparent about decision making and operations contributed to the erosion of public confidence leading to the defeat of the Measure I sales tax extension in 2020.
 - **Recommended Response: Respondent agrees with the finding**

Findings Responses

- F4. SMART will likely be forced to discontinue services if Marin and Sonoma County voters do not approve a sales tax extension by the required supermajority in an election before 2029.
 - **Recommended Response: Respondent agrees with the finding**
- F5. SMART's new leadership, especially its General Manager and Chief Financial Officer, appear qualified, energetic and motivated to take on the many challenges that SMART is facing.
 - **Recommended Response: Respondent agrees with the finding**
- F6. SMART does not have a comprehensive marketing and communications strategy.
 - **Recommended Response: Respondent agrees with the finding**



Recommendations Responses

- Pursuant to Penal Code Section 933.05, the Grand Jury requests responses as follows:
- Respondents must specify one of four options:
 1. Recommendation has been implemented with a summary regarding the implemented action
 2. Recommendation has not yet been implemented but will be implemented in the future with a timeframe for implementation
 3. Recommendation requires further analysis with an explanation and timeframe (not to exceed six months from date Grand Jury Report was issued)
 4. Recommendation will not be implemented because it is not warranted or reasonable, with an explanation

Recommendations Responses

- R1. By December 1, 2023, the Board of Directors should initiate a fully transparent, public process to be completed by April 1, 2024 that examines how SMART might continue funding its operations beyond April 2029, including an evaluation of when the voters would decide whether to continue levying a sales tax for SMART's operations.
 - **Recommended Response: Recommendation has not been implemented but will be implemented no later than April 1, 2024. The SMART Board of Directors will initiate the process by December 1, 2023, and complete the evaluation by April 1, 2024**

Recommendations Responses

- R2. By December 1, 2023, SMART's Board of Directors should direct staff to develop a written strategic marketing communications and public outreach plan and budget focused on educating voters in Marin County about the community benefits derived from the continued operation of the SMART rail system.
 - **Recommended Response: Recommendation has not been implemented but will be implemented no later than December 1, 2023**

Recommendations Responses

- R3. SMART's Board of Directors should consider hiring consultants to help evaluate the feasibility and timing of future tax measures.
 - **Recommended Response: Recommendation has not been implemented but will be implemented no later than December 1, 2023**

Discussion

Next Steps

- Board responds to Marin County Civil Grand Jury by September 22, 2023.
- Staff prepares information based on Board direction regarding recommendations.
 - Recommendation 1
 - Financial analysis beyond April 2029 (September 2023)
 - Facilitate discussion regarding timing associated with sales tax extension measure (November 2023)
 - Recommendation 2
 - Present strategic marketing communications and public outreach plan focused on educating voters (October 2023)
 - Development budget associated with Board direction (November 2023)
 - Recommendation 3
 - Facilitate discussion about hiring consultants to help evaluate the feasibility and timing of future tax measures (October 2023)

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www.SonomaMarinTrain.org



Customer Service:

CustomerService@SonomaMarinTrain.org

(707) 794- 3330

