

Agenda Item 10 - Marin County Civil Grand Jury Report July 19, 2023



Marin County Civil Grand Jury

- Report Summary
- Findings (6)
- Recommendations (3)
- Next Steps
- Discussion

Marin County Civil Grand Jury Report

- “The Grand Jury has not been able to identify any single or combination of federal, state, and regional funding programs sufficient to replace the projected \$51 million sales tax annual operating revenue needed to keep the trains running”
- “The Grand Jury reminds SMART’s Board of Directors that, while on four separate occasions since 1998, a majority of Marin and Sonoma county voters supported an inter-county passenger train, the plan to pay for it did not receive the required super-majority voter approval.



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- “The Grand Jury’s primary recommendation is that SMART’s Board of Directors immediately begin a frank, straightforward conversation with voters delineating the value SMART brings to the community”
- It should, within the next twelve months, agree to a fully transparent plan that would do so”
- “SMART is at a Crossroads. Time for action is now”

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Figure 1
SMART's SWOT Analysis

<p>S</p> <p><u>Strengths</u></p> <ul style="list-style-type: none"> • Dedicated highly skilled staff • Safe and reliable service • Modern/comfortable train • Strong bi-directional commute patterns • Infrastructure in excellent condition • Bike/train synergy • Successful at identifying/securing funds • Strong organizational culture 	<p>W</p> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • First and last mile connections • Single track system • Early/late service • Limited number of destination stations • Public perception/local support • Minimal staffing levels with long hiring timeline • Parking capacity/paid parking • Everything is a priority
<p>O</p> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Improve strategic direction/alignment • Untapped markets (tourism, students, late night, recreation, and events) • Improve wayfinding, real-time info, apps, on-line presence • Improve first/last mile connections • Increase interaction with public and community leaders • Enhance marketing efforts to target key markets • Reactivate on-board amenities 	<p>T</p> <p><u>Threats</u></p> <ul style="list-style-type: none"> • Future sales tax funding • Well organized and funded opponents • Extension north of Windsor and east of Novato not in Plan Bay Area 2050 (limits ability to compete for grants) • On-going litigation slowing projects • Public trust/confidence • Post pandemic (work from home) • Cyber attacks • Rising capital/operating costs

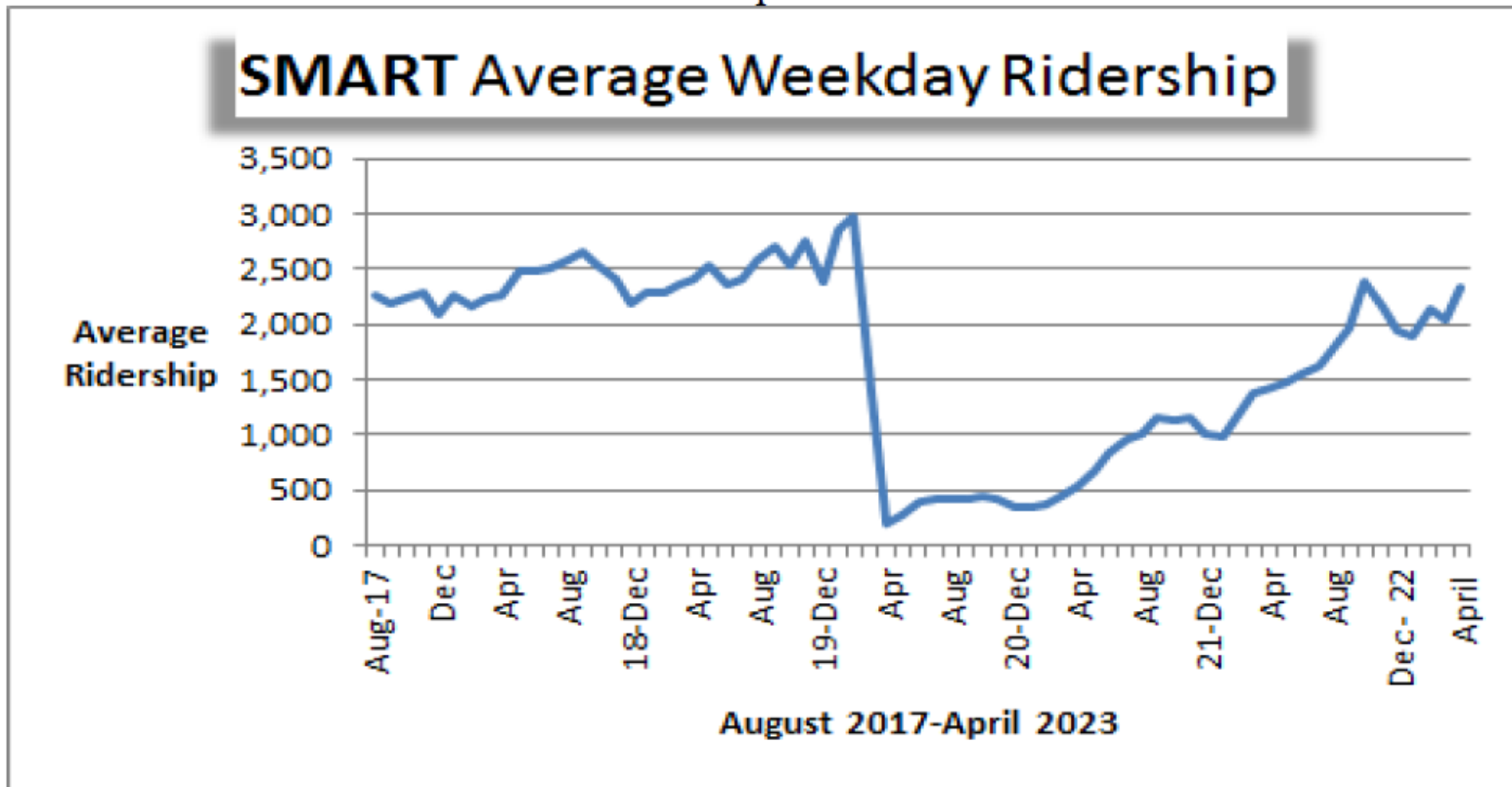
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- “Without more riders, public perception of the system’s value will continue to decline”
- “Increasing ridership should be SMART’s number one operational goal”
- Increasing the number of riders is highly correlated to an attractive fare structure, reliability of service, improvement of first/last mile connections, and building public confidence in the Board and management”



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Graph 1



Source: SMART Ridership Reports,



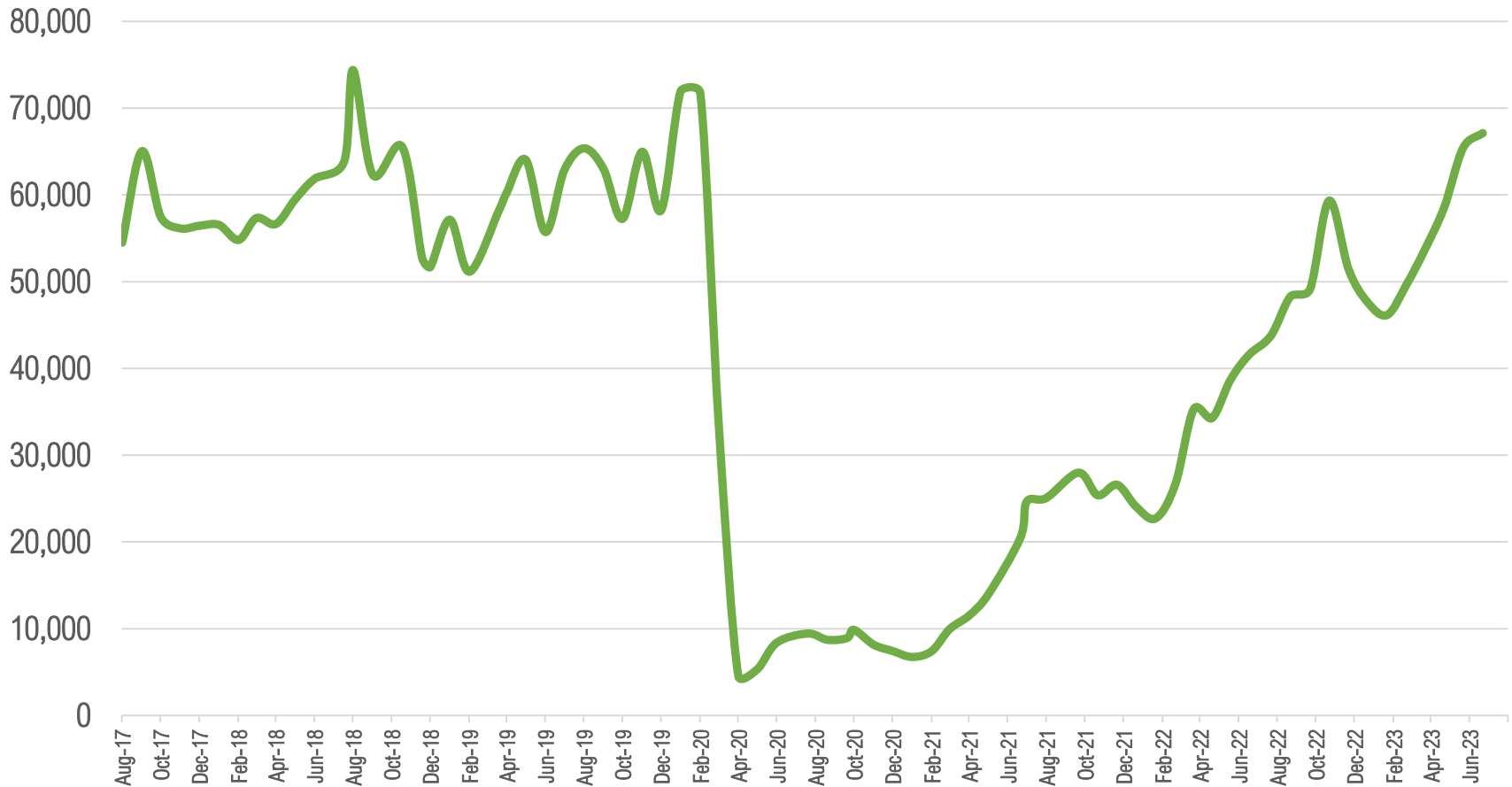
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Recent Board Actions

- Fully restored weekday service levels (38 Trips per day)
- Expanded weekend service (12 trips per day)
- Extended 40% discount on fares (\$1.50 per zone)
- Developed 31-day pass based on a 3-day commute
- Suspended parking fees at SMART owned Park & Rides
- Approved overnight parking at SMART owned Park & Rides
- Improved weekend connections to Larkspur Ferry
- Facilitated Muir Woods Shuttle connection at Larkspur
- Worked with Google to improve Trip Planning
- Implemented Giants Game Service
- Implemented Free Field Trips for K-12 Students
- Expanded service to include late evening trains (Fri/Sat)
- Implemented free summer youth program June – August
- Launched Microtransit Pilot Project at Airport Station
- Provided extra event service for the Marin County Fair



Ridership Recovery



Findings

- F1. SMART is heavily dependent on revenue from voter approved Marin and Sonoma County sales taxes for funding its operations.
- F2. SMART has never attained the ridership levels that it promised in 2008.
- 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.
- 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.
- 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.
- F6. SMART does not have a comprehensive marketing and communications strategy.



Recommendations

- 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.
- 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.
- R3. SMART's Board of Directors should consider hiring consultants to help evaluate the feasibility and timing of future tax measures.

Next Steps

- Determine if/when the board wants to implement accepted recommendations
- Respond to Marin County Civil Grand Jury by September 22, 2023

Discussion

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