

Board of Directors Meeting: June 2, 2021 – Public Comments

Date	Name	5. Public Comment on Non-Agenda Items
		None
Date	Name	6. Consent <ul style="list-style-type: none"> a. Approval of Monthly Financial Reports b. Approval of Resolutions Authorizing the General Manager to Execute Change Orders CO-014 to Contract No. CV-DB-18-001 and CO-003 to Contract No. SYS-DB-18-001 that modifies the Contract provisions while the Windsor Extension work is temporary suspended until the Regional Measure 3 (RM3) funding is allocated c. Approval of a Resolution Authorizing the General Manager to Negotiate Final Terms and Enter into an Interagency Coordination Agreement Supporting Operations of the Sonoma-Marin Bike Share Pilot Program
		None
Date	Name	7. Approval of Resolutions Adopting the Fiscal Year 2021-22 Budget, Annual Appropriation Limit and Investment Policy
6/1/2021	Mike Arnold	Attached
Date	Name	8. Authorize the General Manager to Award Service Agreement No. OP-SV-21-002 with Empire Cleaners for laundry, dry cleaning and pressing services for SMART-owned employee uniforms in the amount of \$180,000
		None
Date	Name	9. Authorize the General Manager to Award Contract No. OP-PS-21-002 with Portola Systems Inc. for ongoing management and maintenance support for the existing SMART Station Network for an initial term of three years with a total not-to-exceed amount of \$722,460
		None
		10. Authorize the General Manager to execute Contract Amendment No. 1 with Hogan Lovells, LLP in the amount not to exceed \$350,000 for specialized legal services

Board of Directors Meeting: June 2, 2021 – Public Comments

		None
Date	Name	11. Approval of a Resolution Adopting a Continuing Disclosure Policy
		None
Date	Name	12. Listening Forum Action Summaries
6/1/2021	Mike Arnold	Attached

To: David Rabbit, SMART Chair and SMART Board Members; Heather McKillop
From: Mike Arnold
Subject: Updated Estimates of Taxpayer Subsidies per Rider based on Budget: Agenda Item 7
Date: June 2, 2021

Two key performance metrics were recommended for consideration in a prior Board meeting on performance metrics: **operating expense per rider** and **taxpayer subsidy per rider**. Both measures proved important to SMART constituents in the No on I campaign resulting in SMART's failure to pass its proposed tax extension measure in March 2020. The budget summary does not provide any metrics. Neither does the budget report a forecast of ridership for the next fiscal year. My belief is that the public would be better served if staff provided this information on a regular basis.

Because these variables were not provided, I have independently estimated all three (ridership, operating expenses per rider, and taxpayer subsidy per rider) using a range for forecasts of ridership for next year, as shown in the table below.

- In Scenario A, I used the FY21/22 budget's fare revenue forecast to "back into" the ridership by reducing average fares per passenger 50 percent from the average fares earned through April 2021 and reported in the Monthly Finance Reports.
- In Scenario B, I assumed ridership would recover to one-half of the February 2020 levels by June 2022; I then straight lined monthly estimates of ridership from June 2021 through June 2022. The ridership outcome in this scenario is much higher than what is implicitly assumed in the budget and so are fare revenues.

Operating expenses consistent with the definitions used in the National Transit database are estimated as follows:

- All "Operating Department" expenses are included.
- 64.1 percent of "Administrative Department expenses to account for non-operating administrative expenses, after deducting debt service expenses and the \$2M associated with the lawsuit over the row in Sonoma County.

This leads to an estimate of \$34.5M on "NTD consistent" operating expenses as reported in the table for FY 2021/22.

Scenario	FY	Operating Expenses (\$MM)	Ridership	Fare Revenues (\$MM)	Fare Revenues per Rider (\$)	Per Rider (\$)	
						Op Exp	Taxpayer Subsidy
Updated	20/21	21.9	115,250	0.7	5.72	190	184
A	21/22	34.5	194,730	0.8	5.95	177	173
B	21/22	34.5	302,527	0.9	2.97	114	111

Conclusion: these preliminary performance metrics show the Agency spent huge sums per rider this fiscal year subsidizing very few passenger trips during the pandemic. The Agency will surely spend less in the forthcoming fiscal year, but its aggregate operating expenses and operating expense per rider remain well over \$100 which voters indicated is unacceptably high. The fact that neither staff nor Board has not even identified nor discussed these measures is a sad commentary.

302,527	0.9	2.97	114	111
---------	-----	------	-----	-----

To: David Rabbit, SMART Chair and SMART Board Members;
Heather McKillop

From: Mike Arnold

Subject: Summary of the Listening Sessions Ignores Criticisms of SMART: Agenda Item 12

Date: June 2, 2021

The memo in your packet summarizing the listening sessions posted on SMART's website has cherry picked what was said by those in attendance in the first listening session. The bias is documented by comparing what is presented in the memo vs. what is summarized on SMART's website *by listening Session*.

Below is a copy of the part of the summary from the September 2, 2020 listening session chaired by Chris Rogers. As indicated none of these bullet points appear in the Agenda Item 12 memo presented to the Board.

SMART Board of Directors Listening Tour

Santa Rosa, September 2, 2020

On September 2, 2020, the SMART Board of Directors launched a community-wide Listening Tour, with the City of Santa Rosa hosting the first of several forums planned throughout the North Bay. Directors Chris Rogers and David Rabbitt facilitated the Listening Forum. Over 60 community members were in attendance, including several members of the SMART Board; Mayor of Santa Rosa, Tom Schwedhelm; Chris Coursey, who will soon join the Sonoma County Board of Supervisors; and Eris Weaver, Director of the Sonoma County Bicycle Coalition.

From page 2 of the summary:

- SMART Measure I (sales tax renewal) failed because of two things: transparency and accountability. Staff within this agency continues to operate in a non-transparent way and the board continues to not hold staff accountable for the mistakes that led to the failure of Measure I.
- Transparency is about providing the public with regular information on the performance of SMART, including ridership. SMART did not respond, for some time, to requests for ridership and cost data. Many PRAs were filed by COST, and the lack of response, required COST to hire an attorney and go to court.
- We have an internal cost estimate of about \$4,000 to run a trip from Airport Blvd. to Larkspur. It would be better if staff provided that number so people understood that while the trains are very popular, they don't come for free.
- The purchase of NWP Co, without any financial information, just operating on a trust me basis, reflects a combination of obfuscation and lack of accountability on the board to ensure good governance practices by an agency that is now under threat.
- One of the problems is that the SMART board is a rubber stamp organization for whatever staff puts in front of it.