



CITIZENS OVERSIGHT COMMITTEE MEETING

March 13, 2024 – 1:30 PM

Members of the public who wish to attend in person may do so at:
5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

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

HOW TO WATCH THE LIVE MEETING USING THE ZOOM

<https://sonomamarintrain-org.zoom.us/j/84263686494?pwd=QmZ0ZFZTNGV1L1dDWHE0emJXQThRdz09>

Webinar ID: 842 6368 6494

Passcode: 252425

TELECONFERENCE

Members of the public wishing to participate via teleconference, can do so by dialing in to the following number the day of the meeting: (669) 900-6833; Access Code: 842 6368 6494; Passcode: 252425

HOW TO PROVIDE COMMENTS ON AGENDA ITEMS

Prior To Meeting:

Technology limitations may limit the ability to receive verbal public comments during the meeting. If you wish to make a comment you are strongly encouraged to please submit your comment to COC@SonomaMarinTrain.org by 5:00 PM on *Tuesday, March 12, 2024*.

During the Meeting:

The Chair will open the floor for public comment during the Public Comment period on the agenda. Please check and test your computer settings so that your audio speaker and microphones are functioning. Speakers are asked to limit their comments to two (2) minutes. The amount of time allocated for comments during the meeting may vary at the Chairperson's discretion depending on the number of speakers and length of the agenda.



CITIZENS OVERSIGHT COMMITTEE MEETING

March 13, 2024 – 1:30 PM

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

1. Call to Order
2. Approval of December 13, 2023 Minutes
3. COC Members Announcements
4. General Manager's Report
5. Public Comment on Non-Agenda Items
6. Fiscal Year 2024-25 Budget Timeline – *Presented by Chief Financial Officer, Heather McKillop*
7. 2024 Strategic Plan – *Presented by Planning Manager, Emily Betts*
8. Next Meeting of the Citizens Oversight Committee, **May 22, 2024** – 1:30pm – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 95492
9. Adjournment

DISABLED ACCOMMODATION:

Upon request, SMART will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, service, or alternative format requested at least two (2) days before the meeting. Requests should be emailed to *Leticia Rosas, Clerk of the Board* at lrosas@sonomamarintrain.org or submitted by phone at (707) 794-3072. Requests made by mail SMART's, 5401 Old Redwood Highway, Suite 200, Petaluma, CA 94954 must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.



**CITIZENS OVERSIGHT COMMITTEE
MEETING MINUTES**

December 13, 2023 – 1:30 PM

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

1. Call to Order

Chair Sheehan-Meyer called the meeting to order at 1:30pm. Members Adams, Engdahl, McCubbin, McKay, and Nachor present; Members Dilworth, Ericksen and Kushel absent.

2. Approval of August 30, 2023 Minutes

MOTION: Minutes approved as presented.

3. COC Members Announcements

Member Adams stated that she has noticed more riders on the train.

Member Nachor stated that the Holiday Express train has been very successful. Glad that riders can enjoy a decorated holiday train.

4. General Manager's Report

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

- Ridership
- COC Questions (Weekend Ridership Growth and Rider Types)
- Upcoming Board Item (Farebox vs. Ridership)
- Federal Railroad Administration Corridor ID Program
- Recent Awards
- Holiday Express Video
- Questions

Ridership

- Ridership Recovery (October 2019 vs October 2023) – SMART had the highest ridership recovery ratio in the Bay Area for 8th month in a row

- Commuter Rail Ridership Recovery October 2023 vs October 2019 – SMART has the No. 2 Commuter Rail Ridership recovery rate in the Country
- November 2023 Ridership: 65,445; 27% over November 2022 and 1% over November 2019 Pre-COVID
- November Average Weekday ridership: 2,686; 24% higher than November 2022
- December Average Weekday ridership to date: 2,809; 45% higher than December 2022
- Fiscal Year 2024 Ridership project is 717,000 boardings; currently tracking 15% over goal and 20% over Fiscal Year 2023
- Pathway Count November 2023: 55,353

COC Questions (Weekend Ridership Growth and Rider Types)

- Weekend Ridership for Fiscal Year 2024 to date exceed pre-COVID
- Average Fiscal Year 2024 weekend boardings up 9% over Fiscal Year 2019 (pre-COVID)
- Rider Types (Fiscal Year 2024 Fare Based Data)
 - Persons with Disabilities (2%)
 - Seniors (10%)
 - Youth (15%)
 - Adults (73%)

SMART Farebox Recovery Calculation

- $\text{Fare Revenue} / \text{Operating Cost} = \text{Farebox Recovery \%}$
- Fiscal Year 2019: 15%
- Fiscal Year 2021: 3%
- Fiscal Year 2023: 6%
- Fare vs. Ridership
- The Board gave direction to staff to continue to focus on ridership.
- 2022 Sonoma – Marin Demographics – Adults (58%); Youth (23%); and Seniors (19%)
- The Free Summer youth program had a 152% rider increase
- SMART Investment Per Passenger Mile (IPPM)

Federal Railroad Administration Corridor ID Program

The California Department of Transportation was awarded up to \$500,00 for the Capitol Corridor to be included in the Corridor ID Program.

Recent Awards

Ken Hendricks, SMART Procurement Manager was awarded the Achievement of Excellence Procurement Award from the National Procurement Institute.

Kathy Holt, SMART Accounting Manager was awarded the Certificate of Achievement for Excellence on Financial Reporting from the Government Finance Officer Association.

Holiday Express Video

General Manager Cumins illustrated a video of the 2023 Holiday Express Annual Toy Drive on December 2, 2023.

Comments

Member McCubbin asked how seniors would get free fares. General Manager Cumins responded that most seniors do not like to use technology and staff is working on how to capture the data to evaluate results.

Vice Chair Engdahl said he attended the Petaluma North Station groundbreaking event. It was wonderful to see all the attendees and all the support SMART receives. He asked for clarification of what is the Corridor ID Program. General Manager Cumins responded that is a federal program that considers railroads that have an opportunity to carry passenger service.

Member Adams said that she values the farebox recovery information presented. Its our duty to continue to provide train service. When the trains had wi-fi, staff would occasionally conduct surveys and she suggested conducting surveys again to get updated data. The frequency of unplanned delays affects riders. General Manager Cumins said that SMART's on-time reliable is 98%.

Member Nachor asked how SMART can increase the fares without losing riders and affecting revenue. General Manager Cumins responded that the Board directed staff to continue to focus on ridership.

5. Public Comments on Non-Agenda Items

Duane Bellinger said that he took SMART Connect to the Sonoma County Airport and did not have any problems. He is pleased with all the people who watched and attended the Petaluma North Station groundbreaking. He hopes that the City of Petaluma builds a pedestrian community. He suggested that SMART allow seniors to ride the train for free during non-commute hours.

Richard Brand stated that he is a SMART supporter and suggested having a higher time limit to provide comments. He is disappointed of the low COC member attendance. He thanked the General Manager Cumins for continuing to focus on ridership.

Chair Sheehan-Meyers clarified that the meeting was changed because a few members were not available after Thanksgiving

6. 2024 Strategic Plan Update - *Presented by Principal Planner, Emily Betts*

Principal Planner, Emily Betts provided a PowerPoint presentation, which is located on SMART's website. Highlights include:

2024 Strategic Plan Update

- 2019 SMART' Strategic Plan was adopted in November 2019
- The Strategic Plan should be updated every 5 years
- SMART House Model

- Fiscal Year 2024 -Fiscal Year 2029 Strategic Plan Process
 - Refine Objective Areas
 - Goal, Strategies and Actions
 - Draft Strategic Plan
 - Final Strategic Plan
- 2024 Proposed Strategic Plan
- Strategic Plan Outline
 - Executive Summary
 - Background, History and Context
 - Strategic Plan Framework
 - Operations
 - Capital
 - Financial Projections
 - Implementation Timeline
- Discussion

Comments

Member Adams asked for clarification of the COC roles for the Strategic Plan. General Manager Cumins responded that he would like to receive feedback from the members of how much they would like to contribute and assist with the public. Member Adams said that it is important to be involved as stated in the COC Bylaws.

General Manager Cumins stated that having listening sessions will be helpful to build a foundation for the Plan.

Richard Brand stated that he is a supportive of freight. He said that the Windsor Extension project has the opportunity for freight customers. Freight service takes trucks off Highway 101.

Matthew Hartzell stated that looks forward to the 2024 Strategic Plan process and for the opportunity for the public to provide input to the process. He asked if the Community presentation will be held in person at the communities or along SMART’s corridor. General Manager Cumins responded that staff will be available to make presentations to the community and various organizations as requested.

Mike Pechner stated that Freight Manager, Jon Kerruish is the best person for the job. There should be a freight budget to expand service. The spurs that were removed, need to be added on SMART’s right-of-way for freight service. SMART Freight service can remove trucks off Highway 101.

General Manager Cumins clarified that Measure Q funds can not be used for Freight service.

7. Fiscal Year 2022-23 Annual Comprehensive Financial Report and Single Audit – *Presented by Chief Financial Officer, Heather McKillop*

Chief Financial Officer, Heather McKillop, stated that the Annual Comprehensive Financial

Report is not available for public viewing until presented to the Board of Directors. She provided a brief overview presentation, which is located on SMART's website. Highlights include:

Comprehensive Financial Report

- Annual Financial Report
- Auditor's Governance Letter
- Annual Comprehensive Financial Report
 - Independent Auditor's Report
 - Management Discussion and Analysis
 - Passenger Revenues
 - Passenger Expenditures
 - Passenger Expenditures with Depreciation
 - Passenger Expenditures without Depreciation
 - Freight Revenue
 - Freight Expenditures
 - Statements
 - Required Supplementary Information
 - Statistical Section
- Single Audit
 - Summary of Auditor's Results
 - Financial Statement Findings
 - Federal Award Findings and Questioned Costs
 - Schedule of Prior Audit Findings
- Fiscal Year 2022 Finding Resolved
- Questions

Lastly, General Manager Cumins said that there was a newspaper article that stated that SMART is using Measure Q funds for Freight service. He clarified to the members and the public that Measure Q funds cannot be used for Freight service.

Comments

Vice Chair Engdahl asked for clarification of \$91,791 funds from NCRA. Ms. McKillop responded that NCRA made deals with various landowners prior to transferring ownership to SMART. Vice Chair Engdahl asked why the Sales tax was higher. Ms. McKillop responded that people were purchasing goods, however for fiscal year 2024 we expect sales tax to be flat. Vice Chair Engdahl asked how SMART salaries compared to nationwide. Ms. McKillop responded that SMART conducting a Compensation and Classification Study and resulted that SMART is within 0.9% of the medium (Bay Area).

Steve Birdleough asked for clarification of passenger and freight tracks and how is revenue being tracked. Ms. McKillop responded that Highway 37 to Novato is considered in the Freight budget. The cost is prorated between Petaluma and Novato. The rail line from Petaluma to Healdsburg is considered passenger service and Healdsburg to Mendocino County is considered Freight service.

Richard Brand suggested that SMART contact the Great Redwood Trail to collect the freight funds. Ms. McKillop responded that they do not have any assets and did not inherit any liabilities from NCRA.

8. Fiscal Year 2022-23 Budget to Actual Report – *Presented by Chief Financial Officer, Heather McKillop*

Chief Financial Officer, Heather McKillop provided a brief overview of Fiscal Year 2022-23 Budget vs Actuals. Highlights include:

- Passenger Revenues
- Passenger Expenditures
- Freight Revenues
- Freight Expenditures

Comments

Vice Chair Engdahl asked what interest rate that SMART receives and why did freight insurance rate increase. Ms. McKillop responded that SMART has a non-interest bearing account for day-to-day operations and two interest bearing accounts at the County of Sonoma and Bank of Marin. The freight insurance rates increased because freight staff need to be insured through FELA.

Chair Sheehan-Meyer thanked Chief Financial Officer, Heather McKillop for a very detailed presentation.

9. Next Meeting of the Citizens Oversight Committee, **March 13, 2024** – 1:30pm – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 95492

10. Adjournment - Meeting adjourned at 3:18pm.

Respectfully submitted,

Leticia Rosas
Clerk of the Board

Approved on: _____



DATE: March 13, 2024
TO: Citizens Oversight Committee Members
FROM: Heather McKillop, Chief Financial Officer
STAFF REPORT: Fiscal Year 2024-2025 Budget Timeline

RECOMMENDATION: Information Item

SUMMARY:

The following is the budget calendar for Fiscal Year 2024-2025.

ACTIVITY	DATE*
FY 25 Budget Workshop with SMART Board	05/01/24
FY 25 Draft Budget release for Public Comment	05/10/24
FY 25 Draft Budget presented to the SMART Board	05/15/24
FY 25 Draft Budget presented to the COC for feedback and comments	05/22/24
Public Comments due	05/31/24
FY 25 Final Budget is presented to the SMART Board for approval	06/19/24

**Dates are subject to change.*

Sincerely,

/s/
 Heather McKillop
 Chief Financial Officer



DATE: March 13, 2024
TO: Citizens Oversight Committee Members
FROM: Emily Betts, Planning Manager
STAFF REPORT: 2024 Strategic Plan

RECOMMENDATION: Discussion Item

SUMMARY:

As part of the Expenditure Plan adopted by the Board in 2008 and revised in 2020, SMART's Citizens Oversight Committee (COC) is tasked to provide input and review the Strategic Plan (Plan), which is updated at least every five years. The current plan was adopted by the Board of Directors on September 18, 2019, and is for the period 2019 – 2024.

Staff kicked off the public outreach component of the Plan, as outlined to the COC at the December meeting. Three Strategic Plan Workshops have been held to date, and two other workshop sessions are forthcoming. On January 31, SMART held a workshop focused on revisiting and updating the agency's current strengths, weaknesses, opportunities, and threats to inform the Plan's strategic objectives. On February 7 and 28, SMART hosted workshops dedicated to discussing strategies for improving ridership and the Pathway. Attendance for the three workshops ranged from 30-60 participants. On Thursday, March 14, SMART will host the next workshop, focused on system extensions. Following that, a workshop on freight will be held on March 27. Thus far, attendees have been eager to engage and have provided useful input to refine the strategic objective areas and identify possible strategies for inclusion in the Plan.

At this meeting, staff will present the input received through the outreach effort to date and get direction from the COC on integrating this public input into the draft Strategic Plan.

AGENDA ITEM NO. 7

Citizens Oversight Committee Meeting

March 13, 2024

At the conclusion of the public workshops, SMART will initiate a series of community presentations, followed by an additional COC workshop on August 14. Collectively, the feedback and guidance provided will shape the development of the goals, strategies and actions included in the Draft Strategic Plan. SMART staff will present the Draft Strategic Plan in Fall 2024 and take the final 2024 Strategic Plan to the SMART Board of Directors for approval by the end of 2024.

Sincerely,

/s/

Emily Betts

Planning Manager