

FISCAL YEAR 2023/2024

ADOPTED BUDGET

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT



Contents

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT’S BOARD OF DIRECTORS	2
SONOMA-MARIN AREA RAIL TRANSIT EXECUTIVE MANAGEMENT TEAM	2
ABOUT SMART.....	3
SMART’s History	3
SMART’s Passenger Rail System.....	5
SMART OVERVIEW	7
Performance Measures	9
Budget Cycle.....	10
Basis of Budgeting	11
Fund Structure.....	11
BUDGET OVERVIEW	12
REVENUES	13
Fiscal Year 2024 Estimated Revenues	14
Sales Tax.....	15
State Revenues	15
Federal Revenues	17
State Funds – Project Specific.....	18
Other SMART Revenues	19
EXPENDITURES BY OBJECTIVES - RIDERSHIP	21
EXPENDITURES BY OBJECTIVES - PATHWAYS	22
EXPENDITURES BY OBJECTIVES - EXTENSIONS	23
EXPENDITURES BY OBJECTIVES - FREIGHT	24
EXPENDITURES.....	25
Passenger Rail Operations.....	25
Administration.....	28
ENVIRONMENTAL PROJECTS	33
STATE OF GOOD REPAIR AND CAPITAL PROJECTS.....	34
FREIGHT	37
CARRYFORWARD FUNDS/EXPENDITURES.....	41
RESERVES	43
DEBT	44
APPENDIX A - PASSENGER RAIL OVERVIEW OF SOURCES & USES	45
APPENDIX B - FREIGHT OVERVIEW OF SOURCES & USES.....	47
APPENDIX C - POSITION AUTHORIZATION.....	48
APPENDIX D -STATISTICAL INFORMATION.....	50
APPENDIX E - STATEMENT OF INVESTMENT POLICY	54
APPENDIX F: APPROPRIATION CALCULATION.....	62
APPENDIX G - ORGANIZATION CHART	63

Sonoma-Marin Area Rail Transit District's Board of Directors

SMART is governed by a 12-member Board consisting of elected officials appointed as specified in AB 2224: two county supervisors each from Marin and Sonoma counties, three appointed City Council members from each county and two representatives from the Golden Gate Bridge District.

Eric Lucan - Chair
Marin County Board of Supervisors

Melanie Bagby - Vice Chair
Sonoma County Mayors and Councilmembers Association

Kate Colin
Transportation Authority of Marin

Chris Coursey
Sonoma County Board of Supervisors

Rachel Farac
Transportation Authority of Marin

Debora Fudge
Sonoma County Mayors and Councilmembers Association

Patty Garbarino
Golden Gate Bridge, Highway and Transportation District

Barbara Pahre
Golden Gate Bridge, Highway and Transportation District

Gabe Paulson
Marin County Council of Mayors and Councilmembers

David Rabbitt
Sonoma County Board of Supervisors

Chris Rogers
Sonoma County Mayors and Councilmembers Association

Mary Sackett
Marin County Board of Supervisors

Sonoma-Marin Area Rail Transit Executive Management Team

Eddy Cumins
General Manager

Tom Lyons
General Counsel

Bill Gamlen
Chief Engineer

Heather McKillop
Chief Financial Officer

About SMART

The Sonoma-Marín Area Rail Transit (SMART) District was established by the California Legislature through the enactment of AB 2224 in 2002. The SMART District includes both Sonoma and Marin Counties and was created for the purpose of providing unified and comprehensive structure for the ownership and governance of the passenger and freight rail system within Sonoma and Marin Counties and to provide passenger and freight train service along the existing publicly owned railroad right-of-way.

SMART passenger rail service began in August of 2017 with two-way passenger train service on 43 miles to 10 stations between Downtown San Rafael in Marin County and Airport Boulevard in Sonoma County.

Train service is provided in state-of-the-art diesel multiple unit (DMU) rail vehicles utilizing one of the first Positive Train Control systems for passenger rail. Prior to the COVID-19 shutdown, service was provided roughly every 30-minutes during commute hours with additional service midday and weekends. In late 2019, two new stations were built in Downtown Novato and Larkspur near the regional Ferry to San Francisco. These two stations in Marin County brought rail service to its current total of 45 miles with 12 passenger stations. SMART along with partner agencies have constructed 25 miles of Class 1 bicycle/pedestrian pathway on its right-of-way connecting to the stations where cyclists can find secure parking at the station or on-board the train for their bikes, SMART manages twelve (12) of those miles.

In March of 2022, SMART assumed the freight operations from the Northwestern Pacific Railroad Company (NWPCo) which had been operating service from Napa County to Petaluma since 2011.

SMART's History

2002	SMART was created by the California Legislature
2008	SMART's ¼ cent sales tax was passed
August 2017	Service Started between San Rafael and Santa Rosa Airport to include 34 trips/ weekday and 10 trips/ weekend
October 2017	Tubbs Fire
August 2018	1 st Anniversary of the start of service
January 2019	One Millionth Rider Mark
February 2019	Flooding
August 2019	2 nd Anniversary of the start of service
October 2019	Kincade Fire
December 2019	Larkspur Extension and Downtown Novato Station opens
January 2020	Service increases to 38 trips/weekday

March 2020	COVID-19 Shelter-in-Place Orders go into effect; trips reduced to 16 trips/ weekday and no weekend service
August 2020	3 rd Anniversary of the start of service
August 2020	LNU Lighting Complex Fires
May 2021	Fares lowered by 40%; additional 10 weekday trips are added for a total of 26 weekday trips; Saturday service returns
June 2021	Reached Two Millionth Rider Mark
August 2021	4 th Anniversary of the start of service
November 2021	New General Manager is hired
March 2022	Assumed freight operations from the Northwestern Pacific Railroad Company (NWPCo.)
May 2022	Sunday service returns
June 2022	Additional 10 weekday trips are added for a total of 36 weekday trips
July 2022	Started operations of freight service with SMART employees
August 2022	5 th Anniversary of the start of service
September 2022	Launched real-time map and arrival prediction tool on SMART website
October 2022	Additional 2 weekday trips are added for a total of 38 weekday trips
May 2023	Launched Starlighter night service: 2 trips on Friday and Saturday
June 2023	Launched Free Summer Youth Pass
June 2023	Launched new SMART Connect service at Sonoma County Airport Station

SMART's Passenger Rail System

System Statistics

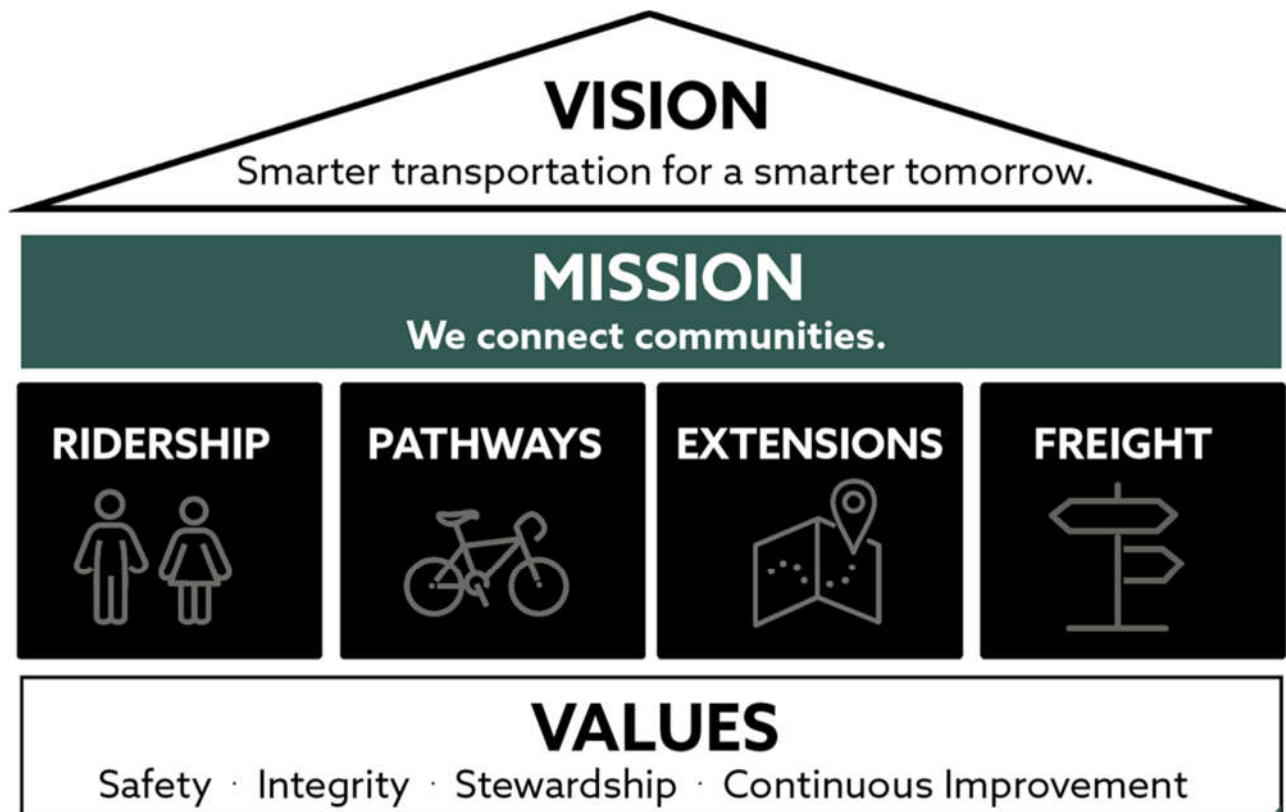
- Forty-five (45) miles rail corridor - connecting the Larkspur Ferry to the Sonoma County Airport
- Twelve (12) miles of twenty-five (25) miles pathway constructed and maintained by SMART, providing a first/ last mile connection to the rail corridor
- Twelve (12) stations
- Six (6) park-n-ride lots
- Sixty-eight (68) public crossings
- Twenty-seven (27) bridges
- Two (2) tunnels
- Fleet of eighteen (18) Diesel Multiple Units (DMUs)





SMART Overview

In Fiscal Year 2022, the Board of Directors approved SMART's Vision, Mission, Objectives, and Values. In Fiscal Year 2023, strategies for the objectives were developed and presented.



Ridership - Strategies

- Implement Microtransit Pilot Program at the Airport Station
- Additional Evening Service
- Additional Event Service Based on Demand
- Work with Transit Providers to improve Bus/Ferry Connections
- Allow Overnight Parking at SMART Park and Ride Lots
- Reprice Monthly Pass for 3-Day Work Week
- Implement Aggressive Marketing Plan
- Pursue Grant for Quality-of-Life Study
- Free K-12 Summer Program
- Public Information Display Signs at Platforms
- Closely Monitor System/Ridership and Adjust as Necessary

Pathway - Strategies

- Construct funded segments of the pathway
- Continue to design and permit pathways
- Publish updated pathway maps
- Develop and implement wayfinding program

Extensions - Strategies

- Construct Petaluma North infill station
- Northern Extensions to Windsor, Healdsburg, and Cloverdale
 - Complete Caltrans rail service plan analysis
 - Design and Build Portions that are funded
 - Continue to seek Federal and State Capital Grants
- East/ West:
 - Continue participation in Highway 37 corridor activities
 - Work with partners to incorporate rail into the project
 - Complete Caltrans rail service plan analysis
 - Partner with Caltrans and FRA Corridor ID Program through SMART East-West project development and subsequent phases

Freight - Strategies

- Increase annual revenue by \$500,000+
- Decrease expenditures by \$100,000+
- Secure funding for capital/ SGR improvement (\$8.2 million)
- Market freight and storage opportunities at SMART
- Leverage storage track at Schellville and Burdell
- Promote transload opportunities at Victory Station (Schellville)
- Acquire new business
- Examine freight tariffs and consider increasing fees
- Reduce car hire fees
- Manage maintenance requirements:
 - Bridges, tracks, crossings, equipment, etc.

Performance Measures

In FY 21, SMART looked at developing performance measures to help the agency move from reporting data to measuring performance. After several meetings with the Board of Directors, the following measures were determined to merit agency focus in the near term.

- Operating Expense per Vehicle Revenue Mile
- Operating Expense per Passenger Mile
- Passenger Trips per Vehicle Revenue Mile
- Average Fare per Passenger

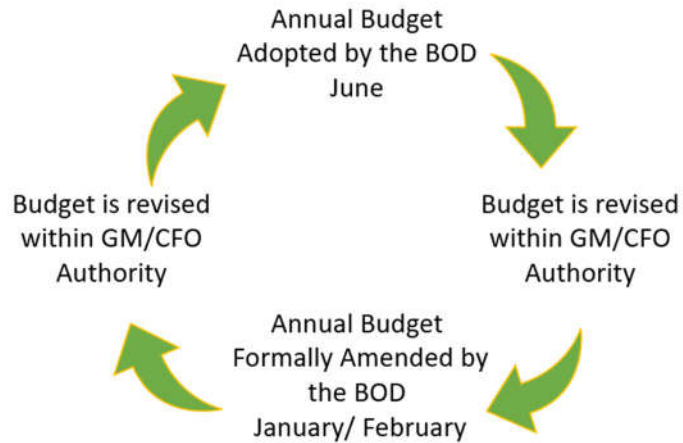
The Board adopted metrics are highlighted below. Additional NTD metrics provided for information.

NTD Metrics	2019	2020	2021	2022
Boardings	716,847	567,103	122,849	354,328
Vehicle Revenue Miles	923,002	821,415	398,291	679,245
Passenger Miles	18,371,183	13,516,234	3,148,345	7,855,912
Operating Expense	\$ 27,490,190	\$ 28,757,008	\$ 24,833,822	\$ 27,834,598
Operating Cost per Vehicle Revenue Mile	\$ 29.78	\$ 35.01	\$ 62.35	\$ 40.98
Operating Cost per Passenger Mile	\$ 1.50	\$ 2.13	\$ 7.89	\$ 3.54
Passenger Trips per Vehicle Revenue Mile	0.8	0.7	0.3	0.52
Fare Revenues	\$ 4,094,540	\$ 3,090,457	\$ 706,938	\$ 1,283,112
Farebox Recovery (Fare Revenues/Operating Expense)	15%	11%	3%	5%
Cost per Boarding (Operating Expense/ Boardings)	\$ 38.35	\$ 50.71	\$ 202.15	\$ 78.56
Average Fare (Fares/ Boardings)	\$ 5.71	\$ 5.45	\$ 5.75	\$ 3.62
Subsidy per Boarding [(Cost - Fare)/ Boardings]	\$ 32.64	\$ 45.00	\$ 196.39	\$ 74.93

Note: Fiscal Years 2020, 2021, and 2022 were impacted by COVID and had reduced or curtailed service.

Budget Cycle

The Administrative Code of SMART, as adopted by the Board of Directors in July 2013, provides that the Board of Directors will adopt an annual budget no later than the District's June meeting for the ensuing fiscal year.



The budget outlines the expected revenues and expenditure amounts needed for salaries, benefits, services, supplies, capital and other necessary spending throughout the fiscal year. The budget limits the amount of total expenditures that can be incurred without further Board approval.

In the event that total expenditures need to be increased, a budget amendment can be presented to the Board of Directors for approval.

Mid-year, an amended budget will be presented to the Board of Directors for approval. The amended budget will include the most recent expectations for revenues and expenditures projected through fiscal year end.

Budget adjustments can be made and approved by the Chief Financial Officer as long as total expenditures in the Board-adopted budget are not exceeded.

At the end of each fiscal year, once the financial audit has been finalized, a comparison of the previous year's budget to actual expenditures will be generated and presented to the Board of Directors for information.

Basis of Budgeting

The District's financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Sales taxes are recorded when earned and reported as non-operating revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District's budget is prepared on a modified accrual basis with the following exceptions:

- Inclusion of capital outlays and debt principal payments as expenditures
- Inclusion of asset sale proceeds and debt issuance proceeds
- Exclusion of gains and losses on disposition of property and equipment
- Exclusion of the non-cash portion of long-term unfunded pension accruals

Fund Structure

SMART reports its financial activity as an enterprise. We have two funds, the General Fund (01), with several sub funds for purposes of segregating expenditures, and the Freight Fund (60).

Fund	Description
01	General Fund
02	Bond Fund
03	Bond Reserve Fund
08	General Reserve Fund
15	Self-Insurance Fund
18	OPEB Pension Fund
20	Equipment Replacement Fund
30	Landing Way Replacement Fund
50	Capital Projects Fund
60	Freight

BUDGET OVERVIEW

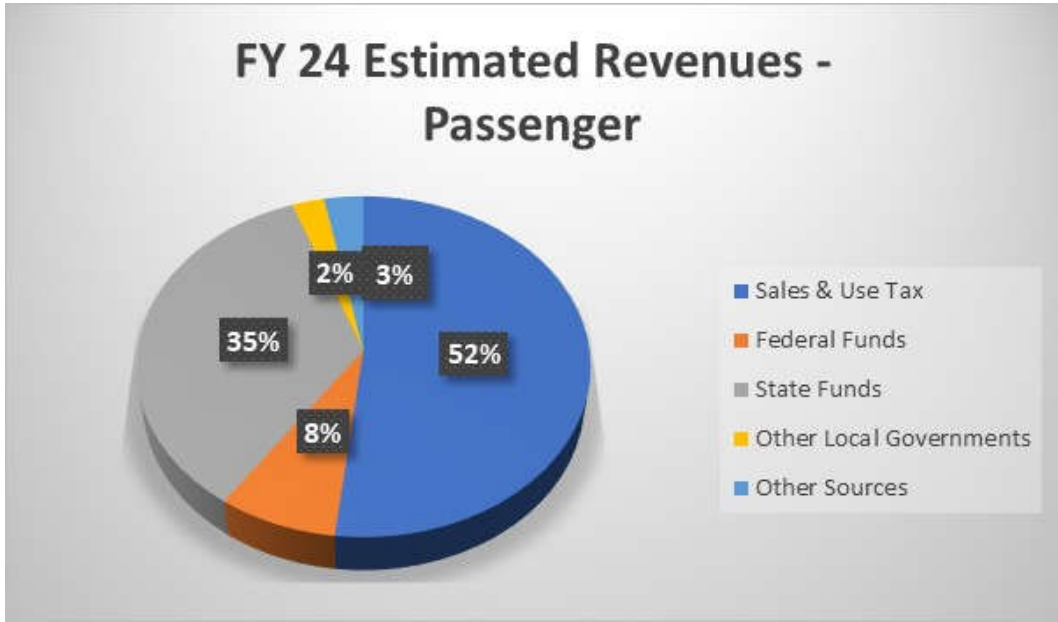
Passenger

The Fiscal Year 2024 revenue estimate for passenger rail and pathways totals \$98.6 million compared to \$78.6 million in Fiscal Year 2023. Of the \$98.6 million, \$25.4 million is anticipated federal and state project specific capital grants for construction. Fiscal Year 2023 was the last year we received Federal COVID-19 relief operating funds, therefore federal funds for operating activities decreased by \$7.5 million in Fiscal Year 2024 which is offset in the chart below by federal capital revenues for a net decrease of \$4.9 million. State and Federal grants provide \$13.7 million support to the Fiscal Year 2024 operating budget.

Overall expenditures are expected to increase in Fiscal Year 2024 due to the large capital construction program that is anticipated to occur this coming year. The capital projects are \$29.1 million higher than in Fiscal Year 2023.

Revenues	FY 23 Amended Budget	FY 24	Difference
SMART S&U Tax	\$ 51,090,000	\$ 51,103,000	\$ 13,000
Federal Funds	\$ 12,542,326	\$ 7,655,641	\$ (4,886,685)
State Funds	\$ 10,697,233	\$ 34,335,252	\$ 23,638,019
Other Sources	\$ 2,589,866	\$ 3,021,327	\$ 431,461
Regional Funds	\$ 1,673,747	\$ 2,480,108	\$ 806,361
Total Revenues	\$ 78,593,172	\$ 98,595,328	\$ 20,002,156
Expenditures	FY 23 Amended Budget	FY 24	Difference
Debt Service	\$ 15,596,193	\$ 16,244,444	\$ 648,251
Salaries & Benefits	\$ 23,318,136	\$ 25,525,661	\$ 2,207,525
Service & Supplies	\$ 15,873,763	\$ 19,429,772	\$ 3,556,009
Contribution to OPEB/ CalPERS Liability Fund	\$ 500,000	\$ 500,000	\$ -
Vehicle/ Equipment Capital Reserve	\$ 2,000,000	\$ 1,000,000	\$ (1,000,000)
Operating Reserve	\$ -	\$ 1,278,617	\$ 1,278,617
Planning	\$ 675,000	\$ 250,000	\$ (425,000)
Environmental	\$ 451,350	\$ 478,321	\$ 26,971
State of Good Repair	\$ 3,952,447	\$ 3,504,200	\$ (448,247)
Capital Projects	\$ 12,552,876	\$ 41,617,326	\$ 29,064,450
Future Match for Federal/ State Funds	\$ 2,000,000	\$ -	\$ (2,000,000)
Total	\$ 76,919,765	\$ 109,828,341	\$ 32,908,576

Revenues



Ticket Vending Machine (TVM)

Fiscal Year 2024 Estimated Revenues

Revenues	FY 24
SMART S&U Tax	
Measure Q	\$ 51,103,000
Total Sales & Use Tax	\$ 51,103,000
Federal Funds	
5307 - Urbanized Area Formula Funds (Preventative Mtce)	\$ 3,997,642
Discretionary Earmark	\$ 1,800,000
FTA Quick Strike Funds (CMAQ)	\$ 1,857,999
Total Federal Funds	\$ 7,655,641
State Funds	
AHSC - Windsor	\$ 1,093,230
ATP - Sonoma County Pathway	\$ 5,210,927
Caltrans Sustainability Communities Competative Planning Grant	\$ 400,000
ITIP - Windsor Systems	\$ 2,186,460
LCTOP	\$ 520,218
LPP	\$ 1,857,999
SCC - Windsor	\$ 6,559,379
STA - Population	\$ 653,792
STA - Revenue	\$ 3,170,013
STA -SGR	\$ 330,712
SRA	\$ 5,026,754
TIRCP - Petaluma North	\$ 4,125,768
TIRCP - Windsor to Healdsburg	\$ 3,200,000
Total State Funds	\$ 34,335,252
Other Local Governments	
City of Petaluma	\$ 2,000,000
Measure M - SCTA	\$ 480,108
Total Other Local Governments	\$ 2,480,108
Other Sources	
Advertising	\$ 70,000
Charges for Services	\$ 75,637
Fare Revenues	\$ 1,803,384
Interest Earning	\$ 627,926
Miscellaneous	\$ 5,659
Parking	\$ 15,000
Rent - Real Estate	\$ 423,721
Total Other Sources	\$ 3,021,327
Total Revenues	\$ 98,595,328

Sales Tax

On November 4, 2008, more than two-thirds of the voters in Sonoma and Marin counties approved Measure Q implementing the 2008 Measure Q Sales Tax. The 2008 Measure Q Sales Tax is a sales and use tax of one quarter of one percent (1/4%) imposed for a period of 20 years beginning April 1, 2009, on the gross receipts from all tangible personal property sold at retail businesses in the counties and a use tax at the same rate on the storage, use, or other consumption in the counties of such property purchased from any retailer, subject to certain exceptions. While we saw a decrease of revenues in Fiscal Year 2020, growth was double digits for Fiscal Year 2021 and 2022. While Fiscal Year 2023 is estimated to be 4.1% higher than Fiscal Year 2022, we are predicting slow or no growth in Fiscal Year 2024.

SMART HISTORICAL SALES TAX COLLECTIONS

	Sales Tax	Growth Rate	
2009	\$ 4,976,687		
2010	\$ 24,059,929	383.45%	Actual
2011	\$ 26,826,843	11.50%	Actual
2012	\$ 28,303,501	5.50%	Actual
2013	\$ 30,435,753	7.53%	Actual
2014	\$ 32,473,329	6.69%	Actual
2015	\$ 33,845,426	4.23%	Actual
2016	\$ 34,776,012	2.75%	Actual
2017	\$ 36,061,895	3.70%	Actual
2018	\$ 37,135,476	2.98%	Actual
2019	\$ 41,241,140	11.06%	Actual
2020	\$ 38,978,630	-5.49%	Actual
2021	\$ 44,002,410	12.89%	Actual
2022	\$ 49,074,830	11.53%	Actual
2023	\$ 51,090,000	4.11%	Estimated
2024	\$ 51,103,000	0.03%	Estimated
	\$ 564,384,861		

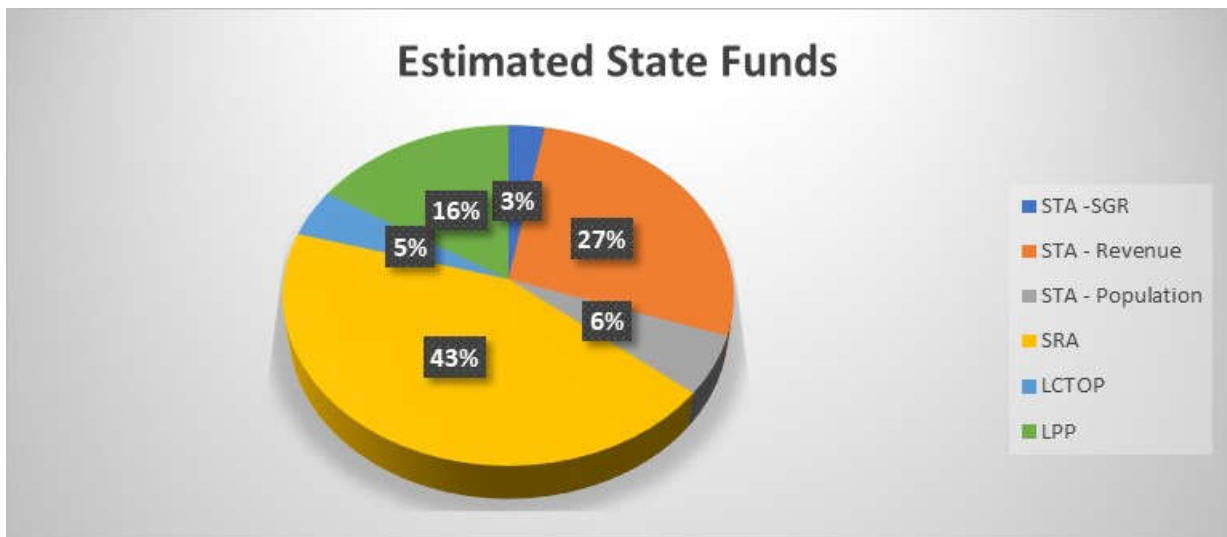
State Revenues

SMART receives formula allocation from four (4) state revenue programs itemized below. SMART may receive other state grants but those are allocated on an application basis, are project specific, and are typically one-time allocations.

- **State Transit Assistance:** A portion of the revenues derived from the sales tax on diesel fuel purchases and registration fees is appropriated by the State Legislature to the State Transit Assistance Program (“STA”) for public transportation purposes. These STA revenues are allocated to public transit agencies throughout the State based on population and operating revenues

through formula. This fund source was increased through 2017 Senate Bill 1, the Road Repair and Accountability Act. SB1 created an additional STA program, the STA State of Good Repair (SGR) Program to provide annual funding to transit operators in California for eligible transit maintenance, rehabilitation, and capital projects.

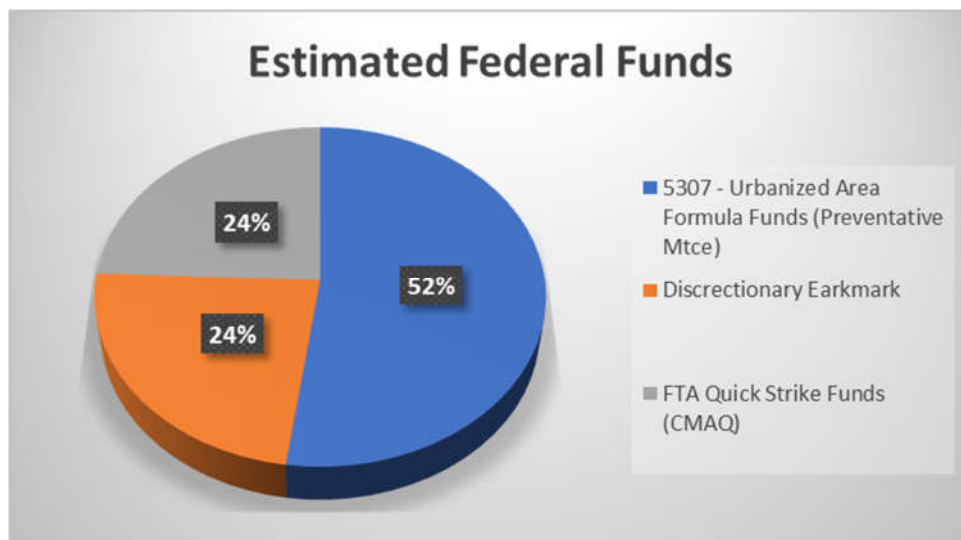
- State Rail Assistance: Another new funding source created by SB 1 is the State Rail Assistance (SRA) program. SRA directs a 0.5% portion of new diesel sales tax revenue for allocation: half to the five (including, Altamont Corridor Express Authority (ACE), North County Transit Development Board (Coaster), Peninsula Corridor Joint Powers Board (Caltrain), Sonoma-Marín Area Rail Transit District (SMART), Southern California Regional Rail Authority (Metrolink)) commuter rail providers and half to intercity rail corridors.
- State Local Partnership Program: SB 1 created the Local Partnership Program Formula fund source. This program continuously appropriates funding annually from the Road Maintenance and Rehabilitation Account to local and regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees, which taxes or fees are dedicated solely for transportation improvements. The funds are managed by the California Transportation Commission, which also manages a Competitive portion of the Local Partnership Program.
- Low Carbon Transit Operations Program (LCTOP): LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Funds for this program come from State Cap and Trade auctions. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.



Federal Revenues

SMART is a direct recipient of Federal Transit Administration (FTA) Funds.

- **5307 Funds:** FTA Urbanized Area Formula Funds which can be used for capital projects, operating assistance, job access, reverse commute projects, and transportation related planning. SMART became eligible for these funds starting in Fiscal Year 2019-20.
- **FTA/ Quick-Strike Funds:** The Safe and Seamless Mobility Quick-Strike program is a one-time, competitive grant program established by the Metropolitan Transportation Commission. Federal funding was made available to support local and regional projects that could be implemented quickly to benefit communities responding and adapting to the COVID-19 environment. The program emphasizes bicycle/pedestrian safety and mobility, connections to transit, and projects that advance equitable mobility. SMART was awarded these funds and transferred them to the FTA for execution into a grant.
- **Community Project Funds (Discretionary Earmark):** The Consolidated Appropriations Act, 2023 appropriated \$360.46 million in Community Project Funding (CPF), also known as Congressionally Directed Spending (CDS). The SMART Rail Extension to Healdsburg - Preliminary Design was nominated by U.S. Congressman Jared Huffman.



State Funds - Project Specific

- Windsor Extension
 - AHSC - Affordable Housing & Sustainable Communities
 - Total grant \$5,000,000
 - FY 24 - \$1,093,230
 - SCC - Solutions for Congested Corridors
 - Grants to be announced in June
 - \$30,000,000 requested
 - \$6,559,379 budgeted in FY 24
 - ITIP - Interregional Transportation Improvement Program
 - \$10,000,000 awarded
 - \$2,186,460 budgeted in FY 24
- Windsor to Healdsburg
 - TIRCP - Transit & Intercity Rail Capital Program
 - \$34,338,000 available
 - \$3,200,000 budgeted in FY 24
- Petaluma North Station
 - TIRCP - Transit & Intercity Rail Capital Program
 - \$9,521,187 total grant
 - \$3,546,955 budgeted in FY 24
- McDowell Crossing
 - TIRCP - Transit & Intercity Rail Capital Program
 - \$578,813 available and budgeted in FY 24
- Sonoma County Pathway
 - ATP - Active Transportation Program
 - \$10,756,925 total grant
 - \$5,210,927 budgeted in FY 24
- Quality of Life & Economic Impact Assessment
 - Caltrans Sustainability Communities Competitive Planning Grant
 - \$400,000 grant pending announcement in June 2023

Local Governments - Project Specific

- Petaluma North Station
 - City of Petaluma
 - \$2,000,000 all budgeted in FY 24
- Sonoma County Transportation Authority
 - Measure M \$2,000,000 total
 - \$480,108 budgeted in FY 24
 - \$1,519,892 budgeted in FY 23

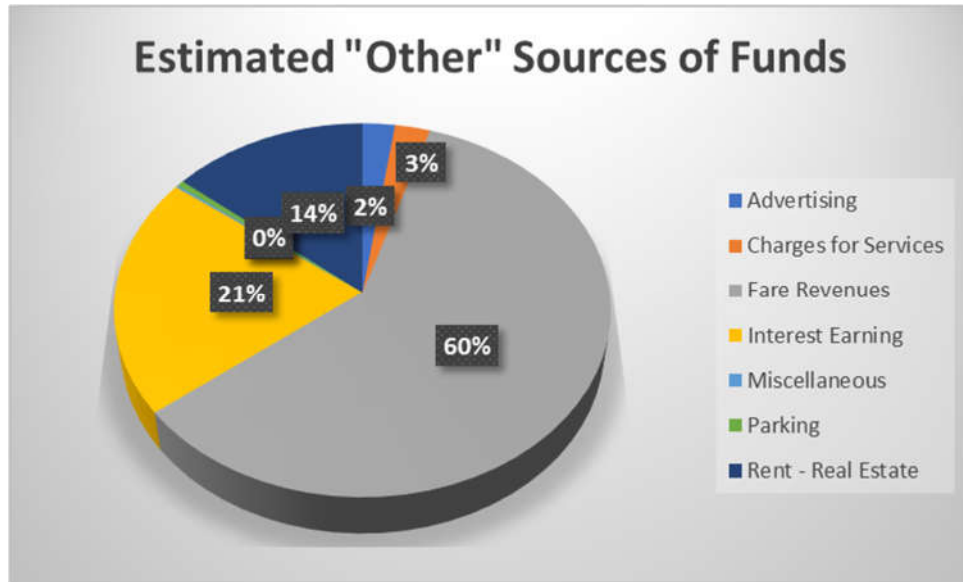
Other SMART Revenues

- **Farebox Revenues:** SMART passengers pay for their rides using the fare structure approved by the SMART Board in 2015 and 2016. SMART participates in the regional Clipper fare system that allows riders to transfer seamlessly among Bay Area operators using one fare media card. SMART also has its own mobile ticket app that provides easy purchasing of multiple or discounted tickets without purchasing a Clipper card. The fares are based on the distance travelled by a rider, like other commuter rail services. In May of 2021, fares were lowered by approximately 40%. SMART also provides several discounts to SMART riders with a youth, senior, low income, and passengers with disabilities fare. SMART's Fiscal Year 2021-22 average passenger fare was \$3.62. See chart below for current fare rates.

One-Way						
	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Daily Max
Adult Fare	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50	\$ 15.00
Seniors, youth, low-income, and passengers with disabilities (50%)	\$ 0.75	\$ 1.50	\$ 2.25	\$ 3.00	\$ 3.75	\$ 7.50

- In May 2021, a new “Weekend Day Pass” was implemented. The Weekend Day Pass is \$10.00 for adults and \$5.00 for seniors, youth, passengers with disabilities and SMART customers. The Weekend Day Pass offers unlimited rides for the entire day.
- In September 2021, the 31-day pass was lowered to \$135.00 for adults and \$67.50 for youth, seniors, and passengers with disabilities. Effective July 1, 2023, the 31-day pass will be priced based on a 3-day work week and an average of 3-zones travelled. This will further reduce the price of this pass to \$117.00 for adults and \$58.50 for seniors, youth, and passengers with disabilities. This is an additional 13% decrease.
- **Advertising Revenues:** Revenues from advertising space sold onboard trains and station platform shelter panels.
- **Charges for Services:** Includes flagging services.
- **Interest Earnings:** Interest earnings are expected to increase in Fiscal Year 2024 due to the current interest rates.
- **Lease Revenues:** Are expected to increase by approximately 3%.
- **Miscellaneous Revenues:** Vary each year, but are assumed to be like Fiscal Year 2022

- **Parking Revenue:** Parking fees are suspended during the hours of 4:00 am and 11:59 pm. Effective July 1, 2023, those wishing to park overnight pay a fee of \$5.00 between the hours of 12:00 am and 3:59 am.



RIDERSHIP

Expenditures by Objectives - Ridership

Ridership – Strategies

- ✓ Implement Microtransit Pilot Program at the Airport Station
- ✓ Additional Evening Service
- ✓ Additional Event Service Based on Demand
- ✓ Work with Transit Providers to improve Bus/Ferry Connections
- ✓ Allow Overnight Parking at SMART Park-n-Ride Lots
- ✓ Reprice Monthly Pass for 3-Day Work Week
- ✓ Implement Aggressive Marketing Plan
- ✓ Pursue Grant for Quality of Life Study
- ✓ Free K-12 Summer Program
- ✓ Public Information Display Signs at Platforms
- ✓ Closely Monitor System/Ridership and Adjust as Necessary

Ridership	FY 24
First/ Last Mile Connections - Implement Microtransit at Airport Station	\$ 500,000
Implement Aggressive Marketing Plan	\$ 175,000
Quality of Life & Economic Impact Assessment	\$ 400,000
Public Information Display Signs at Platforms	\$ 250,000
Bike Locker Upgrades	\$ 16,000
Customer Service Support Software	\$ 4,500
Direct Operations	\$ 18,308,409
- Additional Evening Service	
- Additional Event Service Based on Demand	
Operations	\$ 4,878,605
Administration	\$ 6,714,329
Total	\$ 31,246,843



Expenditures by Objectives - Pathways

Pathway- Strategies

- ✓ Construct funded segments of the Pathway
- ✓ Continue to design and permit pathways
- ✓ Publish updated Pathway maps
- ✓ Develop and implement wayfinding program

Pathways	FY 24
Construct Funded Segments of the Pathway	
- Mclinnis to Smith Ranch Pathway	\$ 4,835,333
- Hanna Ranch to Vintage Way Pathway	\$ 246,466
- Guerneville Road to Airport Blvd. Pathway	\$ 1,429,430
- Sonoma County Pathways	\$ 6,890,620
Design and Permit Pathways	
- Marin- Sonoma Pathways	\$ 1,603,744
- Marin Pathways	\$ 4,098,301
- Puerto Suello to San Pedro Road	\$ 708,227
Wayfinding Program	\$ 150,000
Pathway Specific Maintenance	\$ 30,500
Operations	\$ 4,962,682
Administration	\$ 6,830,042
Total Pathways	\$ 31,785,344

EXTENSIONS

Expenditures by Objectives - Extensions

Extensions- Strategies

- ✓ Construct Petaluma North infill station.
- ✓ Northern Extensions to Windsor, Healdsburg, and Cloverdale
 - ✓ Complete Caltrans rail service plan analysis
 - ✓ Design and Build Portions that are funded
 - ✓ Continue to Seek Federal and State Capital Grants
- ✓ East/ West:
 - ✓ Continue participation in Highway 37 corridor activities
 - ✓ Work with partners to incorporate rail into the project
 - ✓ Complete Caltrans rail service plan analysis
 - ✓ Partner with Caltrans and FRA Corridor ID Program through SMART East-West project development and subsequent phases

Extensions	FY 24
Santa Rosa to Windsor	\$ 10,000,000
Windsor to Healdsburg	\$ 5,000,000
Petaluma North Station	\$ 6,027,063
McDowell Crossing	\$ 778,141
Administration	\$ 5,967,888
Total	\$ 27,773,092

FREIGHT

Expenditures by Objectives - Freight

Freight- Strategies

- ✓ Manage maintenance requirements
 - Bridges, tracks, crossings, equipment, etc.
- ✓ Decrease expenditures by \$100,000+
- Increase annual revenue by \$500,000+
- Secure funding for capital/ SGR improvement (\$8.2 million)
- Market freight and storage opportunities at SMART
- Leverage storage track at Schellville and Burdell
- Promote transload opportunities at Victory Station (Schellville)
- Acquire new business
- Examine freight tariffs and consider increasing fees
- Reduce car hire fees

Freight	FY 24
Operations	\$ 2,091,505
Capital	\$ 648,405
Total Freight	\$ 2,739,910

Expenditures

Passenger Rail Operations

Passenger Rail Operations has three (3) major divisions that work together to move people in a safe, reliable, and affordable way.

The Transportation Division is responsible for operating the trains, checking fares, assisting passengers, ensuring onboard passenger safety, and guaranteeing compliance with FRA regulations related to train operations and passenger service. In addition, the Operations Control Center monitors the status of the entire system, dispatches passenger and freight trains, and is the emergency point of contact for outside first responder agencies.

The Vehicle Maintenance Division is responsible for preventative maintenance work, inspections, cleaning, and repairs of the Diesel Multiple Units (DMUs), along with interior inspections and cleaning.

The Maintenance of Way Division is responsible for track and right of way inspection and maintenance, train control and grade crossing warning device maintenance and regulatory required inspections, and maintenance of all SMART owned facilities (pathway, stations, moveable bridge electronics and mechanics, buildings, and right of way fencing.)

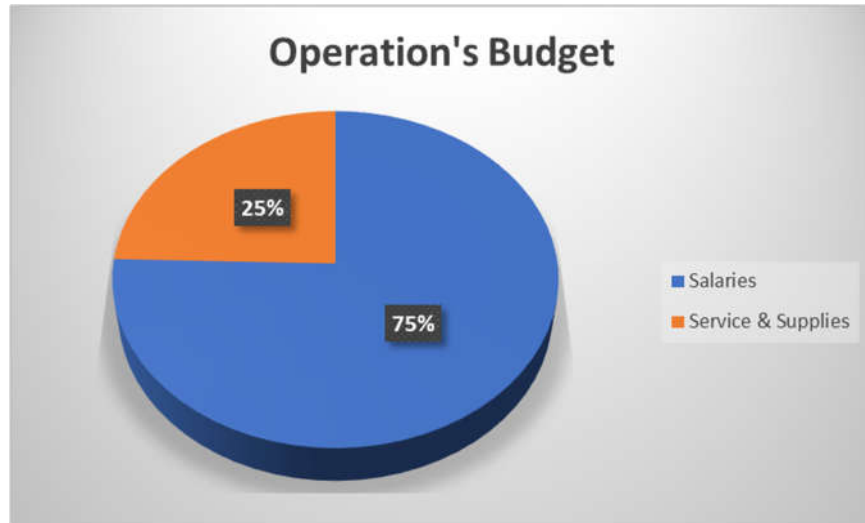
In addition to Transportation, Vehicle Maintenance and Maintenance of Way two additional functions are under the operations budget.

Public Safety

The Public Safety Department coordinates with Federal, State, and local jurisdictions to provide incident response, facility safety, and keep the public and our customers safe.

Train Control Systems

The Train Control Systems is responsible for monitoring and managing SMART's train control systems. The train control systems perform such functions as: safely route trains, safely separate trains, track and report the location of trains, detect and report broken rail, detect and report misaligned switches, detect and report misaligned bridges, and detect and report faults. In addition, other integral parts of the train control systems include positive train control (PTC), traffic signal interconnection, and grade crossing warning systems.



The Operations Department has 116 full-time equivalent (FTE) employees with an estimated budget for salaries and benefits of \$18,762,237. Salaries and Benefits make up 75% of the total Operations budget, see above.

Operations	FY 24
Operations General	\$ 795,111
Maintenance of Way	\$ 4,118,672
Transportation	\$ 8,650,043
Vehicle Maintenance	\$ 4,465,516
Safety	\$ 732,895
Total	\$ 18,762,237



This budget funds one (1) additional Parts Clerk, one (1) new Inventory Manager/ Asset Management Specialist, three (3) new Engineer/ Conductor positions, and converts a Signal Technician to a Vehicle Maintenance Supervisor position.

Salaries and Benefits are increasing by \$2.6 million or 16%. This is a result of the five (5) new positions, implementation of raises in accordance with the collective bargaining agreements, and an estimated increase of 10% in benefits.

In October 2022, SMART increased weekday trips from 36 to 38. In Fiscal Year 2023 added evening service on Friday and Saturdays, consisting of two additional trips on Friday on Saturday. This service will continue in FY24 and will provide additional service for special events as warranted. In addition, we are anticipating increases in utilities, fuel, and fare collection fees. Even with these increases, we are showing a 3% decrease in service and supplies expenditures in Fiscal Year 2024.

Account	Account Description	FY 23 Amended Budget	FY 24 Requested Budget
51061	Maintenance of Equipment	\$ 467,378	\$ 476,304
51062	Maintenance of Radios	\$ 151,386	\$ -
51063	Maintenance of Signals	\$ 180,000	\$ 115,000
51064	Maintenance of Revenue Vehicles	\$ 1,016,275	\$ 691,000
51071	Maintenance of Facilities	\$ 249,114	\$ 269,775
51074	Maintenance of Railway	\$ 179,174	\$ 199,750
51075	Maintenance of Pathway	\$ 22,500	\$ 35,500
51225	Training & Travel Expense	\$ 42,000	\$ 75,000
51252	Fare Collection Fees	\$ 196,000	\$ 216,000
51401	Rental/ Leases - Equipment	\$ 58,000	\$ 58,160
51605	Mileage Reimbursement & Auto Tolls	\$ 1,000	\$ 1,000
51802	Contract Services - Administrative	\$ 622,940	\$ 659,190
51804	Contract Services - Transportation	\$ 93,000	\$ 93,000
51902	Communications	\$ 65,300	\$ 50,260
52021	Uniform Expense	\$ 103,000	\$ 83,500
52061	Fuel and Lubricants	\$ 1,942,000	\$ 1,968,000
52091	Memberships	\$ 3,050	\$ 3,300
52101	Miscellaneous Expense	\$ 1,500	\$ 51,500
52111	Office Expense	\$ 45,000	\$ 60,000
52117	Postage	\$ 8,000	\$ 7,500
52141	Small Tools and Equipment	\$ 185,881	\$ 129,500
52142	Computer Hardware	\$ -	\$ 7,000
52143	Software	\$ 29,019	\$ 32,200
52191	Utilities	\$ 775,520	\$ 830,120
	Grand Total	\$ 6,437,037	\$ 6,112,559

Administration

The Administration budget funds the day-to-day business functions of the organization such as finance, human resources, planning, legal, real estate, information technology, and government/ legislative relations.

Communications and Marketing Department

The Communications Department consists of three different areas of focus: Media and Public Relations, Marketing, and Customer Service.

Media and Public Relations is responsible for keeping SMART's external audiences informed and engaged about the agency's services, programs, and projects. Some examples are:

- Digital and Social Media Platforms
- Websites
- Media relations
- Community presentation, construction outreach, and events
- Rail Safety Education

Marketing is responsible for outreach and marketing. Some examples are:

- Digital, Print, On-Board Train, and Platform Advertising
- Marketing Collateral

Customer Service is responsible for responding to customer inquiries through phone calls and emails received.

Finance and Procurement Department

The Finance Department includes the following functions:

- Accounting
- Budget
- Finance
- Government/ Legislative Relations
- Grants Budgeting and Reporting
- Payroll
- Procurement
- Treasury

Human Resource Department

Human Resources is responsible for personnel issues, recruitment and selection of employees, employee compensation, labor negotiations, and performance management.

Information Systems (IS) Department

The IS Department develops, operates, and maintains SMART's information and telecommunications systems.

- Maintains the cybersecurity of all SMART IT systems
- Administrative Information Systems for 4 offices including email, servers, and printers
- Railroad Information Systems such as CCTV, radio, platform equipment, and fare collection devices
- 1,300 devices consisting of computers, cell phones, vehicle locators, printers, radios, cameras, and network devices

Legal Department

The Legal department is responsible for the following:

- Transactional Matters
- Litigation
- Risk Management

Planning Department

Planning is responsible for the following functions:

- Rail and multiuse pathway planning and service delivery studies
- Ridership and service planning analyses and recommendations
- Capital planning studies
- Local and regional agency planning coordination
- First-last mile solutions planning

Real Estate

The Real Estate Department is responsible for managing SMART's Right-of-Way and processing all third-party requests for access to the Right-of-Way. It also handles property sales and acquisitions and supports all departments with title research and boundary information.

Engineering

Engineering is responsible for planning and managing the expansion of the rail and pathway systems, managing SMART's existing infrastructure, supporting grant applications, and coordinating with local jurisdictions. Most of the staff time in engineering is charged to projects, but time associated with leave, training, and non-project related activities are included in the chart below.

Administration	FY 24
General Administration	\$ 2,901,721
Information Systems	\$ 652,356
Human Resources	\$ 569,528
Legal	\$ 746,872
Marketing & Communications	\$ 520,730
Board Office	\$ 206,044
Real Estate	\$ 445,223
Planning	\$ 518,020
Engineering (Non-Project Specific)	\$ 366,967
Total	\$ 6,927,460

SMART's District Administration has 44 full-time equivalent (FTE) employees with an estimated budget for salaries and benefits of \$6,927,460. One (1) procurement position and two (2) new engineering positions have been added in Fiscal Year 2024 to accommodate the additional workload due to additional federal and state grants for pathway and extensions. A three percent (3%) cost of living increase has been included for all non-bargaining unit employees.

The Administrative Budget has increased by \$1.2 million (12%) over Fiscal Year 2023. Much of this increase is related to the following projects:

- \$400,000 for Quality of Life & Economic Analysis (Grant Funded)
- \$16,000 for Bike Locker Upgrades
- \$150,000 for wayfinding on the pathways
- \$500,000 for first/last mile to include the Airport Station Microtransit pilot.

The other large increase is in insurance, the largest driver being railroad liability insurance. We have not received our final insurance quotes but are anticipating a 15% to 20% increase. We have also formalized the tuition reimbursement program and budgeted \$131,535 for Fiscal Year 2024. The Maintenance of Radios line item was transferred from Operations to Information Systems.

Account	Account Description	FY 23 Amended Budget	FY 24 Requested Budget
51042	Insurance	\$ 2,361,764	\$ 2,795,395
51045	Provisions for Claims	\$ 500,000	\$ 500,000
51062	Maintenance of Radios	\$ -	\$ 156,200
51206	Auditing/ Accounting Services	\$ 51,030	\$ 58,500
51207	Fiscal Accounting Services	\$ 3,600	\$ 6,000
51211	Legal	\$ 1,026,000	\$ 1,071,000
51214	Agency Extra Help	\$ 100,000	\$ 155,000
51225	Training & Travel Expense	\$ 157,000	\$ 336,535
51226	Contracted Services	\$ 222,040	\$ 192,000
51241	Printing Services	\$ 45,800	\$ 57,300
51242	Fiscal Agent Fees	\$ 5,000	\$ 5,000
51244	Permits/ Fees	\$ 30,500	\$ 30,500
51301	Public/ Legal Notices	\$ 41,500	\$ 54,800
51401	Rental/ Leases - Equipment	\$ 56,000	\$ 56,000
51421	Rental/ Leases - Buildings	\$ 460,866	\$ 460,867
51605	Mileage Reimbursement & Auto Tolls	\$ 40,320	\$ 40,560
51802	Contract Services - Administrative	\$ 1,890,574	\$ 3,093,200
51803	Contract Services - Personnel	\$ 248,850	\$ 186,000
51902	Communications	\$ 275,700	\$ 287,550
51918	Claims Processing Payroll	\$ 37,170	\$ 45,000
52021	Uniform Expense	\$ 5,000	\$ 5,000
52091	Memberships	\$ 53,879	\$ 62,510
52101	Miscellaneous Expense	\$ 1,000,000	\$ 1,000,000
52111	Office Expense	\$ 60,000	\$ 63,600
52115	Books/ Periodicals	\$ 10,500	\$ 3,500
52117	Postage	\$ 10,000	\$ 10,000
52141	Small Tools and Equipment	\$ 2,000	\$ 3,000
52142	Computer Hardware	\$ 116,000	\$ 163,500
52143	Computer Software	\$ 610,400	\$ 791,200
52161	Marketing/ Promotional Items	\$ 20,000	\$ 30,000
52162	Public Relations Expense	\$ 45,000	\$ 62,000
	Grand Total	\$ 10,389,058	\$ 11,781,717

Environmental Projects

As part of SMART’s expansions and pathway projects, riparian mitigation projects are often required by the environmental permits to compensate for temporary and permanent construction impacts. These projects entail restoring creeks and rivers by planting native trees and scrubs, removing invasive plant species, and removing trash. There are performance and monitoring criteria for each project for periods of 5 to 10 years to confirm success of the mitigation efforts.

Department	Project	FY 24 Amount
Environmental		
	San Rafael Creek (Larkspur Mitigation)	\$ 33,558
	McInnis Monitoring	\$ 133,575
	IOS Riparian Mitigation	\$ 220,000
	Las Gallinas Riparian Enhancement & Monitoring	\$ 16,188
	Mira Monte Mitigation	\$ 75,000
Total		\$ 478,321

Riparian Mitigation in Petaluma for Pathway Projects



State of Good Repair and Capital Projects

49 CFR 625.5 defines State of Good Repair (SGR) as the condition in which a capital asset can operate at a full level of performance. Per FTA, “having well maintained, reliable transit infrastructure - track, signal systems, bridges, tunnels, vehicles and stations - will help ensure safe, dependable and accessible services.”

SMART has broken our costs into State of Good Repair and Capital Projects. State of Good Repair expenditures are those costs that keep our assets in a condition where the asset can operate at a full level of performance. This requires regular repairs and replacement of those assets. Costs in the FY 25 and FY 26 Planned Columns are not necessarily funded.

Department	Project	FY 24 Amount	FY 25 - Planned*	FY 26 - Planned*
Bridges				
	MP 29.31 Basalt Creek Timber Trestle Replacement (#1)	\$ 4,000		
	MP 31.47 San Antonio Tributary Timber Trestle (#2)	\$ 4,000		
Total		\$ 8,000	\$ -	\$ 463,020
Expansion				
	Santa Rosa Airport Station to Windsor Station	\$ 10,000,000	\$ 35,735,937	\$ -
	Windsor Station to Healdsburg Station	\$ 5,000,000	\$ 77,700,000	\$ 78,900,000
	Petaluma North Station	\$ 6,027,063	\$ 6,154,468	\$ -
	N. McDowell Boulevard Crossing Reconstruction	\$ 778,141	\$ 762,702	\$ -
Total		\$ 21,805,204	\$ 120,353,107	\$ 78,900,000
Information Systems				
	Access Control Server	\$ 14,000		
	Avaya Phone System and switch	\$ 9,000		
	Fulton Admin Server	\$ 5,000		
	Fulton 2 UPSs	\$ 6,500		
	Petaluma CCTV Network PoE Switches (2)	\$ 10,000		
	Petaluma Admin Server	\$ 6,000		
	Petaluma Print Server	\$ 5,000		
	Roblar Internal Router	\$ 18,000		
	Roblar Internet Router	\$ 9,500		
	Roblar Firewall	\$ 17,900		
	Roblar WAN Router	\$ 9,500		
	Roblar Wi-Fi (wireless controller, APs, PoE switch)	\$ 11,000		
	ROC CCTV Network PoE Switches (2)	\$ 11,000		
	ROC Data Network S&U Switches (2)	\$ 14,000		
	ROC IPSec Router to Sonoma County AVL	\$ 26,000		
	ROC UPS 8 in racks 1-6 CDC	\$ 56,000		
	ROC UPS 1 for racks 7-12 CDC	\$ 7,000		
Total		\$ 235,400	\$ 11,000	\$ 474,000
Miscellaneous				
	Platform Real-Time Signage	\$ 250,000		
Total		\$ 250,000	\$ -	\$ -

Department	Project	FY 24 Amount	FY 25 - Planned*	FY 26 - Planned*
Operations				
Vehicles	F150 Crew Cab XL	\$ 45,000		
	F150 Crew Cab XL (2 axle)	\$ 45,000		
	F150 Crew Cab XL (2 axle)	\$ 45,000		
	F250 W/ Harbor Body (2 axle)	\$ 60,000		
	F-350 Hi-Rail	\$ 66,000		
	F350 Extended Cab XL (Hi-Rail)	\$ 15,000		
	F350 Extended Cab XL (Hi-Rail)	\$ 58,000		
	F450 (2 axle)	\$ 140,000		
	Escape	\$ 5,000		
	Ford Interceptor	\$ 45,000		
	Fusion Energi	\$ 40,000		
	HiRail Boom Truck	\$ 200,000		
	Ram Truck	\$ 15,000		
	Tahoe	\$ 55,000		
	Trailer Heavy Equipment	\$ 30,000		
	Transit Connect Van	\$ 55,000		
Equipment	Telehandler, forks and high capacity bucket	\$ 65,000		
	Grapple Bucket for Skid Steer	\$ 4,500		
Miscellaneous	Air Supply Unit	\$ 500,000		
	APS Motor Fan Replacement	\$ 70,000		
	APS (Auxillary Power Supply) Overhaul	\$ 700,000		
	Backup generator at Roblar	\$ 50,000		
	DMU Air Brake overhaul - 5 Year Option cars	\$ 250,000		
	Energy Cushion Device Crash System	\$ 150,000		
	Generator Plug Retrofit at all Platforms	\$ 8,000		
	Guideway & Trackwork for Commuter Operation - Mainline	\$ 225,000		
	Joints (Insulated/ Welded)	\$ 27,300		
	Radiator Fan Modification	\$ 115,000		
	Stations	\$ 150,000		
	Switches (4) Signal HP / year	\$ 60,000		
	Upgrade platform/walkway/parking lot lighting to LED	\$ 25,000		
Total		\$ 3,318,800	\$ 7,348,000	\$ 7,503,950



The FY 24 Budget significantly advances pathway development and delivery. The budget will support the construction of 6.69 miles of pathway (between Golf Course to Bellevue that will connect Rohnert Park and Santa Rosa, between Southpoint Blvd. and Main St. That will connect Petaluma to Penngrove, and between McInnis Pkwy. to Smith Ranch Rd. in San Rafael). and the completion of Lakeville segment). The budget also funds the design work for over 12 miles of pathway in both Marin and Sonoma County. This design work is readying over 5 miles of pathway that already has grant funding commitments that will eventually fund construction of those segments. Progressing the design on the other 6.8 miles of pathway will bring these segments closer to shovel-ready, which will allow SMART to pursue additional grant funds and support their near-term completion.

See the following link for pathway interactive maps:

https://sonomamarintrain.org/smart_pathway

Department	Project	FY 24 Amount	FY 25 - Planned*	FY 26 - Planned*
Pathways				
	Guerneville Road to Airport Boulevard Pathway	\$ 1,429,430	\$ 7,959,720	\$ 5,306,480
	Hanna Ranch to S. Rowland Blvd. Pathway	\$ 246,466	\$ 2,231,002	\$ -
	Marin - Sonoma Pathway Design & Permitting	\$ 1,603,744	\$ -	\$ -
	- McInnis Parkway to Smith Ranch Road			
	- Main Street to East Railroad Avenue			
	- Joe Rodota Trail 3rd Street			
	- Santa Rosa Downtown Station to 6th Street			
	- Guerneville Road to West Steele Lane			
	- West Steele Lane to San Miguel Boulevard			
	- San Miguel Boulevard to Airport Boulevard			
	Marin Pathway Design & Permitting	\$ 4,098,301	\$ -	\$ -
	- Smith Ranch Road to Main Gate Road/ Novato Hamilton Station			
	- State Access Road to Bay Trail			
	- Hanna Ranch Road to South Side of Novato Creek			
	- Grant Avenue to Olive Avenue			
	- Olive Avenue to Rush Creek Place			
	McInnis Pkwy to Smith Ranch Rd Pathway	\$ 4,835,333	\$ -	\$ -
	Puerto Suello to San Pedro Road	\$ 708,227	\$ -	\$ -
	SoCo Pathway Gap Closure	\$ 6,890,620	\$ 6,095,744	\$ -
Total		\$ 19,812,122	\$ 16,286,466	\$ 5,306,480

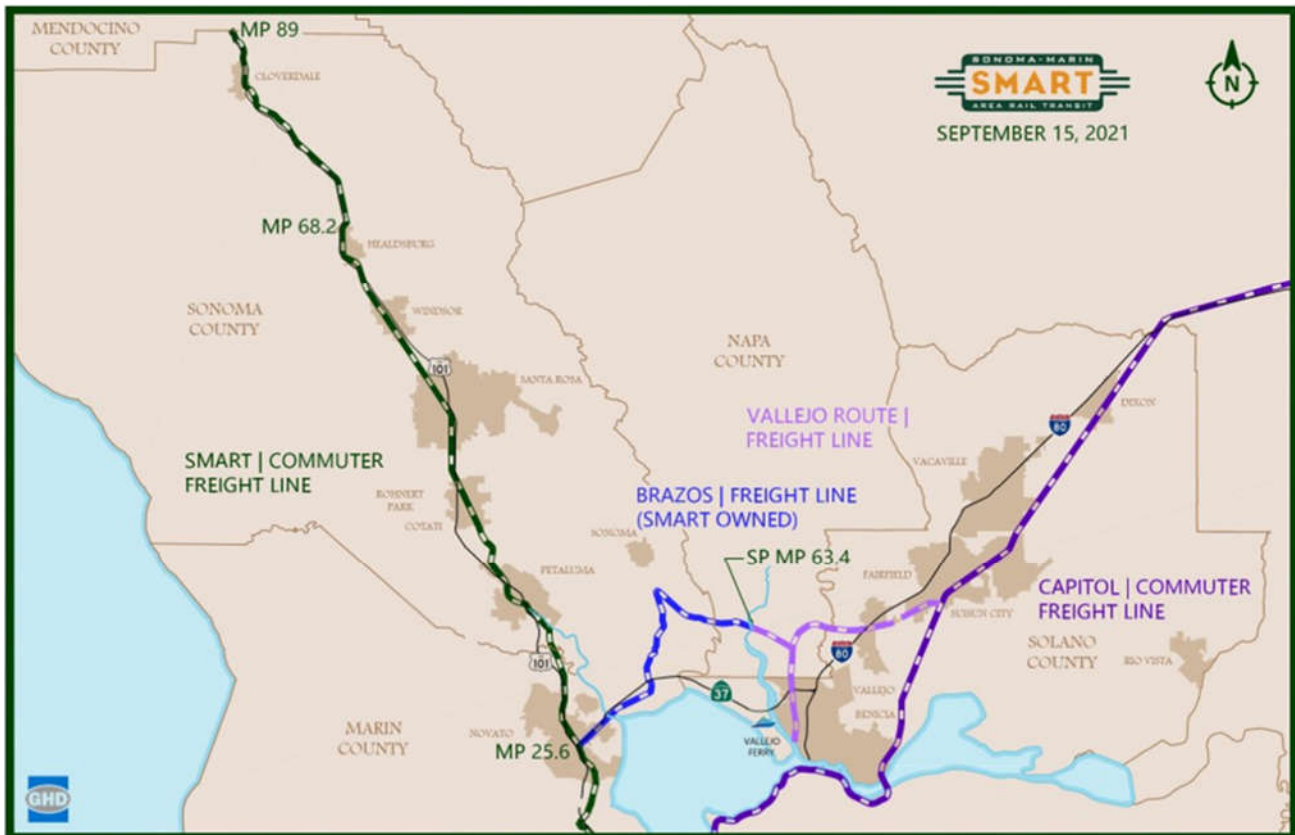
* Planned amounts are necessarily funded at this time

FREIGHT

Freight

In July of 2022, SMART began in-house operations of freight services. Revenues for freight operations in Fiscal Year 2024 are estimated at \$2.4 million. We anticipate spending \$920,876 on salaries and benefits, \$1,170,629 on operations, and \$648,405 on capital repairs and replacements in Fiscal Year 2024.

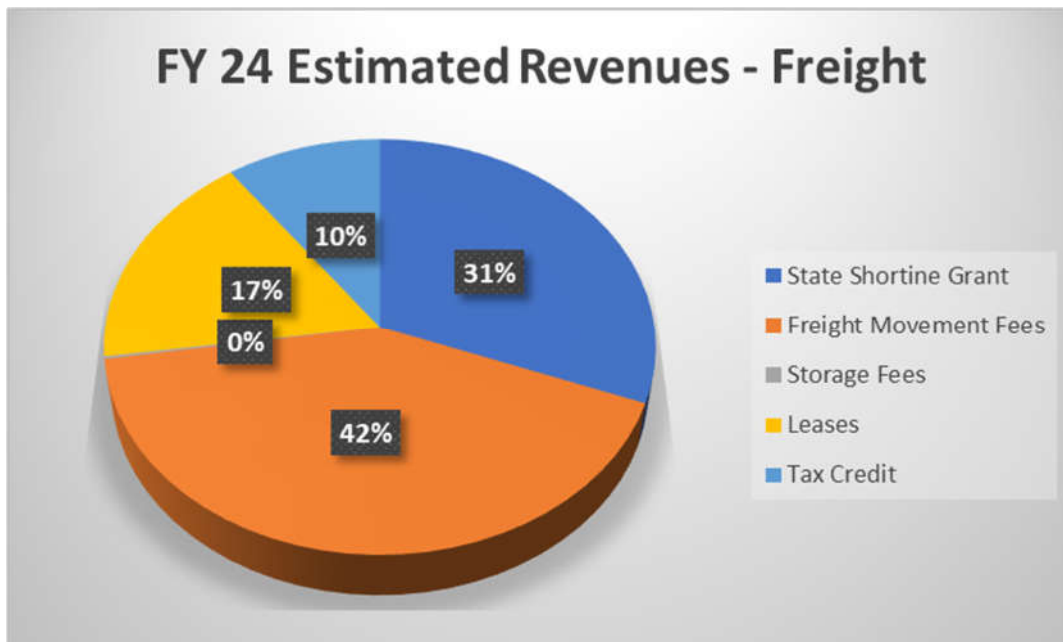
In March of 2022, SMART assumed the freight operations from the Northwestern Pacific Railroad Company (NWPCo) which had been operating service from Napa County to Petaluma since 2011. SMART began in-house operations on July 1, 2022. Currently there are three customers that receive primarily feed grain. In addition, there is a freight car storage location at the Schellville yard. Service consists of two round trips a week to Petaluma customers as well as two round trips to the California Northern Railroad to receive and deliver rail cars to and from the interchange.



Revenues and expenditures for freight operations are being tracked separately in Fund 60. Administrative expenses are allocated based on a ratio of total miles freight operated versus total miles passenger rail operated. In addition to the administrative allocation, this ratio will be used for other allocation of expenses such as radio maintenance and mainline track maintenance.

The SMART Board of Directors previously approved six (6) FTE to operate the Freight Division for the organization. The FY 24 budget for salaries and benefits for freight operations is estimated at \$920,876. The details regarding these positions can be found in Appendix C. A three percent (3%) cost of living increase is included for Fiscal Year 2024.

Now that SMART has acquired the freight operations, we have been evaluating and prioritizing the work that needs to be done to run the service and comply with all Federal Railroad Administration requirements. Work to clean up Schellville Depot was done in Fiscal Year 2023 and repairs to high priority bridges continue. In addition, the Freight Manager continues to reach out to returning and potential new customers to increase revenues to replace the revenues lost with the elimination of storage fees from Liquid Petroleum Gas (LPG) tank cars.



Revenues	FY 24
State Shortline Grant	\$ 740,000
Freight Movement Fees	\$ 1,000,000
Storage Fees	\$ 4,800
Leases	\$ 415,000
45(g) Tax Credit	\$ 239,190
Total Revenues	\$ 2,398,990



Account	Account Description	FY 23 Amended Budget	FY 24 Requested Budget
50995	Cost Allocation - Salaries & Benefits	\$ 39,503	\$ 59,975
51042	Insurance	\$ 68,000	\$ 73,704
51061	Maintenance of Equipment	\$ 64,850	\$ 33,250
51062	Maintenance of Radios	\$ 2,034	\$ 2,034
51063	Maintenance of Signals	\$ 25,000	\$ 15,000
51064	Maintenance of Revenue Vehicles	\$ 162,500	\$ 95,000
51071	Maintenance of Facilities	\$ 25,000	\$ 25,000
51074	Maintenance of Railway	\$ 79,300	\$ 60,000
51211	Legal	\$ 25,000	\$ -
51225	Training & Travel Expense	\$ 25,000	\$ 10,000
51244	Permits/ Fees	\$ 110,000	\$ 110,000
51401	Rental/ Leases - Equipment	\$ 65,000	\$ 55,000
51605	Mileage Reimbursement & Auto Tolls	\$ 2,500	\$ 2,500
51802	Contract Services - Administrative	\$ 471,875	\$ 223,206
51902	Communications	\$ 16,000	\$ 15,000
52021	Uniform Expense	\$ 5,000	\$ 5,000
52061	Fuel and Lubricants	\$ 105,000	\$ 115,000
52091	Memberships	\$ 975	\$ 1,000
52101	Miscellaneous Expense	\$ 68,074	\$ 102,500
52141	Small Tools and Equipment	\$ 40,000	\$ 15,000
52142	Computer Hardware	\$ 9,000	\$ -
52143	Computer Software	\$ 33,100	\$ 33,640
52191	Utilities	\$ 15,000	\$ 15,000
52195	Cost Allocation - Services & Supplies	\$ 158,012	\$ 104,120
Grand Total		\$ 1,615,723	\$ 1,170,929

There are four projects scheduled for Fiscal Year 2024. They are the completion of the Brazos Branch Project Phase I, Brazos Branch Phase II, tie replacement, and grade crossing repair.

Account Description	FY24 Requested Budget
Brazos Branch - Phase I	\$ 58,405
Brazos Branch - Phase II	\$ 440,000
Tie Replacement	\$ 50,000
Grade Crossing Repair	\$ 100,000
	\$ 648,405

The freight fund doesn't not have reserves and the fund balance is estimated at \$960,091 at the end of Fiscal Year 2024.



CARRYFORWARD FUNDS/EXPENDITURES

As part of the FY 24 budget, we are anticipating carrying forward \$3,738,306 from Fiscal Year 2023 to Fiscal Year 2024 for passenger rail. This includes projects and programs that are not estimated to be completed or expended in Fiscal Year 2023. Both the revenues and expenditures will be rolled forward. Because we are estimating what will be spent between now and June 30, 2023, this number will most likely change and will be adjusted in Fiscal Year 2024 once we know actual expenditures in Fiscal Year 2023.

Account Description	FY 23 Amended Budget	Amount to Roll to FY24
Information Systems		
Bridge/Tunnel CCTV Servers and Video Appliance	\$ 40,530	\$ 40,530
Pathways		
Joe Rodota Trail to 3rd Street	\$ 445,902	\$ 387,015
Marin Pathway Design & Permitting	\$ 2,402,974	\$ 277,130
Marin - Sonoma Pathway Design & Permitting	\$ 2,567,394	\$ 160,560
McInnis Pkwy to Smith Ranch Rd Permitting	\$ 379,311	\$ 49,196
Pathway Wayfinding - Design	\$ 175,000	\$ 130,000
SoCo Pathway Gap Closure	\$ 2,481,284	\$ 1,305,390
Bridges		
MP 29.31 Basalt Creek Timber Trestle Replacement (#1)	\$ 107,401	\$ 10,000
MP 31.47 San Antonio Tributary Timber Trestle (#2)	\$ 118,840	\$ 10,000
Expansions		
Petaluma North Station	\$ 1,519,892	\$ 127,405
State Route 37 Planning Staff Time	\$ 14,000	\$ 9,000
Environmental		
SoCo Monitoring Segment 1 and 2	\$ -	\$ 48,426
Mira Monte Mitigation	\$ 260,000	\$ 217,000
Fleet Advanced from FY 24 to FY 23		
F250 Crew Cab w/ Harbor Body	\$ 60,000	\$ 60,000
F-350 Hi-Rail	\$ 75,000	\$ 75,000
F350 Extended Cab XL (Hi-Rail)	\$ 45,000	\$ 45,000
F350 Extended Cab XL (Hi-Rail)	\$ 83,000	\$ 83,000
Escape	\$ 35,000	\$ 35,000
Ram Truck	\$ 35,000	\$ 35,000
Buildings & Infrastructure		
Freight Sidings/Turnouts	\$ 76,650	\$ 79,330
Healdsburg Warehouse Roof Repairs	\$ 105,000	\$ 110,000
Vehicles Maintenance		
DMU Side Skirting	\$ 130,000	\$ 130,000
Permanent Magnet Alternator (PMA) Overhaul	\$ 82,400	\$ 31,692
Miscellaneous		
FRA Suicide Prevention Grant	\$ 80,000	\$ 78,902
Street Signal at W. Third Street & SMART Pathway	\$ 153,855	\$ 153,855
Class and Comp Study - Koff	\$ 84,350	\$ 49,875
Totals	\$ 11,557,783	\$ 3,738,306

As part of the FY 24 budget, we are anticipating carrying forward \$496,692 from Fiscal Year 2023 to Fiscal Year 2024 for freight. The Brazos Branch bridge repair project is not expected to be completed and fully expended in Fiscal Year 2023. Both the revenues and expenditures will be rolled forward. Because we are estimating what will be spent between now and June 30, 2023, this number will most likely change and will be adjusted in Fiscal Year 2024 once we know actual expenditures in Fiscal Year 2023.

Project Description	FY 23 Amended Budget	Amount to Roll to FY24
Brazos Branch - Bridge Repairs (Emergency & Phase I)	\$ 1,845,963	\$ 496,692



Freight Repairs

Payran to Lakeville Pathway Project



Reserves

SMART has several reserves that have been established for various purposes.

Pension & OPEB Liability Reserve

This reserve is to ensure that we have funds set aside for future pension costs. We have set aside \$500,000 for Fiscal Year 2024. The Fiscal Year 2024 balance is \$4,574,676.

Vehicles & Equipment Reserve

This reserve is used to accumulate funds for future capital equipment needs such as DMU replacement. The Fiscal Year 2023 balance is \$9,625,000. We are adding an additional \$1,000,000 for a total reserve of \$10,625,000 in Fiscal Year 2024.

Corridor Completion Reserve

This reserve was established in the FY 2020/2021 amended budget to set aside funds for design, environmental, or leveraging grants. The current balance is \$7,000,000.

Operating Reserve

The Fiscal Year 2023 operating reserve was \$10 million. We have calculated 25% of the operating costs for Fiscal Year 2024 which would result in a reserve of \$11,278,617 or an increase of \$1,278,617.

Fund Balance

The estimated fund balance for Fiscal Year 2024 year-end is \$27,833,704.

Debt

In October of 2020, SMART pursued a successful taxable advance refunding of the 2011A bonds. The refunding matched the existing March 1, 2029, final maturity of the 2011A bonds. These bonds are secured by a gross lien of SMART's ¼ cent sales tax. The bonds were rated "AA" by Standard & Poor's. The new debt service schedule is listed below.

Fiscal Year	Series 2020 Bonds Principal	Series 2020 Bonds Interest	Debt Service
2021	\$3,365,000.00	\$566,576.35	\$3,931,576.35
2022	13,280,000.00	1,656,755.80	14,936,755.80
2023	14,015,000.00	1,581,192.60	15,596,192.60
2024	14,765,000.00	1,479,443.70	16,244,443.70
2025	15,580,000.00	1,324,115.90	16,904,115.90
2026	15,860,000.00	1,136,844.30	16,996,844.30
2027	16,105,000.00	893,869.10	16,998,869.10
2028	16,385,000.00	614,930.50	16,999,930.50
2029	13,615,000.00	284,281.20	13,899,281.20
Total	\$122,970,000.00	\$9,538,009.45	\$132,508,009.45

APPENDIX A - PASSENGER RAIL OVERVIEW OF SOURCES & USES

FISCAL YEAR 2023-2024 AMENDED BUDGET - SOURCES AND USES				
		A	B	C
		FY 23 Amended Budget	FY 24	Difference
1	Beginning Fund Balance *	\$ 37,393,310	\$ 39,066,717	\$ 1,673,407
2	Revenues			
3	Rollforward from FY 2023	\$ 3,730,989	\$ 3,738,306	\$ 7,317
4	SMART S&U Tax			
5	Measure Q	\$ 51,090,000	\$ 51,103,000	\$ 13,000
6	Federal Funds			
7	5307 - Urbanized Area Formula Funds (Preventative Maintenance)	\$ 4,148,529	\$ 3,997,642	\$ (150,887)
8	American Rescue Plan	\$ 7,507,797	\$ -	\$ (7,507,797)
9	Discretionary Earmark	\$ -	\$ 1,800,000	\$ 1,800,000
10	FRA Suicide Prevention Grant	\$ 80,000	\$ -	\$ (80,000)
11	Quick Strike (CMAQ) (Pathway Payran to Lakeville)	\$ 806,000	\$ 1,857,999	\$ 1,051,999
12	State Funds			
13	AHSC - Windsor	\$ -	\$ 1,093,230	\$ 1,093,230
14	ATP - SoCo Pathway - CTC/Caltrans/MTC	\$ 2,567,394	\$ 5,210,927	\$ 2,643,533
15	Caltrans Sustainability Communities Competative Planning Grant	\$ -	\$ 400,000	\$ 400,000
16	LCTOP - Low Carbon Transit Operating	\$ 534,762	\$ 520,218	\$ (14,544)
17	LPP - Local Partnership Program	\$ -	\$ 1,857,999	\$ 1,857,999
18	ITIP - Windsor Systems	\$ -	\$ 2,186,460	\$ 2,186,460
19	SCC - Windsor	\$ -	\$ 6,559,379	\$ 6,559,379
20	SRA - State Rail Assistance	\$ 3,700,000	\$ 5,026,754	\$ 1,326,754
21	STA - State Transit Assistance (Population)	\$ 534,918	\$ 653,792	\$ 118,874
22	STA - State Transit Assistance (Revenue)	\$ 2,291,573	\$ 3,170,013	\$ 878,440
23	STA - SGR (State of Good Repair)	\$ 318,586	\$ 330,712	\$ 12,126
24	TIRCP - Petaluma North and McDowell Crossing	\$ -	\$ 4,125,768	\$ 4,125,768
25	TIRCP SH 37 Network Integration	\$ 750,000	\$ -	\$ (750,000)
26	TIRCP - Windsor to Healdsburg	\$ -	\$ 3,200,000	\$ 3,200,000
27	Other Sources			
28	Advertising	\$ 100,000	\$ 70,000	\$ (30,000)
29	Charges for Services	\$ 28,235	\$ 75,637	\$ 47,402
30	Fare Revenues	\$ 1,600,000	\$ 1,803,384	\$ 203,384
31	Interest Earning	\$ 450,000	\$ 627,926	\$ 177,926
32	Misc.	\$ 130,000	\$ 5,659	\$ (124,341)
33	Parking	\$ -	\$ 15,000	\$ 15,000
34	Rent - Real Estate	\$ 266,631	\$ 423,721	\$ 157,090
35	Sale of Property	\$ 15,000	\$ -	\$ (15,000)
36	Regional Funds			
37	Measure M - SCTA	\$ 1,519,892	\$ 480,108	\$ (1,039,784)
38	Other Governments	\$ 153,855	\$ 2,000,000	\$ 1,846,145
39	Total Revenues	\$ 78,593,172	\$ 98,595,328	\$ 20,002,156
40	Total Revenues + Fund Balance+ Rollforward	\$ 119,717,471	\$ 141,400,351	\$ 21,682,880

41				
42		FY 23 Amended Budget	FY 24	Difference
43	Debt Service	\$ 15,596,193	\$ 16,244,444	\$ 648,251
44	Salaries & Benefits	\$ 24,620,542	\$ 27,157,564	\$ 2,537,022
45	Reduction for Salaries Charged to Projects	\$ (1,104,891)	\$ (1,467,867)	\$ (362,976)
46	Reduction for Allocation of Salaries/ Services/ Supplies to Freight	\$ (197,515)	\$ (164,036)	\$ 33,479
47	Service & Supplies	\$ 15,873,763	\$ 19,429,772	\$ 3,556,009
48	Total Salaries, Benefits, Service, & Supplies	\$ 39,191,899	\$ 44,955,433	\$ 5,763,534
49	Contribution to OPEB/ CalPERS Liability Fund	\$ 500,000	\$ 500,000	\$ -
50	Contribution to Capital Sinking Fund	\$ 2,000,000	\$ 1,000,000	\$ (1,000,000)
51	Operating Reserve	\$ -	\$ 1,278,617	\$ 1,278,617
52	Total Reserve Contributions	\$ 2,500,000	\$ 2,778,617	\$ 278,617
54	Environmental	\$ 451,350	\$ 478,321	\$ 26,971
53	Planning	\$ 675,000	\$ 250,000	\$ (425,000)
55	Total Planning & Environmental	\$ 1,126,350	\$ 728,321	\$ (398,029)
56	Total Debt Service, Operating, Reserves, Environmental/ Planning	\$ 58,414,442	\$ 64,706,815	\$ 6,292,373
57	Balance	\$ 61,303,029	\$ 76,693,536	\$ 15,390,507
58				
59		FY 23 Amended Budget	FY 24	Difference
60				
61	State of Good Repair			
62	Bridges	\$ 226,241	\$ 8,000	\$ (218,241)
63	DMU	\$ 1,226,500	\$ 1,785,000	\$ 558,500
64	Equipment	\$ 85,030	\$ 69,500	\$ (15,530)
65	Information Technology	\$ 264,500	\$ 235,400	\$ (29,100)
66	Non-Revenue Vehicles	\$ 917,840	\$ 919,000	\$ 1,160
67	Other Construction	\$ 120,563	\$ -	\$ (120,563)
68	Safety and Security	\$ 477,225	\$ -	\$ (477,225)
69	Track, MOW, and Facilities	\$ 634,548	\$ 487,300	\$ (147,248)
70	Total State of Good Repair	\$ 3,952,447	\$ 3,504,200	\$ (448,247)
71				
72		FY 23 Amended Budget	FY 24	Difference
73				
74	Capital Projects			
75	Expansion	\$ 2,272,025	\$ 21,805,204	\$ 19,533,179
76	Land Purchase	\$ 255,000	\$ -	\$ (255,000)
77	Pathways	\$ 10,025,851	\$ 19,812,122	\$ 9,786,271
78	Total Capital Expenditures	\$ 12,552,876	\$ 41,617,326	\$ 29,064,450
79				
80		FY 23 Amended Budget	FY 24	Difference
81	Future Match for Federal/ State Funds	\$ 2,000,000	\$ -	\$ (2,000,000)
82	Rollforward from FY 2023 Expenditures	\$ 3,730,989	\$ 3,738,306	\$ 7,317
83	Ending Fund Balance	\$ 39,066,717	\$ 27,833,704	\$ (11,233,013)
	* Excludes Reserves			

APPENDIX B - FREIGHT OVERVIEW OF SOURCES & USES

FISCAL YEAR 2023-2024 BUDGET: SOURCES AND USES				
		A	B	C
		FY 23	FY 24	Difference
1	Beginning Fund Balance	\$ 1,107,702	\$ 1,301,011	\$ 193,309
2	Revenues			
3	State Grant (42341)	\$ 4,000,000	\$ -	\$ (4,000,000)
4	State Shortline Grant (Blackpoint)	\$ 206,000	\$ 740,000	\$ 534,000
5	Freight Movement Fees	\$ 1,100,000	\$ 1,000,000	\$ (100,000)
6	Leases	\$ 245,000	\$ 415,000	\$ 170,000
7	Storage	\$ 25,000	\$ 4,800	\$ (20,200)
8	45(g) Tax Credit	\$ 239,190	\$ 239,190	\$ -
9	Total Revenues	\$ 5,815,190	\$ 2,398,990	\$ (3,416,200)
10	Total Revenues + Fund Balance	\$ 6,922,892	\$ 3,700,001	\$ (3,222,891)
11				
12		FY 23	FY24	Difference
13				
14	Salaries	\$ 786,060	\$ 920,876	\$ 134,816
15	Service & Supplies	\$ 1,615,723	\$ 1,170,629	\$ (445,094)
16	Total Salaries, Benefits, Service, & Supplies	\$ 2,401,783	\$ 2,091,505	\$ (310,278)
17	Balance	\$ 4,521,109	\$ 1,608,496	\$ (2,912,613)
18				
19		FY 23	FY24	Difference
20				
21	Blackpoint Bridge	\$ 725,741	\$ -	\$ (725,741)
22	Highway 37 Grade Crossing Reconstruction	\$ 505,394	\$ -	\$ (505,394)
23	Brazos Branch - Bridge Repairs (High Priority)	\$ 1,845,963	\$ 58,405	\$ (1,787,558)
24	Brazos Branch - Phase II	\$ -	\$ 440,000	\$ 440,000
25	New York Air Brake	\$ 68,000	\$ -	\$ (68,000)
26	PTC	\$ 75,000	\$ -	\$ (75,000)
27	Tie Replacement	\$ -	\$ 50,000	\$ 50,000
28	Grade Crossing Repair		\$ 100,000	\$ 100,000
29	Total Capital & SOGR	\$ 3,220,098	\$ 648,405	\$ (2,571,693)
30	Balance	\$ 1,301,011	\$ 960,091	\$ (340,920)

APPENDIX C - POSITION AUTHORIZATION

# of Positions	Position Title	Hourly		Annual	
		Min	Max	Min	Max
Administrative					
1	Accountant I	\$ 34.36	\$ 41.77	\$ 71,470	\$ 86,874
1	Accounting Manager	\$ 56.31	\$ 68.44	\$ 117,125	\$ 142,362
1	Accounts Payable Technician	\$ 29.14	\$ 35.43	\$ 60,608	\$ 73,699
1	Administrative Analyst / Purchasing	\$ 44.42	\$ 53.99	\$ 92,402	\$ 112,305
2	Administrative Assistant	\$ 27.78	\$ 33.76	\$ 57,781	\$ 70,228
1	Assistant General Counsel	\$ 89.10	\$ 108.29	\$ 185,318	\$ 225,252
1	Assistant Planner	\$ 38.31	\$ 46.56	\$ 79,676	\$ 96,836
1	Budget and Finance Manager	\$ 60.64	\$ 73.72	\$ 126,123	\$ 153,332
1	Budget and Grants Analyst	\$ 52.29	\$ 63.57	\$ 108,770	\$ 132,229
1	Chief Financial Officer	\$ 118.70	\$ 144.27	\$ 246,890	\$ 300,086
1	Clerk of the Board	\$ 42.25	\$ 51.36	\$ 87,881	\$ 106,820
1	Communications and Marketing Manager	\$ 72.44	\$ 88.04	\$ 150,675	\$ 183,132
1	Community Outreach Coordinator	\$ 39.27	\$ 47.74	\$ 81,690	\$ 99,300
1	Community Outreach Specialist	\$ 59.44	\$ 72.25	\$ 123,638	\$ 150,289
1	General Counsel	\$ 118.70	\$ 144.27	\$ 246,890	\$ 300,086
1	General Manager	\$ 147.91	\$ -	\$ 307,649	\$ -
1	Human Resources Manager	\$ 72.18	\$ 87.75	\$ 150,139	\$ 182,511
1	Human Resources Principal Analyst	\$ 59.44	\$ 72.25	\$ 123,638	\$ 150,289
1	Human Resources Technician	\$ 36.45	\$ 44.31	\$ 75,820	\$ 92,166
1	Information Systems Analyst	\$ 45.99	\$ 55.90	\$ 95,658	\$ 116,282
1	Information Systems Manager	\$ 75.46	\$ 91.73	\$ 156,952	\$ 190,802
1	Information Systems Technician	\$ 40.23	\$ 48.89	\$ 83,682	\$ 101,700
1	Legal Administrative Assistant	\$ 36.45	\$ 44.31	\$ 75,820	\$ 92,166
1	Payroll Technician	\$ 29.20	\$ 35.48	\$ 60,737	\$ 73,806
1	Principal Planner	\$ 64.14	\$ 77.96	\$ 133,407	\$ 162,158
1	Purchasing Assistant	\$ 30.37	\$ 36.93	\$ 63,179	\$ 76,805
1	Procurement Manager	\$ 66.25	\$ 80.54	\$ 137,799	\$ 167,514
1	Programming and Grants Manager	\$ 76.11	\$ 92.51	\$ 158,302	\$ 192,430
1	Railroad Information Systems Specialist	\$ 58.00	\$ 70.50	\$ 120,639	\$ 146,647
1	Real Estate Manager	\$ 81.95	\$ 99.62	\$ 170,449	\$ 207,213
1	Risk Manager	\$ 64.14	\$ 77.96	\$ 133,407	\$ 162,158
1	Senior Buyer	\$ 48.87	\$ 59.39	\$ 101,642	\$ 123,535
1	Senior Planner	\$ 52.29	\$ 63.57	\$ 108,770	\$ 132,229
1	Senior Real Estate Officer	\$ 55.21	\$ 67.09	\$ 114,833	\$ 139,556
	Interns (Multiple)				
35					
# of Positions	Position Title	Hourly		Annual	
Capital		Min	Max	Min	Max
3	Assistant Engineer	\$ 46.44	\$ 56.46	\$ 96,601	\$ 117,446
1	Associate Engineer	\$ 55.21	\$ 67.09	\$ 114,833	\$ 139,556
1	Chief Engineer	\$ 97.40	\$ 118.38	\$ 202,585	\$ 246,226
1	Junior Engineer	\$ 42.27	\$ 51.39	\$ 87,922	\$ 106,891
1	Manager Train Control Systems	\$ 97.40	\$ 118.38	\$ 202,585	\$ 246,226
1	Principal Engineer	\$ 72.44	\$ 88.04	\$ 150,675	\$ 183,132
1	Senior Engineer	\$ 60.64	\$ 73.71	\$ 126,123	\$ 153,310
9					

# of Positions	Position Title	Hourly		Annual	
		Min	Max	Min	Max
Operations					
1	Administrative Assistant	\$ 27.78	\$ 33.76	\$ 57,781	\$ 70,228
1	Administrative Services Manager	\$ 46.44	\$ 56.46	\$ 96,601	\$ 117,446
1	Assistant Superintendent of Transportation	\$ 65.08	\$ 79.10	\$ 135,357	\$ 164,536
3	Bridge Tender		\$ 35.09		\$ 72,987
1	Chief of Police	\$ 88.25	\$ 107.26	\$ 183,561	\$ 223,110
3	Code Compliance Officer	\$ 35.59	\$ 43.24	\$ 74,020	\$ 89,938
12	Controller /Supervisor	\$ 49.78	\$ 60.50	\$ 103,542	\$ 125,845
6	Conductor *		\$ 44.62		\$ 92,810
	Conductor Trainee*		\$ 37.94		\$ 78,915
28	Engineer *		\$ 53.65		\$ 111,592
	Engineer Trainee*		\$ 45.61		\$ 94,869
1	Facilities Maintenance Supervisor	\$ 51.76	\$ 62.92	\$ 107,656	\$ 130,879
3	Facilities Maintenance Technician		\$ 44.26		\$ 92,061
1	Inventory/ Asset Management Specialist	\$ 54.21	\$ 68.05	\$ 112,757	\$ 141,544
10	Laborers - Vehicle Maintenance		\$ 33.71		\$ 70,117
2	Laborers - Track Maintenance		\$ 32.81		\$ 68,245
1	Operations Manager	\$ 102.27	\$ 124.31	\$ 212,719	\$ 258,566
3	Parts Clerk	\$ 33.02	\$ 40.15	\$ 68,685	\$ 83,511
1	Safety & Compliance Officer	\$ 67.27	\$ 81.77	\$ 139,920	\$ 170,085
2	Signal Supervisor	\$ 55.21	\$ 67.09	\$ 114,833	\$ 139,556
8	Signal Technician **		\$ 58.12		\$ 120,890
	Signal Technician Trainee (2) **		\$ 43.59		\$ 90,667
1	Superintendent of Vehicle Maintenance	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
1	Superintendent of Transportation	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
1	Superintendent Signals and Way	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
5	Track Maintainer I		\$ 43.47		\$ 90,418
1	Track Maintainer II		\$ 47.82		\$ 99,466
2	Track Maintenance Supervisor	\$ 51.64	\$ 62.77	\$ 107,420	\$ 130,558
5	Vehicle Maintenance Supervisor	\$ 52.54	\$ 63.86	\$ 109,284	\$ 132,829
12	Vehicle Maintenance Technician ***		\$ 53.56		\$ 111,405
	Vehicle Maintenance Tech Trainee (2) ***		\$ 40.17		\$ 83,554
116					

# of Positions	Position Title	Hourly		Annual	
		Min	Max	Min	Max
Freight					
0.5	Freight Administrative Assistant	\$ 27.78	\$ 33.76	\$ 57,781	\$ 70,228
1	Freight Manager	\$ 77.36	\$ 94.03	\$ 160,916	\$ 195,580
4.5	Freight Utility Worker	\$ 35.23	\$ 42.83	\$ 73,270	\$ 89,081
6					

Total FTE	166				
*	Total positions cannot exceed 34.				
**	Total positions cannot exceed 8.				
***	Total positions cannot exceed 12.				

APPENDIX D -STATISTICAL INFORMATION

SMART is a special district established by the California Legislature through the enactment of AB 2224 in 2002. The SMART District includes both Sonoma and Marin Counties and was created for the purpose of providing unified and comprehensive structure for the ownership and governance of the passenger and freight rail system within Sonoma and Marin Counties and to provide passenger and freight train service along the existing publicly owned railroad right-of-way.

Marin County

Marin County is in the northwestern part of the San Francisco Bay Area. Its county seat is San Rafael. Marin County is across the Golden Gate Bridge from San Francisco, and is included in the San Francisco-Oakland-Berkeley, CA Metropolitan Statistical Area.

As of 2019, Marin County had the sixth highest income per capita of all U.S. counties. The county is governed by the Marin County Board of Supervisors.

San Quentin State Prison is located in the county, as is George Lucas' Skywalker Ranch. The Marin County Civic Center was designed by Frank Lloyd Wright and draws thousands of visitors a year to guided tours of its arch and atrium design. Marin County's natural sites include the Muir Woods redwood forest, the Marin Headlands, Stinson Beach, the Point Reyes National Seashore, and Mount Tamalpais.

Sonoma County

Sonoma County is in the northwestern part of the San Francisco Bay Area. Its county seat and largest city is Santa Rosa. It is to the north of Marin County and the south of Mendocino County.

Sonoma County includes the Santa Rosa and Petaluma Metropolitan Statistical Areas. It is the northernmost county in the nine-county San Francisco Bay Area region.

In California's Wine Country region, which also includes Napa, Mendocino, and Lake counties, Sonoma County is the largest producer. It has thirteen approved American Viticultural Areas and more than 350 wineries. According to Visit California, tourism spending in 2022 was \$2.3 billion which exceeded the pre-pandemic number of \$2.24 billion.

POPULATION OF MARIN COUNTY AND INCORPORATED CITIES

Area	2016	2017	2018	2019	2020	2021	2022	2023
Marin County	263,010	262,313	262,234	260,969	258,956	259,512	255,470	252,959
Belvedere	2,129	2,131	2,148	2,139	2,124	2,103	2,078	2,045
Corte Madera	9,631	9,625	10,043	10,138	10,114	10,147	9,967	9,885
Fairfax	7,528	7,533	7,714	7,443	7,399	7,496	7,410	7,354
Larkspur	12,312	12,325	12,588	12,331	12,253	12,963	12,728	12,571
Mill Valley	15,024	14,956	14,669	14,743	14,674	14,002	13,817	13,664
Novato	54,593	54,516	54,151	54,062	53,702	53,008	51,936	51,392
Ross	2,538	2,536	2,528	2,548	2,550	2,330	2,280	2,267
San Anselmo	13,017	12,982	12,908	12,845	12,757	12,772	12,515	12,405
San Rafael	60,551	60,661	60,020	60,207	59,807	61,179	60,237	59,681
Sausalito	7,227	7,234	7,421	7,301	7,252	7,159	6,955	6,865
Tiburon	9,644	9,647	9,366	9,581	9,540	9,065	8,903	8,798
Remainder of County	68,816	68,167	68,678	67,631	66,784	67,288	66,644	66,032

Source: County/City estimates as of January 1, 2022 and January 1, 2023
State of California, Department of Finance, Demographic Research Unit

POPULATION OF SONOMA COUNTY AND INCORPORATED CITIES

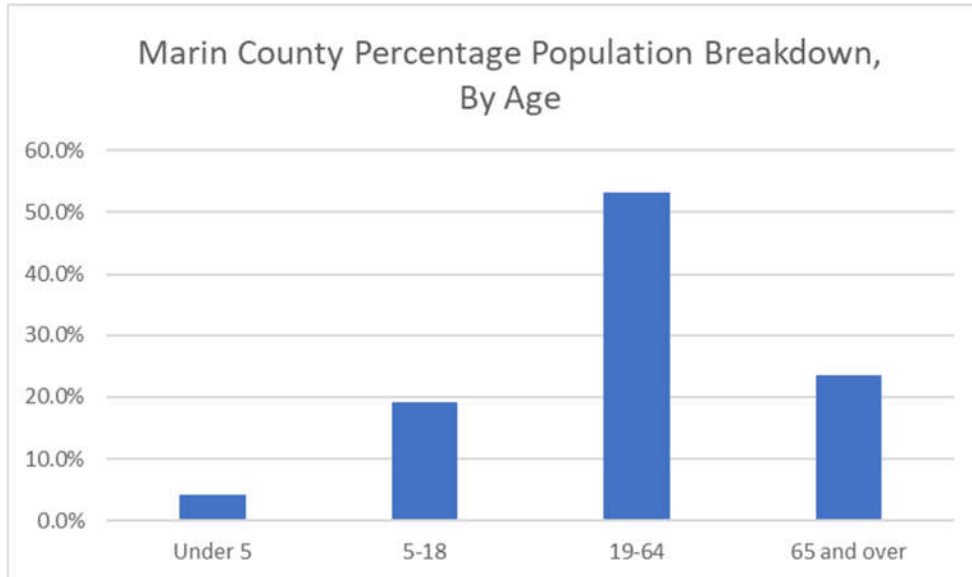
Area	2016	2017	2018	2019	2020	2021	2022	2023
Sonoma County	503,322	502,758	498,849	495,058	491,134	484,674	480,623	478,174
Cloverdale	8,927	8,988	9,141	9,279	9,213	9,029	8,869	8,787
Cotati	7,376	7,453	7,739	7,628	7,533	7,512	7,410	7,360
Healdsburg	11,734	11,757	12,232	12,166	12,089	11,174	10,993	10,914
Petaluma	61,488	61,657	62,251	62,195	61,873	59,756	58,552	58,321
Rohnert Park	42,586	42,490	43,178	43,134	43,069	44,287	43,701	43,693
Santa Rosa	176,937	178,064	177,017	175,183	173,628	177,396	175,351	174,523
Sonoma	10,929	11,072	11,423	11,164	11,050	10,755	10,804	10,677
Windsor	27,445	27,492	28,356	28,596	28,248	26,134	25,836	25,560
Remainder of County	155,900	153,785	147,512	145,713	144,431	138,631	131,674	130,991

Source: County/City estimates as of January 1, 2022 and January 1, 2023
State of California, Department of Finance, Demographic Research Unit

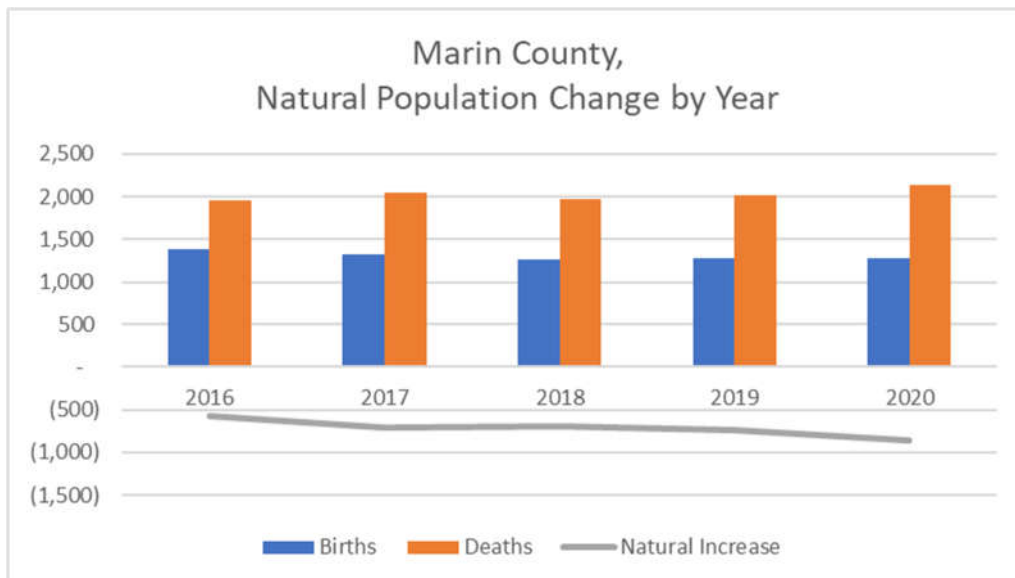
DEMOGRAPHICS OF MARIN AND SONOMA COUNTIES

MARIN COUNTY

Average age in Marin County is 47.1 years with 60.1% of the population having a bachelor's degree. The life expectancy is 85.2 years which is over five years longer than the average American.



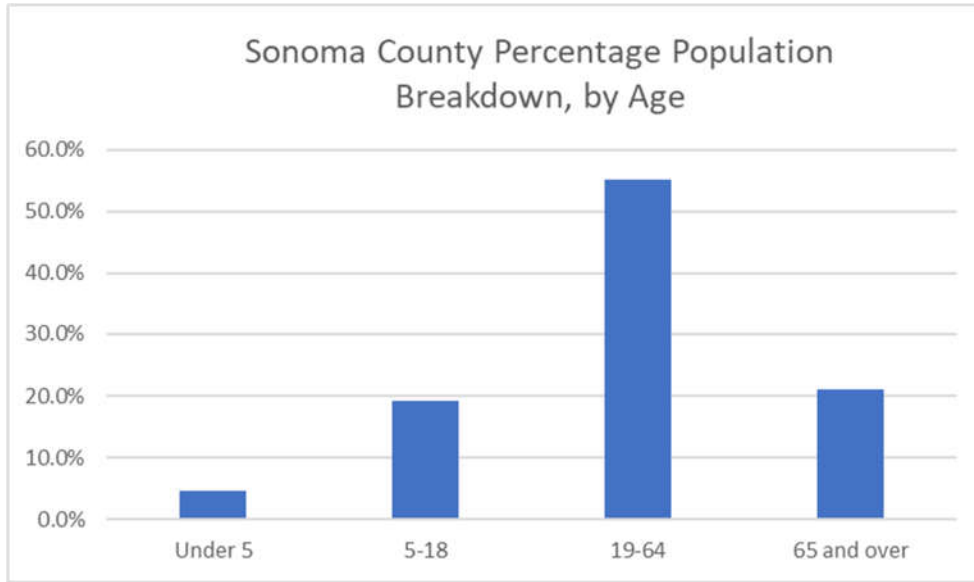
Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit



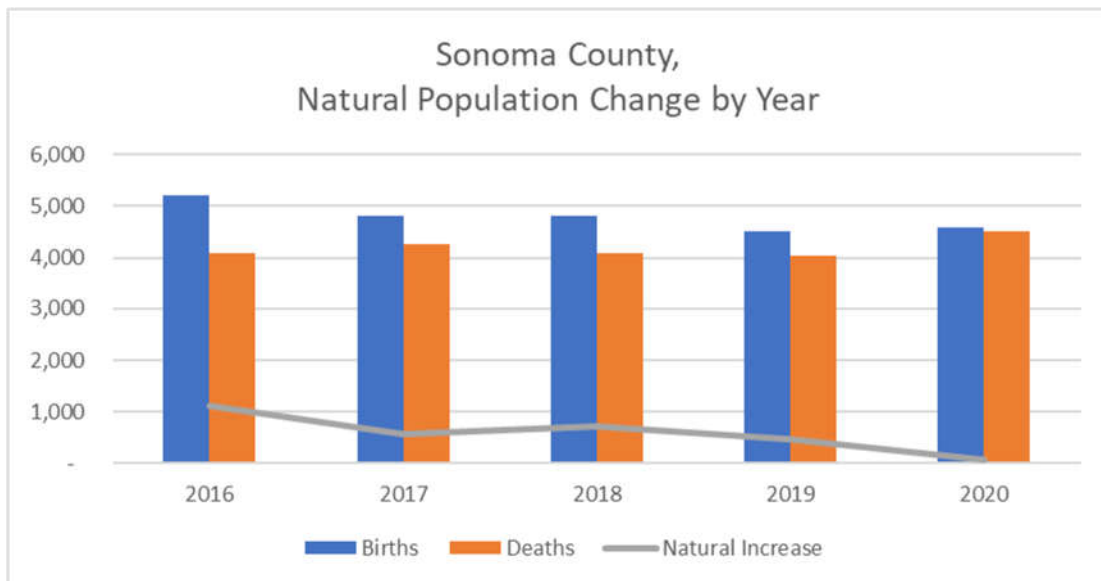
Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit

Sonoma County

Average age in Sonoma County is 42.4 years with 37.1% of the population having a bachelor's degree. The life expectancy is 81.6 years which is over 1 ½ years longer than the average American.



Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit



Source: State of California Department of Public Health and State of California Department of Finance, Demographic Research Unit

APPENDIX E - STATEMENT OF INVESTMENT POLICY

1.0 Policy:

This investment policy is intended to outline the guidelines and practices to be used in effectively managing the SMART District (District's) available cash and investment portfolio. District monies not required for immediate cash requirements will be invested in compliance with the California Government Code Section 53600, et seq.

2.0 Scope:

This policy applies to all the financial assets accounted for in the District's Annual Comprehensive Financial Report and any new fund created by the District, unless specifically exempted. The investment of bond proceeds will be governed by the provisions of relevant bond documents.

3.0 Prudence:

The Board of Directors and Chief Financial Officer adhere to the guidance provided by the "prudent investor rule," California Government Code Section 53600.3, which obligates a fiduciary to ensure that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

4.0 Objectives:

In accordance with California Government Code Section 53600.5, and in order of importance, the Chief Financial Officer shall adhere to the following three criteria:

- (a) Safety of Principal - Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- (b) Liquidity - Investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without substantial loss of value.
- (c) Return on Investment - The District's investment portfolio shall be designed with the objective of attaining a market rate of return

throughout budgetary and economic cycles, considering the District's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority:

The authority of the Board to purchase or sell securities for the District's portfolio, may be delegated by the Board to the Chief Financial Officer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked. The Chief Financial Officer shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

The oversight responsibility for the investment program is hereby delegated to the Chief Financial Officer who shall monitor and review all investments for consistency with this Investment Policy.

The Chief Financial Officer may delegate investment decision making and execution authority to an independent SEC-registered investment advisor. The advisor shall comply with this Policy and other written instructions as are provided by the Chief Financial Officer.

6.0 Investment Procedures:

The Chief Financial Officer shall establish written operational procedures pertaining to the investment of District funds. These procedures shall be compliant with the parameters and limits set forth by this investment policy. The procedures should regulate actions regarding safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer.

7.0 Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business to the Chief Financial Officer. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

8.0 Authorized Financial Dealers and Institutions:

For brokers/dealers of government securities and other investments, the Chief Financial Officer shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations. Before engaging in investment transactions with a broker/dealer, the Chief Financial Officer shall obtain a signed verification form that attests the individual has reviewed the District's Investment Policy and intends to present only those investment recommendations and transactions to the District that is appropriate under the terms and conditions of the Investment Policy.

If an Investment Advisor is authorized to conduct investment transactions on the District's behalf, the Investment Advisor may use their own list of approved broker/dealers and financial institutions for investment purposes.

9.0 Authorized and Suitable Investments:

The District is governed by the California Government Code, Sections 53600, *et seq.* Within the context of these limitations, the investments listed below are authorized. Those investments not identified are ineligible.

1. **U.S. Treasury Obligations.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency.
4. **Other State Obligations.** Registered treasury notes or bonds of any of the other forty-nine (49) United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other forty-nine (49) United States, in addition to California.

5. **Bankers' Acceptances.** Time drafts or bills of exchange that are drawn on and accepted by a commercial bank and brokered to investors in the secondary market. The maximum maturity of an issue will be one hundred eighty (180) days. Securities eligible for investment under this subdivision shall be rated in the highest letter and number category by nationally recognized statistical-rating organization. The maximum exposure shall be no more than 40% of the portfolio value. However, no more than 30% of the agency's money may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

6. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all the following conditions in either paragraph a or paragraph b:
 - a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets of more than five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "AA" or higher by a nationally recognized statistical-rating organization.

 - b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "AA" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of two hundred seventy (270) days or less. The District may invest no more than 25% of its money in eligible commercial paper. The District may purchase no more than 10% of the outstanding commercial paper of any single issuer.

7. **Medium-Term Notes.** Medium-term notes are defined in Government Code Section 53601 as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "AA" or better by a nationally recognized statistical-rating organization. Purchases of medium-term notes shall not include other instruments authorized by section 53601 and may not exceed 30% of the portfolio value.

8. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Securities eligible for investment under this subdivision shall be rated in the highest letter and number category by a nationally recognized rating service for short-term ratings (A-1/P1/F-1) and AA or better for longer-term ratings. Purchases of negotiable certificates of deposit may not exceed 30% of the District's aggregate portfolio.
9. **Time Deposits.** The District may invest in non-negotiable time deposits (CDs) that are FDIC insured or fully collateralized in a state or national bank, savings association, or federal association, federal or state credit union located in California, including U.S. branches of foreign banks licensed to do business in California. To be eligible to receive local agency deposits, a financial institution must receive a minimum overall "satisfactory rating" for meeting the credit needs of California Communities in its most recent evaluation. CDs are required to be collateralized as specified under Government Code Section 53630 et seq. The District, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds per Government Code Section 53649. No deposits shall be made at any time in CDs issued by a state or federal credit union if a member of the Governing Council or the Finance Director serves on the board of directors or any committee appointed by the board of directors of the credit union. In accordance with Government Code Section 53638, any deposit shall not exceed that total shareholder's equity of any depository bank, nor shall the deposit exceed the total net worth of any institution.
10. **Local Agency Investment Fund (LAIF)** is a pooled investment fund through the State Chief Financial Officer. Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted by State Treasury policy.
11. **Money Market Funds.** The Chief Financial Officer may invest in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (Government Code Section 53601(k).)

The following criteria will be used in evaluating companies:

- a. Attain the highest-ranking letter and numerical rating provided by not less than two nationally recognized rating services; or
- b. Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five (5) years' experience managing money market mutual funds and with assets under management more than five hundred million dollars (\$500,000,000).
- c. The maximum purchase price of shares shall not exceed 20% of the portfolio. However, no more than 10% of the agency's funds may be invested in shares of beneficial interest of any one mutual fund.

12. Local Government Investment Pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all the following criteria:

- a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- b. The adviser has not less than five (5) years of experience investing in the securities and obligations authorized in subdivisions (a) to (o) Government Code Section 53601, inclusive.
- c. The adviser has assets under management of more than five hundred million dollars (\$500,000,000).

Credit criteria and sectors and issuers percentages for investments listed in this section will be determined at the time the security is purchased. A decline in the overall investment balances that causes the percentage to any investment to be above its maximum policy limit will not be considered out of compliance. The District may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed rating category for that given investment type, the Chief Financial Officer shall notify the District General Manager and District Council and recommend a plan of action.

10.0 Prohibited Investments:

Under the provisions of California Government Code Sections 53601.6 and 53631.5, the

District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, mortgage-derived, interest-only strips or any investment that may result in a zero-interest accrual if held to maturity.

11.0 Collateralization:

Collateralization is required on Certificates of Deposit as per California Government Code section 53601. The collateralization level for certificates of deposit is 100% of market value of principal and accrued interest.

The entity chooses to limit collateral to the following: U.S. Treasuries and Federal Agency Obligations. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. Clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

12.0 Safekeeping and Custody:

All securities purchased may be delivered versus payment (“DVP”) basis and held in safekeeping pursuant to a safekeeping agreement.

13.0 Maximum Maturities:

To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein. No investments may be acquired that exceed five (5) years, unless approved by the Board at least ninety (90) days in advance of the purchase.

14.0 Internal Control:

The Chief Financial Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. The Chief Financial Officer may, at any time, further restrict the securities approved for investment as deemed appropriate.

15.0 Performance Standards:

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, considering the District’s investment risk constraints and cash flow needs.

16.0 Reporting:

In accordance with Government Code Section 53607, the Chief Financial Officer shall submit an annual report to the Board indicating the types of investment by fund, institution, date of maturity, and amount of deposit, and shall provide the current

market value of all securities with a maturity of more than twelve (12) months, rates of interest, and expected yield to maturity.

17.0 Investment Policy Adoption:

The Chief Financial Officer may, at any time, further restrict the securities approved for investment as deemed appropriate.

Additionally, the Chief Financial Officer shall annually send a copy of the current Investment Policy to all approved dealers. Each dealer is required to return a signed statement indicating receipt and understanding of the District's investment policies.

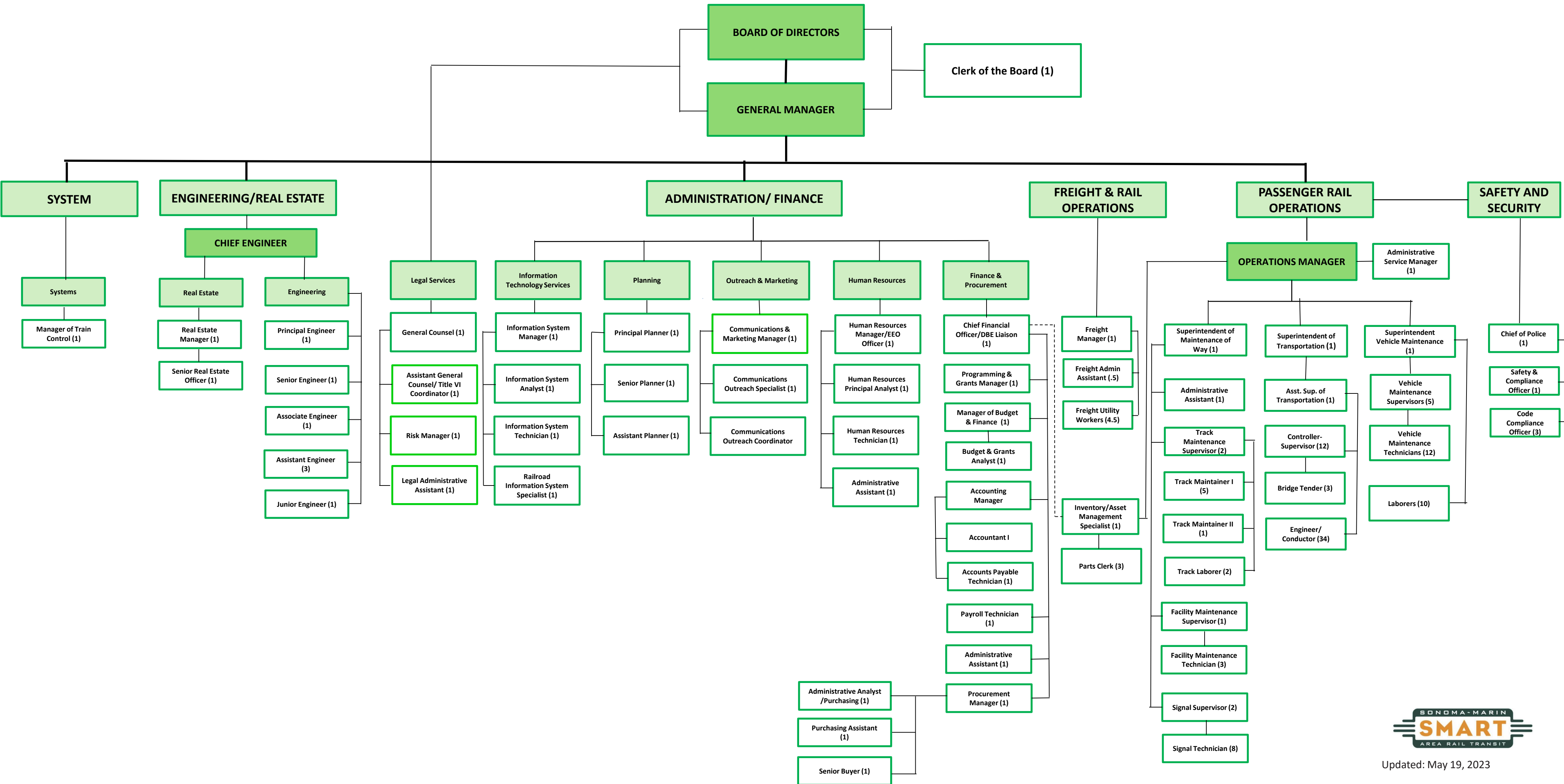
APPENDIX F: APPROPRIATION CALCULATION

	FY 22	FY 22	FY 23
Beginning Limit	\$146,414,925	\$152,544,355	\$163,175,521
Per Capita Increase in Cost of Living	1.0573	1.0755	1.0444
Population Change	0.9854	0.9946	.9947
County Used for Population Change	Sonoma	Sonoma	Sonoma
Total	\$152,544,355	\$163,175,521	\$169,517,286

* Per Government Code §7901, special districts located in two or more counties, such as SMART, may choose to use the change in population for the portion of the district which has the highest assessed valuation.

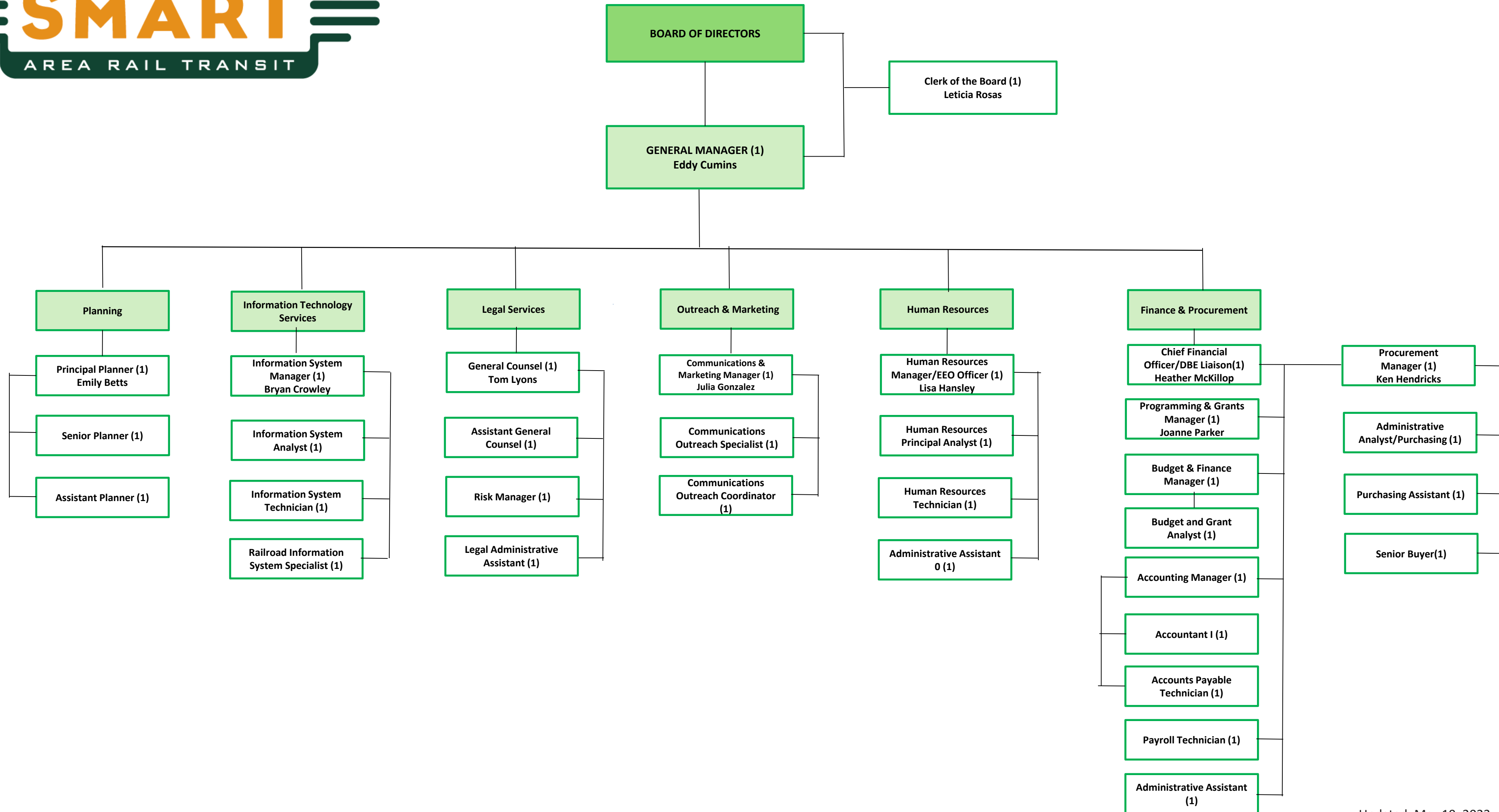
APPENDIX G - ORGANIZATION CHART

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT - ORGANIZATION CHART



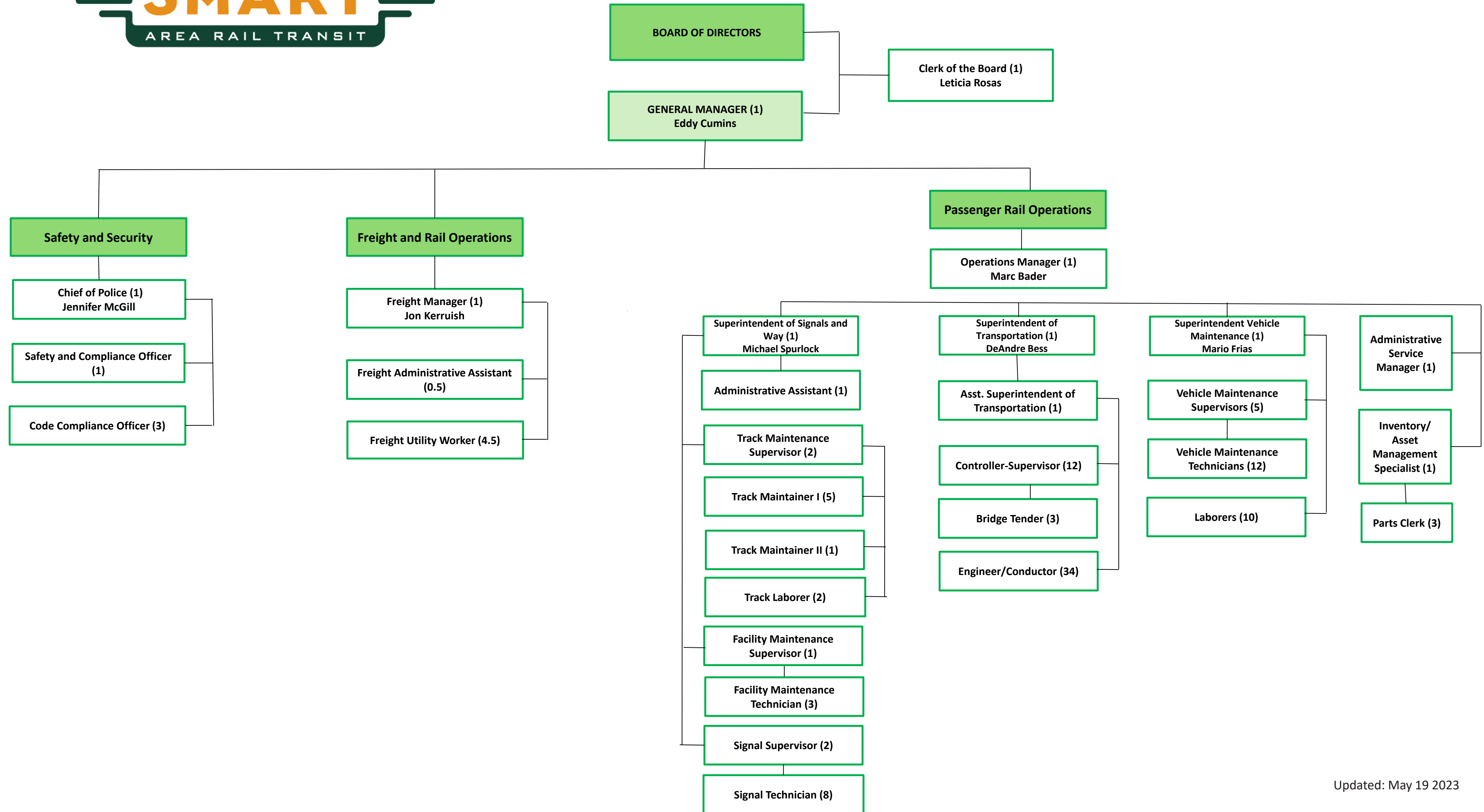


ADMINISTRATION/FINANCE ORGANIZATION CHART





OPERATIONS ORGANIZATION CHART





CAPITAL ORGANIZATION CHART

