

# FY 2023/2024 Budget Workshop

## May 3, 2023

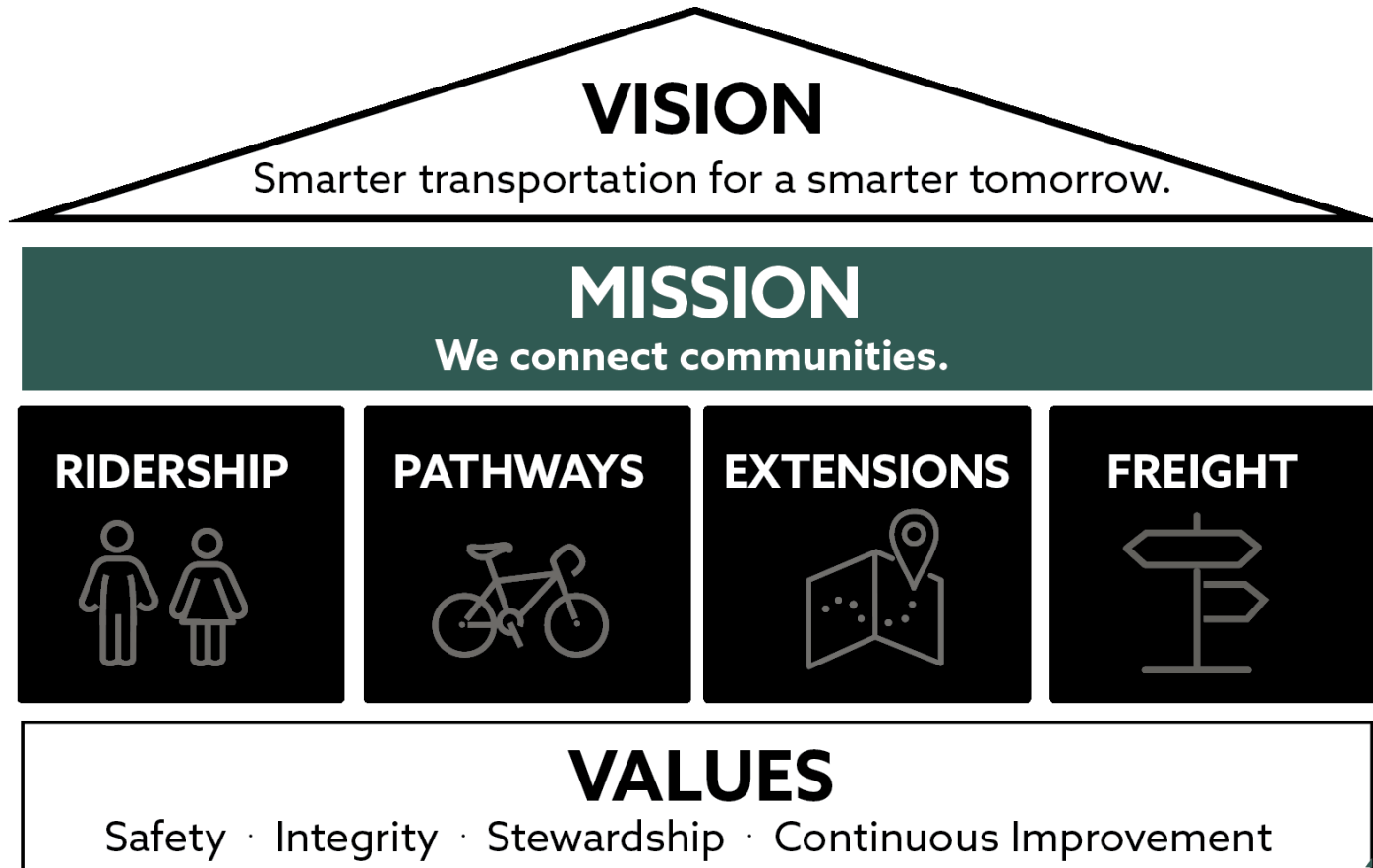


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# Vision and Mission

# Vision and Mission



# Strategies - Ridership

- Implement Micro-Transit 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

# Strategies - Pathways

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

# Strategies - Extensions

## North Extension to Cloverdale:

- 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



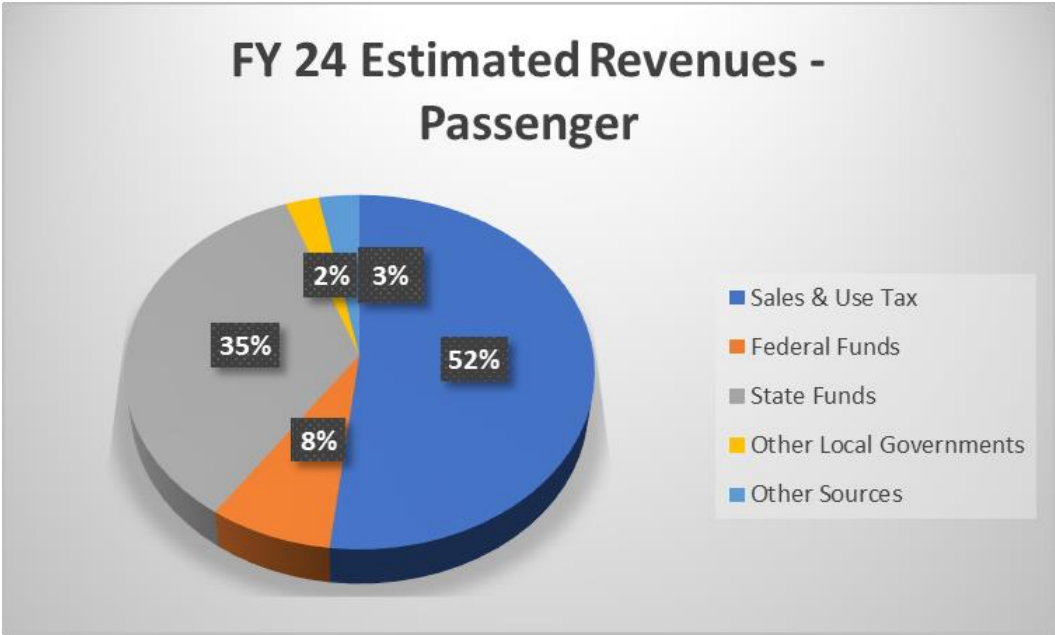
# Strategies - Freight

- 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.



# Revenues - Passenger

# Estimated Revenues – FY 2024

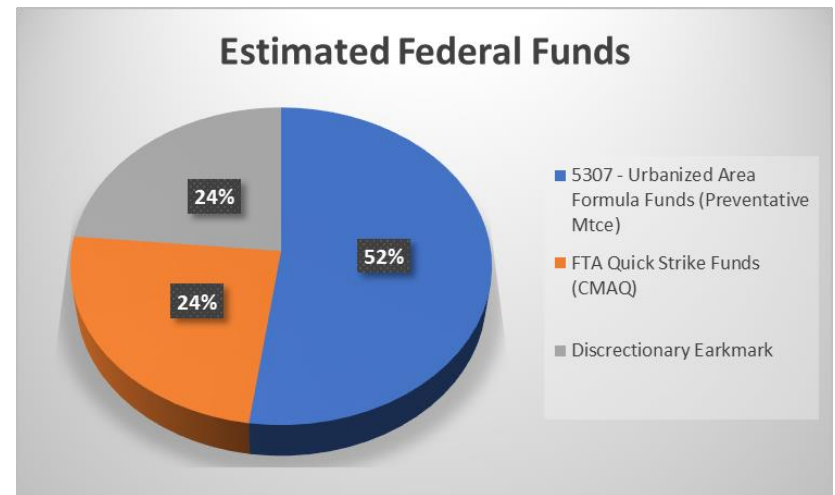


# Revenues – Sales and Use Tax

- Current Forecast FY 24 - \$51,103,000
  - FY 23 Forecast was \$51,090,000
  - Flat for FY 24
  - Reflects slowing in the economy
- Previous Growth Rates
  - FY 21 – 12.9%
  - FY 22 – 11.5%
  - FY 23 – 4.1%
- Recession Scenario
  - \$49,148,000 decrease of 3.8% or \$1.95 million

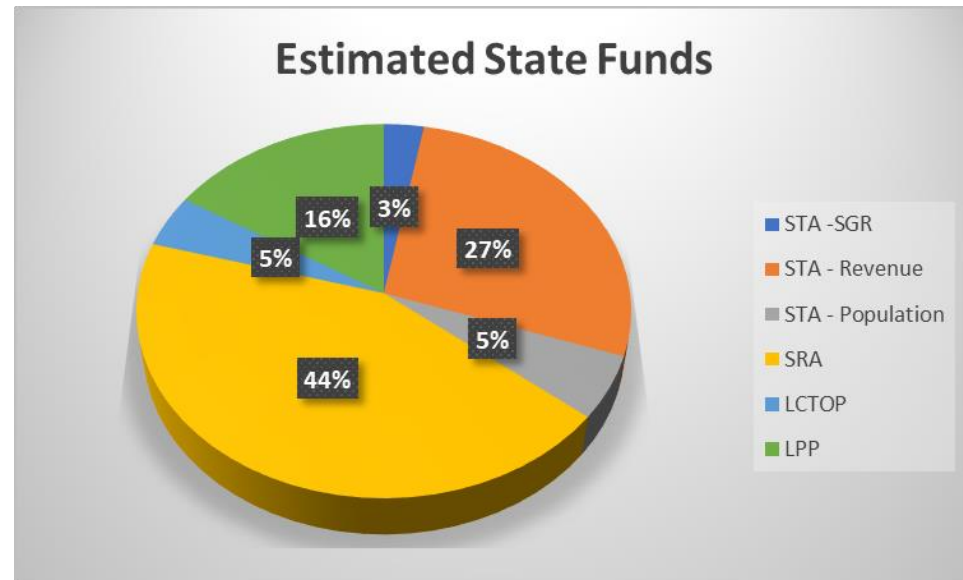
# Revenues - Federal

- 5307 – Urbanized Area Formula Funds
  - Utilized for preventative maintenance - \$3,997,642
- FTA / Quick Strike Funds
  - Pathway - \$1,857,999
- Discretionary Earmark
  - Windsor to Healdsburg - \$1,800,000



# Revenues - State

- STA – State of Good Repair
  - \$330,712
- STA – State Transit Assistance
  - \$3,170,013
  - Revenue Based
- STA – State Transit Assistance
  - \$629,067
  - Population Based
- SRA - State Rail Assistance
  - \$5,026,754
- LCTOP- Low Carbon Transit Operating
  - \$520,218
- LPP – Local Partnership Program
  - \$1,857,999



# Revenues – State – Project Specific

- Windsor Extension
  - AHSC – Affordable Housing and 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
  - RM3 – Regional Measure 3
    - \$40,000,000 available
    - \$3,200,000 budgeted in FY 24

# Revenues – State – Project Specific

- Petaluma North Station
  - TIRCP – Transit and Intercity Rail Capital Program
    - \$9,521,187 total grant
    - \$3,546,955 budgeted in FY 24
- McDowell Crossing
  - TIRCP – Transit and 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

# Revenues – State – Project Specific

- Quality of Life and Economic Impact Assessment
  - RMRA – Road Maintenance and Repair Act
    - \$400,000 grant pending announcement in June 2023



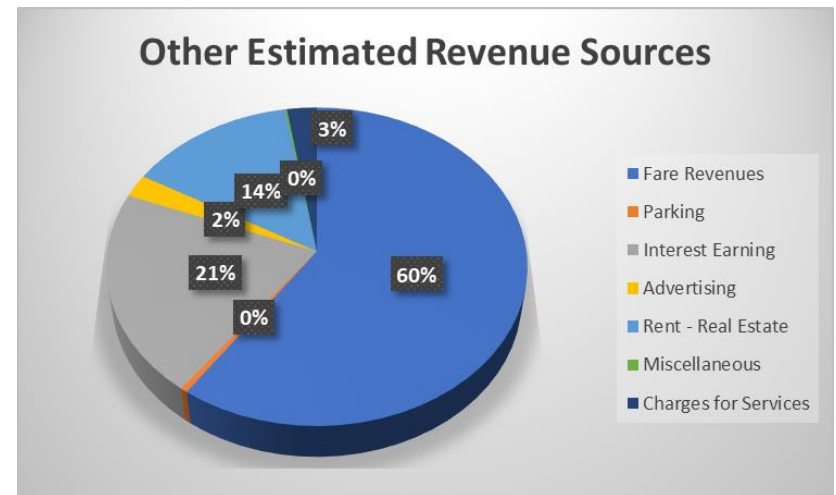
# Revenues – Local Governments –Project Specific

## 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

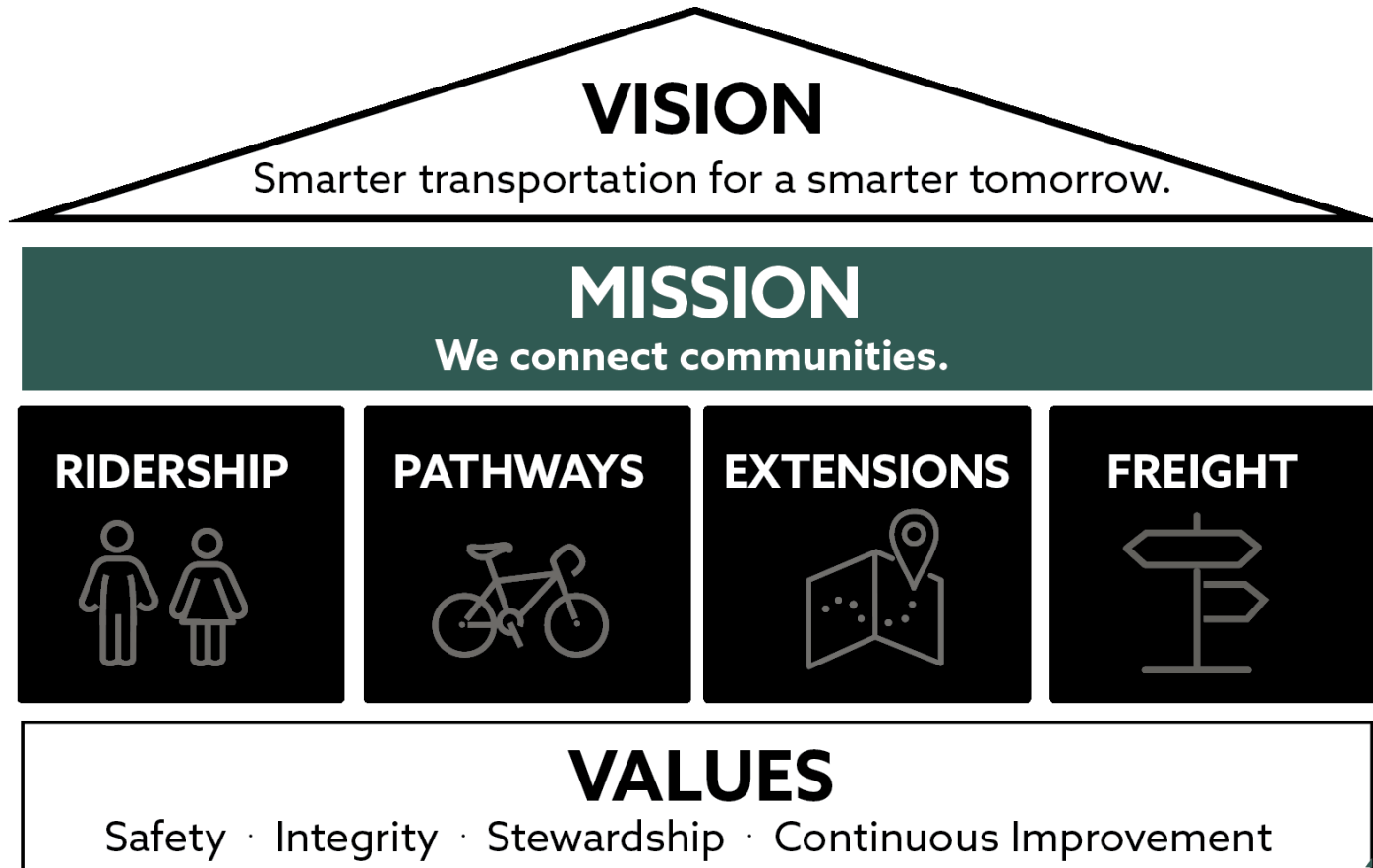
# Revenues – Other SMART Sources

- Fare Revenues
  - \$1,803,384
  - Based on ridership of 653,400 and average fare of \$2.76
- Parking
  - \$15,000
  - Estimate for overnight parking
- Interest
  - \$627,926
- Advertising
  - \$70,000
- Leases
  - \$423,721
- Miscellaneous
  - \$5,659
- Charges for Service
  - \$75,637



# Expenditures - Passenger

# 4 Pillars (Ridership, Pathways, Extensions, Freight)



# Ridership

## Revenue Impacts

- ✓ Allow Overnight Parking at SMART Park-n-Ride Lots
- ✓ Reprice Monthly Pass for 3-Day Work Week
- ✓ Free K-12 Summer Program

## Expenditures

- ✓ Implement Micro-transit Pilot Program at the Airport Station
  - Budgeted \$500,000 for first and last mile
- ✓ Implement Aggressive Marketing Plan
  - Increased budget by \$25,000
  - Website upgrade and redesign - \$150,000
- ✓ Quality of Life & Economic Impact Assessment
  - \$400,000 grant pending
- ✓ Public Information Display Signs at Platforms
  - Budgeted \$250,000
- ✓ Additional Evening Service
- ✓ Additional Event Service Based on Demand



# Expenditures - Ridership

- Convert One (1) Signal Technician Position to a Vehicle Maintenance Supervisor
  - 24/7 with three (3) shifts
  - Currently have shifts that are not covered
- Three (3) New Engineer/ Conductor Positions
  - Will be used as flex positions
  - Will allow us to continually recruit and limit the impact of vacancies in this area
- Bike Locker Upgrades
  - \$16,000
- Fare collection fee increases - \$216,000 up 10%
  - Increased ridership
  - Implementation of Clipper 2
- Customer Service Support Software
  - \$4,500
- EV Charging Stations at San Marin and Hamilton
  - \$150,000

# Pathways

- ✓ Construct funded segments of the Pathway
  - McGinnis to Smith Ranch Pathway - \$4,835,333
  - Hannah Ranch to Vintage Way Pathway - \$246,466
  - Guerneville Road to Airport Blvd Pathway - \$1,429,430
  - Sonoma County Pathways - \$6,513,660
  
- ✓ Continue to design and permit pathways
  - Marin-Sonoma Pathways - \$1,603,744
  - Marin Pathways - \$4,098,301
  - Puerto Suello to San Pedro Road - \$708,277
  
- ✓ Develop and implement wayfinding program
  - Fabrication and Installation \$150,000

# Extensions

- ✓ Santa Rosa to Windsor
  - \$10,000,000
- ✓ Windsor to Healdsburg
  - \$5,000,000
- ✓ Petaluma North Station
  - \$6,027,063
- ✓ McDowell Crossing
  - \$778,141



# Expenditures – Pathways and Extensions

- Administration
  - One (1) New Procurement Position
    - Senior Buyer
- Engineering
  - Convert one (1) position from Associate Engineer to Assistant Engineer (Existing position)
  - One (1) New Assistant Engineer
  - One (1) New Junior Engineer

# Efficiencies

- Commercial Drivers License and Hi-Rail Inspection Training
  - \$18,500
- Software
  - Oracle Projects and Grants Implementation and Licenses
    - One time implementation \$200,000
    - Ongoing licenses \$82,000



# Compliance

- Operations
  - One (1) New Parts Clerks
    - Currently have two (2) positions
    - Based on workload
  - One (1) New Inventory Manager/ Asset Management Specialist
    - Need centralized point of contact for purchasing, inventory, and asset tracking
- EEO consultant – Plan update required

# Other Capital and State of Good Repair

- Track, MOW, and Facilities
  - \$545,300
- Non-Revenue Vehicles
  - Price Increases FY 24 - \$159,000
  - Advance FY 25 - \$530,000
- Equipment
  - \$69,500
- Information Technology
  - \$235,400
- DMU's
  - \$1,785,000

# Expenditures – Salaries and Benefits

- Pay Increases
  - Represented Employees
    - Consistent with Collective Bargaining Agreements (CBA)
  - Non-Represented Employees
    - 3% COLA effective 1<sup>st</sup> full pay period in July (July 28<sup>th</sup> Pay Day)
- Benefits
  - Overall Increase of 10%
  - Formalize Tuition Reimbursement
    - Up to \$2,500 per year/ employee
- Classification and Compensation Study
  - Still finalizing results
  - Expectation of title changes and limited classification changes

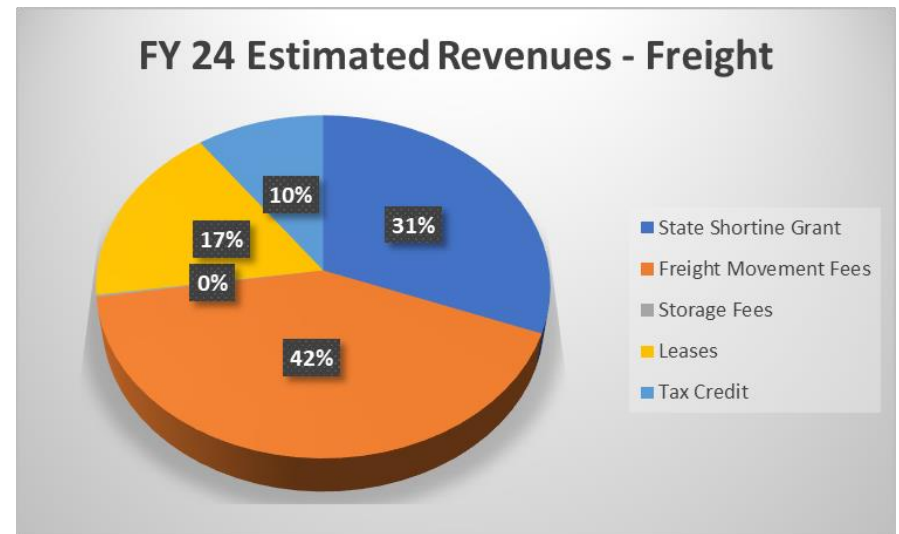
# Expenditures – Services and Supplies

- Utilities
  - Increased by 7%
  - \$775,520 to \$830,120
- Insurance
  - Increase by 18%
  - \$2,361,764 to \$2,795,395

# Revenues - Freight

# Revenues

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





# Strategies - Freight

## In Progress

- Increase annual revenue by \$500,000+
  - State Short-line Grant is still pending approval
    - \$1,249,000
    - 50% match
  - Expecting \$1,307,711 in revenues to roll-forward from FY 23
- 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

# Expenditures - Freight

# Expenditures

- ✓ Decrease expenditures by \$100,000+
  - Decreased by \$335,000
- ✓ Manage maintenance requirements
  - Bridges, tracks, crossings, equipment, etc.
- Reduce car hire fees
  - Still working on

Account Description	FY 24 Requested Budget
Cost Allocation - Salaries & Benefits	\$ 59,975
Insurance	\$ 73,704
Maintenance of Equipment	\$ 33,250
Maintenance of Radios	\$ 2,034
Maintenance of Signals	\$ 15,000
Maintenance of Revenue Vehicles	\$ 95,000
Maintenance of Facilities	\$ 25,000
Maintenance of Railway	\$ 60,000
Training & Travel Expense	\$ 10,000
Permits/ Fees	\$ 110,000
Rental/ Leases - Equipment	\$ 55,000
Mileage Reimbursement & Auto Tolls	\$ 2,500
Contract Services - Administrative	\$ 223,206
Communications	\$ 15,000
Uniform Expense	\$ 5,000
Fuel and Lubricants	\$ 115,000
Memberships	\$ 1,000
Miscellaneous Expense	\$ 102,500
Small Tools and Equipment	\$ 15,000
Computer Software	\$ 33,640
Utilities	\$ 15,000
Cost Allocation - Services & Supplies	\$ 104,120
	<b>\$ 1,170,929</b>

# Projects

Working on highest priority improvements:

Account Description	FY24 Requested Budget
Brazos Branch - Phase II	\$ 440,000
Tie Replacement	\$ 50,000
Grade Crossing Repair	\$ 100,000
	\$ 590,000

# Next Steps

# Next Steps

- Incorporate Feedback as Appropriate from Workshop
- Board Meeting on May 17<sup>th</sup>
- Draft Budget Published for Public Review
- COC meeting on May 24<sup>th</sup>
- Incorporate comments
- Present Budget for Board Approval June 21<sup>st</sup>

# Connect with us:

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