

SMART Board of Directors

Fiscal Year 2024/2025 Budget Workshop

May 1, 2024

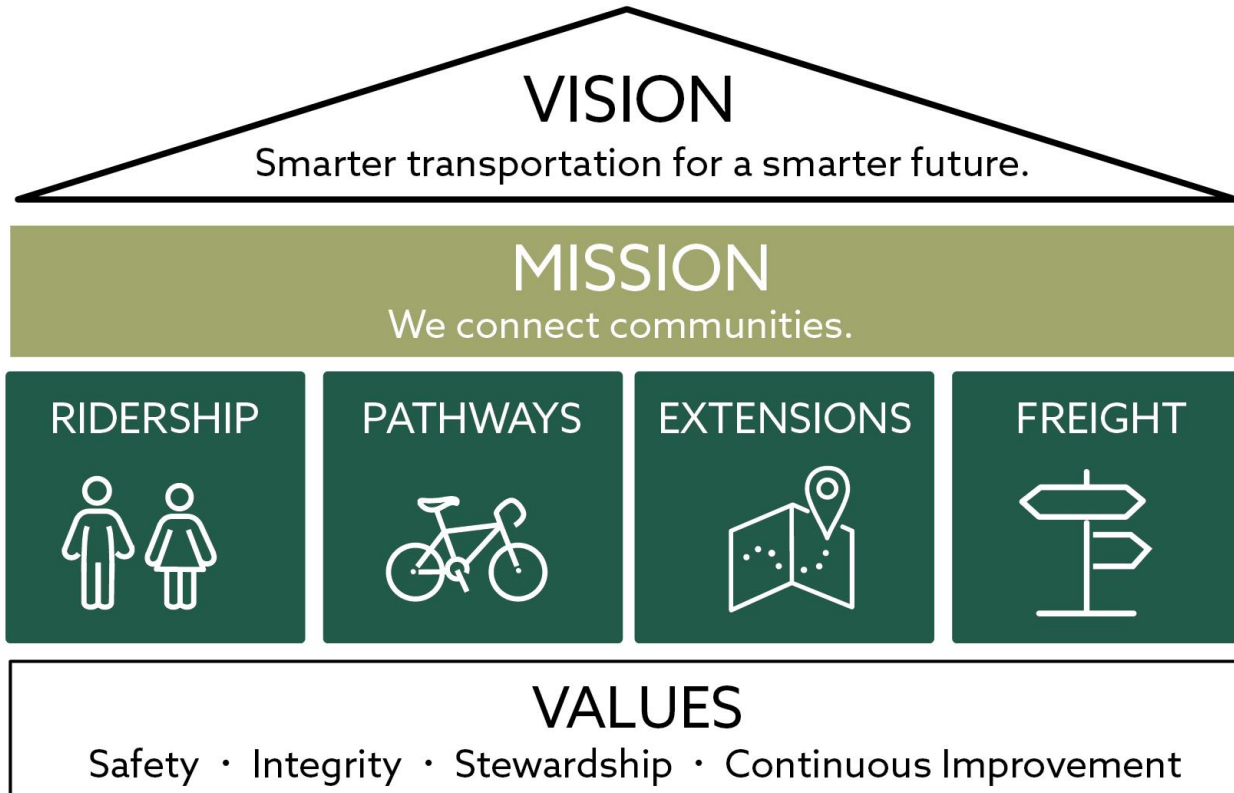


Contents

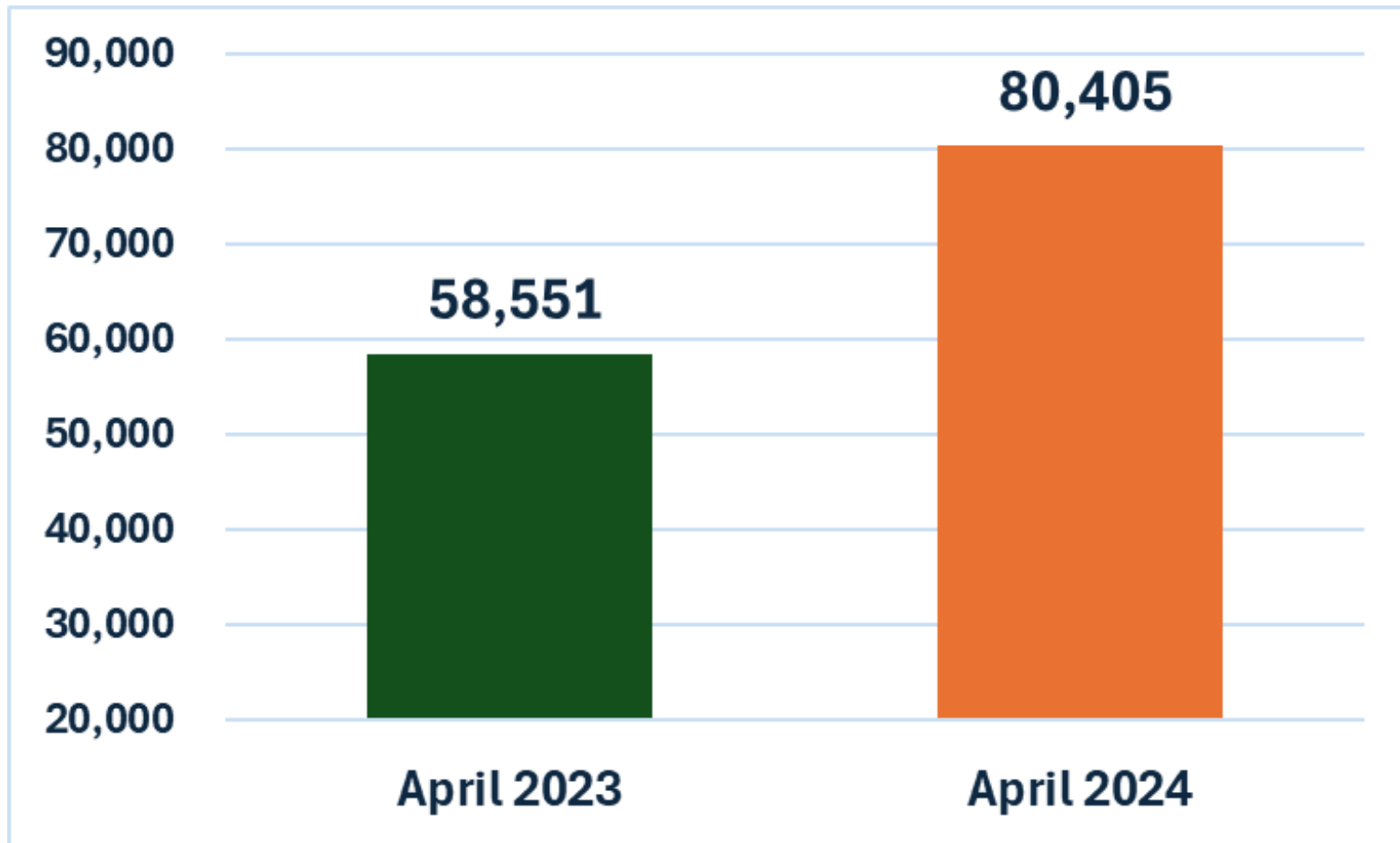
- Vision & Mission
- Objectives & Strategies
- Revenues – Passenger
- Expenditures – Passenger
- Revenues – Freight
- Expenditures – Freight
- Next Steps

Vision & Mission

Mission & Vision



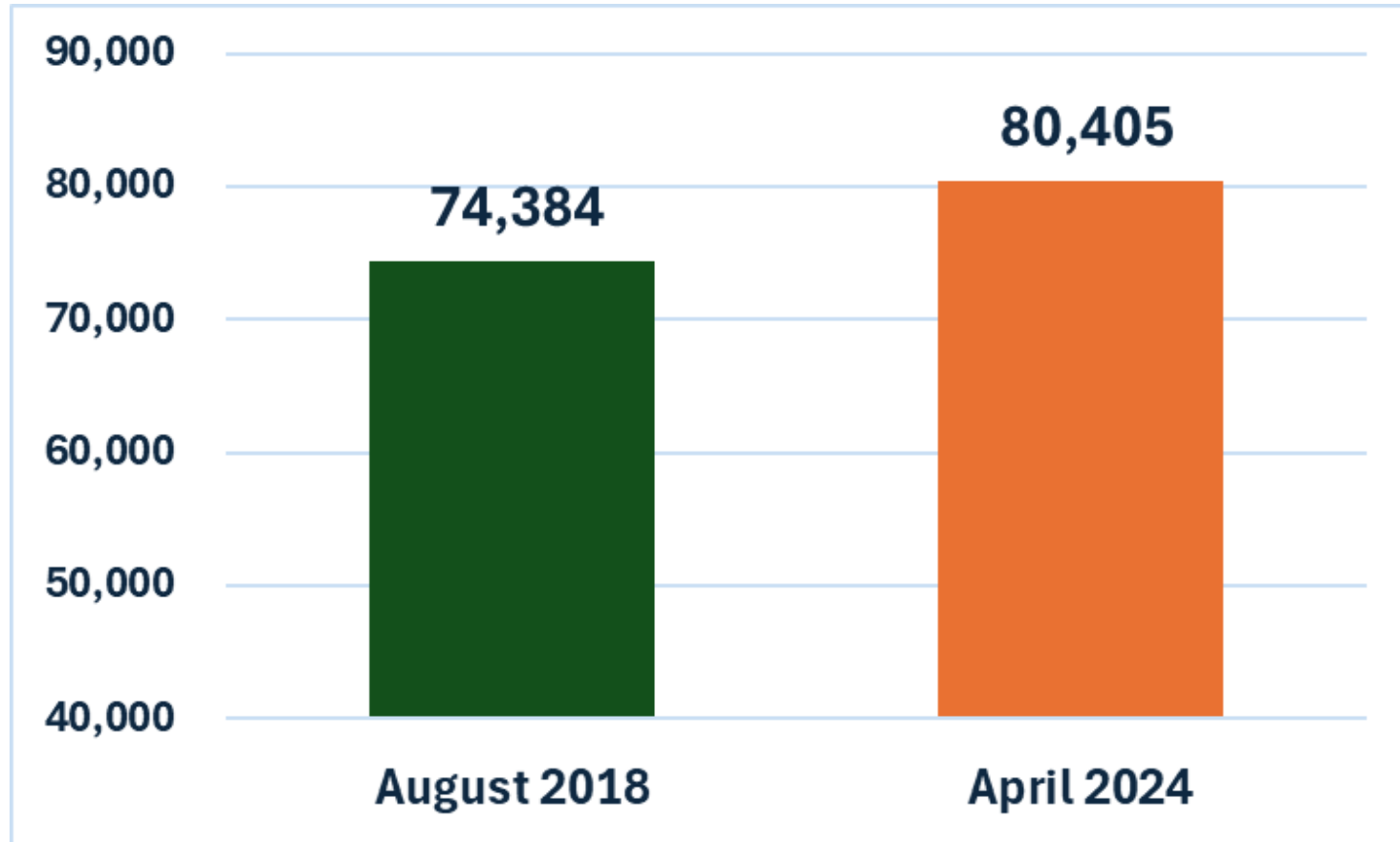
SMART Ridership



- **37% higher than April 2023**



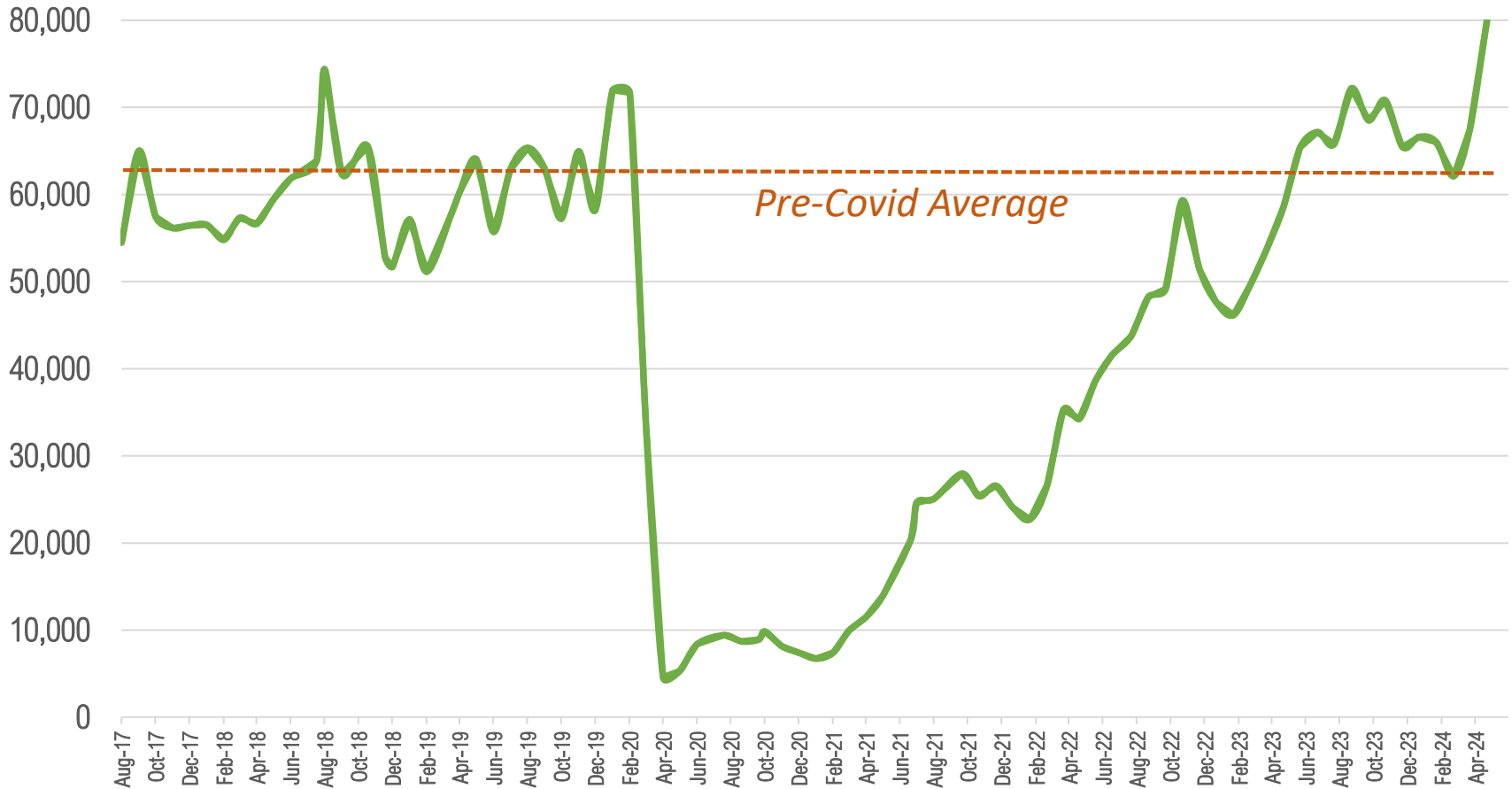
SMART Ridership



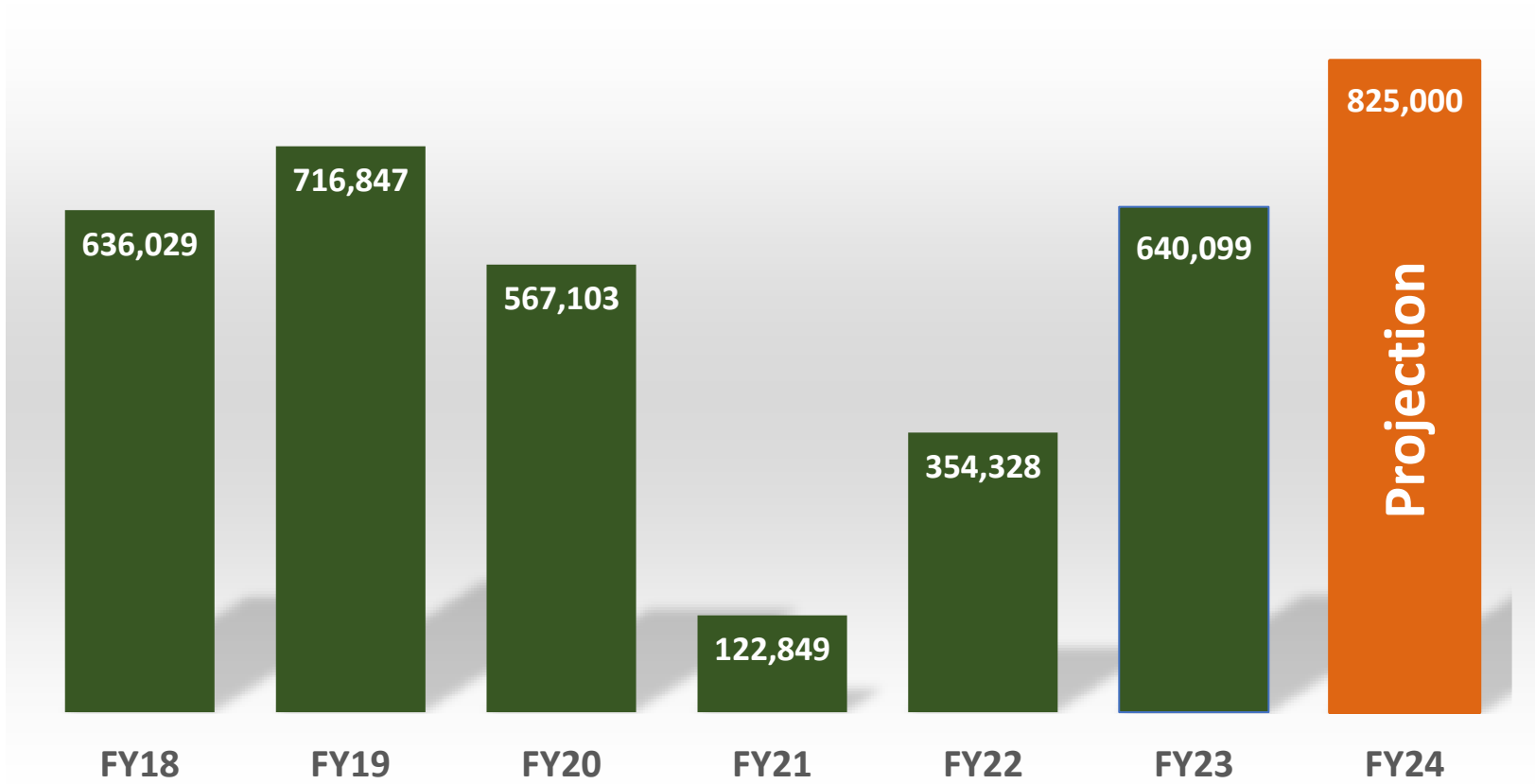
- New “All-Time” monthly ridership record!
- 8% higher than August 2018



Ridership Recovery



SMART Annual Ridership



- 29% higher than FY23
- 15% higher than FY19



FY25 Priorities - Capital

- Complete Petaluma North Project by January 2025
- Complete Windsor Extension by April 2025
- Complete 3 Pathway Projects under construction
- Complete Wayfinding Project
- Complete Real-Time Electronic Signage Project
- Continue design & permitting on remaining pathway segments
- Begin design work on Healdsburg Extension and Pathway
- Maintain state of good repair (SGR)
- Continue seeking grants
- Get Extensions into Plan Bay Area

FY25 Priorities - Operations

- Serve 904,200 riders in FY25
- Expand weekday service to meet demand
 - From 38 to 42 trips per day – August 2024
- Increase staffing to meet increased workload & provide for succession planning
- Provide enhanced first/last mile solutions
 - Larkspur & Marin Civic Center
- Continue discounted fares & free fares for youth & seniors
- Remain agile and open to change in post-pandemic environment
- Promote SMART to increase ridership & enhance public perception



Strategies – Ridership

- Finish construction and open Petaluma North Station
- Complete Windsor Extension and open Windsor Station
- Implement two additional round trips
- Continue Youth and Seniors Ride Free Program
- Public Information Sign Design and Implementation
- Additional shuttle service location(s)
- Work with Transit Providers to improve Bus/Ferry Connections
- Undertake Quality of Life Study
- Continuation of Enhanced Marketing Plan
- Continue monitoring the system/ridership and adjusting where necessary
- Ridership Estimate: 904,200 (nearly 10% increase from FY24)

Strategies – Pathways

- Construct funded segments of the Pathway
 - Santa Rosa to Windsor Pathway (part of Windsor Extension)
 - Segments 2 and 3 of the Sonoma County Pathway (part of Petaluma North Project)
 - Complete McInnis to Smith Ranch Road
- Seek out grant funding to construct further segments of Pathway
 - Hanna Ranch Rd to Vintage Way
 - Guerneville Rd to Airport Blvd
- Continue to design and permit Pathways
- Implement wayfinding program

Strategies – Extensions

- Open Petaluma North Station
- Complete Windsor Extension and open Windsor Station
- North Extension to Cloverdale
 - Design and Build Portions that are Funded
 - Extension to Healdsburg Partially Funded – Design and Partial Construction
- Continue effort to get Extensions into Plan Bay Area
- East/ West Rail
 - 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

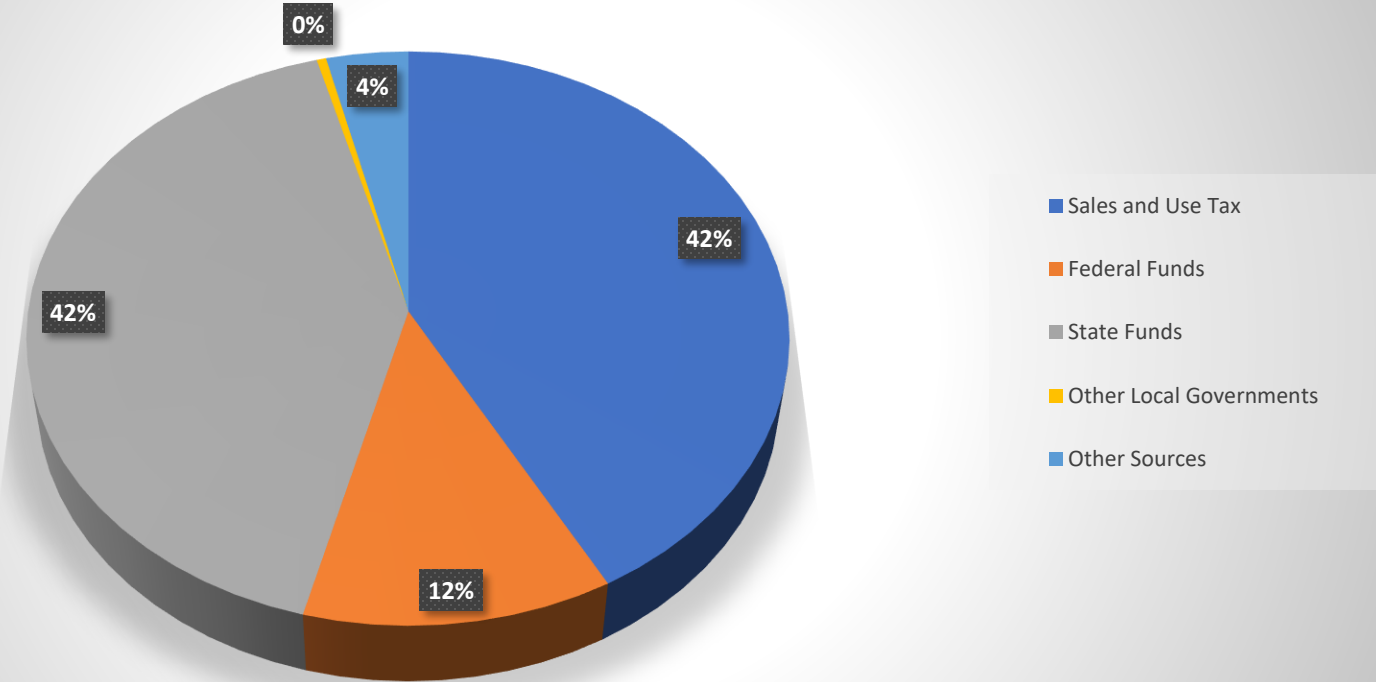
Strategies – Freight

- Increase annual revenue
- Secure funding for capital/ SGR improvement (\$10 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
- Manage maintenance requirements
 - Bridges, tracks, crossings, equipment, etc.

Revenues - Passenger

Estimated Revenues – FY25

FY25 Estimated Revenue - Passenger

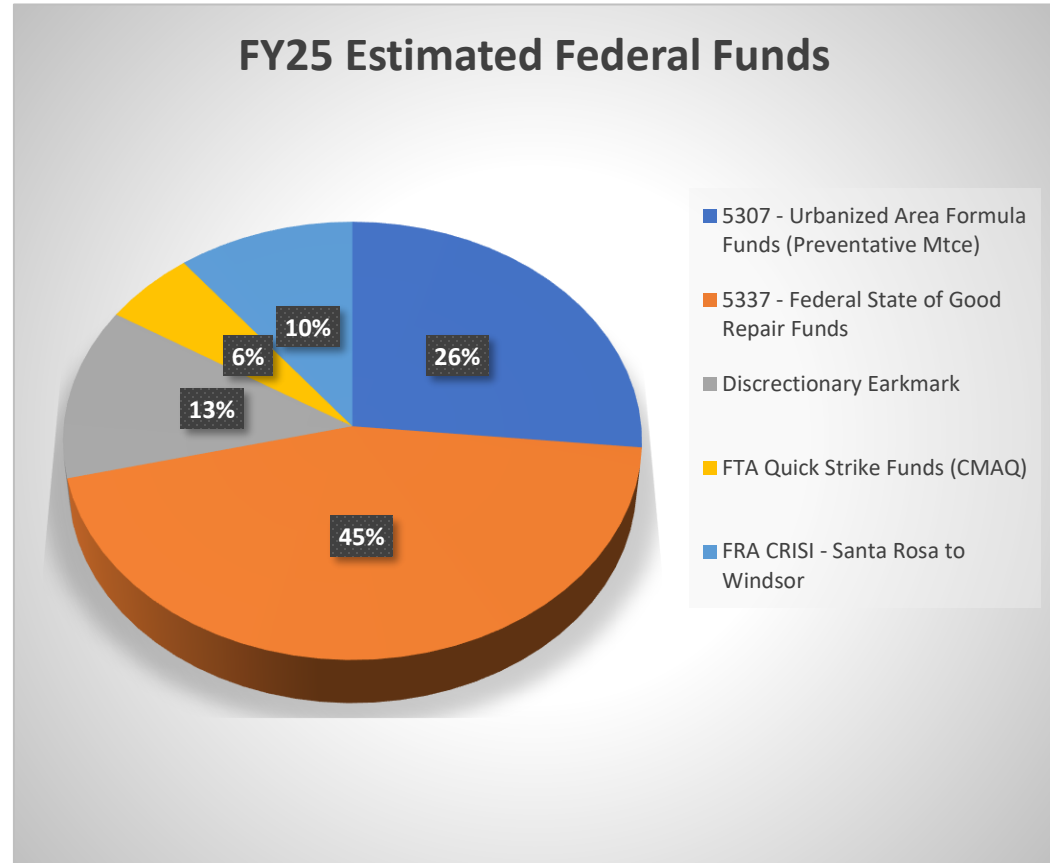


Revenues – Sales & Use Tax

- Current Forecast FY25 - \$50,426,000
 - FY24 Adjusted Forecast was \$50,030,000
 - Economy has cooled
 - This utilizes the “most likely” forecast scenario
- Previous growth rates
 - FY22 – 11.5%
 - FY23 – 4.1%
 - FY24 – Flat
- Recession scenario
 - \$48,711,500 decrease of 3.4% or \$1,714,500 from most likely scenario

Revenues - Federal

- 5307 – Urbanized Area Formula Funds
 - Utilized for preventative maintenance - \$3,770,292
- 5337 – Federal State of Good Repair Funds
 - New Fund Source starting in FY25
 - Capital assistance for maintenance, replacement, and rehabilitation projects - \$6,350,000
- Discretionary Earmark
 - Windsor to Healdsburg - \$1,800,000
 - Was originally programmed into FY24 but was moved out in the Amended Budget
- FTA / Quick Strike Funds
 - McInnis to Smith Ranch Pathway - \$789,308
- FRA CRISI – Santa Rosa to Windsor
 - PTC System Integration and Testing - \$1,499,298



Revenues - State

- STA – State of Good Repair
 - \$340,634

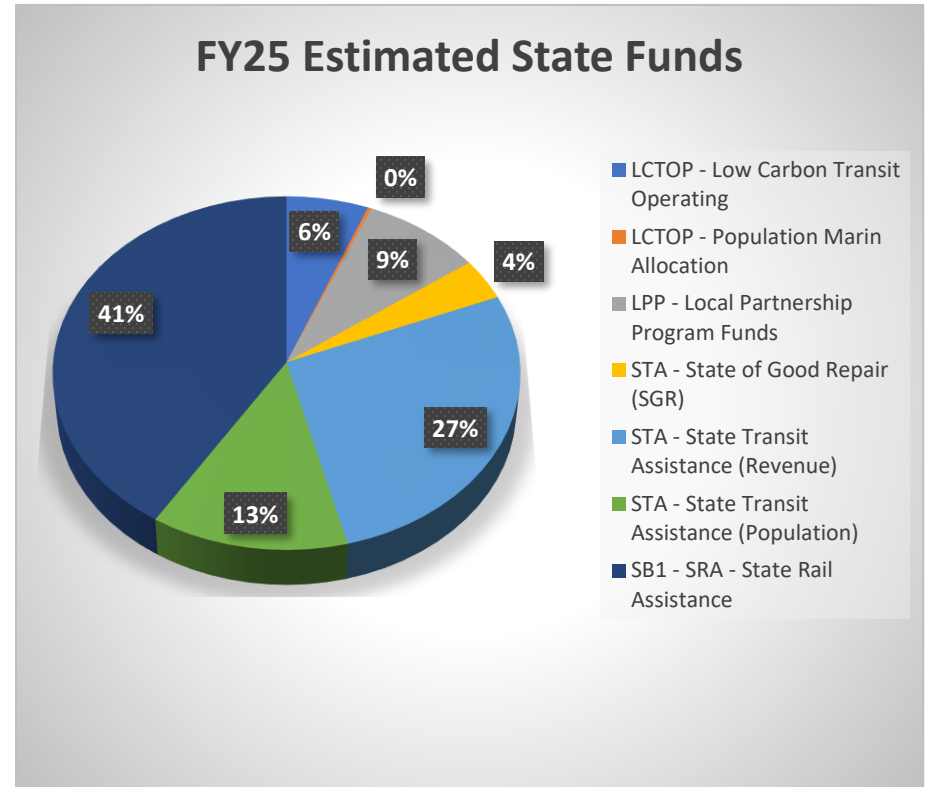
- STA – State Transit Assistance
 - \$2,451,807
 - Revenue Based

- STA – State Transit Assistance
 - \$1,162,223
 - Population Based

- SRA - State Rail Assistance
 - \$3,700,000

- LCTOP- Low Carbon Transit Operating
 - \$566,356

- LPP – Local Partnership Program
 - \$789,308



Revenues – State – Project Specific

- Windsor Extension
 - AHSC – Affordable Housing & Sustainable Communities
 - Two grants for a total in FY25 of \$3,299,485
 - SCC – Solutions for Congested Corridors
 - \$13,341,386 budgeted in FY25
 - ITIP – Interregional Transportation Improvement Program
 - \$3,230,381 budgeted in FY25
- Windsor to Healdsburg
 - TIRCP – Transit and Intercity Rail Capital Program
 - \$1,450,000 budgeted in FY25

Revenues – State – Project Specific

- Petaluma North Station
 - TIRCP – Transit & Intercity Rail Capital Program
 - \$6,774,657 budgeted in FY25
 - AHSC – Affordable Housing Sustainable Communities Program
 - \$895,000 budgeted in FY25
- McDowell Crossing
 - AHSC – Affordable Housing Sustainable Communities Program
 - \$1,654,485 budgeted in FY25
- Sonoma County Pathway
 - ATP – Active Transportation Program
 - \$8,104,983 budgeted in FY25
- Joe Rodota to Third Street Pathway Construction
 - AHSC – Affordable Housing Sustainable Communities Program
 - \$225,000 budgeted in FY25

Revenues – State – Project Specific

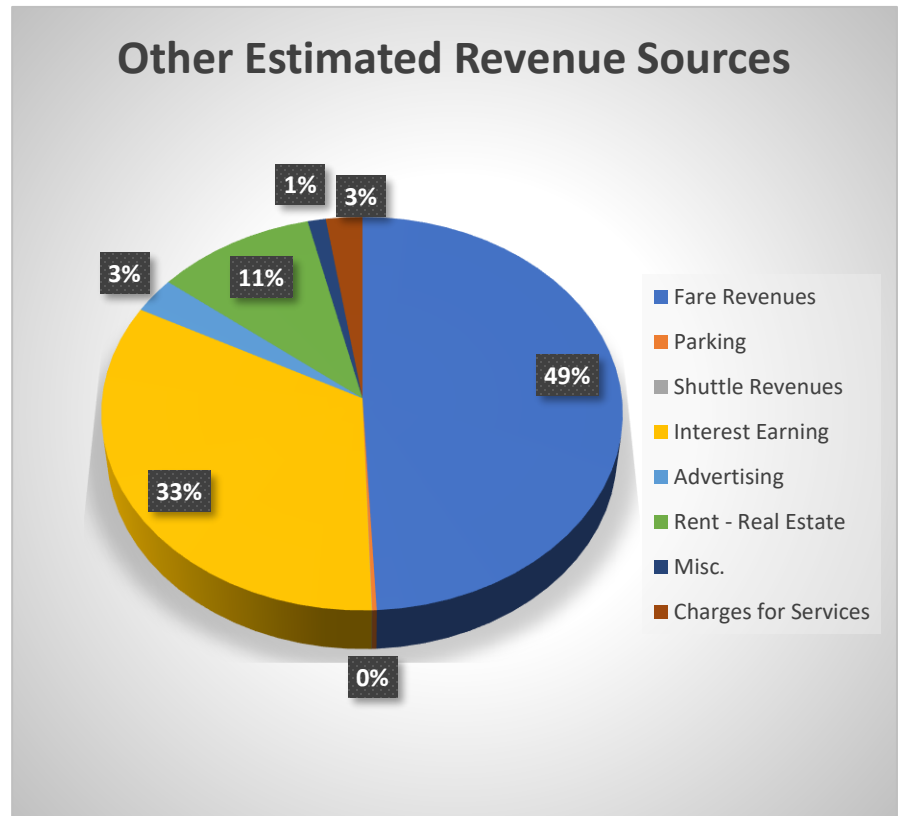
- Quality of Life & Economic Impact Assessment
 - RMRA – Road Repair and Accountability Act funded Caltrans Sustainable Transportation Planning Grant
 - \$390,000 budgeted in FY25
- Shuttle Service
 - Funded by State of California General Fund Budget Act of 2023
 - \$500,000 budgeted to FY25
- Real Time Signage at Stations
 - Clean California Transit Grant - \$300,000 budgeted in FY25
- Pathway Wayfinding Fabrication and Implementation
 - Clean California Transit Grant - \$581,316 budgeted in FY25

Revenues – Local Governments -Project Specific

- Joe Rodota to 3rd Street Traffic Signal Design
 - City of Santa Rosa
 - \$13,987 budgeted in FY25
- Windsor Pedestrian Undercrossing
 - Town of Windsor
 - \$500,000 budgeted in FY25
 - Region Measure 3 (RM3) funding through Sonoma County Transportation Authority
 - \$1,276,000 rolling to FY25
- Windsor Utility Crossings
 - Town of Windsor
 - \$100,000 rolling to FY25

Revenues – Other SMART Sources

- Fare Revenues
 - \$2,215,290
 - Based on ridership of 904,200
- Parking
 - \$11,400
 - Estimate for overnight parking based on FY24 data
- Interest
 - \$1,500,000
- Advertising
 - \$132,100
- Leases
 - \$479,636
- Miscellaneous
 - \$54,257
- Charges for Service
 - \$109,564



Petaluma North Project Funding Plan

Petaluma In-fill Station, SoCo Pathways, North McDowell Project				
<i>Petaluma North Station</i>	FY24	FY25	FY26	Total
City of Petaluma	\$ 2,000,000	\$ -	\$ -	
Measure M - Sonoma County	\$ 816,647	\$ -	\$ -	
TIRCP - Petaluma North Funding	\$ 2,746,530	\$ 6,774,657	\$ -	
AHSC - Danco	\$ -	\$ 895,000	\$ -	
AHSC - Danco Solar	\$ -	\$ -	\$ 1,300,000	
Totals	\$ 5,563,177	\$ 7,669,657	\$ 1,300,000	
Project Total				\$ 14,532,834
<i>Sonoma County Pathway</i>				
	FY24	FY25	FY26	Total
ATP - SoCo Pathway - CTC/Caltrans/MTC	\$ 2,651,942	\$ 8,104,983	\$ -	
Measure Q	\$ 605,936	\$ 9,451,954	\$ -	
Totals	\$ 3,257,878	\$ 17,556,937	\$ -	
Project Total				\$ 20,814,815
<i>McDowell Crossing</i>				
	FY24	FY25	FY26	Total
TIRCP - McDowell Crossing	\$ 578,816	\$ -	\$ -	
Measure Q	\$ 936,459	\$ 9,999	\$ -	
AHSC - Danco	\$ 645,515	\$ 1,654,485	\$ -	
Totals	\$ 2,160,790	\$ 1,664,484	\$ -	
Project Total				\$ 3,825,274
<i>McDowell Paving</i>				
	FY24	FY25	FY26	Total
City of Petaluma	\$ 886,712	\$ -	\$ -	
Project Total				\$ 886,712



Windsor Extension Funding Plan

Santa Rosa to Windsor				
Civil Work	FY24	FY25	FY26	Total
SCCP - Windsor	\$ 16,658,614	\$ 13,341,386		
AHSC - Windsor (Kashia Tribe/ Windsor/ Burbank Housing)	\$ 750,000	\$ 750,000		
AHSC - Windsor (City of Santa Rosa/ Mid-Pen)	\$ 2,038,161	\$ 2,038,161		
Measure Q	\$ -	\$ 625,829	\$ 120,000	
Total	\$ 19,446,775	\$ 16,755,376	\$ 120,000	
Project Total				\$ 36,322,151
Systems Work				
State ITIP - Windsor Systems Work	\$ 6,769,619	\$ 3,230,381	\$ -	
FRA - CRISI Santa Rosa to Windsor (Most billed out prior)	\$ 250,000	\$ 1,499,298	\$ -	
Measure Q	\$ -	\$ 1,335,074	\$ -	
Total	\$ 7,019,619	\$ 6,064,753	\$ -	
Project Total				\$ 13,084,372
Ped Grade Separation				
SCTA RM3 - Ped Grade Separation	\$ 1,524,000	\$ 1,276,000	\$ -	
City of Windsor - Ped Grade Separation	\$ 1,000,000	\$ 500,000	\$ -	
Total	\$ 2,524,000	\$ 1,776,000	\$ -	
Project Total				\$ 4,300,000
Utility Crossings				
Town of Windsor	\$ 307,100	\$ 100,000	\$ -	
Project Total				\$ 407,100



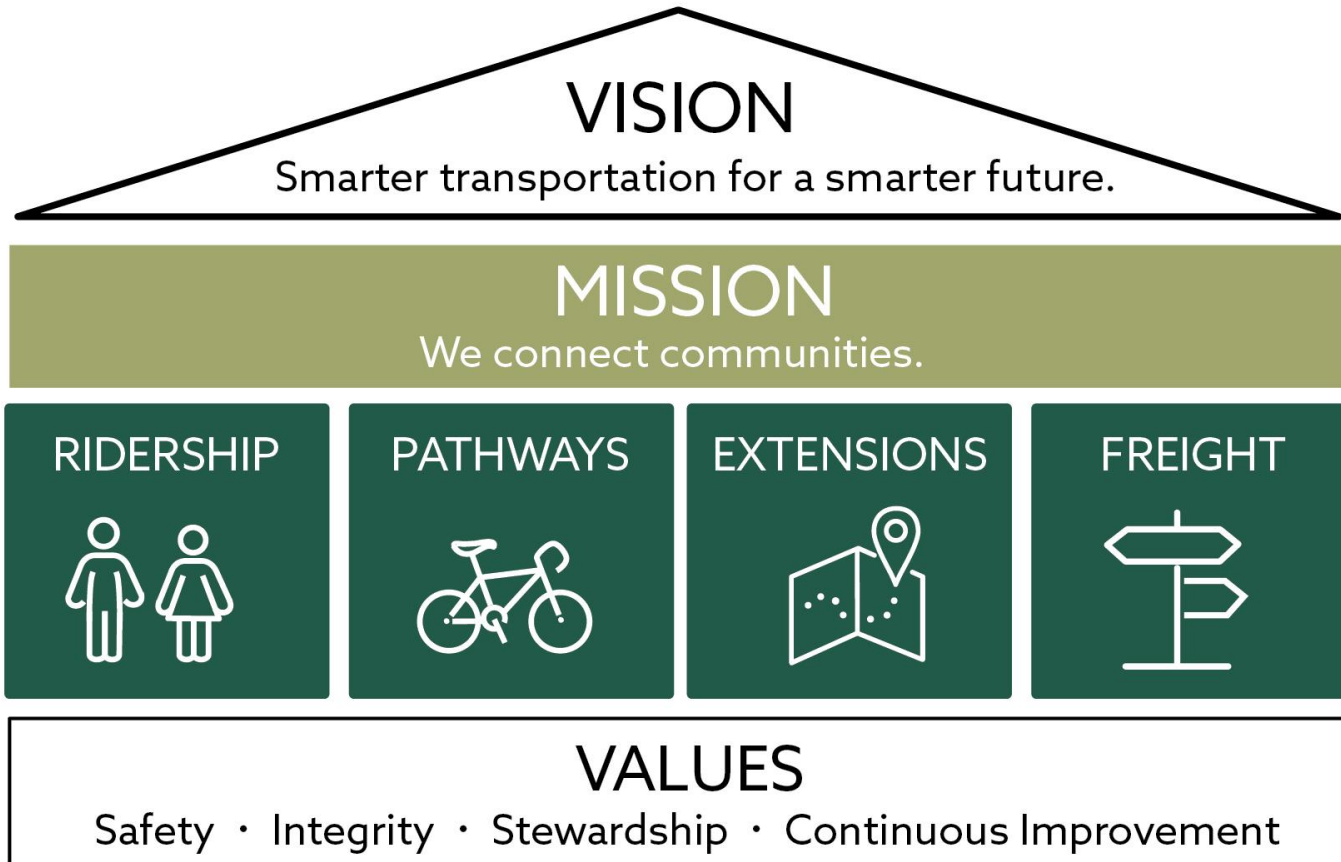
Healdsburg Estimated Extension Funding Plan as of FY24

Windsor to Healdsburg					
<i>Design and Construction</i>	FY 24	FY 25	FY 26	FY 27	Total
FRA CRISI - Windsor to Healdsburg (Still to be decided by FRA)	\$ -	\$ -	\$ 14,070,000	\$ 14,070,000	
Federal FY 23 Earmark - Windsor to Healdsburg	\$ -	\$ 1,800,000	\$ -	\$ -	
State TIRCP - Windsor to Healdsburg	\$ -	\$ 1,450,000	\$ 16,444,000	\$ 16,444,000.0	
RM3 - Windsor to Healdsburg	\$ -	\$ -	\$ 8,508,000	\$ 31,492,000	
Measure M Sonoma County - Windsor to Healdsburg	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	
Future Grants	\$ -	\$ -	\$ -	\$ 54,122,000	
Total	\$ -	\$ 3,250,000	\$ 40,022,000	\$ 117,128,000	
Project Total					\$ 160,400,000



Expenditures - Passenger

4 Pillars



Ridership – FY25

Revenue Impacts

- Youth and Seniors Ride Free
- Complete system extension to Windsor

Expenditures

- Expand Micro-transit Pilot Program
 - Budgeted \$1,000,000 for first & last mile
- Continue with Enhanced Marketing Plan
 - Additional \$200,000 for second mailer
 - Website upgrade & redesign - \$500,000
- Quality of Life & Economic Impact Assessment
 - \$390,000 grant funded amount budgeted in FY25
- Public Information Display Signs at Platforms
 - Budgeted \$550,000
- Additional Event Service Based on Demand
- Automated Station Announcements
 - Budgeted \$34,000

Pathways – FY25

- Construct funded segments of the Pathway
 - McGinnis to Smith Ranch Pathway - \$1,620,233
 - Hannah Ranch to Vintage Way Pathway - \$200,000
 - Guerneville Road to Airport Blvd Pathway - \$200,000
 - Sonoma County Pathways - \$17,936,557
 - Joe Rodota to Third Street - \$465,985
- Continue to design and permit Pathways
 - Marin-Sonoma Pathways - \$1,304,423
 - Marin Pathways - \$4,038,421
 - Puerto Suello to San Pedro Road - \$708,277
- Develop and implement Wayfinding Program
 - Fabrication and Installation \$731,316

Extensions – FY25

- Santa Rosa to Windsor
 - \$23,715,916
 - Town of Windsor Pedestrian Undercrossing - \$1,776,000
 - Town of Windsor Utility Crossing - \$100,000
- Windsor to Healdsburg
 - \$3,250,000
- Petaluma North Station
 - \$7,549,424
- McDowell Crossing
 - \$1,664,485



Efficiencies – FY25

- Dispatch Software and System Upgrade - \$2,500,000
 - Control all train routing, field restrictions, forms bulletins, and authorities issued by Dispatcher, some of which not available with current software
- Radio System Upgrade - \$287,500
 - Improve coverage throughout system, allow communication within the body of the train
- Software - \$150,000
 - Oracle – Maximo Integration: financial software system of record to communicate with operations software system for work orders, inventory
- DMU Cameras - \$1,250,000
 - 198 cameras to be installed, 2 spares and a central system to store and playback fleetwide coverage

Other Capital & State of Good Repair – FY25

- Track, MOW, & Facilities
 - \$1,364,400
- Pathways
 - \$100,000
- Non-Revenue Vehicles
 - \$571,000
- Information Technology
 - \$805,910
- DMUs
 - \$1,551,988

Expenditures – Salaries & Benefits

– FY25

- Estimate for salaries and benefits of current positions: \$27,147,608
- New salary structure with wider bands/no steps for non-represented
- Represented employees pay structures determined by CBA
- COLA recommendation is 3%
- Up to 5% increase (including COLA) for non-represented not at the top of the range
- All salary changes effective July 1 of each year
- Benefits Increases – estimated at 10%
- New Positions
 - 6 new FTE positions, 2 new limited positions, 1 new intern
 - Budget Impact: \$1,038,000 inclusive of benefits

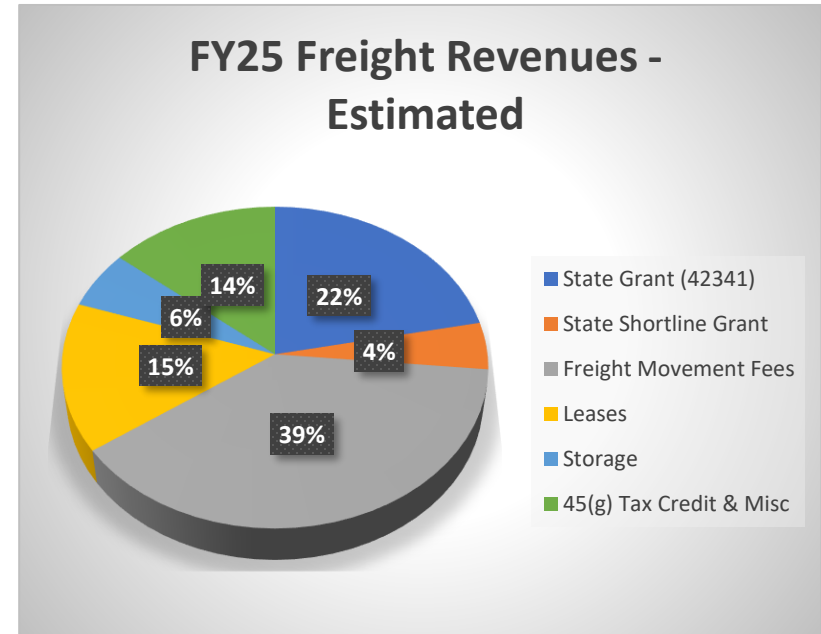
New Positions – FY25

- Grants and Budget Analyst
 - Post-initial grant award through grant execution contract administration duties
- Real Estate Administrative Assistant
 - Processing files and permits, data entry and document reorganization and retention
- Lead Facility Maintenance Engineer
 - Leadership and technical expertise to team of technicians, knowledge of elements of Maintenance of Way to identify and improve preventative maintenance procedures
- Superintendent Maintenance of Way
 - Training in compliance (OSHA, FRA, CPUC) conduct safety observations of track, and develop and implement safety improvement initiatives
- Operations Communication Specialist (2)
 - Non-train movement related communications (ie public safety, notifications, service recovery tracking of delays, bus bridge coordination), monitors displays and radio communications, transmits information to the public
- Marketing and Communications Intern
 - Help preparing, staffing events and assist with outreach campaign for rail safety to Windsor
- Limited Term Code Compliance Officer
 - Position to backfill due to employee on leave
- Limited Term Communications and Marketing Specialist
 - Succession planning

Revenues - Freight

Revenues – FY25

Revenue Source	FY25 Estimated
State Grant (42341)	\$ 393,549
State Shortline Grant	\$ 85,000
Freight Movement Fees	\$ 700,000
Leases	\$ 270,000
Storage	\$ 104,800
45(g) Tax Credit & Misc	\$ 253,000
Total	\$ 1,806,349



Expenditures - Freight

Expenditures – FY25

- Decrease expenditures
- Manage maintenance requirements
 - Bridges, tracks, crossings, equipment, etc.

Account	Account Description	FY 25 Requested Budget
	Salaries and Benefits	\$ 738,190
50995	Freight Cost Allocation - Administration	\$ 32,895
51061	Maintenance of Equipment	\$ 45,285
51063	Maintenance of Signals	\$ 15,000
51064	Maintenance of Revenue Vehicles	\$ 45,000
51071	Maintenance of Facilities	\$ 25,000
51074	Maintenance of Railway	\$ 87,000
51225	Training & Travel Expense	\$ 15,000
51244	Permits and Fees	\$ 72,690
51401	Rental/ Leases - Equipment	\$ 57,947
51605	Mileage Reimbursement & Auto Tolls	\$ 2,500
51802	Contract Services - Administrative	\$ 220,481
51902	Communications	\$ 15,000
52021	Uniform Expense	\$ 5,000
52061	Fuel and Lubricants	\$ 115,000
52091	Memberships	\$ 1,100
52101	Miscellaneous Expense	\$ 91,701
52117	Postage	\$ 5,000
52141	Small Tools and Equipment	\$ 18,000
52143	Software	\$ 8,640
52191	Utilities	\$ 22,000
	Total	\$ 1,638,429
	Projects	
	Brazos Branch - Phase II	\$ 67,920
	Grade Crossing Repair	\$ 100,000
	Total	\$ 167,920
	Grand Total	\$ 1,806,349

Next Steps

Next Steps

- Incorporate feedback as appropriate from Workshop
- Draft Budget Published for Public Review on May 10th
- Draft Budget presented at Board of Directors meeting on May 15th
- Citizens Oversight Committee (COC) meeting on May 22nd
- Integrate comments
- Present Final Budget for Board of Directors Approval June 18th

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