



COMMUNITY SURVEY ON PROPOSED SERVICE REDUCTIONS AND BUDGET STRATEGY

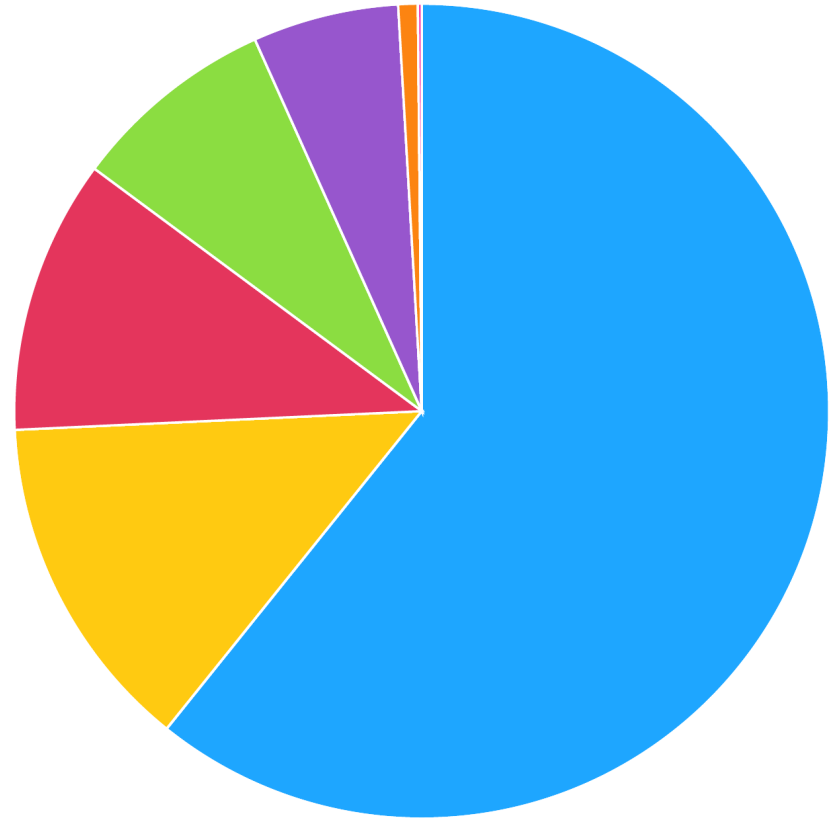
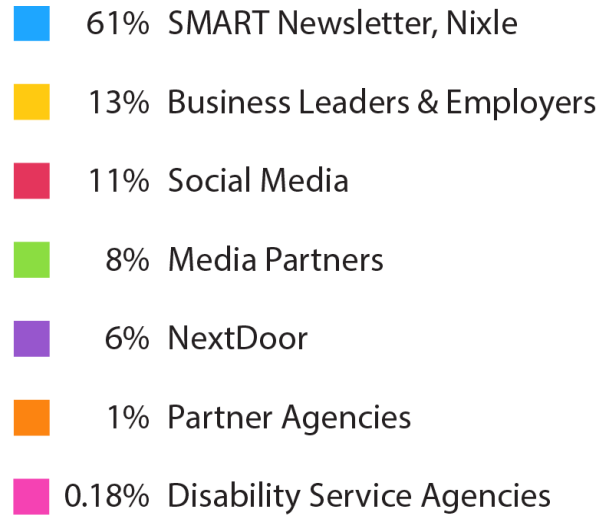
May 19, 2020

Community Survey on Proposed Service Reductions

- Open for 7 days from Monday, May 11 – Sunday, May 17
- Distributed through SMART's communication channels and thru 65 public and private agencies
- 3,281 respondents
 - 74% of respondents ride SMART
 - 26% of respondents have never traveled on SMART
- When comparing the responses of SMART riders to those of non-riders, they are remarkably similar
- The full survey results will be available online

EXECUTIVE SUMMARY

Where responses came from



On Eliminating WiFi

- 90% said eliminating WiFi would NOT factor in decision to ride
- 62% would use their own data plan
- 30% would create a personal hotspot
- 6% said data limits would prevent them from accessing internet

On paying a fee for WiFi service:

- 60% are not willing to pay for WiFi service
- 28% are willing to pay a \$1 - \$2 fee per use

On Eliminating Weekend Service

- 29% reported they primarily ride on weekdays, and elimination of weekend service **would not** impact them
- 18% of respondents said they ride SMART **only** on weekends
- 28% said they were likely to ride SMART **less** if weekend service were cut
- Comments received are [available online](#)
- With the arrival of spring and summer many respondents anticipated riding SMART more frequently, noting the connection to the Larkspur Ferry
- Many wanted later PM weekend service and fewer mid-afternoon trips
- Many suggested eliminating only one day on weekends for example: offering a Saturday-only service, or
- Offering a reduced level of weekend service

On Reducing Weekday Service

- 36% of respondents **ride primarily on weekdays**
- 42% of respondents found the weekday schedule to be acceptable
- Comments received are [available online](#)
- Respondents frequently cited the need for:
 - Earlier AM trains for **both** southbound & northbound commutes
 - Later PM trains for **both** southbound & northbound commutes
 - School commuters wanted to see earlier AM trains and later PM trains
 - Maintaining a schedule that is synced with the Larkspur Ferry

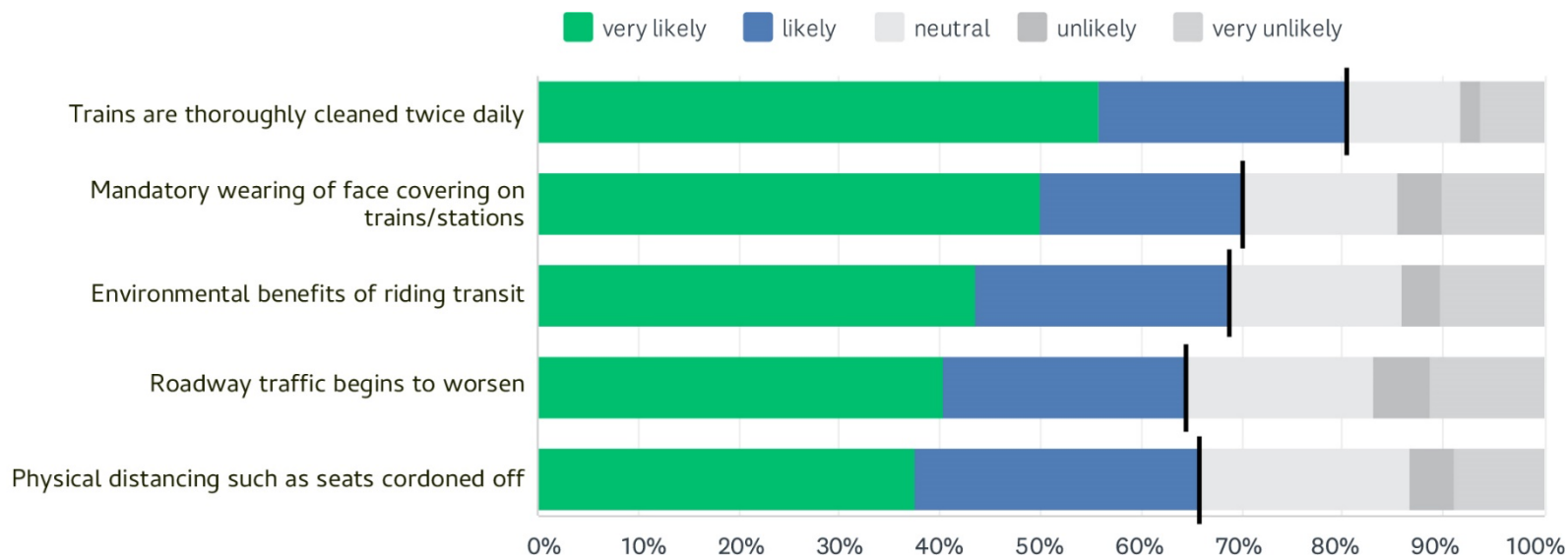
Rider frequency before shelter in place orders

Survey respondents said that before the shelter in place orders

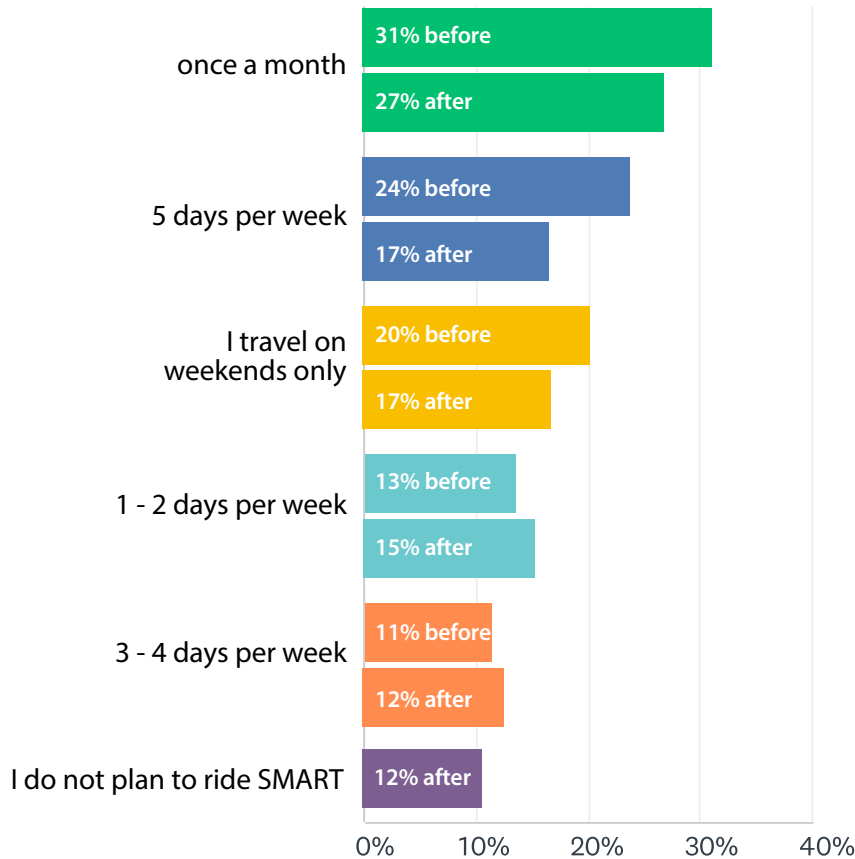
- 36% rode on weekdays
- 26% had never traveled on SMART
- 23% were occasional riders, traveling only once a month
- 15% ride SMART **ONLY on weekends**, 25% of this sub-group travel on a monthly frequency for leisure purposes

Top 3 factors SMART riders are considering when deciding to ride the train

- 81% - knowing the trains are thoroughly cleaned twice daily
- 70% - mandatory wearing of face covering on trains/stations
- 68% - environmental benefits of riding transit

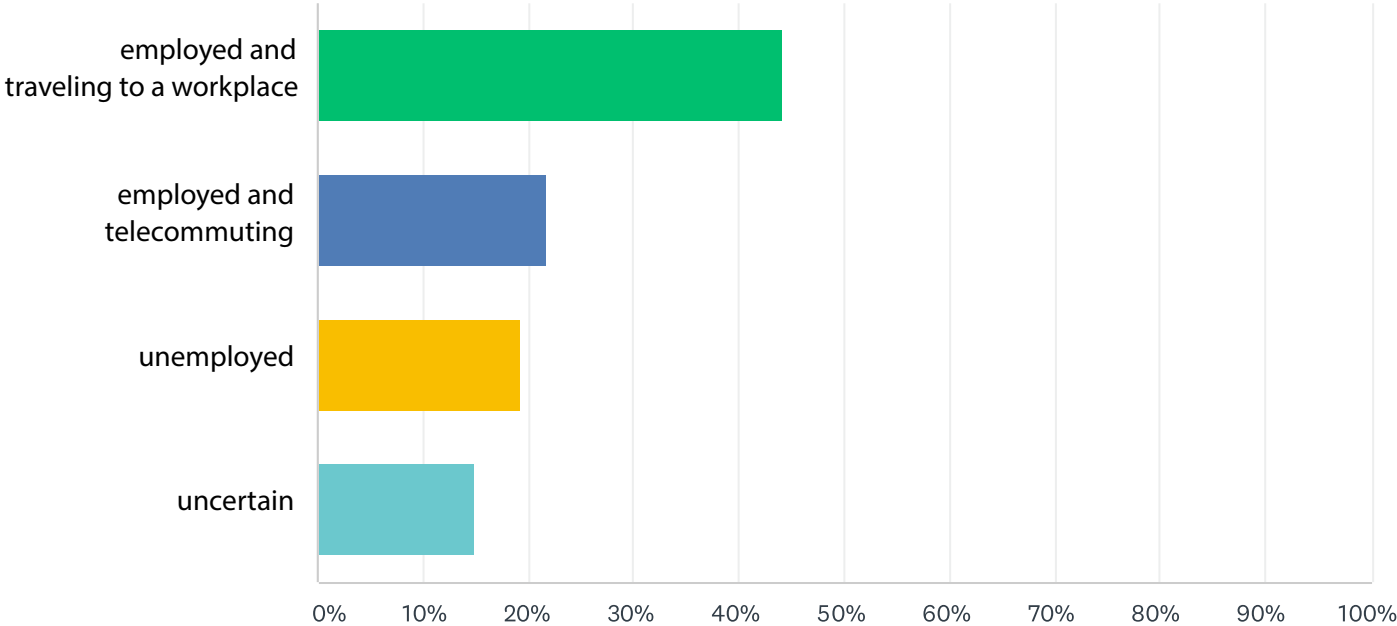


Comparison of Travel Frequency for SMART Riders Only - Before and After Shelter in Place



ANSWER CHOICES	BEFORE	AFTER	CHANGE
once a month	31%	27%	- 4%
5 - 7 days per week	24%	17%	- 7%
travel on weekends only	20%	17%	- 3%
1 - 2 days per week	13%	15%	+ 2%
3 - 4 days per week	11%	12%	+ 1%
I do not plan to ride SMART	0%	12%	+12%

As the shelter in place order begins to be eased, what do you anticipate your employment status be?



ANSWER CHOICES	RESPONSES
employed and traveling to a workplace	44%
employed and telecommuting	22%
unemployed	19%
uncertain	15%

Possible Impacts

- SMART will lose ridership **if weekend service is eliminated**
17% of survey respondents said they anticipate **ONLY** riding on weekends after shelter in place orders ease

Additionally:

- 12% of respondents **do not** anticipate returning to riding SMART as shelter in place orders ease
- 22% of respondents are continuing to telecommute
- 15% are uncertain about their employment status
- uncertainty about whether schools will be online this Fall
- concerns about the spread of the coronavirus

Summary

- 90% of respondents are amenable to the elimination of free onboard WiFi
- Elimination of Weekend service will result in a loss of leisure/recreational riders
- With the arrival of spring and summer many respondents expressed a desire to ride SMART for weekend leisure trips to San Francisco
- The proposed Weekday service reductions are acceptable to commuters **IF** there is
 1. earlier AM service
 2. later PM service
 3. and the schedule is coordinated with the Ferry to allow for commutes to San Francisco

QUESTIONS

REDUCTION STRATEGIES

Three major strategies for budget reduction proposals for FY 2020-21
The first two strategies your Board has given early approval for:

1. One-time savings: \$3.5 million

- Delay and funding shifts for equipment, repairs

2. Ongoing Expense Reductions: \$2.6 million

- Contracts for customer service, WiFi, other contracts
- Refinancing of debt, reduction in liability policies

We are moving forward with including those reductions in the budget we will be bringing to you on June 3

REDUCTION STRATEGIES

We are now requesting direction from you on the third strategy we outlined:

3. Reduction in Expenses Resulting from Service Reductions

Originally presented to you a reduction scenario that could include:

- Elimination of weekend service: Net savings of \$1.6 million
- Reduction to 22 trips daily: \$3.2 million
- Reductions in pay and benefits: \$1.1 million

REDUCTION STRATEGIES

How quickly do we move to implement the next “bucket” of reductions?

- We have imperfect information about the length and impact of the health and economic crises
- We do not know how deeply we need to cut in the long run

Three important considerations:

1. Federal CARES Act Funding:

- Substantial funds of \$16.9 million available IF (MTC) allocates the remaining 31% of CARES Act funds using the same formula
- This can support the equivalent of our full operating costs for 6 months
- Provides us time to determine with more accuracy the revenue impacts of the shelter in place order
- More time = better projections into future years

REDUCTION STRATEGIES

2. Implications of Staff Layoffs:

- Does not serve our riders or the public to react too quickly
- Possibly laying off highly skilled employees you will still need in 6 months
- Our ridership will ultimately begin to return, even if the timing of that is uncertain
- Ramping up service requires trained, qualified employees which, as you know, takes significant time
- Significant human toll and a long-term strategic risk to our future operations without the very specialized staff we have already trained

REDUCTION STRATEGIES

3. Year-Round Budget:

- We are required to adopt a budget by June 30
- However, after July 1 --
 - » More information on quarterly sales tax
 - » More information on the economy reopening
 - » Ability to reexamine our adopted budget and make corrections

In the face of these three important considerations and the survey results –

What should the ultimate service schedule look like when we are fully functioning? Do we make significant service cut assumptions now, or do we wait for more information?

REDUCTION STRATEGIES

Alternative service reduction option to include in the budget:

- Rather than reducing to 22 trips a day, we could, for now, plan on restoring an extra train at the beginning and another one at the end of the work day to accommodate public input
- Achieves two goals:
 1. Responds to the survey results we have received about an earlier and later train option
 2. Could be accomplished without staff layoffs. We would be able to make reductions using attrition and the deletion of vacant positions

REDUCTION STRATEGIES

- SMART would run a “6-1-6” schedule, which means six morning runs, six evening runs and one midday run, for a total of 26 runs on the weekday
- Savings associated with that service are \$1.1 million annually
- Board could delay a decision on weekend service until after our revenue picture is clearer
- However, we would continue not running weekend service until the shelter-in-place is lifted and weekend ferry service is restored
- Adding this additional \$1.1 million reduction to the earlier reductions already discussed puts us in a good place for now
- We could maintain that new level of service utilizing the CARES Act funding and our unallocated fund balances for several years without dipping into the minimum \$10 million operations reserve your Board approved

BUDGET PREPARATION

If directed, this reduction option would be included in the budget

- Budget will assume these changes in the June 3 presentation for further discussion and public input
- The budget will then be adopted on June 17 at your last meeting before the end of the Fiscal Year
- Continue to monitor and examine the revenues
- In July we can examine sales tax receipts for the April, May and June quarter
- Continue to engage Metropolitan Transportation Commission (MTC) on the disbursement of the CARES Act funds
- We will return in the coming months to report on our findings and whether our assumptions and decisions should be revisited

Illustrated 6-1-6 Weekday Schedule

☐ AM Times ☐ PM Times

SOUTHBOUND - Sonoma County Airport to Larkspur													
Sonoma County Airport	5:02	6:06	6:38	7:10	7:42	8:14	12:45	2:21	2:53	3:25	3:57	4:29	5:33
Santa Rosa North	5:09	6:13	6:45	7:17	7:49	8:21	12:52	2:28	3:00	3:32	4:04	4:36	5:40
Santa Rosa Downtown	5:13	6:17	6:49	7:21	7:53	8:25	12:56	2:32	3:04	3:36	4:08	4:40	5:44
Rohnert Park	5:21	6:25	6:57	7:29	8:01	8:33	1:04	2:40	3:12	3:44	4:16	4:48	5:52
Cotati	5:24	6:28	7:00	7:32	8:04	8:36	1:07	2:43	3:15	3:47	4:19	4:51	5:55
Petaluma Downtown	5:39	6:43	7:15	7:47	8:19	8:51	1:22	2:58	3:30	4:02	4:34	5:06	6:10
Novato San Marin	5:51	6:55	7:27	7:59	8:31	9:03	1:34	3:10	3:42	4:14	4:46	5:18	6:22
Novato Downtown	5:54	6:58	7:30	8:02	8:34	9:06	1:37	3:13	3:45	4:17	4:49	5:21	6:25
Novato Hamilton	6:02	7:06	7:38	8:10	8:42	9:14	1:45	3:21	3:53	4:25	4:57	5:29	6:33
Marin Civic Center	6:08	7:12	7:44	8:16	8:48	9:20	1:51	3:27	3:59	4:31	5:03	5:35	6:39
San Rafael	6:14	7:18	7:50	8:22	8:54	9:26	1:57	3:33	4:05	4:37	5:09	5:41	6:45
Larkspur	6:21	7:25	7:57	8:29	9:01	9:33	2:04	3:40	4:12	4:44	5:16	5:48	6:52

NORTHBOUND - Larkspur to Sonoma County Airport													
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