



**BOARD OF DIRECTORS  
REGULAR MEETING AGENDA  
OCTOBER 16, 2019 – 1:30 PM**

5401 Old Redwood Highway, 1<sup>st</sup> Floor  
Petaluma, CA 94954

1. Call to Order
2. Approval of the September 18, 2019 Board Minutes
3. Public Comment on Non-Agenda Items
4. Board Member Announcements
5. General Manager's Report
6. Consent
  - a. Approval of Monthly Financial Reports
7. Authorize the General Manager to Execute Contract Amendment No. 5 with Bridges Restoration, LLC (dba Serve Pro) in an amount of \$143,801 to provide hazardous material clean up as-needed
8. Authorize the General Manager to Execute Contract Amendment No. 6 with Portola Systems, Inc. in an amount of \$217,756 for Network Maintenance and Network Infrastructure for Larkspur and Downtown Novato Stations
9. Approve a Resolution Authorizing the General Manager to Submit State Transit Assistance Fund Claims to the Metropolitan Transportation Commission
10. Approve a Resolution and Authorize the Board Chair to Execute the Collective Bargaining Agreement Between the Sonoma-Marin Area Rail Transit District and the International Association of Machinist and Aerospace Workers for the period of October 7, 2019 – June 30, 2022
11. Approve a Resolution Authorizing Supplemental Appropriation for Safety and Security Expenditures

12. Adopt the 2020 Expenditure Plan and Conduct a First Reading of Ordinance No. 2019-01
13. Consideration of a vote on the formation of the Santa Rosa Railroad Square Community Benefit District (CBD) at a public hearing on October 29, 2019
14. Closed Session
  - a. Conference with General Manager, Farhad Mansourian, pursuant to Government Code Section 54956.8 regarding real estate property negotiations.  
Property: APN(s): 007-131-003, 007-131-004 and 137-061-019  
D Street and Corona Rd, Petaluma  
Negotiating Parties: Farhad Mansourian – Lomas LLC
  - b. Conference with Legal Counsel regarding exposure to potential litigation pursuant to California Government Code Section 54956.9(d)(e): number of cases: 1
  - c. Conference with Labor Negotiator Farhad Mansourian, General Manager pursuant to Government Code Section 54957.6  
Agency Designated Representative: General Manager  
Represented employees: Operating Engineers Local 3 and Unrepresented Employees
  - d. Conference with the Chief of Police and General Manager regarding security of public services and public facilities pursuant to California Government Code Section 54957
15. Report out Closed Session
16. Next Regular Meeting Board of Directors, November 6, 2019 – 1:30 PM – 5401 Old Redwood Highway, 1<sup>st</sup> Floor, Petaluma, CA 94954
17. Adjournment

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**BOARD OF DIRECTORS  
REGULAR MEETING MINUTES**

**September 18, 2019 - 1:30 PM**

5401 Old Redwood Highway, 1<sup>st</sup> Floor  
Petaluma, CA 94954

1. Call to Order

Chair Phillips called the meeting to order at 1:30pm. Directors Fudge, Hillmer Lucan, Pahre Rabbitt, and Rogers were present. Director Naujokas absent; Directors Arnold, Connolly, Garbarino and Zane arrived later.

2. Approval of the September 4, 2019 Board Minutes

**MOTION:** Director Lucan moved approval of the September 4, 2019 Board Minutes as presented. Director Rabbitt second. The motion carried 7-0 (Director Naujokas absent; Directors Arnold, Connolly, Garbarino and Zane arrived later).

3. Public Comment

Director Arnold and Zane arrived 1:32pm

Duane Bellinger voiced his concerns regarding the Corona Station property and Downtown Petaluma Station. He said that decisions for both stations should not be made in private, since it violates the Brown Act. He would like any proposed agreement be open for public discussion.

Director Hillmer stated that he objects to some of the wording that Mr. Bellinger stated with respect with misrepresentation and mis-statements

Sheila Baker stated that the train has changed her quality of her life. She is able to go to various places like Downtown Santa Rosa, Airport Station, Downtown San Rafael and Novato. She takes the train every Sunday to church.

Director Connolly arrived 1:36pm

Terri Shore stated that Greenbelt Alliance has been a supporter of SMART since the beginning and they are ready and eager to assist SMART on the next steps. Once the sales tax ballot becomes available their Board will consider endorsing SMART. They would like to continue to implement SMART's vision. She enjoys taking the train, ferry, and bus into San Francisco. Also, Greenbelt Alliance has concerns regarding the request by two of the Board of Supervisors, to consider a study of possible station at Fulton. They would like for SMART to continue to focus on the current project. Perhaps, the Roseland area should be consideration for an additional station as stated by Director Zane in the newspapers.

Molly Neward stated that she loves the train and her husband takes the train to work into San Francisco. Very excited for the Larkspur Extension to open at the end of the year. The increase accessibility to the City is a great asset. She voiced her concerns about the proximity of the Larkspur Station to the Ferry terminal for people with mobility issues. She asked what type of accommodations and consideration can be made for the people with special needs.

#### 4. Board Members Announcements

Director Lucan announced that little before the meeting today the North Bay Leadership Council published a press release with SMART's Sales Tax Extension poll results. He read the following, "Poll: 69% of Sonoma and Marin County Voters Support a 30-year Extension of the Sonoma-Marin Area Rail Transit District (SMART) ¼ cent, Voter Approved Sales Tax; Nearly 7 in 10 voters in Sonoma and Marin Counties support extending SMART's ¼ cent sales tax for an additional 30 years; The poll shows SMART enjoying high name recognition and favorability. SMART's total name identification among all voters is 88%. SMART is most popular among its riders: 88% of riders rate SMART favorably, 90% say they are satisfied using the train, 60% give SMART an excellent or above average job rating. He said that this is positive news and exciting to hear.

Director Rabbitt thanked Director Lucan for making the announcement and it's very exciting news and that there is a lot of work to do to get to the finish line. Acknowledging the fact that SMART incredible seen in favorable light especially by the riders who use the train regularly. The sustainability of SMART moving forward will depend on the measure being approved. He thanked the North Bay Leadership Council for understanding the importance of transportation system in both counties. Looks forward to a successful campaign.

Chair Phillips stated that the conducted poll that was not a random selection, rather a scientific study.

Director Zane said that she knows a lot of people to take the train to work in Marin, which has changed their quality of life. This is very exciting news with just two years into passenger service.



Chair Phillips reported that the Larkspur testing is going well and many are pleased that its almost going to conclude.

Director Rabbitt said that public comment is the opportunity for people to speak, even if it's not based on facts or even if it misrepresents those facts. Also, I have spoken to Mr. Bellinger and he has also stood up at various meeting advocating for the Corona Station as of oppose to Old Redwood, and now that its Corona Station he is completely bashing it. Tying the downtown sale of the SMART property is the only way to ensure the Corona station be built. The Corona property specific plans show a parking lot, the City of Petaluma plans will be better than the original specific plans from 15 years ago. The Ralph and Brown Act, that passed 66 years ago have exemptions for real estate negotiations. Negotiations of property sales with sales tax dollars should not be discussed in public forum. This body follows the Brown Act.

Chair Phillips thanked Director Rabbitt for his comments.

## 5. General Manager's Report

General Manager Mansourian stated that SMART has carried 1,469,755 passengers, 140,614 bicycles, and over 5,420 wheelchairs.

Mr. Mansourian emphasized the importance of Larkspur testing and in addition to the public safety. He said SMART Engineer-Conductors are getting familiar with the area. There are an additional 5 at-grade crossings from Downtown San Rafael Station to Larkspur Station. He reported that field testing of the 5 at-grade crossings is 100% complete. The next phase is Positive Train Control (PTC) testing which is 90% complete and station stops will be completed in the next several weekends. The next testing is scheduled for Friday, September 20<sup>th</sup> and Saturday, September 21<sup>st</sup> once authorized by Federal Railroad Administration.

General Manager Mansourian stated that National Suicide Prevention Week. He said that SMART has a very successful partnership with Marin County Health and Sonoma County Health Department, NAMI and Buckelew, in both Sonoma and Marin Counties. SMART continues to work with 62 Community Coalition partners. The following Digital and Print Media Partners donated safety announcement: 1) Press Democrat; 2) Marin Independent Journal; 3) North Bay Business Journal; 4) La Prensa Sonoma; and 4) Sonoma County Gazette. The following radio partners will play the announcement: Redwood Empire Stereo casters; and Sonoma Media Group.

General Manager Mansourian introduced Chief Engineer Bill Gamlen who illustrated a video of the pathway bridge being installed over the Petaluma River, between Payran and Southpoint. The next phase will be to complete the Southpoint to Penngrove, Golf Course to Southern Santa Rosa (Sonoma County segment) that was funded last year.

Director Rabbitt thanked SMART staff for excellent work on the project. Also, this pathway segment adds a safety feature, amenity and connectivity for people to walk and not be on the tracks.

Director Zane suggested informing the bicycle coalition, since they have been advocating for many years to get the pathway built. Eris Weaver is in the audience and said thank you.

6. Consent
  - a. Approval of Monthly Financial Reports

Chair Phillips asked for Board and public comments on the proposed Consent Agenda

**MOTION:** Director Fudge moved approval of the Consent Agenda as presented. Director Arnold second. The motion carried 10-0 (Director Naujokas absent; Director Garbarino arrived later).

7. Approve and Adopt SMART's 2019 Strategic Plan

Chief Financial Officer, Erin McGrath gave an overview of the 2019 Strategic Plan. Highlights included:

- Action Today:
  - Consideration and approval of Strategic Plan
- Strategic Plan = Future Stability - GOAL
  - Ensure that the rail and pathway system built to date continues to serve the people of Sonoma and Marin into the future
  - Document SMART progress to date and provide financial roadmap for the future
  - Strategic Plan is high level planning document, not a detailed operations or financial plan that addresses every question or argument related to ballot measure
- Discussion of Changes
  - Revision and expansion of Appendix B which discusses Sales Tax history and forecasting
  - Added to further clarify the analysis of SMART's sales tax history and planning for future
  - Clarification of Appendix B applies to the scenarios of identified in the Strategic plan
- Sales Tax Forecasting - Recent History: As part of the forecasting effort, SMART looks to the history of the District over the past 20 years. This is the time period that is useful for the following reasons:
  - This 20-year period includes the time period, which SMART was considered

- and created
  - The amount of time is long enough to capture two business cycle downturns or recessions
  - The Great Recession was captured in this 20-year time period, which an unprecedented financial event in modern financial history
  - Some argue that including the “normal and great” recession in this trend analysis is very conservative
  - In the full 20—year history, from 1998 and 2018, sales tax average 2.9% growth capturing two recessions, one of which was considered unprecedented
  - The Strategic Plan projections are a planning tool, not an operating budget for the Agency
  - SMART Strategic Plan utilizes a simple 3% growth rate as a planning tool
  - Reasonably assumes that the future will hold some recessions, which could be big
- What if growth is lower...2.5%
  - These annual losses would not be ignored by the Board
  - The annual budget process would involve decisions to either raise other revenue, make expenditure cuts, use reserves or some combination of both
- What if growth is higher...3.5%
  - Additional \$3M in revenue will be available over 5-year and \$10M over 10 years
  - Board could fund operations, reserves or capital with additional funds
- Planning for Recession
  - When will a recession occur? No one knows
  - Recessions do happen, however we are planning for them
  - The Strategic Plan is not a budget document
  - If a recession occurs in the next 1, 2, or 5 years, SMART will be required to reduce expenses accordingly and utilize other revenue/reserves as necessary
  - SMART’s job is to manage the cashflow during however many years of the downturn
  - Renewing the sales tax gives SMART, the greatest ability to manage the impact of a recession
  - Renewing the sales tax, provides the greatest ability to lower the debt, and reduces payment from \$18M to \$6M
  - If the sales tax is not extended and a recession occurs in the next two years
    - ✧ SMART would have to take necessary steps to balance the budget
    - ✧ SMART budget process will begin in April 2020
  - What if there is only a mild recession or no recession
    - ✧ SMART could have additional funds available if we have refinanced our debt and reduced expenses

- SMART's Financial Outlook
  - Last week, Federal Reserve chair, Jerome H. Powell said that *"the most likely outlook for our economy remains a favorable one with moderate growth"* and *"our main expectation is not at all that there will be a recession"*
  - Governor Gavin Newsom, in his 2019 Budget, reports *"California's economy and revenues are assumed to continue growing throughout the forecast"* (through 2023)
  - Beacon Economics who provided a forecast specifically to SMART, reports there is no sign of a negative downturn in the near-term:
    - ✧ *"The outlook for the **local economy** in the short run calls for steady growth, with nothing on the immediate horizon that would signal a reversal of the positive trends in the latest data."*
  - Although there is a lack of evidence for any immediate crises, SMART will continue to plan for reasonable downturn at some point, lasting a reasonable number of years
    - ✧ Every year during annual budget deliberations, the Board of Directors will adjust expenditures and revenues based on the latest information available at that time
  - The best step we take now is to proceed with a sales tax extension without changing the rate on March 2020
  - Extension will allow us to
    - ✧ Refinance our construction debt by mid-2022
    - ✧ Reduce annual debt payments from \$18 million to \$6 million
    - ✧ Continue to provide stable level of service to be expanded with the opening of Larkspur and Downtown Novato
  - Extension provides very limited funds available for new capital projects therefore leveraging current success and limited dollars going forward is the best way to maximize our local sales tax.
  - Expenditure plan reflects these principles and goals
- Conclusion (Finally)
  - We have examined and reflected on lessons from the last 20 years
  - We have examined and presented scenarios better and worse
  - This plan identifies a path forward to remain a strong and dependable transit agency
  - That is why we, our financial consultants PFM, and a unanimous vote of your Citizens' Oversight Committee recommend that you adopt this planning tool, the 2019 Strategic Plan

Director Garbarino arrived 2:05pm

Chair Phillips thanked Ms. McGrath for the excellent report she provided the Board. He stated that the scenarios will be clarified on page 19 of the 2019 Strategic Plan – Future Phase. Ms. McGrath responded that the language will be changed to clarify that the estimates related to the costs of going North are based on the scenarios in the plan.

Lastly, Ms. McGrath said that Citizens' Oversight Committee Chair Russ Colombo is present and would like to give public testimony on behalf of the Citizens' Oversight Committee.

Citizens' Oversight Committee Chair, Russ Colombo said that the committee members unanimously recommended the Strategic Plan move forward for Board approval. He also, concurred with Ms. McGrath stating that the Strategic Plan is a planning tool for the Agency future. The Citizens' Oversight Committee members also discussed the importance of the sales tax extension, for which it will allow the agency to adjust with economy downturn and build reserves. The 2019 Strategic Plan that is presented today gave a complete image of what the District goals.

#### Comments:

Director Rabbitt thanked Chair Colombo and Citizens' Oversight Committee members for their work on the Strategic Plan. He said that Transportation Authority of Marin, Sonoma County Transportation Authority and the County of Sonoma use 3% range, however not every year will be 3% growth. Is there another range method that can be used to predict forward, or is it better to use the average growth percentage? Mr. Colombo responded that one can use a break-even scenario. An agency can build an endless number of scenarios, however at some point not sure what the value is.

Director Zane thanked Ms. McGrath for the reporting of tax revenues in the Plan. She said the Plan does not take into account that SMART will absolutely continue to leverage construction tax dollars for grant funds.

Director Rogers asked for clarification if the 3% expenditures included an assumption of a 3% raise for labor cost each year. Ms. McGrath responded that a 3% assumption was used in all expenditures. What happens/process if a recession occurs prior to the bonds being refinanced. Ms. McGrath responded that staff will report to the Board if any financial changes are occurring with options. Also, SMART just completed closing receipts for Fiscal Year 2019 and the growth was phenomenal, the actuals were 6% higher than the model.

Director Garbarino asked if other agencies also model the sales tax extension. Ms. McGrath responded that in the State of California/Nationwide most of not all rail commuter agencies are funded by sales tax or other tax funding. Also, in Southern California and other agencies have a permanent sales tax in perpetuity. SMART is asking for an extension at the same rate for the commuter rail to continue to serve the community.

#### Public Comments

Peter Seidler stated that Transportation Alternatives for Marin promotes sustainable mobility which includes: walking, biking and transit. He congratulated the Board and thanked staff for building the train. He distributed a packet to the Board and Staff called "Ensuring the Success of the SMART Project: Align the SMART Pathway Drawings in the

2019 Strategic Plan with Measure Q". He said the SMART Pathway Plan must be done properly to encourage future voter support. He requested that the Board adopt the 2019 Strategic Plan subject to SMART working with a Pathway groups to produce maps that outline a pedestrian pathway from Cloverdale to Larkspur. He said that Tab 3 illustrates a segment of pathway that needs to be included and completed.

Chair Phillips stated that in Appendix B, he provided staff a scenario which included: 1) Measure Q increase annually by 2.7%, Operating Cost increased annually by 2.8% and Contingency Operating Cost, for unknown additional operating expenses, which should be consider. He said that the conclusion drawn by Ms. McGrath he supports certainly including the sales tax extension. Also, the Board is burden by the projections and promises that were made in 2008. In the next phase over promises and projections should not be made again. The following items are essential: 1) sales tax extension 2020; 2) restructuring the current debt; 3) when the debt is refinanced, SMART will manage ongoing cost to support adequate funding to provide current levels of service with modest enhancement, frequency to schedule runs. Even with the debt restructure, need to continue to be vigilant to ensure the maintenance with the ongoing revenue and operating expenses. Once the sales tax extension passes, SMART will need seek additional funds for the Multiple Use Pathway from outside sources. We as a Board and organization need to be prepared for the possibility of recession. Additionally, we proud of the accomplishments today and know that we will have challenges to deliver the original promised project, he continues to look forward in working with staff to complete the project.

Director Connolly said that we all recognize the importance of the pathway. The completion of the pathway moving forward will not be funded exclusively by SMART sales tax revenues, SMART will need to continue to seek for grant funds to complete segments of the pathway.

Director Arnold asked Chair Phillips to clarify when he stated that overpromises were made. Chair Phillips responded that people have mentioned to him that SMART had promise a commuter train service from Cloverdale to Larkspur. We need to be honest with the public with our financial projections.

Director Zane stated that she hears how much people enjoy the train and how it has changed them.

Director Hillmer said 69% of Sonoma and Marin County Voters Support a 30-year Extension of the Sonoma-Marin Area Rail Transit District (SMART) ¼ cent, Voter Approved Sales Tax. Also, today it shows that SMART has a very positive image and most popular among its riders. We need to continue to work hard to fulfill promises.

Director Rogers appreciates Chair Philips comment, also sales tax funds are an extremely voteable source funding. Also, we can't predict what will happen, however this Board has been willing to have these conversations of SMART's limitations of our current outcomes

and continuing to address the future challenges. Voters are more likely to support the sales tax extension if they believe in the Board.

Director Lucan is very pleased with the 2019 Strategic Plan that was presented today. There is a lot of work still ahead of us and we don't know what will happen in the future, however we have various scenarios, and we continue to plan and evaluate every option possible. The promise we can make as a Board is that we are going to invest in the system with the resources available at the time. We have an excellent staff that has secure outside funding and continues to research for available grants. Also, once SMART gets to the final construction alignments, they will evaluate segments that still need to be completed.

Director Fudge said that she has been on the Board for 15 years and back in 2007 the things were different and the world has changed. In 2007, the agency was not operating and various consultants were advising the Board and staff at the time. She is very supportive and confident with the 2019 Strategic Plan because of SMART's experience, the team, and lessons learned over the last 2 years since the start of passenger service. The recession occurred after the Measure was approved. In November 2010, the Board of Directors made the decision to phase the project in segments. This is an excellent document that will guide SMART into the future. If you compare to other transit agencies, SMART has accomplished a lot in a very small period.

Director Garbarino stated that the 2019 Strategic Plan is phenomenal. She is very excited about moving forward and making it stable and functional for next generation.

Director Rabbitt appreciates and supports the 2019 Strategic Plan. Also, good transportation agencies leverage funds. The freeway in Sonoma County has been leverage at 7 to 1 ratio. If you take all the fund available to construct the pathway you will have a segment of a few miles and not a complete pathway for the entire system.

Director Pahre thanked staff for all the hard work and hours it took to complete the document. Also, the public need to know that staff is very responsible and available all the time for questions from Board members.

**MOTION:** Director Lucan moved approval of the SMART's 2019 Strategic Plan as presented. Director Pahre second. The motion carried 11-0 (Director Naujokas absent)

8. Review Draft 2020 Expenditure Plan (*Discussion Only*)

General Manager Mansourian stated that the Draft 2020 Expenditure Plan today is to review and to receive feedback from you and members of the public. Once, we receive comments, we will incorporate those and will bring back to your Board for final consideration and adoption in October 2019.

The difference between these two expenditure plans is that in the last decade SMART has changed from an agency planning for a major capital project to an operating transit district with plans for service expansion in the future subject to availability of the outside funding.

He said that one of the most successful transit agencies is BART, however they are still trying to get service to San Jose. He said that because the voters/public expects that SMART in two years needs to complete the entire system from Cloverdale to Larkspur and the 70 miles of bike path. This Expenditure Plan is structured with four principles:

1. Provide for ongoing Operation and Maintenance of the Current System: Includes funding for annual maintenance and repair, future upgrades to current systems, replacement cycles, and investment in newer technology.
2. Prioritize Safety and Security Maintenance and Improvements: For enhancements in safety and security of passengers, employees, the public and our infrastructure.
3. Provide for Capital Investment: Completion of all projects currently underway, and additionally:
  - Completion of the Windsor Extension Project
  - Completion of the Healdsburg Project
  - Completion of the Cloverdale Project
  - Completion of pathway projects connecting our stations
  - Completion of the second station in Petaluma
  - Purchase of additional train sets
  - Double tracking where feasible
  - Connections to local transit, regional and national transit systems including airports and national railroad
4. Future Amendments: The Board of Directors may review and amend these principles to provide for the use of additional Federal, State, Regional or local funds, to account for unexpected revenues and to accommodate any unforeseen circumstances.

The draft 2020 Expenditure Plan incorporated the four principles just discussed. The SMART goal has not changed for passenger rail service from Cloverdale to Larkspur and the pedestrian pathway along the right-of-way.

#### Comments

Director Arnold asked if Principle #4 provides the Board and SMART with flexibility. Mr. Mansourian responded yes.

Director Lucan asked if SMART knew what segments would be best for double tracking and if it's environmentally cleared or still in the early stages. Mr. Mansourian responded that its in the early stages, once the expenditure plan is passes, it will be evaluated. He said that SMART will be very successful once Larkspur Extension and Windsor Extension is completed that will promote us to consider double tracking.



Chair Phillips asked for clarification on leveraging. Mr. Mansourian responded that SMART has been very successful leveraging fund because the project was designed, environmentally cleared and ready to begin construction. Measure Q funds are going toward operations and maintenance. SMART now owns the following: 1) 45 miles of commuter rail with stations; 2) 4 park and ride lots; 3) 25 miles of pathways; 4) 68 public crossings; 5) 27 bridges; 6) 2 tunnels; 7) Rail Operation Center and Maintenance Facilities; and 8) Telecommunications, fiber optics and Wi-Fi. Chair Phillips suggested having a capital reserve fund and operating reserve fund so when matching funds are needed or if a recession occurs.

Mr. Mansourian said that on the previous agenda item we were worried about a recession occurring, on the constructions side agencies look forward to recessions because that is when they can build more. During the last recession, SMART was able to construct the following: San Marin Station, North Santa Rosa, Airport Station and over 20 miles of pathway. If the sales tax extension passes in March 2020 and a recession was to occur in 1, 2 or 3 years, SMART will be position to start capital projects

#### Public Comment

Eris Weaver very excited to about the recent pathway construction. She is concerned that the following language *"If additional funds become available, the SMART Board will prioritize completion of the bicycle/pedestrian pathway"* was not included in the 2020 Expenditure Plan. She conducted a research and said that 83% of their members voted for the Measure Q, with 96% stating that the bike path was very important part of their decision in 2008. The poll today shows that only 50% of their members would vote for the sales tax extension. The reality is that there is less path built, than rail. Also the path is not continuous, while the rail is.

Dani Sheen said that SMART accomplishments have been amazing and phenomenal. Friends of SMART completely supports the initiative and are willing to help with partners to support the initiative.

Bjorn Gripenburg stated that they conducted a member poll and the support percentage is lower that in 2008. He voiced his concerns about the complete reliance in grant funding to construct the pathway, ultimately means that there is an uncertain timeframe to complete the pathway. It's alarming that the following language as follows is removed from the 2020 Expenditure Plan *"If additional funds become available, the SMART Board will prioritize completion of the bicycle/pedestrian pathway"*. Also, its not fair to compare the rail extensions to Healdsburg and Cloverdale and the pathway buildout, the project cost is \$364M vs \$35M, having some reserves for the pathway can make a difference. There are also incomplete pathway segments in Marin that create long detours.

Patrick Seidler thanked General Manager Mansourian for stating that environmental clearances, engineering plans and permits need to be approved prior to construction. He said that Tab #3 (Pathway Map) of the "Ensuring the Success of the SMART Project: Align the SMART Pathway Drawings in the 2019 Strategic Plan with Measure Q" document is a

very critical pathway segment that needs environmental clearance and constructed.

Duane Bellinger said that if SMART does not have the fund to construct perhaps add park and rides in certain segments.

Mr. Mansourian responded to Eris Weaver comment. Ms. Weaver asked why the path is not continuous, while the rail is. Mr. Mansourian said that a railroad cannot operate if it's not continuous. SMART had to make a decision to construct segments of the bicycle/pedestrian path or not at all, and choose to construct segments when funds are available with the goal to complete the entire alignment. Also, staff reviews each grant application opportunity and depending on the requirements/criteria, SMART submits the grant application. In order for SMART to obtain grant funds for pathway projects, SMART uses the existence of the rail to promote the pathway. She also raised an interesting point, SMART intends to build the path, but funding is not available and how is she going to commit her members.

Mr. Mansourian said that the sales tax measure passed in 2008, and the recession occurred in 2009. In 2009, SMART completed the Cal Park Tunnel for \$26M, because of the completed tunnel passenger service is going to Larkspur. Bjorn Gripenburg asked how to accelerate the delivery of the pathway. Mr. Mansourian responded that a complete unification between both Marin and Sonoma County Bicycle Coalitions and SMART will help. The top bicycle pathways need to be identified. In response to the language not included in the expenditure plan, however principle #4 gives the ability for the Board and Staff the flexibility to include if needed. The SMART vision and direction from the Board is Cloverdale to Larkspur rail and pathway. He looks forward to working with both Bicycle Coalitions.

Director Rogers suggested clarifying that Measure Q fund will not be used for the capital corridor across Highway 37. Perhaps including a reference regarding a reserve fund policy.

Chair Phillips gave the following statement, if the Measure (sales tax) does not pass, the probability getting additional multiple-use pathway funds is zero, and if the measure passes the probability is greater.

Director Connolly stated that SMART is not in any position to commit with a timeframe and dollar amount, however we are committed in completing the multi-use pathway over time and leveraging sales tax dollars and seeking outside funding at the state and federal level.

Director Zane stated that the mission of this Board is to see this train succeed. SMART will eventually build the extensions and bicycle/pedestrian pathway. Its our job to campion the mission.

Director Arnold said she does not believe that the majority of bicyclist will not vote for the sales extension. SMART has not forgot their pledge to build a pathway, sadly most don't

understand the reality to obtain permits to construct pathway segments. She would like Principle #4 to remain in the expenditure plan, since it gives the Board the flexibility to make decisions.

Director Rabbitt stated that he appreciates all the comments. We are at the awkward face of a Measure when there are advocates leveraging their support for other measures. Its up to this Board to make sure that we take everything into considerations, which we have. He supports the Strategic Plan; we cannot predict the future but we have ability to adapt. Also, its great news that 7 in 10 voters in Sonoma and Marin Counties supports the sales extension for SMART.

Director Rogers clarified that the bicycle community is not saying they want more, they are saying they don't want less.

Director Hillmer said that the poll statistic is favorable when 7 in 10 voters support the sales tax extension and 90% say they are satisfied using the train.

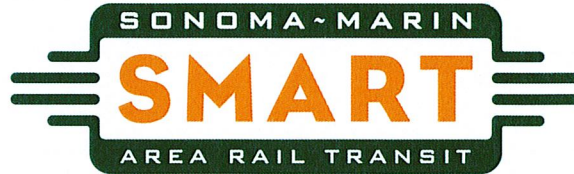
Lastly, Mr. Mansourian stated that the draft 2020 Expenditure Plan (pg. 60 of 71 Board packet) outlines Capital Projects and Rolling Stock which includes; 1) Rail; and 2) Pathway. The Rail section outlines rail extension and capacity expansions. The Pathway section outlines the existing gaps between Larkspur and Windsor Station in the built or funded pathway segments. Rather than including one sentence, the new paragraphs outlines SMART goals.

9. Next Regular Meeting Board of Directors, October 2, 2019 – 1:30 PM – 5401 Old Redwood Highway, 1<sup>st</sup> Floor, Petaluma, CA 94954
10. Adjournment – Meeting adjourned at 3:40 pm.

Respectfully submitted,

Leticia Rosas-Mendoza  
Clerk of the Board

Approved on: \_\_\_\_\_



**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

**Debora Fudge**  
Sonoma County Mayors' and  
Councilmembers Association

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

**Dan Hillmer**  
Marin County Council of Mayors and  
Councilmembers

**Eric Lucan**  
Transportation Authority of Marin

**Joe Naujokas**  
Sonoma County Mayors' and  
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**David Rabbitt**  
Sonoma County Board of Supervisors

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**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

5401 Old Redwood Highway  
Suite 200  
Petaluma, CA 94954  
Phone: 707-794-3330  
Fax: 707-794-3037  
www.sonomamarintrain.org

October 16, 2019

Sonoma-Marin Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Monthly Finance Reports

Dear Board Members:

**RECOMMENDATION:** Information Item

**SUMMARY:**

We are presenting the monthly financial report for activity through the month of September. This financial report shows transactions for the first three months of the new fiscal year. All revenues and expenses are within budgeted amounts. Fare and parking revenues are \$1,060,968. Bond fund investments through September totaled \$18,675,551 while other cash and investments equaled \$34,221,518.

Very truly yours,

Erin McGrath  
Chief Financial Officer

Attachment(s): 1) Monthly Financial Report  
2) Contract Summary

# Sonoma-Marin Area Rail Transit District

Monthly Finance Reports

Through September 2019

	FY 2019-20 Approved Budget	Actual	Remaining Budget
<b>Revenues</b>			
<b>Administration</b>			
Sales/Use Taxes	27,973,136	2,442,983	25,530,153
Interest Earnings	295,000	26,178	268,822
Rent - Real Estate	265,755	100,620	165,135
Advertising Revenue	221,750	47,135	174,616
Miscellaneous Revenue	50,000	14,368	35,632
<b>Administration Subtotal</b>	<b>28,805,641</b>	<b>2,631,284</b>	<b>26,174,357</b>
<b>Operations</b>			
Fund Balance	8,558,422	8,558,422	-
Sales/Use Tax	11,292,866	1,046,993	10,245,873
Fare & Parking Revenue	4,187,000	1,060,968	3,126,032
State Grants	7,404,794	1,463,105	5,941,690
Other Charges	40,000	50,619	-
<b>Operations Subtotal</b>	<b>31,483,082</b>	<b>12,180,106</b>	<b>25,255,284</b>
<b>Capital</b>			
Fund Balance	28,152,311	28,152,311	-
Federal Funds	4,650,000	-	4,650,000
State Grants	14,010,000	6,600,000	7,410,000
Other			
Governments/Misc	4,528,192	-	4,528,192
Measure M	200,625	-	200,625
Miscellaneous Revenue		300,000	-
<b>Capital Subtotal</b>	<b>51,541,128</b>	<b>35,052,311</b>	<b>16,788,817</b>
<b>Revenue Total</b>	<b>\$ 111,829,851</b>	<b>\$ 49,563,701</b>	<b>\$ 68,218,458</b>
<b>Expenditures</b>			
<b>Administration</b>			
Salaries & Benefits	5,146,304	1,106,691	4,039,613
Services & Supplies	6,769,389	568,986	6,200,403
Debt Service/Other Charges	16,847,600	3,756,300	13,091,300
Machinery & Equipment	95,000	12,761	82,239
<b>Administration Subtotal</b>	<b>28,858,293</b>	<b>5,444,738</b>	<b>23,413,555</b>
<b>Operations</b>			
Salaries & Benefits	15,895,474	3,287,052	12,608,422
Services & Supplies	11,562,946	1,790,714	9,772,232
Buildings & Capital Improvements	4,024,662	511,347	3,513,315
<b>Operations Subtotal</b>	<b>31,483,082</b>	<b>5,589,113</b>	<b>25,893,969</b>
<b>Capital</b>			
Salaries & Benefits	1,732,501	280,870	1,451,632
Services & Supplies	1,319,750	38,764	1,280,986
Other Charges	157,149	95,257	61,892
Land	11,000	11,000	-
Machinery & Equipment	15,110,495	10,320,702	4,789,793
Infrastructure	33,210,232	4,302,430	28,907,802
<b>Capital Subtotal</b>	<b>51,541,128</b>	<b>15,049,022</b>	<b>36,492,105</b>
<b>Expenditure Total</b>	<b>\$ 111,882,503</b>	<b>\$ 26,082,873</b>	<b>\$ 85,799,629</b>

**Investment Report****Bond Reserve Fund**

Sonoma County Treasury Pool 17,072,500

**Interest Fund**

Sonoma County Treasury Pool 623,806

**Project Fund**

Sonoma County Treasury Pool 979,245

**SMART Operating Accounts**

Bank of Marin 11,217,422

Sonoma County Treasury Pool 23,004,096

**\$ 52,897,069**

**Capital Project Report**

	<u>Budget</u>	<u>Actual</u>	<u>Remaining</u>
<b>Additional Railcar Purchase</b>			
Revenues	\$ 11,000,000	\$ 8,250,000	\$ 2,750,000
Expenditures	\$ 11,000,000	\$ 8,250,020	\$ 2,749,980
<b>San Rafael to Larkspur Extension</b>			
Revenues	\$ 55,435,059	\$ 49,409,293	\$ 6,025,766
Expenditures	\$ 55,435,059	\$ 50,040,716	\$ 5,394,343
<b>Windsor Extension</b>			
Revenues	\$ 55,000,000	\$ 1,159,036	\$ 53,840,964
Expenditures	\$ 55,000,000	\$ 1,251,925	\$ 53,748,075
<b>Petaluma Payran to Southpoint Pathway</b>			
Revenues	\$ 3,261,098	\$ 411,469	\$ 2,849,629
Expenditures	\$ 3,261,098	\$ 1,679,462	\$ 1,581,636



## Contract Summary

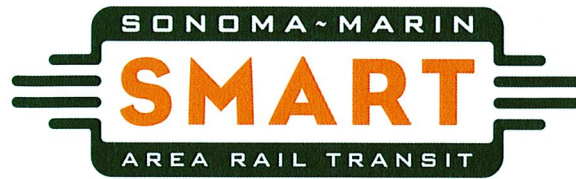
Active Contracts as of September 30, 2019

Contractor	Scope	Fiscal Year 19/20 Projected	Fiscal Year 19/20 Actuals- To-Date
A.J. Janitorial Service	Janitorial Services for all Stations, Roblar, ROC, and Fulton	\$104,000	\$22,040
Air Technology West	Maintenance and On-Call Repair for Air Compressors	\$1,753	\$0
Alcohol & Drug Testing Services, LLC	DOT Drug and Alcohol Testing	\$39,000	\$1,919
Alliant Insurance Services	Insurance Brokerage & Risk Management Services	\$80,000	\$0
American Rail Engineer Corporation	Railroad Bridge Engineering, Inspection, & Design	\$48,672	\$0
Aramark Uniform Services	Employee Uniform Provider and Cleaning Service	\$9,712	\$4,416
Asbury Environmental Services (AES)	Recycling & Disposal Service for Used Oil, Fuel Filters, Rags, and Related Equipment	\$10,000	\$65
Becoming Independent	Emergency Bus Bridge Services	\$25,538	\$2,000
Bettin Investigations	Background Investigations	\$8,863	\$0
Big Cat Advertising	Digital Advertisement Services	\$18,000	\$3,000
Biggs Cardosa Associates, Inc.	Engineering Design and Construction Support for Payran to Southpoint Multi-Use Pathway	\$43,954	\$0
Burke, Williams & Sorensen, LLP	Litigation Support Services	\$163,513	\$2,245
CALOPPS - City of Foster City	HR Recruitment Services	\$3,500	\$3,500
Cinquini & Passarino, Inc.	Right-of-Way Land Surveying and Related Services	\$60,000	\$4,640
Corey, Canapary & Galanis	NTD Compliant Passenger Counting Services	\$16,802	\$8,401
Doug Williams	Fire and Life Safety Consultant	\$3,000	\$1,894
Dr. Lance O'Connor	Occupational Health Screening Services	\$3,600	\$0
Dr. Mark Clementi	Pre-Employment Psychological Evaluations	\$25,000	\$7,264
eLock Technologies, LLC	Station Bike Lockers and Maintenance Services	\$22,824	\$2,760
Empire Cleaners	Uniform Dry-Cleaning, Laundering, and Related Services	\$40,000	\$4,721
Emtec Consulting Services, LLC	Oracle Accounting System Support Services	\$50,000	\$2,048
ePath Learning, Inc.	Business Training Library	\$10,005	\$0
ePath Learning, Inc.	Cloud-Based Training / Learning Management Software	\$6,180	\$6,180
Everbridge, Inc.	Nixle Computer Software (Cloud-based)	\$11,800	\$0
George Hills Company, Inc.	Third Party Claims Administration Services	\$10,000	\$2,469
GHD, Inc.	SWPP Compliance, AutoCAD Management, Traffic and Hydraulic Analysis	\$110,890	\$0
Golden Gate Bridge, Highway and Transportation District	Weekend Bus Service between San Rafael Transit Center and Larkspur Ferry	\$68,664	\$0
Golden Gate Bridge, Highway and Transportation District	Customer Service Support Services	\$335,580	\$41,294
GP Crane & Hoist Services	Cal/OSHA Crane Inspection Services	\$15,000	\$0
Granite Construction Company	Non-Motorized Pathway, Payran to Southpoint	\$1,884,757	\$1,077,322
Hanford A.R.C.	Implementation and Monitoring Las Gallinas Creek Riparian Enhancement Plan	\$15,230	\$1,513
Hanson Bridgett LLP	Legal Services	\$70,000	\$0
Holland Company	Track Geometry and Measurement Services	\$24,000	\$0
Industrial Railway Company	Replace Existing #9-136# Rail Frog at MP 39.7	\$70,884	\$0
Industrial Railways Company	Ballast Car Operations	\$70,884	\$70,884
Innovative Business Solutions	Payroll Processing Services	\$5,000	\$2,814
Intellectrace, Inc.	Internet/Cellular Tower Maintenance Services	\$40,000	\$5,500
Intelligent Technology Solutions, Inc.	Maximo MMS Implementation and Support Services	\$176,000	\$0
Leete Generators	Generator Maintenance	\$1,432	\$0
LM Disability Consulting	Disability Access Consulting	\$12,000	\$1,588
LTK Engineering Services	Vehicle and Systems Design and Construction Management Services	\$130,000	\$5,544
Managed Health Network	Employee Assistance Program (EAP) Services	\$1,338	\$769
Masabi LLC	SMART Mobile Ticketing Pilot Project	\$57,600	\$9,500
MaxAccel	Compliance Management Software Design/Implementation/Asset Management	\$14,000	\$2,229
Maze & Associates	Financial Audit Services	\$46,664	\$0
MGrodner, LLC	Project Management Services	\$94,000	\$0
Netwoven Inc.	SharePoint Maintenance, Support, Implementation, and Related Services	\$48,000	\$8,192
North Bay SAP Services	Substance Abuse Professional Services	\$3,800	\$0
Northwestern Pacific Railroad Company, Inc.	Provision and Operation of Ballast Car to move Locomotive	\$36,000	\$0

Contractor	Scope	Fiscal Year 19/20 Projected	Fiscal Year 19/20 Actuals-To-Date
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$25,000	\$836
Pamco Machine Works, Inc.	Railroad Wheel Pressing Services	\$378,000	\$0
Parodi Investigative Solutions	Pre-Employment Background Investigation Services	\$20,000	\$2,650
PFM Financial Advisors, LLC	Financial Advisory Services	\$22,000	\$0
Pivotal Vision, LLC	Security Software Licensing	\$2,200	\$0
Platinum Advisors, LLC	State Legislative Advocacy Services	\$60,000	\$10,000
Portola Systems, Inc.	SMART Station Network Configuration Services	\$132,116	\$113,956
Precision Wireless	Tech Support and Maintenance for Land Mobile Radio	\$25,000	\$0
Premier Fall Protection, Inc.	Inspection and Certification Services for SMART's Fall Protection Equipment	\$8,000	\$2,784
RailPros, Inc.	Professional Engineering Services for Larkspur Extension	\$250,000	\$75,630
Santa Rosa Fire Equipment Service, Inc.	SMART Fire Equipment Maintenance	\$7,029	\$0
ServPro of Lake Mendocino and Sonoma County	Biohazard Clean-Up and Hazmat Services	\$107,516	\$107,516
Sonoma County Fleet Operation Division	Non-Revenue Fleet Maintenance Services	\$75,000	\$2,252
Sonoma County Transit	Bus Service Route 56 (North Stations)	\$192,109	\$33,677
Sperry Rail Service	Rail Flaw Detection Services	\$13,500	\$0
SPTJ Consulting	Network Infrastructure, Security, Migration and Setup Services	\$365,580	\$30,510
Stacy and Witbeck	Railroad Track Maintenance, Alignment, and Restoration	\$220,000	\$210,210
Stacy and Witbeck/Herzog, JV	Design/Build Construction of Civil, Track & Structures Improvements of Larkspur Extension	\$7,307,603	\$2,839,261
Stantec Consulting Services, Inc.	Environmental Permit Management and Construction Compliance Monitoring	\$92,277	\$1,074
Stericycle, Inc.	Medical Waste Pick-Up and Disposal Services	\$1,918	\$0
Sue Evans	Real Estate Support Services	\$17,849	\$10,920
Sumitomo Corporation	Manufacture & Delivery of Rail Vehicles	\$14,567,201	\$10,317,197
Summit Signal, Inc.	Emergency Call-Out Services for Track and Signals	\$10,000	\$0
Survival CPR & First Aid, LLC	First Aid and CPR Training, AED Compliance Program	\$5,000	\$380
The GBS Group	Internet Connectivity (Wi-Fi) for SMART Trains	\$331,871	\$110,420
United Mechanical Incorporated	Bridge Tender House HVAC Install Project	\$8,749	\$0
United Mechanical Incorporated	HVAC Maintenance Services at SMART Facilities	\$20,700	\$4,466
Van Scoyoc Associates	Federal Lobbying Services	\$30,000	\$0
VenTek Transit Inc.	Clipper Vending Machine Operations and Maintenance Services	\$630,606	\$54,497
WBE	Existing CCTV System On-Call Maintenance	\$50,000	\$1,191
West Coast Arborists, Inc.	Tree Trimming, Removal, and Related Services	\$50,000	\$0
WRA Environmental Consultants	Environmental Permitting, Management, & Support Services	\$137,216	\$55,298
	<b>TOTALS</b>	<b>\$29,311,479</b>	<b>\$15,291,436</b>

\*Actuals-To-Date includes invoices that have been approved as of September 30, 2019, but may not have been processed in SMART's Financial System.





October 16, 2019

**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
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Sonoma-Marín Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Approve Bridges Restoration, LLC (dba ServePro) Contract Amendment No. 5

Dear Board Members:

**RECOMMENDATION:**


Authorize the General Manager to execute Contract Amendment No. 5 with Bridges Restoration, LLC, in an amount of \$143,801 for total not to exceed \$218,801 for as-needed hazardous material clean up services.

**SUMMARY**

Bridges Restoration, LLC dba ServPro of Lake, Mendocino, and Sonoma County NE has been providing hazmat services to SMART since 2015. Bridges Restoration, LLC provides hazardous materials clean up services to allow trains involved in incidents to be cleared to return to their schedules in a prompt manner. With the recent number of incidents, SMART has a need to increase the amount of this Contract. This Amendment will increase the not-to-exceed amount of the Contract by \$143,801 for a total not-to-exceed amount of the Agreement of \$218,801.

Staff recommends that the Board authorize the General Manager to execute Contract Amendment No. 5 with Bridges Restoration, LLC for the not-to-exceed amount of \$218,801.

**FISCAL IMPACT:** Funding is included in the approved Fiscal Year 2019-20 budget.

**REVIEWED BY:** [ x ] Finance 

[ x ] Counsel 

Very truly yours,

  
Jennifer McGill  
Operations Manager

Attachment(s): Bridges Restoration, LLC (dba ServPro) Contract Amendment No. 5

**FIFTH AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT  
AND BRIDGES RESTORATION, LLC**

This Fifth Amendment dated as of October 2, 2019 (the “Fifth Amendment”) to the Agreement for Consultant Services by and between the Sonoma-Marin Area Rail Transit District (“SMART”) and Bridges Restoration, LLC (“CONSULTANT”), dated as of October 16, 2015 (the “Original Agreement,” and as amended by the First through Fourth Amendments and now this Fifth Amendment, the “Agreement”).

**RECITALS**

WHEREAS, SMART and CONSULTANT entered into the Original Agreement for the provision of biohazard cleanup and hazmat services to SMART; and

WHEREAS, in previous Contract Documents SMART referred to the CONSULTANT as ServPro of Lake, Mendocino, and Sonoma County NE dba Bridges Restoration, LLC, they will hereafter be referred to as Bridges Restoration, LLC dba ServPro of Lake, Mendocino, and Sonoma County NE; and

WHEREAS, SMART previously amended the Agreement to extend the term and increase the not-to-exceed amount; and

WHEREAS, SMART desires to amend the Agreement to increase the not-to-exceed amount by \$143,801 for a total not-to-exceed for the Agreement of \$218,801.

NOW, THEREFORE, in consideration of the recitals set forth above and the covenants contained herein, it is mutually agreed by and between the parties that:

**AGREEMENT**

1. **“ARTICLE 5. PAYMENT.”** Article 5 of the Agreement is amended as follows:

SMART shall pay Consultant at the rates found in **Exhibit B**. All expenses must be approved by SMART in writing prior to expenditure. No other expenses shall be reimbursed. In no event shall the total payment for services and expenses under this agreement exceed \$218,801.

2. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of the Agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Fifth Amendment as set forth below.

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Farhad Mansourian, General Manager

**BRIDGES RESTORATION, LLC**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

**APPROVED AS TO FORM:**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
District Counsel



October 16, 2019

**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
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Petaluma, CA 94954

**SUBJECT:** Approve Contract Amendment No. 6 to Portola Systems Inc. Contract

Dear Board Members:

**RECOMMENDATION:**

Authorize the General Manager to execute Contract Amendment No. 6 for an amount of \$217,756 to the existing Information Technology (IT) Services contract with Portola Systems Inc. for IT support services for a total not-to-exceed amount of \$1,931,701 and to extend the term of the contract to October 2, 2020.

**SUMMARY**

Portola Systems Inc. has been performing IT maintenance and support services for SMART since March 2016 after their contract went through the procurement process. Their services included monthly monitoring of all Cisco routers and Cisco SMARTNet maintenance contracts, firewalls, and switches for the Stations Network including CCCTV, Fare Collection, and Wi-Fi at the platforms. Maintenance of Cisco routers, firewalls, and switches is required to ensure secure, reliable communications between the Station Platforms and the Fare Collection and CCTV Administration offices.

In addition to the services that Portola has provided in the past, this amendment provides network infrastructure and support for the two new SMART stations opening soon.

Staff is recommending approval of Contract Amendment No. 6 in the amount of \$217,756 for professional IT support services for a total not-to-exceed contract amount of \$1,931,701.

**FISCAL IMPACT:** Funding for the amendment is included in the Fiscal Year 2019-20 budget.

**REVIEWED BY:** [ X ] Finance

[ X ] Counsel

Very truly yours,

A handwritten signature in blue ink that reads "Bryan Crowley".

Bryan Crowley  
Information Systems Specialist

Attachment: Portola Systems, Inc. Contract Amendment No. 6

**SIXTH AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT  
AND PORTOLA SYSTEMS, INC.**

This Sixth Amendment dated as of October 16, 2019 (the “Sixth Amendment”) to the Agreement for Consultant Services by and between the Sonoma-Marin Area Rail Transit District (“SMART”) and Portola Systems, Inc. (“CONSULTANT”), dated as of April 6, 2016 (the “Original Agreement,” and as amended by the First through Fifth Amendments, and now this Sixth Amendment, the “Agreement”).

**RECITALS**

WHEREAS, SMART and CONSULTANT previously entered into the Original Agreement to provide station network configuration services for its SMART stations; and

WHEREAS, SMART desires to amend the Agreement to increase the not-to-exceed amount by \$217,756, for a total not-to-exceed amount of \$1,931,701 and to extend the term through October 2, 2020; and

NOW, THEREFORE, in consideration of the recitals set forth above and the covenants contained herein, it is mutually agreed by and between the parties that:

**AGREEMENT**

1. **“ARTICLE 5. PAYMENT”** Article 5 of the Agreement is amended as follows:

In addition to the not-to-exceed amount set forth in the Original Agreement, the contract amount shall be increased by an amount not-to-exceed \$217,756 for the provisions of the services, for an aggregate not-to-exceed amount of \$1,931,701, for the Agreement.

2. **“ARTICLE 6. TERM OF AGREEMENT”** Article 6 of the Agreement is amended as follows:

“The term of this Agreement shall remain in effect until October 2, 2020 unless terminated earlier in accordance with the provisions of **Article 7.**”

3. **EXHIBITS.** The following exhibits are attached hereto and incorporated herein:

(a) **EXHIBIT A: SCOPE OF WORK**

All references in the Original Agreement and previous Amendments to Exhibit A shall include reference to Exhibit A of this Fifth Amendment.

(b) EXHIBIT B: SCHEDULE OF RATES

Exhibit B in the Original Agreement shall be deleted in its entirety and replaced with the Exhibit B of this Fifth Amendment.

4. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of the Agreement.

THIS SPACE INTENTIONALLY LEFT BLANK

**IN WITNESS WHEREOF**, the parties hereto have executed this Sixth Amendment as set forth below.

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Farhad Mansourian, General Manager

**PORTOLA SYSTEMS, INC.**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

**APPROVED AS TO FORM:**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
District Counsel

## **EXHIBIT A**

### **SCOPE OF WORK**

All work described in this Exhibit A of the Sixth Amendment is in addition to the work described in the Exhibit A of the Original Agreement and any addendums made by all previous Amendments. Task Number 11 has been added to the scope of work to add one-year of Cisco SMARTnet coverage for hardware and software associated with the SMART Station Network. Portola will provide SMART with the following services:

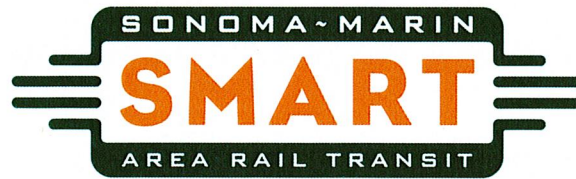
#### **Task Number 11 – SMART Station Network Maintenance (October 3, 2019 – October 2, 2020)**

- Continuation of SMART Station Network Maintenance, to be billed on a monthly basis.
- Addition of the Larkspur Extension and Station and Downtown Novato Station Network Infrastructure.



**EXHIBIT B**  
**SCHEDULE OF RATES**

Task No.	Task Description	Sixth Amendment Amount	Milestone Amount	Cumulative Amount
1	Design Meetings and Design Approval		\$ 121,246	\$ 121,246
2	Hardware / Software / Materials Procurement		\$ 784,410	\$ 905,656
3	Lab Configuration / Testing		\$ 60,623	\$ 966,279
4	Field Implementation / Installing / Testing		\$ 60,623	\$ 1,026,902
5	Validation, Documentation, Final Delivery		\$ 36,374	\$ 1,063,276
6	Final Acceptance		\$ 60,624	\$ 1,123,900
7	One Year Network Maintenance (monthly billing)		\$ 88,560	\$ 1,212,460
8	Milestone 1 - Wi-Fi Network Engineering		\$ 11,100	\$ 1,223,560
	Milestone 2 - VenTek Fare Collection Support		\$ 6,550	\$ 1,230,110
	Milestone 3 - Test / Replace data cables at Cotati & Santa Rosa Downtown		\$ 3,600	\$ 1,233,710
	Milestone 4 (Optional) - Time & Materials for any additional testing and data cable replacement as needed		\$ 5,000	\$ 1,238,710
	Fourth Amendment (One Year Network Maintenance & Cisco SMARTnet Services 24 x 7 x 4)		\$ 178,627	\$ 1,417,337
9	One Year Product Coverage - Cisco SMARTnet Services (24 x 7 x 4)	\$ 123,856	\$ 326,564	\$ 1,743,901
10	One Year Network Maintenance (10/3/18 - 10/2/19)		\$ 93,900	\$ 1,837,801
11	One Year Network Maintenance (10/3/19 - 10/2/20)	\$ 93,900	\$ 93,900	\$ 1,931,701
	<b>Contract Total</b>	<b>\$ 217,756</b>	<b>\$ 1,931,701</b>	<b>\$ 1,931,701</b>



October 16, 2019

**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

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Marin County Board of Supervisors

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Sonoma County Mayors' and  
Councilmembers Association

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

**Dan Hillmer**  
Marin County Council of Mayors and  
Councilmembers

**Eric Lucan**  
Transportation Authority of Marin

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

5401 Old Redwood Highway  
Suite 200  
Petaluma, CA 94954  
Phone: 707-794-3330  
Fax: 707-794-3037  
www.sonomamarintrain.org

Sonoma-Marin Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Resolution authorizing the submittal of State Transit Assistance fund claims to the Metropolitan Transportation Commission

Dear Board Members:

**RECOMMENDATIONS:**

Approve Resolution Number 2019-13 authorizing the General Manager to submit claims on behalf of SMART for State Transit Assistance Revenue Funds, State Transit Assistance Population Funds and State Transit Assistance State of Good Repair funds.

**SUMMARY:**

Since the start of passenger rail services, SMART has become eligible to receive several State funding sources. For some of these funds, Board resolutions authorizing submittal of all necessary application materials are required. This is the third year SMART is eligible to receive the funds that are the subject of this staff report: State Transit Assistance (STA) Revenue Funds (Public Utilities Code Section 99314); STA Population Funds (PUC Section 99313); and, STA State of Good Repair Funds (PUC Section 99314).

STA funds can be used to support transit operating and capital expenditures and are programmed to transit operators according to the rules of the individual category of funds. For STA Revenue funds, the State Controller directly apportions revenues to transit operators according to their local revenues spent on prior year operating expenses. For STA Population funds, the Metropolitan Transportation Commission (MTC) asks that transit operators agree to sub-divide funds at a County-level through the Congestion Management Agencies. For STA State of Good Repair Funds, an extra step of submitting a project application for determining eligibility must take place. Applications must be submitted separately to Caltrans from MTC for programming approval.

The SMART application submitted to MTC for referral to Caltrans for FY20 STA State of Good Repair funds was reviewed and approved by the SMART Board on May 15, 2019, for the SMART Capital Spare Parts Project. For all three of these categories of STA funds, the actual distribution of monies is certified and allowed by MTC via an "STA Claims Process". That Claims Process has several requirements before an operator is approved to receive the funds.

The requirements include:



- Governing body resolution authorizing the submittal of the claim
- Opinion of Agency Counsel filed annually regarding submittal of the claim
- Provision of SMART's National Transit Database report from two years prior to claim
- Provision of SMART's most recent State Controller's Report and Fiscal Audit
- Productivity Improvement Program (PIPs) Projects are required by MTC of all transit operators three years after the start of service.
- Adherence to MTC's Resolution 3866, the MTC Transit Coordination Implementation Plan.

Fiscal Year 2019-20 funds totaling \$2,772,430 currently await SMART's claim (per State Controller and MTC estimates) including the following:


- STA Revenue funds estimated in the amount of \$1,910,152, and
- STA Marin County Population funds of \$107,346 or 3.95% of FY20 funds available in Marin County, and
- STA Sonoma County Population funds of \$459,778, or 7.57% of FY20 funds available in Sonoma County, and
- STA State of Good Repair Funds estimated in the amount of \$295,154.

The Metropolitan Transportation Commission requires a Board resolution authorizing the General Manager to submit claims for State Transit Assistance funds and that resolution is attached.

**FISCAL IMPACT:** These funds were included as a source of revenue for Operations in the Board-approved Fiscal Year 2019-20 Budget.

REVIEWED BY: [ x ] Finance  [ x ] Counsel 

Very truly yours,

  
Joanne Parker  
Programming and Grants Manager

Attachments: 1) Resolution Number 2019-13  
2) Metropolitan Transportation Commission Resolution #3866

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AUTHORIZING THE SUBMITTAL OF A CLAIM FOR STATE TRANSIT ASSISTANCE FUNDS AND DESIGNATION OF THE GENERAL MANAGER AS THE AUTHORIZED AGENT TO SUBMIT AND EXECUTE ALL REQUIRED DOCUMENTS FOR STATE TRANSIT ASSISTANCE FUNDS ON BEHALF OF THE DISTRICT FOR FISCAL YEAR 2019-20**

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**WHEREAS**, the Sonoma-Marín Area Rail Transit District (SMART) is an eligible project sponsor and may receive funding from State Transit Assistance (STA) Funds, including STA Revenue Funds (PUC 99314), STA Population Funds (PUC 99313), STA Revenue State of Good Repair Funds (PUC 99314), and STA Population State of Good Repair Funds (PUC 99313) for transit projects; and

**WHEREAS**, the state and regional statutes related to these state transit funds require implementing agencies to abide by various state and regional regulations; and

**WHEREAS**, the Metropolitan Transportation Commission (MTC) is the regional agency responsible for disbursement of STA funds, including the STA State of Good Repair funds programmed by the State Department of Transportation (Caltrans) and STA Revenue Funds apportioned by the State Controller's Office; and

**WHEREAS**, MTC has developed guidelines for the purpose of administering and distributing STA funds to eligible project sponsors, described in MTC's Annual Fund Application Manual; and

**WHEREAS**, SMART wishes to delegate authorization to submit and execute all required STA claim documents and any amendments thereto to the SMART General Manager, or designee; and

**WHEREAS**, SMART wishes to implement the SMART Commuter Rail Operations Project for Fiscal Years 2019-20;

**NOW, THEREFORE, BE IT RESOLVED THAT THE** Board of Directors of the SMART District hereby

1. Authorizes the submittal of the SMART Commuter Rail Operations Project claim for State Transit Assistance Revenue and Population funds and the State Transit Assistance State of Good Repair funds to the Metropolitan Transportation Commission for Fiscal Year 2019-20; and

2. Agrees to comply with all conditions and requirements set for in MTC's Annual Fund Application Manual and applicable statutes, regulations and guidelines for all State Transit Assistance funded transit projects; and
3. Designates SMART's General Manager, or designee, to be authorized to execute all required documents of the State Transit Assistance program and any Amendments thereto with the Metropolitan Transportation Commission which may be necessary for the completion of the aforementioned project.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 16<sup>th</sup> day of October 2019, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

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Gary Phillips, Chair Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

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Leticia Rosas-Mendoza, Clerk of Board of Directors  
Sonoma-Marín Area Rail Transit District

Date: February 24, 2010  
W.I.: 1227  
Referred By: Operations Committee  
Revised: 10/26/11-C  
07/22/15-C

ABSTRACT

Resolution No. 3866, Revised

This resolution updates and adopts MTC's Transit Coordination Implementation Plan pursuant to the requirements of California Government Code §§ 66516 (SB 1474) and 66516.5; Public Utilities Code §§ 99282.51 and 99314.7; and Streets and Highways Code § 30914.5.

This resolution supersedes Resolution No. 3055, as amended.

Attachment B to this resolution was revised on July 22, 2015 to update and revise requirements for the 511 transit information program (Appendix B-1), the regional hub signage program (Appendix B-2), and the Clipper<sup>®</sup> program (Appendix B-3), and to add a new Appendix B-5 containing coordination requirements applicable to transit rider surveys.

Date: February 24, 2010  
W.I.: 1227  
Referred By: Operations Committee

Re: Transit Coordination Implementation Plan

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 3866

WHEREAS, pursuant to Section 66516 of the California Government Code, the Metropolitan Transportation Commission (MTC) is required to adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction and to require every system to enter into a joint fare revenue sharing agreement with connecting systems; and

WHEREAS, pursuant to Section 66516.5 of the Government Code, MTC may identify and recommend consolidation of those functions performed by individual public transit systems that could be consolidated to improve the efficiency of regional transit service and;

WHEREAS, pursuant to Section 99282.5 of the California Public Utilities Code (PUC), MTC is required to adopt rules and regulations to provide for governing interoperator transfers so that the public transportation services between public transit operators are coordinated; and

WHEREAS, pursuant to Section 99314.7 of the Public Utilities Code, MTC is required to evaluate an operator's compliance with coordination improvements prior to an operator receiving allocations of State Transit Assistance (STA) funds; and

WHEREAS, pursuant to Section 30914.5 of the Streets and Highways Code, MTC must adopt, as a condition of Regional Measure 2 fund allocation, a regional transit connectivity plan to be incorporated in MTC's Transit Coordination Implementation Plan pursuant to Section 66516.5, requiring operators to comply with the plan, which must include Policies and procedures for improved fare collection; and

WHEREAS, MTC previously adopted Resolution No. 3055 to implement these requirements; and

WHEREAS, in order to ensure progress toward implementing coordination recommendations, MTC wishes to formalize these recommendations by adopting the rules and requirements required pursuant to Government Code Section 66516 and PUC Section 99282.5 as set forth in this MTC Transit Coordination Implementation Plan, which includes a regional Transit Connectivity Plan and Implementation Requirements, attached to this Resolution as Attachments A and B, and incorporated herein as though set forth at length;

WHEREAS, MTC has consulted with the region's transit agencies to develop the regional Transit Connectivity Plan and Implementation Requirements, as required by Government Code §§ 66516 and Streets and Highways Code § 30914.5; now therefore be it

RESOLVED, that MTC adopts the Transit Connectivity Plan ("Plan") as set forth in Attachment A; and be it further

RESOLVED, that MTC adopts the Implementation Requirements, as set forth in Attachment B; and, be it further

RESOLVED, that prior to determining fund programming and allocations for an operator, MTC shall review the efforts made by the operator to implement the requirements identified in Attachments A and B, and if MTC determines that the operator has not made a reasonable effort to implement the requirements of Attachments A and B, MTC may, at its discretion, withhold, restrict or re-program funds and allocations to such operator to the extent allowed by statute, rule, regulation, or MTC policy; and, be it further

RESOLVED, that all funds subject to programming and/or allocation by MTC are covered by this resolution including but not limited to State Transit Assistance, Transportation Development Act, Regional Measure 2, Congestion Mitigation and Air Quality, Surface



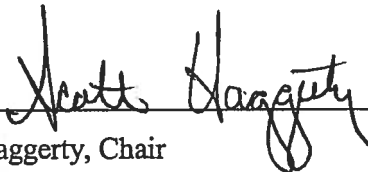
Transportation Program and Transit Capital Priorities funds, to the extent permitted by statute; and, be it further

RESOLVED, that this resolution shall be transmitted to the affected transit operators to guide them in development of their annual budgets and short-range transit plan revisions; and, be it further

RESOLVED, that the Operations Committee is authorized to approve amendments to Attachments A and B, following consultation with the affected transit operators; and be it further

RESOLVED, this resolution supersedes Resolution No. 3055.

METROPOLITAN TRANSPORTATION COMMISSION

  
\_\_\_\_\_  
Scott Haggerty, Chair

The above resolution was entered into by  
the Metropolitan Transportation Commission  
at a regular meeting of the Commission held in  
Oakland, California, on February 24, 2010

Date: February 24, 2010  
W.I.: 1227  
Referred By: Operations Committee

Attachment A  
Resolution No. 3866  
Page 1 of 1

## **Attachment A**

### **MTC Transit Connectivity Plan**

This Attachment A incorporates by reference the Transit Connectivity Plan, previously approved by MTC in MTC Resolution No. 3055, which may be downloaded at:  
<http://www.mtc.ca.gov/planning/connectivity/index.htm>.

Date: February 24, 2010  
W.I.: 1227  
Referred By: Operations Committee  
Revised: 10/26/11-C  
07/22/15-C

Attachment B  
Resolution No. 3866, Revised  
Page 1 of 28

## **Attachment B Implementation Requirements**

The purpose of these Implementation Requirements is to establish the expectations and requirements for each transit agency with respect to implementing the recommendations of the Commission's Transit Connectivity Plan (2006) and maintaining other transit coordination programs, to outline the process by which MTC will involve transit operators in changes to coordination requirements, and to establish the process for Commission action in the event of transit agency non-compliance with these implementation requirements. A copy of this Resolution 3866 is available for download at <http://www.mtc.ca.gov/planning/tcip/>.

Per the Transit Connectivity Plan, MTC places high priority on improvements that:

- Accomplish tangible improvements for the passenger;
- Benefit the largest number of transit users, including both inter- and intra-system transit riders, to the extent possible;
- Improve system productivity by sharing agency resources; and
- Enhance the ability of transit riders to reach significant destinations in adjoining jurisdictions and along regional corridors by (1) improving the connections between system services and (2) providing through service to adjoining jurisdictions in those cases where the market clearly justifies such service.

In order to manage resources effectively, MTC will focus on a limited number of high priority improvements, transfer project leadership from MTC to one or more transit agencies where possible upon agreement of project partners, and establish priorities for implementing new projects.

The Commission has established specific transit operator requirements to implement a coordinated regional network of transit services and to improve overall service productivity as defined in the Transit Connectivity Plan. Any agency that is an eligible recipient of funds subject to allocation or programming by MTC is subject to these requirements, including, but not limited to the following:

- |  |  |
|--|--|
| 1. Altamont Corridor Express                               | 18. Sonoma Marin Area Rail Transit                   |
| 2. Alameda-Contra Costa Transit District                   | 19. Transbay Joint Powers Authority                  |
| 3. Caltrain  | 20. Union City Transit                               |
| 4. Capital Corridor Joint Powers Authority                 | 21. Water Emergency Transportation Authority         |
| 5. Central Contra Costa Transit Authority                  | 22. Western Contra Costa Transit Authority           |
| 6. Eastern Contra Costa Transit Authority                  | 23. City of Dixon                                    |
| 7. Golden Gate Bridge, Highway and Transportation District | 24. City of Emeryville                               |
| 8. Livermore/Amador Valley Transit Authority               | 25. City of Fairfield (Fairfield and Suisun Transit) |
| 9. Marin County Transit District                           | 26. City of Petaluma                                 |
| 10. Napa County Transportation Planning Agency             | 27. City of Rio Vista                                |
| 11. San Francisco Bay Area Rapid Transit District          | 28. City of Santa Rosa                               |
| 12. San Francisco Municipal Transportation Agency          | 29. City of Vacaville                                |
| 13. San Mateo County Transit District                      |  |
| 14. Santa Clara Valley Transportation Authority            |  |
| 15. Solano County Transit (SolTrans)                       |  |
| 16. Solano Transportation Authority                        |  |
| 17. Sonoma County Transit                                  |  |

Unless a particular action is reserved for the Commission or the Operations Committee in this Attachment B (including any Appendices hereto), where reference is made in this Attachment B to approval, determination, clarification or the development of guidelines or policies by MTC, such action may be taken or made by MTC staff in a manner that is consistent with the principles set forth in Resolution 3866 and this Attachment B.

## **A. Operator Implementation Requirements**

### **1. Implementation Requirements**

The region has a history of implementing projects to improve transit coordination. Early efforts focused on regional programs and policies such as disseminating tax-free transit benefits and making paratransit eligibility determinations. More recent efforts, such as the Transit Connectivity Plan and efforts to increase Transit Sustainability, identified improvements to (1) designated regional transit hubs, including way-finding signage and transit information, real time transit information, schedule coordination, last-mile services and hub amenities, (2) system wide connectivity improvements, including 511 information and Clipper® and (3) coordination of demographic and travel pattern transit rider surveys.

Specific implementation requirements for transit operators are listed in Appendices to this Attachment:

- Appendix B-1, 511 Transit Program Requirements (including real-time transit);
- Appendix B-2, Regional Transit Hub Signage Program Requirements;
- Appendix B-3, Clipper® Implementation Requirements; and
- Appendix B-4, Maintenance of Existing Coordinated Services.
- Appendix B-5, Cooperative Demographic and Travel Pattern Transit Rider Survey Program Requirements

As MTC continues to address recommendations from the Transit Connectivity Plan and other emerging issues such as Transit Sustainability, new implementation requirements may become necessary. The appendices may be modified to reflect changes in implementation responsibilities, following the procedures outlined in this Attachment B, and subject to approval by the Commission.

## **2. SB 602 Fare and Schedule Coordination Requirements**

Currently, each operator certifies its adherence to the provisions of SB 602 (Statutes 1989, Chapter 692, Government Code Section 66516, and as subsequently amended) as part of the annual allocation process for TDA and STA funds when requests for these funds are submitted to MTC. The SB 602 requirements are now incorporated into this Res. 3866, and each operator's compliance will be monitored accordingly. Per the requirements of SB 602, each transit agency in the region has a revenue sharing agreement with every connecting agency. In some cases, this takes the form of a reciprocal agreement to accept each other's passengers free of charge or to honor each other's period passes or single-trip transfers for a discounted fare. The BART/Muni FastPass is an example of a joint fare instrument to address SB602 requirements. Each transit agency in the region is required to maintain these reciprocal agreements as a condition of receiving STA funds (Gov. Code 66516).

## **3. Preserve Ability to Post and Disseminate Transit Information**

MTC expects transit operators to preserve rights for MTC and connecting transit operators to post and disseminate connecting transit information for free within their facilities. This would include but not be limited to route, schedule, fare, real-time transit information and information about regional transit projects (511, Clipper®). For any transit agency that has already entered into a third-party agreement that compromises these rights, MTC expects the transit agency to make good faith efforts to reinstate these rights in their agreement at the earliest opportunity and, at a minimum, to reinstate such rights in future agreements or renewals entered into after adoption of this Resolution. Nothing herein shall be interpreted as requiring transit agencies to display advertising. Rather, the objective is to provide transit customers with pertinent information that improves their transit experience.

## **B. Cost-Sharing**

Implementation activities and other new transit connectivity and coordination efforts added to these Implementation Requirements will be funded with MTC discretionary funds, transit agency funds, and/or in-kind contributions of MTC and transit agency staff resources. If MTC considers

adding new projects or services, MTC would implement the consultation process described in Section C below to vet any expected cost impacts on the operators. Transit agencies are required to waive all agency fees (for permits, etc.) they would otherwise charge to MTC, other transit operators or third-party contractors to implement and maintain regional transit coordination projects detailed in these requirements. Unless otherwise noted, MTC and transit agencies are expected to cover the cost to implement their respective roles and responsibilities as identified in these requirements or in pre-existing agreements. As specific initiatives move to implementation, a lead agency may be designated to coordinate implementation activities on behalf of the other participating transit agencies. Any agency that assumes this lead role and incurs costs that it would otherwise not assume in order to perform this function may be reimbursed, based upon an equitable agreement with the participating agencies, on a marginal cost basis (i.e., the additional cost the transit operator incurs to perform the work).

### **C. Consultation Process**

MTC will consult with transit agencies when defining new coordination requirements for inclusion in Res. 3866 or when updating or revising requirements already in Res. 3866.

MTC will first consult with one or more of its technical advisory committees (TACs) to receive transit agency input on the specific implementation requirements. MTC will notify TAC members of the meetings and provide agendas in advance, and facilitate TAC discussions. Affected transit operators are expected to participate. Transit agencies are responsible for ensuring that the appropriate staff attends TAC meetings, that they participate in discussions in good faith, and that they communicate with other relevant staff within their agency (including those employees whose work may be affected) and executive management so that timely and constructive agency feedback can be provided to MTC. MTC will consider TAC input when formulating draft policy. In cases where there is no relevant TAC to address the issue under consideration, MTC will formulate draft policy and solicit feedback from general advisory groups, such as the Partnership Technical Advisory Committee (PTAC) or the Transit Finance Working Group.

At its discretion, MTC may also solicit input from the Partnership Board, the Partnership Technical Advisory Committee, the Transit Finance Working Group and MTC's Policy Advisory Council prior to Commission action. Following consultation with the TAC(s) and/or other advisory groups, MTC will solicit feedback from the Partnership Transit Coordination Committee. MTC will provide notification of the proposed PTCC meeting and agenda through written communication to transit general managers and transit program coordinators and posting of the meeting materials on MTC's web site.

After consulting with transit agencies, MTC will forward staff's recommendations to the MTC Operations Committee and the Commission.

### **D. Sanctions**

The Commission expects each transit agency to comply with the requirements outlined in this Resolution and its Attachments as a condition of eligibility for STA and TDA funds, Regional Measure 2 funds, transit capital funds (including federal transit formula funds, STP, CMAQ and

STIP funds) and other funds subject to Commission programming and allocation actions. MTC intends that the region's transit agencies will implement these requirements in good faith and cooperation among themselves and with MTC. The sanction of withholding, restricting or re-programming funds to enforce cooperation will be exercised by MTC through an action of the Commission in cases where an agency fails to meet or fails to exhibit good faith in meeting these requirements. In such cases, MTC staff will notify the agency of the possibility that a sanction may be imposed. This notification will also recommend corrective actions that the agency should take to meet the implementation requirements. The notification will be sent no less than sixty (60) days prior to forwarding an MTC staff recommendation to the Commission.

## **Appendix B-1**

### **511 Transit Information Requirements**

MTC provides static transit data through the 511 phone and web service and real-time transit departure information through the 511 phone and web services and the Regional Hub Signage Program. MTC requires the full participation and support of all transit agencies to deliver quality and timely information. MTC and the transit agencies have jointly developed data transfer mechanisms for static and real-time transit data and identified appropriate roles and responsibilities for all parties, as documented in “*511 Transit and Real-Time Transit Program Roles and Responsibilities*.” MTC will review these requirements on an as-needed basis with transit agency partners, and they may be updated from time to time. The document is available at: <http://www.mtc.ca.gov/planning/tcip/>. The key roles and responsibilities to provide transit agency data on 511 services are as follows:

#### **Transit Agencies will:**

##### Generally:

1. Participate in MTC’s 511 Regional Transit Information System (RTIS) and Real-Time Transit Technical Advisory Committee (511 TAC).
2. Support, fund and staff their roles and responsibilities related to the 511 services as described below.
3. Notify transit customers of the availability of 511 information and 511.org on transit agency web sites, in printed materials, at bus stops/rail stations, and on other transit agency information channels.

##### For Static Transit Information:

4. Provide accurate, complete, and timely information regarding transit routes, stops, schedules, and fares for dissemination on 511 and/or through data feeds to third parties.
5. Transmit and maintain transit schedule data and other transit service information to MTC, through provided tools, protocols and processes as discussed, updated and agreed in 511 TAC meetings, in advance of any schedule changes to allow for MTC’s timely inclusion on 511 and/or data feeds to third parties. MTC will provide a schedule identifying the necessary advance time.
6. Perform quality control review (focusing on data changed for upcoming service revisions) on a representative sample of agency service data prior to transmittal to MTC.

##### For Real-time Transit Information:

7. Provide prediction data to the Regional System by establishing and maintaining a data connection to the Regional System and operating and maintaining an interface application.
8. Meet requirements, as defined in “*511 Transit and Real-Time Transit Program Roles and Responsibilities*.”
9. Conduct on-going performance monitoring to ensure accurate and timely transfer of data to the Regional System and accurate provision of prediction data to the public, in collaboration with MTC.
10. Ensure that there is no impact to its provision of prediction data to 511 in the event that the transit agency provides its specific prediction data to a third party.



11. Provide service disruption information to 511 where available and logistically feasible through agreed upon formats.

**MTC will:**

Generally:

1. Organize and facilitate the 511 TAC.
2. Fund, operate, and maintain the 511 traveler information program for regional transit information, including 511.org, 511 phone, regional electronic Transit Information Displays (eTIDs) at transit hubs, and other relevant applications.
3. In collaboration with transit agencies, conduct performance monitoring to ensure accurate and timely transfer of both static and real-time transit data to the Regional 511 System.

For Static Transit Information:

4. Notify transit customers of the availability of transit agency websites at appropriate locations on web site pages of 511.org.

For Real-time Transit Information:

5. Share with third party vendors and the general public the real-time transit data as described in *"511 Transit and Real-Time Transit Program Roles and Responsibilities."*
6. Provide agencies with contact information for the 511 Traveler Information Center (TIC) to allow for the posting of real-time transit service disruption/emergency information on 511.

## **Appendix B-2**

### **Regional Transit Hub Signage Program Requirements**

MTC and transit agencies have developed the Regional Transit Hub Signage Program Technical Standards and Guidelines (e.g. ‘the Standards’) to ensure consistency across the region as the signage is deployed and maintained. A detailed version of the Standards is available at: <http://www.mtc.ca.gov/planning/tcip/>. The Standards may be periodically updated.

The Standards include:

1. Four main sign types: directional signs, wayfinding kiosks, transit information displays, real-time transit information displays.
2. Guidance to locate signs at key decision points between transit operator services.
3. Design elements to establish a common “look” and “feel” for the signage including:
  - Orange ‘i’ icon on a green background;
  - Standard logos, icons, arrows and messages and an organizing hierarchy;
  - Standard ‘frutiger’ font;
  - Hierarchy for the location of information in each sign;
  - Consistent map orientation and colors;
  - Directional map compass and walking distance/time radius;
  - Transit stop designation through agency logo/mode icon/route number ‘bubbles’; and
  - Prominent 511 logo/message and regional transit program information.

#### **Transit Agencies will:**

1. Participate on the Transit Connectivity TAC as needed to raise and consider any further revisions to the Standards or other relevant transit connectivity policies.
2. Comply with the Standards. Where exceptions to the Standards are desired, transit operators must seek prior approval from MTC. Where ambiguity in the Standards exists, transit operators shall request clarification from MTC.
3. Comply with task responsibilities (O&M, replacement and ownership) further detailed in Appendix B-2, Attachment 1. In most cases, the transit agency that owns the property on which the sign has been installed is assigned responsibility. For signs installed on property not owned by a transit agency, the transit agency providing the most service (passenger boardings) in the area of the sign has been assigned responsibility.
4. Facilitate the permitting of signs by waiving all fees that a transit agency would usually charge for sign installation on its property or leased operating areas.
5. As transit agencies plan new facilities or prepare for major remodels of existing facilities, transit agencies will consult with MTC early in the planning process to ensure effective information is provided to transit users and consistency with the Standards is achieved. MTC will determine if a project requires application of the Standards. If yes, the responsible transit agency will implement the appropriate signage throughout the transit facility in accordance with the Standards.

#### **MTC will:**

1. In consultation with Transit Connectivity TAC, develop, document and periodically update regional sign Standards.
2. Comply with cost and task responsibilities detailed in Appendix B-2, Attachment 1.

3. Solicit feedback from transit agencies on significant changes to regional policy affecting the 24 hubs through the Transit Connectivity Technical Advisory Committee.
4. As resources permit, provide technical assistance to transit agencies wishing to extend the regional sign Standard to non-regional hubs.
5. Explore opportunities to extend constancy of wayfinding information across modes throughout the region, including through technological and other innovative means.

## Appendix B-2, Attachment 1: Hub Signage Program Cost/Task Responsibilities

Appendix B-2, Attachment 1: Hub Signage Program Cost/Task Responsibilities						
Hub Signage Operations & Maintenance (O & M)		Task	Cost Responsibility		Task Responsibility	
			Region	Operator	Region	Operator
A. Physical O & M by Sign Type						
1. Directional/Wayfinding Signs (incl. hub identification signs)	a. Annual Operations and Maintenance (O&M) <sup>1</sup>			X		X
	b. Lifecycle Replacement <sup>2</sup>			X		X
	c. Ownership <sup>3</sup>			X		X
2. Wayfinding Kiosks	a. Annual Operations and Maintenance (O&M) <sup>1</sup>			X		X
	b. Lifecycle Replacement <sup>2</sup>			X		X
	c. Ownership <sup>3</sup>			X		X
3. Real-Time Transit Signs	a. Annual Operations and Maintenance (O&M) <sup>1</sup>			X		X
	b. Lifecycle Replacement <sup>2</sup>	X				X
	c. Ownership <sup>3</sup>			X		X
4. Transit Information Displays	a. Annual Operations and Maintenance (O&M) <sup>1</sup>			X		X
	b. Lifecycle Replacement			X		X
	c. Ownership <sup>3</sup>			X		X
B. Information Content O & M by Sign Type						
1. Directional/Wayfinding Signs (incl. hub identification signs)	d. Static Information Content			X		X
2. Wayfinding Kiosks	d. Printed information content <sup>4</sup>	X			X	
3. Transit Information Displays	d. Printed information content <sup>4</sup>	X			X	
4. Real-Time Transit Signs	d. Electronic information content	X			X	

<sup>1</sup> Including electricity, cleaning, graffiti removal, and repairs.  
<sup>2</sup> Including planning, procurement, coordination, and installation.  
<sup>3</sup> Insurance, liability, and warranty claims.  
<sup>4</sup> Including quarterly cleaning of physical sign case.

### **Appendix B-3**

## **Clipper® Implementation Requirements**

This Appendix defines the Commission's expectations of the transit agencies to ensure a successful operation of the Clipper® (formerly TransLink®) system in three sections:

- I. Participation Requirements
- II. Regional Clipper® Communications and Marketing Activities
- III. Fare Media Transition Schedules by Specific Operators

Section I describes general Clipper® implementation requirements for participating operators.

Section II defines expectations for communications and marketing: a program area critical to smooth implementation of a full transition to Clipper® that can only be addressed through a collaborative, regional approach.

Section III establishes the dates by which the transit agencies that are currently operating Clipper® will transition their existing prepaid fare media to Clipper®-only availability.

### **I. Participation Requirements**

The Clipper® fare payment system was procured by MTC and has been implemented, operated and maintained under the Design Build Operate Maintain contract between MTC and Cubic Transportation Systems, Inc. for the Clipper® fare payment system (the current Clipper® Contract). The Clipper® Contract was assigned to Cubic Transportation Systems, Inc. (the current Clipper® Contractor), on July 2, 2009 and has an operating term extending through November 2, 2019. In this role as counterparty to the Clipper® Contract, MTC is sometimes referred to in this Appendix B-3 as the "Contracting Agency." Transit agencies operating Clipper® as their fare payment system are required to enter into the Memorandum of Understanding (MOU) among MTC and the transit agencies operating Clipper®.

The following describes general Clipper® implementation requirements for participating operators. An operator's failure to meet one or more of these requirements may result in non-compliance with Resolution 3866.

1. Implement and operate the Clipper® fare payment system in accordance with the Clipper® Operating Rules, as adopted and amended from time to time in accordance with the MOU. The current Clipper® Operating Rules (updated in June 2012) are incorporated herein by this reference. The Clipper® Operating Rules establish operating parameters and procedures for the consistent and efficient operation of Clipper® throughout the region and are available on MTC's website at <http://www.mtc.ca.gov/planning/tcjp/>.
2. Pay its share of costs according to the MOU, including the cost allocation formula set forth in Appendix B to the MOU.
3. Abide by the revenue sharing formula in Appendix B to the MOU.

4. Make its facilities and staff available for implementation and operation of Clipper®. Any Operator and the Contracting Agency may agree to an Operator-Specific Implementation Plan, setting forth specific requirements regarding implementation and operation of Clipper® for such Operator.
5. Make determinations regarding the placement of Clipper® equipment on the Operator's facilities and equipment; perform necessary site preparation; attend Clipper® Contractor training on the use of the Clipper® equipment; and provide training to employees using the equipment.
6. Implement, operate and promote Clipper® as the primary fare payment system for each Operator. Clipper®'s primary market is frequent transit riders (i.e., commuters and transit passholders). Operators shall not establish other fare payment systems or fare policies that could deter or discourage these patrons' preference to use Clipper®. Operators shall set fares so that fares paid with Clipper® are equivalent or lower than fares paid either with cash or other forms of payment.

No new non-Clipper® prepaid fare product, other than for promotional, special event or limited-audience—e.g., tourist—fares, shall be created by any transit operator without consulting with and receiving prior approval from MTC.

Nothing in this provision is intended to discourage operators from providing leadership on new technologies or innovations that would offer improvement to fare collection operations or the customer experience. The expectation is that these new initiatives should leverage the attributes and assets of Clipper®, not compete with Clipper® or undermine customers' preference to use Clipper®.

7. Perform first-line maintenance upon Clipper® equipment located on their facilities or vehicles, promptly notify the Clipper® Contractor when second-line maintenance of Clipper® equipment is needed, promptly notify the Contracting Agency and the Clipper® Contractor of any issues affecting daily financial reconciliation or accuracy of system reports, issue all types (including, but not limited to, cards configured as senior or youth) of Clipper® cards and add value to existing Clipper® cards from all Ticket Office Terminals located at their business facilities, and provide at least the same level of front-line customer service to their patrons using Clipper® as to patrons using other forms of fare payment.
8. Sufficiently train and educate agency personnel who have Clipper®-related responsibilities so those personnel are able to carry out the requirements placed upon operators in this Resolution.
9. Assist MTC, as necessary, to develop a program for Transit Capital Priorities (TCP) funds for the purpose of procuring and installing end-of-lifecycle Clipper® equipment and to submit and administer grants for programmed TCP funds on a "pass-through" basis.

10. Take financial responsibility for replacement of equipment damaged in-service due to vandalism or any other cause not covered by the Clipper® Contract warranty.<sup>1</sup>

## II. Regional Clipper® Communications and Marketing Activities

1. Effective Date. For operators currently operating the Clipper® system, these Clipper® marketing and communications requirements are effective immediately. For operators not yet operating Clipper®, the requirements are effective two months after MTC's approval of the Clipper® system as Revenue Ready for that operator.
2. General Requirements. Operators shall present Clipper® to customers, employees and media as a fully operational fare payment option. This includes, but is not limited to, identification of Clipper® as a fare payment option in brochures, websites, advertisements, schedules/timetables, email newsletters, internal memos, bulletins and training manuals, and any other materials that describe an operator's fare payment options. Operators shall present Clipper® as an option so that Clipper® has equal or greater prominence than the presentation of other payment options. Each operator shall incorporate and/or modify the presentation of Clipper® in existing brochures, websites, schedules/timetables, etc. whenever the operator next updates the content of these items.

In all cases, operators' marketing and communications about Clipper®, whether in brochures, websites, advertisements or other forms, shall adhere to Clipper® brand guidelines developed by MTC with input from transit operators. The Clipper® Brand Guidelines are available at <https://www.clippercard.com/ClipperWeb/toolbox.do>.

3. Equipment Identification. If not already identified as such, operators shall identify Clipper®-compatible fare payment and Clipper®-compatible vending equipment with a decal or other visual identifier to indicate the equipment's Clipper® compatibility.
4. Operator Training. Operators shall ensure appropriate Clipper®-related training for transit operator staff including, but not limited to, vehicle operators, station agents, conductors, customer service personnel, proof of payment officers, ticket sales staff and any other personnel responsible for interacting with customers concerning payment options.
5. Marketing Coordination. Operators shall participate in the development and implementation of a Clipper® marketing and communications initiative that will begin approximately June 1, 2010. This includes, but is not limited to:
  - Staff participation in the development and implementation of the initiative;
  - Dissemination of Clipper® brochures and/or other information materials on vehicles and/or in stations in a manner consistent with the operator's dissemination of other similar operational information; and
  - Providing information about Clipper® utilizing space available on vehicles and/or in stations that is already used by the operator for dissemination of operational information (space available includes, but is not limited to, car cards, posters, and electronic displays).

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<sup>1</sup> During the term of the existing Clipper® Contract, MTC shall procure replacement equipment on an operator's behalf, and operators shall pay for the full cost of the equipment including all installation costs and materials.

6. **Funding.** Funding for the initial phases of the communications and marketing program shall come from the marketing funds already in the Clipper® capital budget and previously assigned to individual operators.

### **III. Fare Media**

The tables below set forth *the fare media* that the designated operator shall convert to Clipper®-only availability and *the date* by which the operator shall no longer accept such fare media in its existing form. In general, MTC has emphasized with each operator a transition of those fare products which currently represent a significant portion of that operator's boardings.

An operator will be excused from compliance with a transition date requirement for particular fare media, if the Clipper® Contractor has not met at least 80% of the cardholder support service level standards set forth in Section B.1.12 of the Clipper® Contract for the two calendar months ending one month before the scheduled transition date. The operator's transition date requirement for the affected fare media will be reset to one month after the Clipper® Contractor has met at least 80% of the Clipper® Contract's cardholder support service level standards for two consecutive calendar months.



**AC Transit will transition its existing fare media by the following dates:**

<b>Fare Media</b>	<b>Date for Ending Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
EasyPass	Transition complete	
31-Day Transbay Pass – Adult	Transition complete	
Bear Pass (U.C. Berkeley Employee Pass)	Transition complete	
10-Ride Ticket – Youth	Transition complete	
10-Ride Ticket – Adult	Transition complete	
31-Day Local Pass – Youth	Transition complete	
31-Day Local Pass – Adult	Transition complete	
10-Ride Ticket – Senior/Disabled	Transition complete	Product in paper form was effectively eliminated upon transition of Youth 10-Ride Ticket to Clipper®-only.

**BART will transition its existing fare media by the following dates:**

<b>Fare Media</b>	<b>Date for Ending Sales and/or Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
EZ Rider card as payment for transit	Transition complete	
High Value Discount (HVD) adult magnetic stripe ticket (blue)	12/31/2011	<ul style="list-style-type: none"> <li>• Prior to 12/31/11, BART must discontinue sales of HVD tickets except as noted below; however, BART may continue accepting HVD tickets for fare payment after 12/31/2011.</li> <li>• BART may continue sales of HVD tickets for a limited period of time at seven My Transit Plus locations currently operating in BART stations. This exception shall remain in effect until 60 days after:               <ul style="list-style-type: none"> <li>(i) The Clipper® equivalent of HVD tickets becomes available through WageWorks and Edenred USA (parent company of Commuter Check); and</li> <li>(ii) The Clipper® Contractor completes the requirements in Section 2.3 of Clipper® Contract Change Order 122.</li> </ul> </li> </ul>
Senior magnetic stripe ticket (green)	12/31/2011	<ul style="list-style-type: none"> <li>• Prior to 12/31/11, BART must discontinue sales of green tickets except as noted below; BART may continue accepting green tickets for fare payment after 12/31/2011.</li> <li>• BART may continue sales of green tickets at a limited number of existing sales locations. The number of locations and the length of time sales can continue is subject to mutual agreement by MTC and BART after public comment.</li> </ul>
(table continues on following page)		

<b>Fare Media</b>	<b>Date for Ending Sales and/or Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
Youth and disabled magnetic stripe ticket (red)	12/31/2011	<ul style="list-style-type: none"> <li>• Prior to 12/31/11, BART must discontinue sales of red tickets except as noted below; BART may continue accepting red tickets for fare payment after 12/31/2011.</li> <li>• BART may continue sales of red tickets at a limited number of existing sales locations. The number of locations and the length of time sales can continue is subject to mutual agreement by MTC and BART after public comment.</li> </ul>
Student magnetic stripe ticket (orange)	Requirement waived	<p>Product not available on Clipper®.</p> <p>Recommend that BART align its definition of youth/student discount with all other operators in region and eliminate this fare product.</p>

**Caltrain will transition its existing fare media by the following dates:**

<b>Fare Media</b>	<b>Date for Ending Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
Full Fare Monthly Pass	Transition complete	
8-ride Ticket	Transition complete	
Caltrain + Muni Monthly Pass	Transition complete	
Eligible Discount Monthly Pass	Transition complete	
8-ride Eligible Discount Ticket	Transition complete	

**Golden Gate Transit and Ferry will transition its existing fare media by the following dates:**

<b>Fare Media</b>	<b>Date for Ending Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
\$25 Value Card	Transition complete	
\$50 Value Card	Transition complete	
\$75 Value Card	Transition complete	

**San Francisco MTA will transition its existing fare media by the following dates:**

<b>Fare Media</b>	<b>Date for Ending Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
<b>Monthly Passes</b>		
Adult BART/Muni Monthly Pass	Transition complete	
Adult Muni Monthly Pass	Transition complete	
Senior Muni Monthly Pass	Transition complete	
RTC/Disabled Monthly Pass	Transition complete	
Youth Monthly Pass	Transition complete	
<b>Visitor/Cable Car</b>		
1 Day Passport	Requirement waived	Product not currently available on Clipper® limited-use (LU) tickets. However, LUs are preferred implementation option.
3 Day Passport	Requirement waived	Product not currently available on Clipper® limited-use (LU) tickets. However, LUs are preferred implementation option.
7 Day Passport	Requirement waived	Product not currently available on Clipper® limited-use (LU) tickets. However, LUs are preferred implementation option.
<b>Ticket Books/Tokens</b>		
Adult Single Ride Ticket Book	Transition complete	
<b>Inter-Agency Transfers</b>		
BART Two-Way Transfer	Transition complete	
BART/Daly City Two-Way Transfer	Transition complete	
Golden Gate Ferry Two-Way Transfer	Transition complete	
<b>Transfers</b>		
Bus Transfers	Requirement waived	MTC and SFMTA are considering alternative strategies that could have a

<b>Fare Media</b>	<b>Date for Ending Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
		similar market share impact, including a fare differential favoring Clipper®
Metro/Subway Transfers	Transition complete	
ADA Transfers	Transition complete	

**SamTrans will transition these existing fare media by the following dates:**

<b>Fare Media</b>	<b>Date for Ending Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
Local Monthly Pass	Transition complete	SamTrans may continue to distribute paper form of this fare product through the county's social services agencies.
Local SF Monthly Pass	Transition complete	
Express Monthly Pass	Transition complete	
Eligible Discount Monthly Pass—senior/disabled	Transition complete	SamTrans may continue to distribute paper form of this fare product through the county's social services agencies.
Youth Monthly Pass	Transition complete	<ul style="list-style-type: none"> <li>SamTrans may continue to distribute paper form of this fare product through the county's social services agencies.</li> <li>"Discount Youth Pass" may continue to be available in paper form through schools for eligible students only.</li> </ul>

**VTa will transition these existing fare media by the following dates:**

<b>Fare Media</b>	<b>Date for Ending Acceptance of Listed Prepaid Fare Media</b>	<b>Comments</b>
Monthly Pass	Transition complete	Paper monthly passes will only be sold to social service agencies and providers, school districts, and nonprofit organizations which distribute the passes free or at a discount.
Monthly Express Pass	Transition complete	Paper monthly express passes will only be sold to social service agencies and providers, school districts, and nonprofit organizations which distribute the passes free or at a discount.
Day Pass Tokens	Transition complete	Day pass tokens will only be sold to social service agencies and providers, school districts, and nonprofit organizations which distribute the passes free or at a discount.



### *Other Operators*

The following are general Clipper® implementation and fare media transition requirements for operators not yet operating Clipper®. Following MTC's approval of the Clipper® system as Revenue Ready for a given operator, MTC will work with the operator to identify more specific fare media transition plans. Unless otherwise approved by MTC, an operator shall (i) begin accepting Clipper® for fare payment by customers no more than two months following MTC's approval of the Clipper® system as Revenue Ready for the operator, and (ii) end acceptance of prepaid non-Clipper® fare media no more than one year following MTC's approval of the Clipper® system as Revenue Ready for the operator.

All of the below-listed operators (the "Phase 3 Operators") are exempt from subsection (ii) of the immediately preceding paragraph for the shorter of (a) the term of the MOU, as it may be extended hereafter, and (b) the term of the existing Clipper® Contract as it may be extended hereafter. For the duration of such exemption, the Phase 3 Operators may continue to accept prepaid non-Clipper® fare media, including passes, tickets and transfers; provided that such Operators continue to comply with Section I.6 and all other applicable provisions of this Appendix B-3.

### Phase 3 Operators

Central Contra Costa Transit Authority (County Connection)  
City of Fairfield, as the operator of Fairfield and Suisun Transit (FAST)  
City of Petaluma, as the operator of Petaluma Transit  
City of Santa Rosa, as the operator of Santa Rosa CityBus  
City of Vacaville, as the operator of Vacaville City Coach  
Eastern Contra Costa Transit Authority (Tri Delta Transit)  
Livermore/Amador Valley Transit Authority (LAVTA Wheels)  
Marin County Transit District (Marin Transit)  
Napa County Transportation and Planning Agency (VINE Transit)  
Solano County Transit (SolTrans)  
Sonoma County Transit  
Union City Transit  
Water Emergency Transportation Authority (San Francisco Bay Ferry)  
Western Contra Costa Transit Authority (WestCAT)

## **Appendix B-4**

### **Maintenance of Existing Coordinated Services**

The Commission's previously adopted Transit Coordination Implementation Plan (Resolution No. 3055) included a number of coordination programs that were not modified by the Transit Connectivity Plan. Of these, the Commission expects the transit operators to continue to support the following:

1. Regional Transit Connection (RTC) Discount Card Program – Provides identification cards to qualified elderly and disabled individuals for reduced fares on transit. Transit operators and MTC maintain memorandums of understanding about roles and responsibilities for program implementation. The RTC Discount Card is being incorporated into the Clipper® program
2. ADA Paratransit Eligibility Program – Consists of a regional application, a regional eligibility database administered by a transit agency on behalf of the region and universal acceptance across transit systems of all eligibility determinations. Transit operators have flexibility to tailor the application process to screen applicants to facilitate eligibility determinations.
3. Interagency ADA Paratransit Services – Establishes policies to promote a consistent approach to interagency paratransit passenger transfers (see Appendix A-4, Attachment 1).
4. Regional Transportation Emergency Management Plan – The Regional Transportation Emergency Management Plan (formerly know as the Trans Response Plan) is a framework to coordinate transit services during regional emergencies. Transit operators are required to participate in regional exercises to test the implementation of the plan. Transit agencies certify compliance through their annual State Transit Assistance (STA) funding claims process, and also address emergency coordination planning through their Short Range Transit Plans.
5. Regional Links/Express Bus/Feeder Bus Services – Regional Links include bus service across the Bay Bridge, Dumbarton Bridge, the San Mateo Bridge and the Richmond/San Rafael Bridge that has been incorporated into the Express Bus Services program funded with Regional Measure 2 (RM2), and will be monitored per RM2 requirements. Express Bus Services also include Owl Service which operates along the BART rail lines at night when BART is closed. Express feeder bus services to/from BART stations during peak periods are maintained through direct allocation of BART's STA funds to transit agencies as specified in the annual Fund Estimate. If STA is unavailable, BART's General Fund up to \$2.5 million is available to support these services per existing agreement. If additional funding is needed, it will be subject to discussion on an annual basis.

## **Appendix B-4, Attachment 1**

### **Requirements for Interagency ADA Paratransit Services**

*Note: Transit operators developed guidelines for interagency ADA paratransit services. MTC adapted these guidelines for the purpose of defining coordination requirements.*

Consistent with the Americans with Disabilities Act (ADA) requirement to provide paratransit services that are complementary to fixed-route transit services, Bay Area transit operators have identified a transfer-oriented network of interagency paratransit services. Interagency paratransit trips may require a transfer between connecting paratransit providers at a location specified by the transit operator. The following regional requirements are intended to improve connections between paratransit services for both passengers and paratransit providers. The requirements establish regional protocol for how the system will operate as well as specify the responsibilities of paratransit providers to assure an efficient, user-friendly system.

1. All public transit agencies in the San Francisco Bay Area will honor the regional ADA Eligibility Process [as approved by transit agencies] when certifying an individual for ADA paratransit services.
2. Eligibility for an individual requesting interagency paratransit services will be verified through the ADA Paratransit Regional Eligibility Database.
3. Transit operators will develop and make available customer information on how to access and use interagency paratransit services. This information will be made readily available in accessible formats.
4. Interagency paratransit trips will usually require a transfer between connecting paratransit providers at a location specified by the transit operator. Transit operators will transfer passengers at designated transfer locations that, to the extent possible, are also used as fixed-route transfer sites. For operational efficiency or customer service quality, use of other transfer sites is not precluded. Operators will seek to establish transfer locations that are clean, safe, sheltered and well-lit with accessible telephones and restrooms nearby. Established interagency paratransit transfer locations on transit properties will be clearly marked with a consistent sign designed and adopted at the regional level.
5. For operational efficiency or customer service reasons, transit operators may:
  - transfer passengers to a connecting paratransit provider at a transfer location, including having the passenger wait without assistance until the connecting provider arrives; or
  - provide through-trip service into an adjoining transit agency's service area (not requiring a transfer); or
  - provide transfer assistance to passengers at transfer points (waiting with the passenger until connecting provider arrives); and

- coordinate their schedules and dispatch procedures with connecting provider(s) on the day of service.
6. Coordinating Bay Area interagency paratransit reservations shall be the responsibility of paratransit providers. Subject to availability of rides, a single transit coordinator will be responsible to schedule an interagency paratransit trip (including round-trip service). For trips requiring coordination between only two transit operators, the operator in whose jurisdiction the trip originates will usually perform the function of trip coordinator to schedule the entire trip and to serve as a point of contact for passenger inquiries. For trips involving three or more paratransit providers, a regional trip coordinator may perform these functions.
  7. Transit operators shall accept reservations for interagency paratransit trips according to their local advance reservation policies. When coordinating a trip, the shorter advance reservation period of the connecting agencies will apply. In some cases, the scheduling operator will be unable to determine the availability of a requested interagency paratransit trip until the shortest advance reservation period is open. If, due to differences in advance reservation periods, trip availability cannot be determined at the time the trip is requested, the scheduling operator will inform the passenger of when to call to complete the trip reservation process. In the meantime, the scheduling operator may book available legs of the requested trip according to local advance reservation policies.
  8. Transit operators will charge a fare consistent with each individual operator's fare payment policy. All fares will be communicated to the passenger by the operator scheduling the first leg of the interagency paratransit trip at the time the ride is confirmed. Operators and MTC will work toward a regional fare payment method and/or regional fare policy for paratransit services.

## **Appendix B-5**

### **Cooperative Demographic and Travel Pattern Transit Rider Survey Program Requirements**

This Appendix defines the Commission's expectations of the transit agencies to ensure efficient collection of passenger demographic and travel pattern<sup>2</sup> information.

The Commission and the transit agencies have a common interest in understanding the demographics and travel patterns of transit riders. Between 2012 and March 2015, Commission staff have carried out transit surveys in partnership with 15 separate transit agencies as part of the Cooperative Demographic and Travel Pattern Transit Rider Survey Program ("Survey Program" henceforth). Collecting this information together is more cost effective than collecting it separately. The resulting consolidated data facilitates across-agency comparisons and analyses.

The key roles and responsibilities of MTC and the transit agencies on the Survey Program are as follows:

**Transit agencies will:**

1. Participate in the Survey Program when collecting information on transit passenger demographics AND travel patterns together.
2. Contribute to the cost of the agency-specific survey performed as part of the Survey Program. Federally-funded operators not listed below will pay no cost to survey service they provide; the following operators will pay 20 percent of the cost to survey service they provide:
  - Alameda-Contra Costa Transit District;
  - Bay Area Rapid Transit District;
  - Caltrain;
  - Golden Gate Bridge, Highway and Transportation District;
  - San Francisco Municipal Transportation Agency;
  - San Mateo County Transit District; and,
  - Santa Clara Valley Transportation Authority.
3. Contribute a limited number of agency-specific survey questions.
4. Contribute advice and suggestions to the survey procedures including, but not limited to, development of sampling plans, frequency and timing of demographic and travel pattern surveying, instrument design, and recruitment strategies.
5. Share ownership of all work products including raw and processed data.

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<sup>2</sup> Defined here as: (a) the precise location of the trip origin, first transit boarding, last transit alighting, and trip destination; (b) the means of travel between the trip origin and first transit boarding and between the last transit alighting and trip destination; and, (c) the sequence of transit routes used between the first transit boarding and the last transit alighting.

**MTC will:**

1. Procure consultant resources to carry out the Survey Program.
2. Oversee consultant performance to ensure delivery of high quality products.
3. Contribute to the cost of the Survey Program. MTC will pay 80 percent of the cost to survey service provided by the seven agencies identified in item 2 of the “transit agencies will” list above; MTC will pay 100 percent of the cost to survey service provided by federally-funded transit providers not identified in the above list.
4. Develop a standard set of survey questions (including response options) and update these questions, as needed, in consultation with the transit agencies.
5. Develop and update a set of survey procedures including, but not limited to, development of sampling plans, instrument design, and passenger recruitment strategies.
6. Deliver survey results, including raw data, procedure documentation, and summary reports, to transit agencies in a timely manner.
7. Maintain a database of regional transit rider demographics and travel patterns.
8. Convene a working group to discuss the surveying effort (including the survey procedures) and the timing of surveys relative to capital projects, federal requirements, financial resources, customer service and other agency-led survey efforts, and schedule mark-ups (a.k.a., sign-ups, bid-dates). The group will meet no less than once a year and will develop and maintain a set of Survey Program standard operating procedures that will define operator-specific question allowances, data distribution procedures (including any necessary privacy safeguards), and other details.
9. Share ownership of all work products including raw and processed data.



October 16, 2019

**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

**Debora Fudge**  
Sonoma County Mayors' and  
Councilmembers Association

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

**Dan Hillmer**  
Marin County Council of Mayors and  
Councilmembers

**Eric Lucan**  
Transportation Authority of Marin

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
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**SUBJECT:** Approve Agreement with the International Association of Machinists and Aerospace Workers and authorize the Budget Amendment for Fiscal Year 2019-20

Dear Board Members:

**RECOMMENDATION:**

Approve Resolution Number 2019-14 and authorize the Board Chair to execute the three-year collective bargaining agreement reached between SMART and the International Association of Machinists and Aerospace Workers (IAMAW)

**SUMMARY:**

This agreement would be the second approved collective bargaining agreement between SMART and the IAMAW Union which represents the District's Vehicle Maintenance Technicians (12 FTE), Laborers (10 FTE), and Facilities Maintenance Technicians (3 FTE). The total number of staff currently allocated to the three job classes is twenty-five (25).

The agreement retains the District's current personnel policies with modifications as indicated below.

The agreed upon terms include:

Term: October 7, 2019 – June 30, 2022

**Salaries:**

- Wage increases will be effective retroactive to October 7<sup>th</sup>, the first day of the pay period in which the contract is approved by the SMART Board of Directors.
- Wage increases include cost of living adjustments as well as equity increases to keep District salaries competitive with the local market.

**Salary Survey and Equity Analysis:**

The current average wages for the above for Vehicle Maintenance Technician, Laborer and Facilities Maintenance Technician job classes in local Rail Transit agencies are shown in the charts below.

Vehicle Maintenance Technician

Agency	Job Title	Hourly Wage
BART	eBART Composite Vehicle Mechanic	\$45.24
Santa Clara Valley Transit Authority (VTA)	Electro-Mechanic	\$44.44
SF Municipal Transit Agency	Electrical Transit System Mechanic	\$47.26
	<b>Average</b>	<b>\$45.65</b>
	SMART Hourly	\$44.98

Laborer

Agency	Title	Hourly Wage
BART	Utility Worker	\$31.88
City of Santa Rosa	Bus Service Worker	\$26.47
Golden Gate Transit	Service Worker	\$29.90
San Mateo County Transit (SamTrans)	Utility Worker (Bus)	\$27.69
Santa Clara Valley Transit Authority (VTA)	Service Worker	\$34.17
Sacramento Regional Transit (SRTD)	Service Worker	\$23.52
SF Municipal Transit Agency	Transit Car Cleaner	\$34.93
	<b>Average</b>	<b>\$29.79</b>
	SMART	\$28.14

Facilities Maintenance Technician

Agency	Title	Hourly Wage
BART	Buildings Worker	\$44.12
City of San Rafael	Facility Repair Worker III	\$37.26
City of Santa Rosa	Senior Maintenance Worker Facilities	\$33.37
Marin County	Building Maintenance III	\$42.67
Sonoma County	Building Mechanic II	\$37.25
Santa Clara Valley Transit Authority (VTA)	General Maintenance Mechanic	\$42.07
San Joaquin Regional Rail Commission (ACE)	Facilities Maintenance Technician	\$33.65
Sacramento Regional Transit (SRTD)	Facilities Maintenance Mechanic	\$33.61
	<b>Average</b>	<b>\$38.00</b>
	SMART	\$35.13

**Cost of Living Adjustments (COLA):**

The proposed cost of living adjustments in the labor agreement are consistent with the adjustments approved by the Board of Directors on August 7, 2019 for the labor agreement with the Teamsters Union which represents the District's Maintenance of Way and Bridge Tender staff.

Cost of living adjustments are also recommended for each year of the contract. The recommended amounts are based on the Bureau of Labor Statistics Consumer Price Index as well as a survey of other public and transit agencies in the region. A survey of collective bargaining agreements for other local transit and public agencies, including Golden Gate Transit, eBART, VTA, Sacramento Regional Transit District, City of San Rafael, City of Santa Rosa and County of Sonoma found that agencies were offering Cost of Living Adjustments of between 2% and 3% per year over the lives of the contracts, which varied from two to four years.



Based on this information, we are recommending wage adjustments as shown in the table below for the respective job classes.

Job Class	October 7, 2019 - June 30, 2020	Hourly Wage Y1	July 1, 2020 - June 30, 2021	Hourly Wage Y2	July 1, 2021 - June 30, 2022	Hourly Wage Y3
Vehicle Maintenance Technician	Equity 1.3% + 2.7% COLA	\$46.79	3% COLA	\$48.20	3% COLA	\$49.64
Laborer	Equity 2% + 2.7% COLA	\$29.48	Equity 1% + 3% COLA	\$30.67	3% COLA	\$31.59
Facilities Maintenance Technician	Equity 3% + 2.7% COLA	\$37.16	Equity 2% + 3% COLA	\$39.04	Equity 2% + 3% COLA	\$41.02

**Shift Bidding:**

- Employees will bid shifts once every six (6) months according to seniority order. The former contract which expired on June 30<sup>th</sup> allowed for shift bidding once every 12 months.

**Assignment of Overtime:**

- Establishes a process for assigning overtime for the vehicle maintenance technicians and laborers. Staff who wish to work overtime can place their name on the list. Employees will rotate to the bottom of the list after they have worked an overtime shift. Names will be placed on the initial list in seniority order.

**Probationary Period:**

- Establishes a probationary period of 9 months with the option for the District to extend the probationary period by an additional 3 months at the District's discretion. Current probationary period is 12 months.

**Work Schedules:**

- Allows the District to establish alternative work schedules, such as a 4/10, based on operational need.

**FISCAL IMPACT:** The agreement will require a Fiscal Year 2019-20 budget amendment of \$44,556. This represents a budget increase of 0.28% over the approved Operations Salaries and Benefits budget.

The detailed cost of the agreement is as follows:

Annual number of FTE impacted:	25
Annual Baseline Cost of Employees (current):	\$2,338,372
Increased Annual Cost of Agreement (salaries+ benefits):	\$114,122
3 Year Total Incremental Cost of Agreement:	\$342,366
Amount Budgeted FY 2019-20	\$2,390,054
<b>Supplemental Budget Needed FY 2019-20</b>	<b>\$44,556</b>

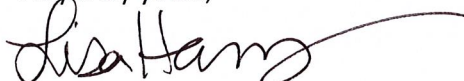
REVIEWED BY: [ x ] Finance



[ x ] Counsel



Very truly yours,



Lisa Hansley  
Human Resources Manager

Attachment(s): 1) Resolution Number 2019-14  
2) IAMAW Collective Bargaining Agreement

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AMENDING RESOLUTION NO. 2019-08 TO REVISE THE ANNUAL BUDGET FOR FISCAL YEAR 2019-20 TO PROVIDE FOR REVISED POSITION AND EXPENDITURE AUTHORITY**

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**WHEREAS**, as part of its approval of the Annual Budget for Fiscal Year 2019-20, the Board duly considered the annual expenditures necessary for the Sonoma-Marín Area Rail Transit District; and

**WHEREAS**, on June 5, 2019, the Board adopted Resolution No. 2019-08 approving the annual budget for Fiscal Year 2019-20; and

**WHEREAS**, Resolution No. 2019-08 considered the creation of employee positions and fixed the compensation and salary for those positions; and

**WHEREAS**, the Board desires to Amend the Annual Budget to provide the revised position authority for increased salary and benefit expenditures.

**NOW, THEREFORE, BE IT RESOLVED THAT THE** Fiscal Year 2019-20 Budget for the Sonoma-Marín Area Rail Transit District attached as Exhibit A to Resolution 2019-08 is hereby amended to revise Table 5, Fiscal Year 2019-20 Proposed Position Authorizations, to reflect position revisions as shown below.

Position	FTE	Salary Range Annual		Salary Range: Hourly	
		Low	High	Low	High
Facilities Maintenance Technician	3	-	\$ 77,293	-	\$ 37.16
Laborers-Vehicle Maintenance	10	-	\$ 61,318	-	\$ 29.48
Vehicle Maintenance Technician	12	-	\$ 97,323	-	\$ 46.79

**BE IT FURTHER RESOLVED** that the Fiscal Year 2019-20 Annual Budget for the Sonoma-Marín Area Rail Transit District attached as Exhibit A to Resolution No. 2019-08 is hereby amended to include the following:

**EXPENDITURES:**

Operations Salaries and benefits	\$44,556
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**BE IT FURTHER RESOLVED** except as specifically amended or supplemented by this Resolution, Resolution No. 2019-08, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally adopted, and nothing contained herein shall, or shall be construed to, modify, invalidate or otherwise affect any provision of Resolution No. 2019-08.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 16<sup>th</sup> Day of October, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

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Gary Phillips, Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

ATTEST:

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Leticia Rosas-Mendoza, Clerk of the Board of Directors  
Sonoma-Marín Area Rail Transit District

MEMORANDUM OF UNDERSTANDING

BETWEEN

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

AND

INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS,  
AFL-CIO, MACHINISTS AUTOMOTIVE TRADES DISTRICT LODGE 190,

PENINSULA AUTO MECHANICS LOCAL LODGE 1414

OCTOBER 7, 2019 – JUNE 30, 2022

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## ARTICLE 1—PREAMBLE

A. THIS MEMORANDUM OF UNDERSTANDING, **entered into this 7<sup>th</sup> day of October 2019, by and between the SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**, its successors, lessees and assignees, hereinafter referred to as “**DISTRICT**” or “**SMART**”, and INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, AFL-CIO, MACHINISTS AUTOMOTIVE TRADES DISTRICT LODGE 190, PENINSULA AUTOMOTIVE MACHINISTS LOCAL LODGE 1414, hereinafter referred to as the “**UNION**”, in compliance with the amended Meyers-Milias-Brown Act of the State of California.

B. The use of the pronouns “he” or “she” and the suffix “men” or “women” shall not be interpreted to refer to members of only one (1) sex but shall apply to members of either sex.

## ARTICLE 2—RECOGNITION

A. The Union has been acknowledged as the formally recognized employee organization **of employees in the following job classes: Vehicle Maintenance Technician, Laborer, and Facilities Maintenance Technician.**

B. The parties agree that required meetings have been held between the representatives of the Union and of the DISTRICT concerning wages, hours, and other terms and conditions of employment, and both the Union and DISTRICT have complied with the requirements of the Meyers-Milias-Brown Act providing for such meetings and discussions.

## ARTICLE - 3 UNION MEMBERSHIP

A. Pursuant to Government Code Sections 1150-1157 (SB 866) and Janus v. American Federation of State, County and Municipal Employees, Council 31, et al. 585, 138 S. Ct. 2448 (June 27, 2018) all employees working in positions covered by this agreement have the right to become members of the Union and shall remain members in good standing until such time as they notify the Union they no longer wish to be dues paying members.

B. The District will rely on a written certification from the Union requesting that the District deduct from employees’ wages an amount equal to the Union's monthly dues or fees authorized by the Union Bylaws. The Union has and will obtain and maintain signed employee authorizations for said wage deductions and will represent to the District that each bargaining unit employee is affirmatively consenting to the dues deductions consistent with federal law. After providing the required certification, the Union will not be required to provide a copy of individual authorizations to the District unless a dispute arises about the existence or terms of the authorization. The Union will, however, each month provide the District with a list of all active Union members and non-members in the bargaining unit.

C. Based on the certification from the Union described above, the District will deduct, monthly, the amount of Union regular and periodic dues and fees and any special membership

assessments as may be specified by the Union under the authority of an authorization card signed by the employee. Dues deduction for employees will only be made upon the written certification from the Union. It is the Union's responsibility to provide timely notice of dues deduction authorizations to the District. The District requires ten (10) working days' notice of dues deduction authorization for an employee prior to the date the first deduction is to take effect.

D. Employees wishing to discontinue membership for reasons other than separation from employment shall give notice to the Union that they wish to discontinue dues deductions. It is the Union's responsibility to provide timely notice of dues deduction revocations to the District. Once notification has been received by the District to stop dues deductions for an employee, the change will be implemented at the beginning of the first pay period following the date that the District received notice.

E. If the employee authorizes dues payment by payroll deduction, the appropriate sum shall be deducted by SMART and paid to the Union on a monthly basis after collection of dues. The amount of dues deductions are determined by the Union and shall be provided in writing to the District on a quarterly basis at minimum or more frequently if changes in membership occur. The District will continue to honor deduction authorizations as specified by the Union until new authorization lists or revocations are provided by the Union.

F. Hold Harmless and Indemnity - The Union expressly agrees to indemnify and hold the District harmless from any and all claims, demands, or other actions relating to the District's compliance with this Agreement. This hold harmless and indemnity agreement shall include, but not be limited to, employee legal actions of any sort or nature against the District based upon or related to this Agreement, and shall include any costs, expenses and damages incurred in any such action. Further, in the event that the District undertakes disciplinary action against an employee pursuant to this Agreement, this hold harmless and indemnity subsection shall cover all costs, expenses and damages incurred by the District in defense of a lawsuit.

G. Change of Law - In the event there is a change in the law whereby any provision hereof becomes invalid or if for any reason any provision of this Agreement is rendered unlawful by decision of a court of competent jurisdiction, this Agreement shall be either forthwith deemed amended to comply with the change or decision in question and those provisions not affected by the change in law shall remain in full force and effect. If this occurs, at the election of either party this provision may be reopened for further negotiations.

#### **ARTICLE 4 - DUES CHECKOFF**

A. The Union will be granted permission by SMART to have regular dues of its member employees deducted from their paychecks, in accordance with the procedures prescribed by SMART.

B. Dues deductions shall be for a specified amount and shall be made only upon the voluntary written authorization of the Union member, which authorization meets all of the requirements for the assignment of wages as set forth in §300 of the California Labor Code. Dues

deduction authorization may be revoked and the dues check-off payroll discontinued at any time by the Union member upon voluntary written notice to the UNION.

C. The member employee's earnings must be regularly sufficient after legal and required deductions are made, to cover the amounts of the dues check off authorized. In the case of a member employee who is in a non-pay status during any part of the pay period and the salary is not sufficient to cover the whole withholding, no deductions shall be made. In this connection, all other legal and required deductions have priority over Union dues.

D. Neither the Union nor the member employees shall be charged a service fee for the deduction of regular Union dues as herein above provided for.

E. Dues withheld by SMART shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds at the address specified. Funds may also be transmitted by ACH or other accepted electronic banking process.

F. The Union shall indemnify, defend and hold SMART harmless against any claim made and against any suit instituted against SMART on account of check-off of Union dues. In addition, the Union shall refund to SMART any amount paid to it in error upon presentation of supporting evidence.

## **ARTICLE 5 – BUSINESS REPRESENTATIVE ACCESS**

A. Any authorized business representative of the Union shall have the right to contact individual employees working within the representation unit represented by their organization in the DISTRICT. A Union business representative shall have access to SMART premises at a mutually agreeable time to investigate or adjust grievances, or conduct other necessary Union business. Except for emergency circumstances, requests for access to the Rail Operations Center (ROC) and other SMART Operations facilities will be made forty eight (48) hours in advance.

B. DISTRICT facilities may be made available for meetings upon timely application by employees and Union. Such use shall not occur during regular duty hours, other than the lunch period. Application for such use shall be made to the designated Human Resources DISTRICT Representative under whose control the facility is placed.

## **ARTICLE 6—APPLICABLE LAW**

A. The parties hereby acknowledge that this Memorandum of Understanding is subject to the provisions of the Meyers-Miliias-Brown Act (Section 3500 through 3510 of the California Government Code) and all other applicable laws of the State of California. For the purpose of determining the conformance of the provisions of this Memorandum of Understanding with the applicable laws of the State of California, each provision of this Memorandum of Understanding shall be deemed separate and servable, from all other provisions of this Memorandum of Understanding. Should any provision or provisions of this Memorandum of Understanding be found or become contrary to the applicable laws of the State of California either by judicial



decision or amendment to the applicable laws of the State of California, such provision or provisions shall be deemed void and invalid for all purposes, but all other provisions of this Memorandum of Understanding shall remain in full force and effect unless the parties shall agree that to hold such other provision or provisions in full force and effect shall be inconsistent with the purpose and intention of this Memorandum of Understanding.

B. In the event there is a change in state or federal law which results in any provision of this Memorandum of Understanding being invalid or inconsistent with the law, the parties shall meet promptly concerning such provision.

## **ARTICLE 7 – MANAGEMENT RIGHTS**

A. The exclusive rights of the District shall include, but not be limited to, the right to determine the organization of District, as well as its purpose and mission; to set standards of service to be offered to the public; and, through its management officials, to exercise control and discretion over its organization and operations; to establish and effect administrative regulations which are consistent with law and the specific provisions of any collective bargaining agreements that may exist; to direct its employees; to take disciplinary action; to lay off its employees; to determine whether District goods and services shall be made, purchased, or contracted for; to determine the methods, means, and personnel by which the District's services are to be provided, purchased, or contracted; to determine qualifications for employment; to schedule and assign work and overtime; and to otherwise act in the interest of efficient service to the public.

B. All matters pertaining to the management of operations, such as the type and kind of service rendered to the public, the equipment used, workload, the administration of discipline and efficiency, the standards of hire, promotion and transfer of employees, and their discipline and discharge for cause are within the discretion of SMART. SMART's rules, policies and procedures, as may be amended from time to time, are necessary for efficient operations and infraction of these rules shall constitute cause for disciplinary action, up to and including discharge.

## **ARTICLE 8—LAYOFF NOTICE AND SEVERANCE PAY**

A. District employees with seniority subject to lay off due to curtailment of forces, shall be given two (2) weeks (14 calendar days) advance notice of such lay off or two (2) weeks' pay in lieu of such notice. The provisions of this section shall not apply if notice of lay off is prevented by reason of fire, storm, major breakdown, labor dispute, or other cause beyond the control of DISTRICT.

B. Employees who quit without notice or who give less than two (2) weeks' notice, shall be paid only for time worked. Employees will have accrued, unused vacation and compensatory time off cashed out. Any accrued, unused sick leave will be cashed out at a rate of 25%.

C. The DISTRICT will pay for two months of the employee's COBRA medical coverage provided the employee has one or more years of service. Note: Under CALPERS medical, the employee is eligible to receive an additional month of insurance coverage after separation from employment if the employee agrees to pay their portion of the premium (15%) prior to the start of COBRA eligibility.

D. Employees on layoff will be recalled to work in seniority order within classification. Employees on layoff shall remain on the seniority list for the purpose of recall for a period not to exceed twelve (12) months following layoff. Employees who are recalled within twelve (12) months will retain all seniority accrued in prior service. Benefits do not accrue during a layoff period.

E. Recognizing the concerns of the employees, DISTRICT acknowledges it is not its intent to reduce positions in bargaining units by subcontracting. DISTRICT commits to meet and bargain in a reasonable time in good faith with the union about concerns with the DISTRICT's subcontracting. As required per AB 2224, Section 105143 of the Government Code, the District agrees that it will not contract out the performance of services performed by or fairly claimable by the employees of the bargaining unit without the agreement of the accredited representative of that bargaining unit's employees.

## **ARTICLE 9 - PROBATIONARY PERIOD**

A. The probationary period shall be a trial period during which SMART evaluates the employee's ability, competency, fitness and other qualifications to do the work for which they are employed.

B. All new employees shall be on probation for nine (9) months immediately following their date of hire. SMART has the right to extend the probationary period for three (3) months at its sole discretion. Extending the probationary period will be at the District's discretion and is not grievable or otherwise subject to review under any provision of this Labor Agreement. If an employee is absent from work for good cause during the probationary period, probation may be extended day for day by SMART to allow the employee to complete the full nine (9) months. New probationary employees may be disciplined or discharged at the total discretion of SMART and such actions shall not be subject to review under any provision of this Labor Agreement.

## **ARTICLE 10—NO WORK STOPPAGES**

A. The Union agrees that during the life of this Agreement there shall be no strikes, slowdowns, or any other form of work stoppage, including sympathy strikes and the DISTRICT agrees that there shall be no lockouts.

## **ARTICLE 11—SAFETY AND TRAINING**

- A. DISTRICT shall furnish necessary safety equipment as required for each respective job class covered under this MOU, which may include eye protection, hard hats, and safety belts. Employees working in rain or water shall be furnished with waterproof clothing and boots.
- B. The Union shall cooperate with DISTRICT and with each employee in carrying out all pertinent rules and regulations dealing with health, safety, and welfare of employees promulgated by the Department of Industrial Relations of the State of California. All employees shall perform their duties in each operation in such manner as to promote safe and efficient operations of each particular duty as a whole.
- C. Adequate first-aid equipment shall be maintained and provision shall be made for the safety of employees covered by this Memorandum of Understanding. DISTRICT shall arrange for adequate and prompt transportation to a hospital or doctor for any employee who is injured on the job and may require doctor's care, hospitalization, or both. DISTRICT shall post the name and address of the Workers' Compensation Insurance Carrier and information regarding the nearest medical clinic or hospital.
- D. Safety Boots - Per SMART policy HRM-0020, Section 7 Clothing and Equipment, the DISTRICT will reimburse employees up to two hundred dollars (\$200) per fiscal year for the purchase of safety boots if required for the performance of their job duties. Documentation of purchase/payment is required for reimbursement.
- E. Prescription Safety Glasses - Per SMART policy HRM-0020, Section 7 Clothing and Equipment, the DISTRICT will reimburse employees up to one hundred and seventy five dollars (\$175) per fiscal year for the purchase of prescription safety glasses if required for the performance of their job duties. Documentation of purchase/payment is required for reimbursement.
- F. The District will hold regular District-wide safety meetings pursuant to Federal Railroad Administration regulations in which employees will have the opportunity to discuss safety matters. The Union may appoint an employee representative to the District Safety Committee. The committee will review health and safety concerns and make appropriate recommendations. Safety matters should also be directed to the employee's Supervisor or the Safety and Compliance Officer.

## **ARTICLE 12—SUCCESSOR CLAUSE**

- A. This Agreement shall be binding upon the successors and/or the assignees of the parties hereto, and no provisions, terms, or obligations herein contained nor the certification of the exclusive bargaining agent shall be affected, modified, altered, or changed in any way by the consolidation, merger, sale, transfer, affiliation, or assignment of either party hereto, nor affected, modified, altered, or changed in any respect whatsoever by any change of ownership or management by either party; or by any change, geographical, or otherwise, in the location of place of business of either party.

## **ARTICLE 13—UNION ACTIVITY**

A. Neither DISTRICT nor the Union shall interfere with, intimidate, restrain, coerce, or discriminate against employees because of the exercise of their rights to engage in Union activity.

## **ARTICLE 14—WORK SCHEDULES AND SHIFT BIDDING**

A. The regular work day shall consist of eight (8) hours of work unless otherwise specified per an alternative work schedule agreement. Alternative work schedules, (i.e. 4/10) may be discussed and implemented at the discretion of the District if required by operational need. Employees working an alternative work schedule will not be eligible for daily overtime. Subsequent cessation of an alternative work schedule is not subject to the grievance procedure. The District work week begins on Monday and ends on Sunday.

B. Five (5) days of eight (8) hours each shall constitute a week's work for a full time employee unless an alternative work schedule agreement exists. Shift bids will be held every six (6) months, in April and October or whenever a new shift is added. SMART will distribute shift schedules to be bid upon at least ten (10) days prior to the scheduled bid.

C. Employees shall bid shifts according to the departmental seniority order. Assignments will be made to employees in seniority order from bids submitted prior to the close of the bid period every six (6) months. Employees will be given confirmation for bids submitted. SMART reserves the right to deny a bid if an employee does not have the required skills or training for the position.

D. Each employee will submit their bid on the date designated. If an employee is absent for their assigned bid day, the employee may give a proxy bid in writing to a shop steward to bid for the employee. If an employee does not bid on the assigned bid day or fails to submit a proxy bid, the employee will fall to the bottom of the list and bid in the last position. Final results will be posted within twenty-four (24) hours of the close of the bid at the SMART work facility where bidding members are assigned.

E. Employees on a leave of absence who will not be able to return to work for at least two (2) months of the bid period will not be permitted to bid, unless SMART and the Union mutually agree to permit the employee to bid. If the employee returns to work during the bid period, SMART will assign the employee to an open shift.

F. The Union shop steward will work with a SMART representative in processing the shift bids. All bids will be submitted in writing to the appropriate Division Superintendent or designee. The Superintendent will post copies of all bids submitted.

G. SMART reserves the right to determine staffing levels of daily assignments. If a shift becomes open on a temporary basis, and SMART determines to cover all or part of that shift, the coverage will be filled based on:

- (a) Availability within the Hours of Service Regulations, if applicable; and
- (b) By seniority order.

## H. STANDBY PAY

H.1 An employee on standby status will be paid the equivalent of four (4) hours pay at the employee's straight time rate for each twenty four (24) hour period the employee is on standby status, or for a period from the end of the employee's work shift and the beginning of the employee's next shift, if the standby assignment is less than 24 hours. Standby pay does not count toward the calculation of overtime. Standby pay will be offset by any actual hours worked if called out to work. While on standby, the employee must be fit for duty.

H.2 Any employee who is on standby until the next shift or for a twenty four (24) hour period and is called out for work shall be paid at the applicable rate of pay for all actual hours worked. Overtime rates will apply to all hours actually worked in excess of eight (8) hours per day or forty (40) hours per week.

## I. COMPENSATORY TIME OFF

I.1 Employees may elect compensatory time off for any overtime work performed. Compensatory time off is earned at time and one half. Employees may accumulate a maximum of eighty (80) hours of compensatory time off. Once the maximum number of hours has been accrued, employees shall receive overtime pay per District policy and may not elect compensatory time off until they fall below the maximum eighty- (80) hour accumulation.

I.2 No employee shall take compensatory time off without the prior approval of the employee's supervisor.

I.3 Each employee who is separated from District service shall be entitled to payment for accrued compensatory time at the employee's base hourly rate of pay at the time of the employee's separation or as otherwise required by law.

## J. POLICY FOR ROTATION OF OVERTIME IN THE VEHICLE MAINTENANCE TECHNICIAN AND LABORER JOB CLASSIFICATIONS

### J1. Authorization

SMART may require employees to work overtime in order to ensure that service is met and specific projects or assignments are completed on time. Employees are not entitled to overtime. As such, all overtime hours must be authorized by the Department Head or their designee as determined by operational need and/or emergencies.

J1.1 Employees may not work overtime without prior supervisory approval. Employees who do not gain approval before working overtime hours will be paid for such overtime, but may be subject to discipline.

### J2. Assignment of Overtime

J2.1 Overtime lists will be used to distribute planned non-emergency overtime in excess of four (4) hours. Lists will be developed by SMART Vehicle Maintenance Management. Use of the list, while desirable in all circumstances, is not required when the unit has less than 24 hours'

notice of the need for the overtime assignment. The 24-hour time frame shall not be used as a means to avoid using voluntary overtime lists. Accepting an assignment of unplanned overtime with less than 24-hours' notice will not affect an employee's position on the list.

J2.2 The overtime list will **not** be used in the following circumstances:

- a. An employee calls in sick or is otherwise unavailable with less than 24-hour notice. If this is the case, the supervisor or manager will require an employee on the prior shift to stay over for up to four (4) hours and require an employee from the upcoming shift to come in up to four hours early.
- b. If the work to be done requires a specialized skill or training. In this case, overtime will be offered to the staff who have the required skill set.
- c. In emergency situations.

J2.3 The lists will be established by classification for the following job classes: Vehicle Maintenance Technician and Laborer. Placement on the overtime list will be voluntary. Employees volunteering for placement on the initial lists will be listed in order of classification seniority. Once the initial list has been established, when an employee who is not on the list decides they would like to be eligible for overtime assignments, their name will be placed on the bottom of the list, regardless of seniority in class.

### J3. Procedure

J3.1 When an overtime assignment becomes available, efforts will be made to contact the employee by phone or in person if employee is present at work.

- a) If phone is used to contact the employee, he/she will have 30 minutes to return the call or it will be considered a decline and the employee's name will be placed at the bottom of the overtime list.
- b) If employee answers the phone and declines overtime, the employee's name will be placed at the bottom of the list.
- c) Declining three consecutive offers of overtime assignments for 4 hours or more, will cause the employee's name to be removed from the list for the remainder of the calendar year.
- d) If the employee accepts the overtime, the employee's name will be placed at the bottom of the list.
- e) If all employees on the list decline the overtime, management may force assign the overtime by order of inverse seniority.

J3.2 The overtime list shall be posted at all times.

## **ARTICLE 15—WORKERS’ COMPENSATION**

A. Workers’ Compensation is a plan established by State Law under which payments are made to employees who become disabled due to accident or disease occurring as a direct result of their job. The cost of Workers’ Compensation Insurance is paid entirely by the DISTRICT. If you suffer an industrial injury, this coverage entitles you to receive all medical, surgical, and hospital treatment essential to the care or relief of the effects of your injury. In those cases where an employee receives benefits under this plan and is granted sick leave during a disability resulting from an on-the-job injury, DISTRICT shall receive credit against any Workers’ Compensation Insurance granted to him, until such leave is exhausted. Payments to the employee will not exceed 100% of regular base pay.

B. Employees injured on the job who seek medical treatment for their injury during their regularly scheduled work hours will be compensated at their normal rate of pay for the initial medical evaluation. Subsequent physician’s visits, if necessary, will be charged to sick leave if not scheduled outside of the employee’s regular working hours.

## **ARTICLE 16—SENIORITY**

A. In reduction and restoration of forces, when the senior employee is qualified to perform the required task, seniority shall prevail.

B. When two or more employees in the same job classification, have the same hire date, date of birth will be the seniority tie breaker

C. Seniority shall be considered broken by:

1. Discharge for just cause.
2. Resignation, including failure to respond to recall within forty-eight (48) hours from receipt of registered mail or failure to return to work within fourteen (14) calendar days after a recall notice is issued.
3. Twelve (12) consecutive months of unemployment, unless employee is unable to work due to an on-the-job injury or illness, in which case this period is extended to twenty-four 24 months.

## **ARTICLE 17—RECRUITMENT, SCREENING AND INTERVIEWING & EMPLOYMENT**

A. When positions become available and authorized, DISTRICT will post the vacancy within DISTRICT, advertise outside as appropriate and at the same time notify the Union of such opening.

B. Applicants who meet the qualifications of the position description will undergo the District’s selection process.

C. The DISTRICT will notify the Union of all new hires at least one week prior to the new employee's start date. All new hires will receive a new employee orientation on their first day of employment. The DISTRICT agrees to allocate a thirty (30) minute timeframe during the new hire orientation schedule for Union representatives to meet with the new employee(s). A Union representative will contact a representative of the District's human resources department at least twenty four hours in advance of the new hire orientation date to arrange a time to meet with the new employee during the orientation process. If Union does not wish to send a representative to the new hire orientation, they may provide written materials to the DISTRICT Human Resources Department which will be provided to the new employee.

D. The DISTRICT will provide the Union with employee contact information within 30 days of the date of hire pursuant to AB 119, Section 3558 of the Government Code

## **ARTICLE 18—LEAVES**

A. All leave time, including Holiday, Sick and Vacation leave will be processed in accordance with District policy HRM-0022 Leaves, as of date of ratification, except as modified herein. From time to time it may be necessary to modify District leave policy as required by Local, State or Federal law. Should the District be required by law to modify a leave policy, the District will notify the Union in writing of the required change. Any other proposed changes not required by law will be subject to the provisions of the Meyers-Milias Brown Act.

### **B. HOLIDAYS**

B.1. The DISTRICT observes various District designated holidays each year. Regular full-time and part-time employees are eligible for paid District designated holidays. To be eligible for Holiday pay, employees must work or be on a pre-approved paid absence on the employee's regularly scheduled work days the day before and the day after the holiday.

B.2. Paid holidays are as follows:

1. New Year's Day - January 1st
2. Martin Luther King, Jr.'s Birthday, third Monday in January.
3. President's Day, the third Monday in February
4. Memorial Day, the last Monday in May.
5. Independence Day, July 4<sup>th</sup>.
6. Labor Day, the first Monday in September.
7. Veteran's Day, November 11<sup>th</sup>.
8. Thanksgiving Day
9. The day following Thanksgiving Day
10. Christmas Day, December 25<sup>th</sup>.
11. Two (2) Floating Holidays
12. Each day appointed by the Governor of the State of California and formally recognized by the Board of Directors as a day of mourning or other special observance.



B.3. Floating Holidays. Two eight (8) hour days per year will be deemed as floating holidays, which may be taken at any time during the calendar year in which it is accrued provided a written request is made in advance and the supervisor approves such request in writing. Floating holiday pay will be pro-rated for part-time employees. Employees eligible for floating holidays are regular, Probationary, and at-will. Temporary and contracted employees are not eligible for floating holiday pay. Floating holiday pay must be taken in increments of eight (8) hours. Floating holiday hours must be used in the year that they are accrued and will not carry over from one calendar year to the next. If an eligible employee does not use their floating holiday hours during the calendar year, one eight (8) hour day may be paid out at the straight time rate following the end of the calendar year. Floating holiday hours are not eligible to be paid out upon separation of employment from the District. New hires hired prior to June 1<sup>st</sup> of each year will receive two floating holidays. New hires hired between June 1<sup>st</sup> and August 31<sup>st</sup> of each year will receive one (1) floating holiday. New hires on or after September 1<sup>st</sup> will not receive the floating holidays for that year. Supervisor approval is needed prior to scheduling a floating holiday.

#### C. VACATION ACCRUAL AND PAY

C.1 All regular and probationary full-time employees are eligible to accrue vacation leave based on hours worked on a maximum forty (40) hour workweek. Part-time employees who work a minimum of 20 hours per week shall accrue vacation on a pro-rata basis. Usage and accrual shall be governed by the same rules and regulations applicable to full time employees. Vacation accrual schedules can be found in District policy HRM-0022 – Leaves.

C.2 Vacation Buyback. Each represented employee may request once a calendar year to receive payment for up to eighty (80) hours of accrued vacation hours, provided that there is a minimum remaining balance of eighty (80) hours following payment. Such requests may be made bi-weekly during any pay period.

C.3 Additional Vacation Time – To allow for flexibility throughout the year, after the annual bid process been has completed, employees may request additional vacation or compensatory time off as needed. All such requests must be scheduled in advance and receive Supervisor approval. The District reserves the right to deny additional time off requests due to Operational needs.

#### D. SICK LEAVE ACCRUAL AND PAY

D.1 Regular and probationary full-time and part-time employees are eligible to receive sick pay. Each DISTRICT full-time employee will accrue up to 12 sick days (96 hours) per year, with no limit on accumulation. Regular part-time employees who work at least

20 hours per week are eligible to accrue paid sick leave on a pro-rata basis. In accordance with AB 1522, Article 1.5. Section 246 (b)(1), the minimum sick leave accrual rate for regular part-time employees who work at least 20 hours per week will be one hour per every 30 hours worked. Usage and accrual of said benefits shall be governed by the same rules and regulations applicable to full-time employees. Use of sick leave will be consistent with District policy HRM-0022 Leaves, Section 3, Sick Time Accrual and Pay.

#### **E. MEDICAL AND OTHER LEGALLY REQUIRED LEAVES OF ABSENCE**

E.1 Leaves of Absence are periods of time in which an employee is permitted to be away from work without being terminated or considered to have voluntarily resigned. Completion of the Probationary Period is required, except where state or federal laws require otherwise. Examples of circumstances where a leave of absence is appropriate are work-related disabilities, military duty and medical disabilities, (including pregnancy). In instances where the leave occurs during the Probationary Period, the Probationary period is extended by the time an employee is out on a leave. Leaves are generally unpaid time off, unless the employee is eligible for and has accrued time under the sick or vacation plans.

E.2 The General Manager or designee, on a case-by-case basis, may grant a leave of absence (LOA), depending on the nature of the leave and the business needs at that time. It is the employee's responsibility to maintain contact by phone or in writing, with his/her supervisor and/or the Human Resources Department while he/she is on a LOA. The employee must provide documentation supporting the need for the leave (e.g., physician's visit certification) and keep it up-to-date. Any holidays that occur while an employee is on a LOA are not paid unless accrued sick, compensatory and/or vacation time on the day prior to and after the District holiday are being used. Vacation and sick time does not accrue during a leave if an employee is in unpaid leave status.

E.3 All legally required leaves will be administered according to SMART policy HRM-0022 – Leaves. SMART reserves the right to update this policy as required to comply with changes in State, Federal or local laws.

### **ARTICLE 19—HEALTH AND LIFE INSURANCE**

A. DISTRICT provides each employee with a comprehensive group insurance plan as outlined in District Policy HRM-0019 Employee Benefits.

B. New employees who work a minimum of 20 hours per week are eligible to participate in District health and welfare benefits on the first day of the month following their date of hire

## **ARTICLE 20—DISCIPLINE**

A. SMART has the right to discipline or discharge employees for just cause. SMART employs a progressive disciplinary program, which program may include, but is not limited to, counseling, verbal warning, written warning, suspension, and discharge. Disciplinary action may begin at any step in the program depending upon the seriousness of the infraction. The District will notify the employee and the Union in writing of the commencement of a disciplinary investigation within ten (10) working days of the District's date of knowledge that the employee may have engaged in misconduct. Notification may be made by mail, email, and/or in-person delivery. For the purpose of this section, "working day" is defined as Monday through Friday.

B. The causes for which an employee may be disciplined or discharged shall include, but not be limited to, the following:

B.1 Dishonesty

B.2 Insubordination

B.3 Intoxication or use of alcoholic beverages or illegal drugs while on duty or on SMART property.

B.4 Sexual harassment or other harassment of fellow employees.

B.5 Serious Violation of SMART rules or policies.

B.6 Violation or non-compliance with Federal Railroad Administration rules and regulations.

B.7 Violence and/or threats of violence in the workplace.

C. SMART will inform regular employees in writing as to the reasons for a discharge or suspension.

D. Regular employees (those who have completed the Probationary Period) claiming that they were unjustly disciplined or discharged may challenge the discipline or discharge through the Discipline policy and procedures set forth in SMART's Discipline Policy, HRM-0018. HRM-0018 and any modifications thereto are incorporated into this Agreement and are binding on all parties. The Regular employee may be represented by the Union throughout the disciplinary process. Except as provided in paragraph E, no bargaining unit employee will be disciplined, suspended or dismissed from the service until a fair and impartial formal investigation has been conducted by an authorized Department Manager.

E. Except when a serious act or occurrence is involved, or as required by Federal Railroad Administration regulations, a bargaining unit employee will not be held out of service in disciplinary matters before a formal investigation is conducted. A serious act or occurrence is defined in section B above.

E.1 If a bargaining unit employee is held out of service before a formal investigation, the District may elect to put the employee on Administrative Leave of Absence with pay during the disciplinary process. Holding a bargaining unit employee out of service before a formal

investigation or paying the employee for being out of service for less than a serious act or occurrence is not prejudging the employee.

F. The General Manager's or designee's decision shall only be appealed by the employee or by the Union on the employee's behalf to an Arbitrator selected by the Parties.

F.1 The request for arbitration may be filed in writing with the Human Resources Department not more than ten (10) working days from receipt of the General Manager's decision, or the right to appeal the decision is forfeited.

F.2 The decision will be resolved by an arbitrator, provided that the District and the Union agree on the issues to be arbitrated.

F.3 As soon as possible, but no later than ten (10) working days, after receipt of the request for arbitration, the District and the Union shall select an arbitrator. If the parties are unable to agree upon an arbitrator, they shall request a list of five (5) names from the State Conciliation and Mediation Services and shall strike names until an arbitrator is selected.

F.4 Both parties will endeavor to submit the appeal to the arbitrator within twenty (20) working days after selection.

F.5 The decision of the arbitrator will be final and binding on all parties.

F.6 The Arbitrator(s) will neither add to, detract from nor modify or ignore the existing language of any District rules, policies or regulations in considering any issue properly before them. If the arbitrator sustains the decision, he/she shall fashion an appropriate remedy that does not conflict with any provisions contained in any District rule, policy or regulation.

F.7 The Arbitrator(s) will expressly confine themselves to the precise issues being raised by the appeal and submitted to them, and will have no authority to consider any other issue not so submitted.

F.8 Any monetary award in favor of the employee is limited to lost wages and benefits suffered measured from the date of the imposed discipline forward. In no event will the Arbitrator(s) award any other type of monetary award, including, but not limited to, attorney's fees.

F.9 All expenses of arbitration will be shared equally by the District and the employee.

F.10 Failure on the part of the District or the employee to appear in any matter before an arbitrator, without good cause, will result in forfeiture of the matter and responsibility for payment of all costs of arbitration.

F.11 Mediation may be used by both parties to assist them in resolving the disciplinary matter. The decision to utilize mediation will be voluntary. Mediation may be held at any step prior to submission of the final appeal to arbitration.

## **ARTICLE 21—GRIEVANCES**

A. A grievance must be in writing, and is defined as a complaint that there has been noncompliance with or a misinterpretation or misapplication of this Memorandum of Understanding or a work rule or resolution of SMART. Grievances will be processed in accordance with SMART policy HRM-0011 Grievance Procedure as modified herein.

B Selection appeals, disciplinary action, examination appeals, release from Probationary period, complaints of discrimination, the content of performance evaluations and reviews are not grievable hereunder.

B.1 A grievance may be filed by an employee on his/her own behalf or by the Union.

B.2 If it is asserted that the grievance is outside of the scope of procedures or definitions contained herein, such assertion will be evaluated and ruled upon at each step. Such claim will not halt the further processing of the grievance until Step 4 of the resolution process is reached, as defined below. At Step 4, the General Manager will evaluate the assertion, and make a ruling prior to hearing the grievance on its merits.

B.3 “Working Days” shall be defined as those in a normal, five-day work week, Monday through Friday.

### **C GRIEVANCE TIME LIMITS**

C.1. Time limits specified in each step of the procedure shall be strictly observed and may only be extended by mutual agreement of the parties in writing.

C.2 Failure of a grievant to observe a time limit shall terminate the grievance. Failure of the party to whom the grievance is submitted to observe the time limits shall give the Union the right to move the grievance to the next level.

### **D PROCEDURE**

D.1 The District recognizes that disputes should be resolved at the lowest possible administrative level. When the grievance is filed by a bargaining unit employee, the grievant may be represented by the Union or a Union Steward throughout the grievance process.

### **E INFORMAL GRIEVANCE - STEP 1**

E.1 The employee will discuss the grievance with his/her immediate supervisor within ten (10) working days of the event giving rise to the grievance, or within ten (10) working days of when the employee knew of or could have reasonably discovered such action or occurrence. The supervisor shall give his/her decision to the employee within ten (10) working days following the discussion.

E.2 Presentation of an informal grievance will be a prerequisite to the institution of a formal grievance.

E.3 If the informal grievance is not resolved within ten (10) days, the grievant shall file a written formal grievance on a form provided by the Union and served on the District by providing a copy to the Manager or Designee.

## F FORMAL GRIEVANCE

F.1 STEP 2: Within ten (10) working days, after a formal grievance is filed, the Department Manager will investigate the grievance, confer with the Union in an attempt to resolve the grievance and make a decision in writing.

F.2 STEP 3: If the grievance is not resolved in Step 2 to the satisfaction of the Union, within ten (10) working days of receipt of the Department Manager's decision, the Union may request consideration of the grievance by the General Manager or General Manager's Designee, by notifying the Human Resources Department in writing.

1) Within ten (10) working days after such notification, the General Manager or Designee will investigate the grievance, conferring with person(s) affected to the extent he or she deems necessary, and will render a decision in writing.

2) If the written decision of the General Manager or Designee resolves the grievance to the satisfaction of the Union, it will bind the District.

3) If the Union is not satisfied with the decision of the General Manager or Designee or has not received a response within the time limits specified in Step 3, the Union may proceed to Step 4.

F.3. STEP 4 Arbitration: Should the matter remain unresolved in Step 3 above, a final consideration of the grievance to Step 4, arbitration, may be filed in writing with the Human Resources Department not more than ten (10) working days from receipt of the General Manager or Designee's decision.

1) The grievance will be determined by an arbitrator, provided that the District and the grievant agree on the issues to be arbitrated.

2) As soon as possible, but no later than ten (10) working days, after receipt of the Step 4 request for arbitration, the District and the Union shall select an arbitrator. If the parties are unable to agree upon an arbitrator, they shall request a list of five (5) names from the State Conciliation and Mediation Services and shall strike names until an arbitrator is selected.

3) Both parties will endeavor to submit the grievance to the arbitrator within twenty (20) working days after selection.

4) The Arbitrator(s) will neither add to, detract from nor modify or ignore the existing language of any District rules, policies or regulations in considering any issue properly before them. If the arbitrator sustains the grievance, he/she shall fashion an appropriate remedy that does not conflict with any provisions contained in any District rule, policy or regulation.

5) The Arbitrator(s) will expressly confine themselves to the precise issues being raised by the grievance and submitted to them, and will have no authority to consider any other issue not so submitted.

6) Any monetary award in favor of the grievant is limited to lost wages or benefits suffered measured from the date of the grievance forward. In no event will the Arbitrator(s) award any other type of monetary award, including, but not limited to, attorney's fees.

7) The decision will be final and binding on all parties.

#### **F.4 GENERAL CONSIDERATIONS**

F.4.1. The Human Resources Department will act as the central repository for all grievance records.

F.4.2 All expenses of arbitration will be shared equally by the District and the Union.

F.4.3 Failure on the part of the District or the Union to appear in any case before an arbitrator, without good cause, will result in forfeiture of the case and responsibility for payment of all costs of arbitration.

F.4.4 The grievant's or Union designee's signature is required at each step of the grievance procedure.

F.4.5 A copy of the grievance will be provided to the General Manager at each step of the grievance process.

F.4.6 New issues if not set forth in the original grievance must be filed separately if timely.

F.4.7 Mediation may be used by both parties to assist them in resolving grievances. The decision to utilize mediation will be voluntary. Mediation may be held at any step prior to submission of the final appeal under Step 5 of the grievance procedure.

### **ARTICLE 22—BULLETIN BOARDS**

A. Reasonable space shall be allowed on bulletin boards as specified by DISTRICT for use by the Union to communicate with DISTRICT employees. Material shall be posted upon the bulletin board space as designated, and not upon the walls, doors, file cabinets, or any other place. All posted material shall bear the identity of the sponsor, shall be neatly displayed, and shall be removed when no longer timely.

B. The Union may post within the employee work or rest area a written notice which sets forth the name and address of the Union, the recognized employee organization for such unit.

## ARTICLE 23—SHOP STEWARD

A. The Union may select an employee in the recognized unit and/or work area to serve as Shop Steward. The Union shall notify DISTRICT, or its representative, in writing, of the appointment of a Shop Steward, and DISTRICT shall notify the Union of the Shop Steward's termination. The Shop Steward shall receive no loss in pay for performing duties of official Union Business, during his/her assigned shift, for this bargaining unit pertaining to negotiation and/or enforcement of the Memorandum Of Understanding. The shop steward shall, as much as possible, perform their duties as a shop steward when not scheduled to work. If the shop steward must perform any duties during regularly scheduled work hours, it shall be kept to a minimum and shall not interfere with normal operations. The shop steward must request time off in advance to perform their duties during regularly scheduled work hours. Absent an emergency, the request must be in writing and submitted at least 48 hours in advance.

## ARTICLE 24—WAGES AND CLASSIFICATIONS

A. Wages for this Unit of employees will be as shown below:

Job Class	October 7, 2019 - June 30, 2020	Hourly Wage Y1	July 1, 2020 - June 30, 2021	Hourly Wage Y2	July 1, 2021- June 30, 2022	Hourly Wage Y3
Facilities Maintenance Technician	Equity 3% + 2.7% COLA	\$37.16	Equity 2% + 3% COLA	\$39.04	Equity 2% + 3% COLA	\$41.02
Laborer	Equity 2% + 2.7% COLA	\$29.48	Equity 1% + 3% COLA	\$30.67	3% COLA	\$31.59
Vehicle Maintenance Technician	Equity 1.3% + 2.7% COLA	\$46.79	3% COLA	\$48.20	3% COLA	\$49.64

B. Wages will be effective retroactive to October 7, 2019 following ratification of the Agreement. Subsequent wage increases will be effective on July 1<sup>st</sup> of each year through the life of the contract.

The pay schedule for District employees is bi-weekly, payable every other Friday. Each pay period shall cover fourteen (14) consecutive calendar days and shall start on the Monday and end on the second Sunday thereafter. Employees shall be paid for each hour in pay status and other compensation five calendar days following the end of the pay period. If a holiday falls on said day, payment shall be made on the preceding work day.

C. Certification - During the term of this Agreement. DISTRICT will pay the registration fee and test cost for any certification tests taken related to the bargaining unit employee's job duties for tests required by the District.

### D. TEMPORARY PROMOTION

D.1 When an incumbent in a position is on an extended leave or a position becomes vacant, the Department Manager may choose to fill a position by temporarily promoting an existing DISTRICT employee. In order to be considered for temporary promotion, the candidate must meet the minimum qualifications of the higher job class. Only such vacancies expected to last for thirty (30) days or longer may be filled by temporary promotion.



D.2 When a regular employee is temporarily assigned to substantially fulfill the duties of a higher position for thirty (30) or more working days, the employee will be temporarily promoted, in writing, and given a temporary merit increase of 5% above the employee's current pay level in his/her regular position.

D.3 A single assignment performed in a higher classification does not qualify an employee for temporary promotion pay consideration. Further, when the work associated with a vacant position is redistributed to several employees, rather than given to one individual on an interim basis, no single individual will be deemed to be working in a higher class and eligible for temporary promotion.

D.4 When an employee is promoted to a position in which he or she has, immediately preceding the appointment, served in a temporary promotion capacity, the employee will be given time credit for the acting service. Credit shall begin on the effective date of the temporary appointment and will count toward the completion of the Probationary period in the new position.

D.5 When the incumbent of the higher level class returns to work or is replaced on a permanent basis by another individual from an employment list, the individual promoted on a temporary basis will be returned to his/her former job class and rate of pay. Time spent in the higher job class will count towards seniority in the former job class.

## **ARTICLE 25—UNIFORMS**

A. DISTRICT shall provide sufficient uniforms for employees as needed for performance of their respective job duties and will launder uniforms at no charge to employees.

## **ARTICLE 26 —PENSION PLAN**

### **A. CalPERS**

A.1 The DISTRICT and each employee, who is scheduled to work twenty (20) hours per week or who actually works one thousand (1,000) hours or more in a fiscal year, shall continue to contribute to the Public Employees' Retirement System in accordance with the applicable rules and regulations.

A.2 Employees hired on or after January 1, 2013, the effective date of the new CalPERS Retirement Plan, (2% @ Age 62) shall be covered by the terms of that retirement plan.

### **B. 457b Deferred Compensation**

B.1 The DISTRICT has available to all employees a 457 b Deferred Compensation Plan. This plan allows employees to make voluntary contributions, on a pre-tax basis, for their own retirement savings. For employees hired after June 1, 2012, the DISTRICT will match employee voluntary contributions up to a maximum of 2% of annual base salary.

## ARTICLE 27 --TERM OF AGREEMENT

A. This Agreement shall become effective October 7, 2019 and remain in effect to and including June 30, 2022, and thereafter shall automatically be renewed from year to year unless either party shall give notice in writing to the other party at least sixty (60) days prior to the end of the initial term of a desire to amend, modify, or terminate this Agreement. If such notice or notices are not given, the Agreement shall be deemed to be renewed for the succeeding year.

B. IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto, having met and conferred in good faith, have caused their names to be subscribed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

### **FOR DISTRICT**

APPROVED

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Gary Phillips  
Chair, Board of Directors

### **FOR THE UNION**

RATIFIED

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Steve Older  
Area Director

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Attest  
Leticia Rosas-Mendoza, Clerk of the  
Board

## SMART NEGOTIATORS

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Diane O'Malley, Chief Negotiator

---

Lisa Hansley  
SMART Human Resources

## IAM NEGOTIATORS

---

Mark Jayne  
Business Representative

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Charles Pina  
Employee Representative



October 16, 2019

**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

**Debora Fudge**  
Sonoma County Mayors' and  
Councilmembers Association

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

**Dan Hillmer**  
Marin County Council of Mayors and  
Councilmembers

**Eric Lucan**  
Transportation Authority of Marin

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

5401 Old Redwood Highway  
Suite 200  
Petaluma, CA 94954  
Phone: 707-794-3330  
Fax: 707-794-3037  
www.sonomamarintrain.org

Sonoma-Marin Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Approve Supplemental Appropriation for Safety and Security Expenditures

Dear Board Members:

**RECOMMENDATION:**

Approve Resolution No. 2019-15 for supplemental appropriation to the Fiscal Year 2019-20 Budget of \$300,000 for safety and security expenditures related to emergency response, outreach and incident prevention efforts.

**SUMMARY**

As a new rail operating entity, we are constantly learning and adjusting our practices and systems to address the needs of our riders and the general public. Our need to be proactive on issues of safety and to recover quickly from incidents is of the highest priority for our operation.

Today we are recommending a supplemental increase to the Fiscal Year 2019-20 budget of \$300,000 that will go towards increased public information efforts related to suicide prevention and train safety education, and continued physical improvements on the vehicle as well as on our right-of way.

Funding for this supplemental appropriation is available from SMART reserves due to an additional \$300,000 from our successful contract negotiations with Sumitomo Corporation related to a delayed rail car delivery schedule. We will be therefore using these funds to invest in increased education and outreach, capital investments at our crossings, and other capital improvements that we anticipate would help prevent future incidents, increase safety and reduce future costs through these up-front investments. We would not anticipate these costs to be recurring in future budgets.

**FISCAL IMPACT:** Approval would provide an additional \$300,000 in funding for SMART operations and public outreach and reduce available reserves by the same amount.

**REVIEWED BY:** [ X ] Finance  [ X ] Counsel 

Very truly yours,

  
Jennifer McGill  
Operations Manager

Attachment(s): Resolution Number 2019-15

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT  
AMENDING RESOLUTION NO. 2019-08 TO REVISE THE ANNUAL BUDGET FOR FISCAL YEAR 2019-20 TO  
PROVIDE FOR REVISED EXPENDITURE AUTHORITY**

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**WHEREAS**, as part of its approval of the Annual Budget for Fiscal Year 2019-20, the Board duly considered the annual expenditures necessary for the Sonoma-Marín Area Rail Transit District; and

**WHEREAS**, on June 5, 2019, the Board adopted Resolution No. 2019-08 approving the annual budget for Fiscal Year 2019-20; and

**WHEREAS**, Resolution No. 2019-08 considered the appropriation of funds for Operating expenses as part of the Annual Budget; and

**WHEREAS**, the Board desires to Amend the Annual Budget to provide increased appropriation authority for outreach, safety and security-related expenditures.

**NOW, THEREFORE, BE IT RESOLVED THAT THE** Fiscal Year 2019-20 Budget for the Sonoma-Marín Area Rail Transit District attached as Exhibit A to Resolution 2019-08 is hereby amended to increase expenditure authority by \$300,000.

**BE IT FURTHER RESOLVED** except as specifically amended or supplemented by this Resolution, Resolution No. 2019-08, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally adopted, and nothing contained herein shall, or shall be construed to, modify, invalidate or otherwise affect any provision of Resolution No. 2019-08.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 16<sup>th</sup> day of October 2019, by the following vote:

**DIRECTORS:**

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Gary Phillips, Chair, Board of Directors  
Sonoma-Marín Area Rail Transit District

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Leticia Rosas-Mendoza, Clerk of the Board of Directors  
Sonoma-Marín Area Rail Transit District



October 16, 2019

**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
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Sonoma County Mayors' and  
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**Dan Hillmer**  
Marin County Council of Mayors and  
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**Eric Lucan**  
Transportation Authority of Marin

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

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Fax: 707-794-3037  
www.sonomamarintrain.org

Sonoma-Marin Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Adopt the 2020 Expenditure Plan and Conduct a First Reading of Ordinance No. 2019-01

Dear Board Members:

**RECOMMENDATION:**

- 1) Adopt the 2020 Expenditure Plan; and
- 2) Conduct a First Reading of Ordinance No. 2019-01

**SUMMARY:**

In order for SMART to proceed with extension of our current sales tax (Measure Q) without increasing the current rate, we are required to prepare and approve an Expenditure Plan. In addition, the Board must adopt an ordinance to extend the sales tax. Today we recommend that you adopt the Expenditure Plan and hold the first reading of the required ordinance. This allows time for a second reading to occur at your November 6, 2019 meeting and subsequently approve the ordinance and place the measure on the March 3, 2020 ballot.

Attached for your review are two documents:

**1. SMART's 2020 Expenditure Plan. The plan contains the following:**

- Executive Summary
- SMART District Role and Purpose
- Expenditure Plan Background
- Expenditure Plan Principles
- Implementing Guidelines

At the September 18, 2019 Board meeting, your Board discussed the draft plan and received public feedback. The draft plan was posted on SMART's website for additional comments. The main difference between the 2008 and the 2020 Expenditure Plans is that in the last decade SMART has changed from an agency planning for a major capital project to an operating transit district with plans for service expansion in the future subject to availability of outside funding.

This plan, just like the previous plan, clearly discusses that SMART requires ongoing revenue from the sales tax for both operation and maintenance of the existing train and pathway system and to generate new revenue for the system through state and federal transportation grants, for both operations and construction of the remaining capital investments identified in the plan. The 2020 expenditure plan also addresses the need for an extension of the tax without changing the current rate in order to refinance SMART's current bond debt that was required to build the first 43 miles.

This extension and plan is designed to secure a stable future for SMART for riders generations to come.

Finally, this Expenditure Plan is structured with four principles that your Board has previously seen as follows:

1. Provide for ongoing Operation and Maintenance of the Current System: Includes funding for annual maintenance and repair, future upgrades to current systems, replacement cycles, and investment in newer technology.
2. Prioritize Safety and Security Maintenance and Improvements: For enhancements in safety and security of passengers, employees, the public and our infrastructure.
3. Provide for Capital Investment: Completion of all projects currently underway, and additionally:
  - Completion of the Windsor Extension Project
  - Completion of the Healdsburg Project
  - Completion of the Cloverdale Project
  - Completion of pathway projects connecting our stations
  - Completion of the second station in Petaluma
  - Purchase of additional train sets
  - Double tracking where feasible
  - Connections to local transit, regional and national transit systems including airports and national railroad
4. Future Amendments: The Board of Directors may review and amend these principles to provide for the use of additional Federal, State, Regional or local funds, to account for unexpected revenues and to accommodate any unforeseen circumstances.

As we have discussed at each meeting in the past six months, the successful extension of our current sales tax without changing the rate will provide an additional 30 years of financial stability for our passenger rail service. Based on projections and assumptions discussed as part of our 2019 Strategic Plan, we will reduce our annual debt payment from \$18 million to \$6 million per year much like when you refinance your home to lower your monthly payments. The difference of \$12 million each year can be used for any expenditure plan-related purpose that your current Board or future Boards authorize. One such purpose would be to fully fund operating costs for future extensions should outside construction funding become available, as we are doing for Larkspur and Windsor.




**2. Ordinance No. 2019-01: SMART ¼ of One Cent Retail Transaction and Use Tax Extension Ordinance**

This ordinance provides the language needed for placing the sales tax extension on the ballots in Marin and Sonoma Counties. It provides the legal details required by the State of California as well as other findings such as the purpose of the tax.

Both the Expenditure Plan and the Ordinance are required for placing the sales tax extension on the ballot in March of 2020. We therefore recommend that you adopt the 2020 Expenditure Plan and conduct the First Reading of Ordinance No. 2019-01.

**FISCAL IMPACT:** Approval of the Expenditure Plan outlines the uses of SMART's sales tax revenue. Future approval of Ordinance No. 2019-01 will commit SMART to paying allocated election costs, and prepare and distribute informational materials related to the Measure. Estimates of the cost, which will not be final until the election is complete, range from \$700,000 to \$1,000,000 depending on a number of factors including the number of measures placed on the March ballot.

Very truly yours,



Farhad Mansourian  
General Manager

Attachment(s): 1) 2020 Expenditure Plan  
2) Ordinance No. 2019-01



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*SONOMA-MARIN AREA RAIL  
TRANSIT DISTRICT*

*2020 EXPENDITURE PLAN*

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*October 2019*

## I. Executive Summary

The Sonoma-Marin Area Rail Transit District (SMART) proposes an extension (without increasing the  $\frac{1}{4}$  of one cent retail sales tax rate) in order to pay for the operation, maintenance and expansion of a passenger train system and ancillary bicycle/pedestrian pathway.

SMART requires the extension to provide not only revenues for the on-going operation and maintenance of the existing train and pathway system and to provide matching funds to obtain state and federal transportation grants for the capital construction of the remaining capital projects identified below.

Over the past 10 years SMART's  $\frac{1}{4}$  of one cent (Measure Q) tax revenue has allowed the District to leverage its funds along with regional, state and federal funds to both build and operate a new commuter rail transit system that extends from Larkspur in Marin to Airport Blvd in Sonoma and is a convenient/efficient alternative to sitting in traffic on Hwy 101. In addition to the currently built system, the Windsor extension project is fully funded and is scheduled to open at the end of 2021. For every dollar in sales tax the District has received, SMART has brought an additional dollar of investment to the region.

This measure proposes an extension (without increasing the rate) to the existing  $\frac{1}{4}$  of one cent retail sales tax measure that will provide for and increase the existing level of service, operation and future expansion of both the passenger and freight rail train system and ancillary bicycle/ pedestrian pathways in Sonoma and Marin Counties. The passage of this measure will allow SMART to continue to leverage and compete for Federal, State, Regional, Local and Private Funds for passenger/freight services and pathway connecting SMART stations for years to come. The extension of time will also allow SMART to refinance its existing debt, lower its annual payments and put more sales tax revenue toward annual operations.

Extending the existing sales tax measure will continue to further community-wide goals of relieving traffic, fighting global warming, reducing greenhouse gas emissions, increasing economic opportunities and increasing transportation options. Extension of the existing sales tax measure will help achieve these goals in Marin and Sonoma Counties through

convenient rail connections to ferry, bus and regional transit services across the Northbay and connections to the national railroad system via Highway 37 and 121, by providing passenger train service, a bicycle/pedestrian pathway linking the stations, all funds supporting these environmentally responsible transportation alternatives in Marin and Sonoma Counties.

**Local Control of Revenues and Citizen Accountability is Paramount.** The measure provides for accountability, protects the public's investment and includes safe guards to ensure that our transportation priorities will be protected. Local officials who are closest to where the revenues are collected and understand their community's needs will make decisions with input from the public and a citizen's oversight committee. Consistent with State law, all sales tax revenues collected by passage of this measure will remain under the control of appointed local officials serving as the Sonoma Marin Area Rail Transit District Board of Directors. This measure would raise \$40 million a year.

The proceeds of the tax would be focused on four main expenditure principles designed to ensure the District can continue the progress, success and operation of the rail transportation and pathway system: (1) Provide for ongoing operation, maintenance and financing of the current system, including reducing annual debt service (2) Enhance safety and security programs (3) Leverage other sources of revenue for capital projects and operational enhancements (4) Continually evaluate and determine the priorities of the District as they arise by the Board of Directors

## II. SMART District Role and Purpose

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

SMART is managed by a General Manager, who is appointed by and reports to the SMART Board of Directors. SMART owns the railroad corridor currently extending from Healdsburg in Sonoma County to

Corte Madera in Marin County and from Novato eastward towards Napa and American Canyon. This right-of-way is a significant public asset that is now used to provide passenger and freight train service and pathways linking the train stations. At this time, proposed State Legislation would adjust SMART's ownership of the railroad right-of-way to the County line between Sonoma and Mendocino.

### III. Expenditure Plan Background

Since the approval of the retail sales tax measure in 2008, SMART has built an entirely new transit alternative to sitting in traffic on Highway 101. Marin and Sonoma voters showed their desire to have this system in the most important way possible—by agreeing (nearly 70% of the vote) to help pay for it. Similar to the tax revenues used to support roads and bridges, every commuter rail system relies on taxpayer support to provide its service to the public.

With continued tax support, SMART will continue to leverage its current local  $\frac{1}{4}$  of one cent funds to capture additional funding that would otherwise not be available to the region. SMART has successfully received additional grant funding for rail cars, expansion of the rail system, stations, upgrades to railroad safety systems and additional pathway extensions. As envisioned in the previous measure Q expenditure plan, SMART leveraged the retail sales tax in the amount of \$289 million and received over \$323 million in competitive grant funds for building and operating the system-- more than doubling the sales tax income. This has resulted in over \$600 million of direct investment in the transportation infrastructure of the two Counties which SMART now seeks to maintain and preserve.

In working to provide the best transportation alternative to commuters in the North Bay, SMART opened with service that is safe, reliable and has carried over 1.5 million passengers, 5,600 passengers in wheelchairs and 146,000 bicycles to date. While extension of the current  $\frac{1}{4}$  of one cent sales tax was always planned and necessary for continued operations and preservation of the capital investment, the updated 2020 expenditure plan now focuses on four categories listed below to ensure the District can continue the progress and success of the SMART transit system.

The anticipated extension would not change the  $\frac{1}{4}$  of one cent rate but would extend the sales tax past its current expiration date allowing the District the time

needed to restructure its debt and provide consistent annual funding for operations. Preliminary estimates show that annual debt service could be reduced from \$18 million to \$6 million annually thereby providing annual revenue savings of \$12 million. This debt restructuring will secure the current rail and pathway operations for the future; it would also provide the revenue needed to operate future rail extensions to Healdsburg and Cloverdale and future pathway expansion when outside grant or other funding becomes available to complete construction. In the coming years, SMART will continue its very successful efforts to seek out federal, state, regional, local and private funds to extend beyond the current system.

The SMART Board publicly adopts an annual budget documenting all revenues and expenditures. SMART has recently updated its Strategic Plan, under the direction of the SMART Board of Directors. The Strategic Plan provides annual revenue and future cost assumptions for project implementation, operations and maintenance. SMART also prepares a Short-Range Transit Plan documenting service and funding assumptions over a 10-year period.

### IV. Expenditure Plan Principles

#### (1) Provide for Ongoing Operation, Maintenance and Financing of the current system:

This includes funding for operational services, annual maintenance and repair, future upgrades to current systems, replacement cycles, and investment in newer technology and restructuring of the construction debt service.

##### i. Operations and Services:

SMART provides safe, reliable weekday and weekend/holiday train service between Marin and Sonoma County. Current service consists of:

- On weekdays SMART currently provides for 34 daily trips between Marin and Sonoma County.
- Upon opening the Larkspur station project extension SMART will expand service to 36 daily trips.
- On weekend and holidays SMART provides for 10 trips and upon completion of the Larkspur station project SMART will adjust these trips to connect with San Francisco-bound ferry

- ii. Maintenance expenditures for infrastructure which currently includes:
  - 48 miles of commuter rail with stations
  - 4 park and ride lots
  - 25 miles of pathways
  - 68 public crossing
  - 27 bridges
  - 2 tunnels
  - Rail Operation Center and maintenance facilities
  - Telecommunications, Fiber optics, WiFi

- iii. Refinance existing debt service:  
To fund the construction of the rail and pathway project, SMART utilized revenue bonds that advanced \$180 million toward construction. SMART can now utilize additional years of sales tax revenue to refinance the payments on that debt to free up \$12 million in revenue annually by reducing debt payments from \$18 million to \$6 million.

- iv. Replacement cycle for SMART's clean and efficient Rail Cars:  
SMART currently uses 18 modern railcars in its delivery of transit services that are powered by clean, efficient on-board engines. Future funding to keep those cars in good repair is needed.

(2) Prioritize safety, education and community outreach programs:

SMART's operation maintains the highest safety standards, meeting all required federal rules and regulations. Priority for expenditures related to safety includes but is not limited to:

- i. Safety, education, suicide prevention and community outreach programs:  
Passenger safety and general public safety is SMART's foremost priority. SMART will continue outreach and safety efforts making sure the public is aware of our new passenger train service after an absence of more 60 years. To date, SMART has:
  - Launched a new SMART rider-focused website, that has had over 700,000 users
  - Conducted and attended over 450 events or presentations, informing

passengers, pedestrians, bicyclists, and motorists

- Completed 179 presentations at 97 schools, reaching 38,281 students in Marin and Sonoma counties
- Created a new dedicated safety website, BeTrackSMART.org, to educate the public on rail safety

SMART will continue its community outreach efforts that have included monthly public Board meetings, public hearings, special ad hoc meetings and hundreds of presentations to community, business and special issue groups. SMART's social media and digital program will continue, including channels on Facebook, Twitter and Instagram reaching over 15,000 people.

ii. Implementation of safety enhancements for crossings.

While the SMART system meets or exceeds all State and Federal safety requirements, SMART continually evaluates whether there is anything within SMART's ability and means that could improve the safety of the system. Recently, as a result of several incidents of distracted pedestrians and bicyclists colliding with the train, the SMART Board authorized the use of capital reserves for additional safety enhancements at 30 crossings. Additionally, SMART is researching technology at grade crossings to detect and deter trespassing or other safety problems on the right of way. Cameras with specialized analytics could be deployed where SMART experiences a high volume of trespassers or other traffic, increasing our ability to react to unsafe behavior. SMART will continue to study these and other safety improvements into the future.

(3) Capital Projects and Rolling Stock:

The passage of a sales tax extension without increasing the rate enables SMART the ability to fund the operational expenses of Windsor, Healdsburg and Cloverdale extensions-- currently estimated to be \$600,000, \$1.5M and \$3.2M respectively. Although current financial projections do not provide any additional funds dedicated for these capital projects, SMART will continue to work to find state, federal and

private funding to address and invest in both its existing infrastructure as well as seek to leverage funding to complete current projects underway and all future projects. Those projects include:

Rail: The current capital cost estimate for rail extensions and capacity expansion (vehicles/rail yard) is \$364 million based on current construction estimates. Actual cost may be lower or higher based on the economic climate at the time of construction.

This cost is comprised of the following elements:

- Windsor to Healdsburg (Track, Station, Bridges and Systems) - \$125 million
- SMART Rail Vehicle Expansion - \$44 million
- SMART Rail Yard Capacity Expansion - \$25 million
- Healdsburg to Cloverdale (Track, Station, Bridges and Systems) - \$170 million

Pathway: In order to close the existing gaps between the Larkspur and Windsor Stations in the built or funded pathway segments, the cost estimate for delivering those segments is \$35-40 million based on current construction estimates. Construction to close existing gaps in SMART pathway connections includes the following:

- Larkspur to Downtown San Rafael Station
- Civic Center to Downtown Novato Stations
- Downtown Novato to San Marin Stations
- Petaluma to Cotati Stations
- Santa Rosa North to Sonoma County Airport Stations

Additionally, the cost of pathway segments connecting Windsor to Healdsburg and Cloverdale is estimated to be \$38 million.

Improved Level of Service: In addition to system extensions, SMART will also look to improve the frequency of service. This would require:

- Purchasing additional train sets
- Double tracking where feasible
- Enhanced connections to local transit, regional and national transit systems including airports and national railroad.

For all of these capital priorities, SMART would continue its successful efforts to date that brought a new dollar to the region for every dollar of local sales tax received. The current investment would be leveraged to seek new resources for our priorities.

Significant grant and other outside revenues will be available in the coming years that could advance SMART's future capital expansion efforts. Notably, within California, the voter-affirmed Senate Bill 1 has infused significant resources into improving transportation networks throughout the State. These funds were affirmed by the voters and are being made available to transportation needs.

The following is a list of statewide resources for which SMART is able to compete to construct SMART's capital expansion program. The list is not exhaustive but illustrates the opportunities available with over \$1.2 billion in new revenues every year moving forward:

- Transit and Intercity Rail Capital Program - \$300 million annually
- Solutions for Congested Corridors - \$250 million annually
- State Transportation Improvement Program – Interregional Share - \$27.5 million annually
- State Transportation Improvement Program – Regional Share - \$82.5 million annually
- Trade Corridor Enhancement Program - \$300 million annually
- Local Partnership Program - \$200 million annually
- Active Transportation Program - \$100 million annually
- Regional Measure 3 (bridge toll finds)

Federal resources are also available, with reauthorization of Federal transportation legislation, currently 2015's Fixing America's Surface Transportation (FAST) Act on the horizon for 2020. Federal funding priorities include rural projects, particularly those that improve broadband connections. SMART's extensions North will satisfy both of those priority concerns. SMART has a history of successfully accessing funds programmed at the discretion of Federal decision-makers, with nearly \$41 million in federally-controlled funds authorized for SMART rail projects to date.

#### (4) Programmed Flexibility:

The Board of Directors may review and approve amendments to this expenditure plan to provide for the use of additional Federal, State, Regional, local or private funds, to account for unexpected revenues and to accommodate any unforeseen circumstances. Since actual revenues may be higher or lower than expected due to changes in availability of state or

federal funds, changes in cost and/or fluctuations in sales tax revenues. Estimates of actual revenue will be programmed annually by the District in its annual budget and service plan.

#### **V. Implementation Guidelines**

In addition to principles for the use of funds, the Board also commits to the following guidelines as a matter of policy for sales tax administration and transparency:

1. A Citizens Oversight Committee, as established by the SMART Board, will continue to provide input and review on the Strategic Plan and subsequent updates. The committee is composed of citizens from the SMART District, appointed by the Board for a specific term.
2. The duration of the measure will be for an additional 30 years and SMART shall continue to undergo an annual independent financial audit.
3. SMART has prepared a Strategic Plan which identifies planned investments in capital implementation, operations and maintenance for the extension and duration of the tax. The Strategic Plan should be updated every five years.
4. SMART is authorized to re-issue or restructure revenue bonds, pursuant to Public Utilities Code section 105220, to advance the commencement of, or expedite the delivery of passenger train service, the bicycle/pedestrian pathway and related train transit improvements.
5. SMART's sales tax will continue to be administered by the California Department of Tax and Fee Administration.

FULL TEXT OF MEASURE \_\_\_\_\_  
ORDINANCE NO. 2019-01

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT ORDINANCE EXTENDING THE  
CURRENT ONE-QUARTER OF ONE CENT RETAIL TRANSACTION AND USE TAX**

**PREAMBLE:**

The voters of Sonoma and Marin County are requested to approve and extend the retail transaction and use tax (Measure Q) at the same rate of one-quarter (1/4) of one cent to:

**Continue relieving traffic congestion, reducing greenhouse gas emissions** (having carried 1.5-million passengers by providing quality transportation alternatives to Highway 101).

**Continue to implement, construct, operate and maintain the SMART rail transit system and pathways;** build additional rail lines, bicycle and pedestrian pathways, enhance local and regional transportation options.

**Keep the rail transportation and pathways systems safe;** build, rebuild and retrofit bridges, trestles, railroad crossings and intersections and keep the transportation system in safe and good working condition.

**Embrace technology and safety innovation;** incorporate modern technology, new advancements and emerging innovations in the rail transportation system.

**Make public transportation more accessible, convenient, and affordable** for seniors, students, and the people with disabilities and provide better mobility options for our ageing population.

**Create jobs, help reduce pollution, and generate local economic benefits;**

**Provide accountability;** protect and monitor the public's investments through independent audits and oversight while maintaining the flexibility needed to respond to emerging needs.

**FINDINGS:**

- I. On November 4, 2008, the voters of Sonoma and Marin Counties approved Measure Q at the General election, and authorized the SMART District be given the responsibility to administer the proceeds from a one-quarter of one percent retail transactions and use tax.
- II. On October 16, 2019, the District approved a Sales Tax Expenditure Plan ("Expenditure Plan"). The SMART District can now adopt a retail transactions and use tax ordinance and request to have the Registrar of Voters of the Counties of Sonoma and Marin place a one-quarter cent retail transactions and use tax measure to finance the Sales Tax Expenditure Plan on the March 3, 2020 ballot for consideration by the Marin and Sonoma electorate. The ballot measure would require 2/3-voter approval in order to pass.

- III. The Sales Tax Expenditure Plan outlines a program for utilizing the proceeds of a one-quarter of one cent retail transactions and use tax extension, which can only be spent on transportation purposes in Marin and Sonoma County. The Sales Tax Expenditure Plan consists of four implementation categories, and is designed to maintain and improve rail transportation infrastructure, refinance and restructure construction debt and provide high quality transportation options for people of all ages who live, work and travel in Sonoma and Marin Counties. The Sales Tax Expenditure Plan provides a high degree of accountability, while maintaining the flexibility needed to respond to emerging needs.
- IV. Upon approval of the tax measure by the voters of Sonoma and Marin Counties, the existing tax will be extended, for an additional thirty year period through April 1, 2059 with the expenditure plan setting forth transportation services, operations, projects, programs and other improvements eligible to be funded, specifying eligibility and other conditions and criteria under which such revenues shall be expended, and making provisions for the adoption of future Sales Tax Expenditure Plan amendments.

#### **SECTION 1. TITLE.**

This ordinance shall be known as the "SMART ¼ of one cent Retail Transaction and Use Tax Extension Ordinance". The Sonoma-Marin Area Rail Transit District hereinafter shall be called "District." This ordinance shall be applicable in the incorporated and unincorporated territory of the Counties of Sonoma and Marin, which shall be referred to herein as "District."

#### **SECTION 2. OPERATIVE DATE/ADOPTION**

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the effective date of this ordinance, as set forth below.

Continuation of retail transactions and use tax: This Ordinance will extend and renew the retail transaction and use tax (Measure Q) at the same rate of one-quarter (1/4) of one cent within Sonoma and Marin County immediately upon the expiration of the Tax imposed by Ordinance No. 2008-01 of the Sonoma-Marin Area Rail Transit District (Measure Q). There shall be no concurrent assessment of the existing tax and the tax to be imposed pursuant to this Ordinance. Nothing in this ordinance is intended to modify, repeal, or alter ordinance 2008-01 previously adopted by the District.

#### **SECTION 3. PURPOSE.**

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To maintain a local funding source for the design, construction, implementation, operation, financing, maintenance and management of a passenger railroad transportation system and a bicycle/ pedestrian pathways connecting stations.
- B. To impose and extend a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and



Section 105115 of the Public Utilities Code which authorizes the District to adopt this tax ordinance which shall be operative if a two-thirds majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

- C. To adopt a retail transaction and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- D. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- E. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

#### **SECTION 4. CONTRACT WITH STATE.**

District shall contract with the California Department of Tax and Fee Administration CDTFA to perform all functions incident to the administration and operation of this transactions and use tax.

#### **SECTION 5. TRANSACTIONS TAX RATE.**

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the District at the rate of one-quarter of one percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date. This shall extend the tax to be imposed for an additional period of thirty years.

#### **SECTION 6. PLACE OF SALE.**

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer, unless the tangible personal property sold is delivered by the retailer to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

#### **SECTION 7. USE TAX RATE.**

An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible

personal property purchased from any retailer on and after the operative tax date for storage, use or other consumption in said territory at the rate of one-quarter of one percent one-quarter of 1 percent of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made. This shall extend the tax to be imposed for an additional period of thirty years.

#### **SECTION 8. ADOPTION OF PROVISIONS OF STATE LAW.**

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

#### **SECTION 9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.**

In adopting the provisions of Part I of Division 2 of the Revenue and Taxation Code, wherever the State of California is named or referred to as the taxing agency, the name of District shall be substituted therefore. The substitution, however, shall not be made when the word State is used as part of the title of the State Controller, State Treasurer, State Board of Control, California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California if the substitution would require action to be taken by or against the Authority or any agency, officer, or employee thereof rather than by or against the CDTFA, as successor to the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance. The substitution shall not be made in those sections, including, but not necessarily limited to, sections referring to the exterior borders of the State of California, where the result of the substitution would be to provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use, or other consumption remains subject to tax by the state under the said provisions of that code. The substitution shall not be made in Sections 6701, 6702, (except in the last sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the Revenue and Taxation Code. The name of the District shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase in Section 6203. A retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the District or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under authority of the retailer. "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter I (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.

#### **SECTION 10. PERMIT NOT REQUIRED.**

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

## **SECTION 11. EXEMPTIONS AND EXCLUSIONS, AND CREDITS.**

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
  - 1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
  - 2. Sales of property to be used outside the District which is shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the District shall be satisfied:
    - a) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
    - b) With respect to commercial vehicles, by registration to a place of business out-of-District and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
  - 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
  - 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
  - 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

- C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this District of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state administered transactions and use tax ordinance.
  2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
  3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
  4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
  5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
  6. Except as provided in subparagraph (7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the district or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.
  7. "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.
- D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

## **SECTION 12. AMENDMENTS.**

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

## **SECTION 13. ENJOINING COLLECTION FORBIDDEN.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding

in any court against the State or the District, or against any officer of the State or the District, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

## **SECTION 14. ANNUAL APPROPRIATIONS LIMIT.**

Taking into account the proceeds of taxes available to the District, including tax revenue that would become available upon approval of this ordinance, the appropriations limit of the Sonoma-Marín Area Rail Transit District for fiscal year 2019-2020 was established at \$142,288,336 million, unless that amount should be amended pursuant to applicable law.

## **SECTION 15. ADOPTION OF EXPENDITURE PLAN AND ACCOUNTABILITY FOR EXPENDITURE OF PROCEEDS OF THE TAX.**

The District Board of Directors hereby adopts the Expenditure Plan attached hereto and incorporated into this ordinance by reference. Proceeds of the tax imposed by this ordinance shall be spent on uses set forth in the Expenditure Plan, including; operation, design, construction, financing, maintenance and management of the rail system and bicycle/pedestrian pathway. The District may propose and amend the expenditure Plan to provide for the use of additional federal, state and local funds, to account for unexpected revenues, to add or delete a project or program or to take into consideration unforeseen circumstances.

## **SECTION 16. ANNUAL REPORT.**

The Chief Financial Officer of the Sonoma-Marín Area Rail Transit District shall annually cause to be prepared a report setting forth the amount of funds collected and expended; and the status of operations and any use authorized to be funded in the Expenditure Plan adopted by the District.

## **SECTION 17. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).**

Pursuant to the State CEQA Guidelines section 15378(b)(4), adoption of this retail transactions and use tax ordinance as a government funding mechanism is not a project subject to the requirements of CEQA. Pursuant to State CEQA Guidelines section 15276, CEQA does not apply to the expenditure plan. This ordinance creates a government funding mechanism that does not involve a commitment to a specific project that may result in a potentially significant physical impact on the environment. If

revenue from the tax is used for a purpose that has such effect, the District will have reviewed or would undertake the required environmental review prior to that particular project implementation.

#### **SECTION 18. SEVERABILITY.**

If any terms, provision or portions of this ordinance or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, the remainder of the ordinance or portions of this ordinance and the application of such provision to other persons or circumstances shall not be affected thereby and remain in full force and effect unless amended or modified by the District.

#### **SECTION 19. PROPOSITION**

There shall be proposed to the voters of Sonoma and Marin Counties the following proposition:

To continue relieving traffic congestion, reducing greenhouse gas emissions (having carried 1.5-million passengers by providing quality transportation alternatives to Highway 101), connecting stations with pathways, expanding rail service to Healdsburg/Cloverdale as grants become available, shall an extension of the existing Sonoma-Marín Area Rail Transit District 1/4-cent voter approved sales tax, at the same rate, generating approximately \$40,000,000 annually for an additional 30 years, subject to audits and citizens' oversight, that the State cannot take away, be adopted?

#### **SECTION 20. EFFECTIVE DATE AND POSTING.**

This ordinance shall be, and is hereby declared to be, in full force and effect at the close of the polls on the day of election at which the proposition is adopted by two-thirds vote of the electors voting on the measure. Although this ordinance shall be deemed to be effective once adopted by two-thirds vote of the electors voting, the new term and related tax and fiscal provisions of this ordinance shall not be in effect until April 1, 2029, except as modified below in the case of new bond issuance. To the extent that the District may desire prior to April 1, 2029 to issue bonds secured by future revenues from the extension of the tax provisions adopted herein, the provisions of this ordinance shall be operative at said earlier date for application to said revenues and bonds, allocations of any funds derived from said bonds, development of guidelines for use of said bond revenues, administration of the Expenditure Plan adopted hereunder. A summary of the Ordinance shall be posted within 15 days after its passage in a prominent location at the District Office with the names of the Directors voting for and against same.

#### **SECTION 21. TERMINATION DATE.**

The authority to levy the tax imposed by this ordinance shall expire on April 1, 2059.

**PASSED AND ADOPTED** by the Board of Directors of the Sonoma-Marín Area Rail Transit District in the County of Marin, State of California, on November \_\_\_\_, 2019 by the following vote:



October 16, 2019

**Gary Phillips, Chair**  
Transportation Authority of Marin

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Damon Connolly**  
Marin County Board of Supervisors

**Debora Fudge**  
Sonoma County Mayors' and  
Councilmembers Association

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

**Dan Hillmer**  
Marin County Council of Mayors and  
Councilmembers

**Eric Lucan**  
Transportation Authority of Marin

**Joe Naujokas**  
Sonoma County Mayors' and  
Councilmembers Association

**David Rabbitt**  
Sonoma County Board of Supervisors

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Shirlee Zane**  
Sonoma County Board of Supervisors

**Farhad Mansourian**  
General Manager

A handwritten signature in blue ink, appearing to read "Farhad", written over a horizontal line.

5401 Old Redwood Highway  
Suite 200  
Petaluma, CA 94954  
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Fax: 707-794-3037  
[www.sonomamarintrain.org](http://www.sonomamarintrain.org)

Sonoma-Marin Area Rail Transit Board of Directors  
5401 Old Redwood Highway, Suite 200  
Petaluma, CA 94954

**SUBJECT:** Consideration of a vote on the formation of the Santa Rosa Railroad Square Community Benefit District (CBD) at a public hearing on October 29, 2019.

Dear Board Members:

**BACKGROUND:**

In the fall of 2018, the Railroad Square Association started work to gauge support within the community for a Community Benefit District ("District") for the Santa Rosa Railroad Square property owners and business community alike. A consultant, New City America, who specializes in formation and management of Special Benefit Districts, was hired and a Management Plan was developed in April and finalized in August. The levy of the assessments on the properties within the District will be used to fund four broad categories: Civil Sidewalk, District Identity and Placemaking, Administration and Contingency.

The City will continue to provide general benefit services from the general fund in Railroad Square which include public safety, periodic street tree trimming, street sweeping, trash collection of public refuse containers, etcetera. A CBD is required to provide, according to the State Constitution, "a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large." The Special Benefits, as they are called, in this case would be "increased cleanliness, commerce, business attraction and retention, increased commercial property rental income and improved District identity."

The District Management Plan assumes that the City of Santa Rosa, the Successor Agency to the Redevelopment Agency of the City of Santa Rosa, and the Housing Authority of the City of Santa Rosa, and SMART will pay assessments for the public property they own in the District. SMART's initial annual assessment (effective July 1, 2019 if the District is approved) will be \$26,702.30 and is subject to a 0% to 5% annual increase depending on the Owner's Association/District Management Corporation.

**POLICY DECISION:**

The decision to vote on the CBD formation is a policy decision for the Board.

Reasons to oppose the CBD would include the fact that SMART maintains its own property and that property has no improvements on it that would receive any special benefit such as business attraction or increased rental income. The proposed \$26,702.30 annually (with future increases) would come directly from other SMART operating needs, a tradeoff that is likely to hurt other priorities.

Conversely, SMART as a partner to the City is interested in making Railroad Square as livable and vibrant as possible due to our desire to increase ridership and make the station area as safe as possible. Should SMART's property sale be completed, SMART would no longer be liable for the CBD assessment as that cost would be the responsibility of the new property owner.

At a public meeting, scheduled for October 29, the property owners will have the opportunity to vote in favor or against the establishment of the District. A 50 percent plus one of the property owners' votes are needed to establish the new District.

Your Board has two options: Authorize the General Manager to vote either for or against the formation of the Santa Rosa Railroad Square Community Benefit District (CBD) at Railroad Square.

**FISCAL IMPACT:** Approval of the CBD could lead to increased costs to the District of \$26,702.30 annually with increases in the years that follow.

**REVIEWED BY:** ☐ Finance \_\_\_\_\_ ☒ Counsel 

Very truly yours,

  
Erin McGrath  
Chief Financial Officer