



**BOARD OF DIRECTORS
REGULAR MEETING AGENDA
February 20, 2019 – 1:30 PM**

5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

1. Call to Order
2. Approval of the February 6, 2019 Board Meeting 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
 - b. Approval of Certified Employment Group Contract Amendment No. 4
7. Review and Accept SMART's Fiscal Year 2017-18 Single Audit
8. Authorize the General Manager to execute Contract Amendment No. 2 with Golden Gate Bridge, Highway and Transportation District for Customer Service Needs in the amount of \$671,160 for a two-year term
9. Discuss the Topics to be Reviewed at the Upcoming Board of Directors Workshop on April 3, 2019 – *Discussion Only*
10. Next Regular Meeting Board of Directors, March 6, 2019 – 1:30 PM – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
11. Adjournment

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DOCUMENTS: Documents distributed by SMART for its monthly Board meeting or committee meetings, and which are not otherwise privileged, may be inspected at SMART's office located at 5401 Old Redwood Highway, Suite 200, Petaluma, CA 94954 during regular business hours. Documents may also be viewed on SMART's website at: www.sonomamarintrain.org. Materials related to an item on this Agenda submitted to SMART after distribution of the agenda packet are available for public inspection at the SMART Office. For information about accessing SMART meetings by public transit, use the trip planner at www.511



**BOARD OF DIRECTORS
REGULAR MEETING MINUTES**

February 6, 2019 - 1:30 PM

5401 Old Redwood Highway, 1st Floor
Petaluma, CA 94954

1. Call to Order

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

Chair Phillips acknowledge Director Jake Mackenzie for his years of service on the SMART Board. A gift was presented to Director Mackenzie. Chair Phillips stated that it has been an honor serving with him and he thanked him for the contribution he has made for the success of SMART. You will be missed, he added

Director Zane stated that out of everyone she knows that sits on transit boards, Director Mackenzie is that one individual that consistently uses public transportation. “Your experience is very valuable and will be missed tremendously” and thanked him for his service.

Director Arnold said that it has been a joy working with Director Mackenzie and he will be missed.

Director Fudge stated that Director Mackenzie also takes the 5:09 am train to attend Metropolitan Transportation Commission (MTC) meetings in San Francisco. The true value that Director Mackenzie brought to SMART is: 1) tenure; 2) second longest serving board member and 3) The relationship he established between MTC and SMART, for SMART to receive millions of funds to continue to move the project forward. Especially with the most recent recommendation of \$12.6 million grant to fund its Pathway. She thanked him for his service.

Director Lucan thanked Director Mackenzie for treating him as a peer from the day he joined the SMART Board. It has been a pleasure to work with you and you will be missed.

Vice Chair Pahre stated that she remembers that back in time when she was first appointed to the SMART Board that it was mentioned that Director Mackenzie was traveling to Scotland. Director Mackenzie brought a souvenir from Scotland to all board members. Because of that, she learned his name to say "thank you". She also mentioned how Director Mackenzie is very quiet at meetings, however when he speaks it is with a purpose to get us thinking. "I will miss seeing your WE car in the parking lot". Thank you, Jake!"

Director Connolly stated that Director Mackenzie has been a fierce advocate for public transportation in the North Bay. He fully expects serving with Director Mackenzie at MTC and has been great serving with him.

Director Hillmer stated "Director Mackenzie, you are a fine man".

Director Rabbitt arrived 1:41pm

General Manager Mansourian stated that he knew Director Mackenzie prior to arriving at SMART. They both have a passion for soccer and attended various games together. The three MTC Commissioners Rabbitt, Connolly and Mackenzie have done a lot for SMART to be successful in receiving grants, largely because of Commissioner Mackenzie. He thanked Director Mackenzie for his leadership.

Director Rabbitt stated that Director Mackenzie leadership at MTC this last year has been exceptional, especially with the repeal of Senate Bill 1, hiring a new Executive Director and for Sonoma County to be included in Regional Measure 3 for the first time. He appreciates his friendship and thanked him for all his work.

Comments:

Steve Birdlebough stated he appreciates Director Mackenzie experience, service and wisdom.

Jack Swearingen stated that Friends of SMART is very appreciate of Director Mackenzie service.

Director Mackenzie stated "today is a bittersweet moment". He thanked everyone for their kind remarks, they have touched his heart. Life moves on and decisions are made, he added. He has been in contact with the two new Directors Naujokas and Rogers and both will do a good job. Also, this is not the first time he gets removed from the SMART Board. He said he has not been silent and has voiced his concerns on how he was treated by his fellow Councilmembers and actions, but he now holds the record for having the shortest Vice Chair term. He looks back at SMART success and despite the naysayers these trains go somewhere and will travel north and south. The relationship that General Manager Mansourian established with MTC Executive Director Steve Heminger have been very crucial. It is very important to remember that SMART was under a black cloud and was not likely to be beneficiaries of Regional Measure 2 funds for the Cal Park Tunnel, and now SMART is receiving funds for Larkspur Extension as well as other projects. With the value of working

together with current and past Board members: Judy Arnold, Valarie Brown, and Steve Kinsley and stopping the dividing of the two counties. Director Mackenzie continued to say that Former Chair Fudge suffered a huge political price when she made a decision to phase out the SMART project during the 2010 recession. The State Rail Plan has a vision for SMART and the North Bay. The State Route 37 Working Group will establish a Memorandum of Understanding with the four counties that will provide connectivity. The construction has started for Station Avenue in Rohnert Park where it will be the gateway to the City of Rohnert Park. SMART has a future going north and south and Ferry riders need to be mindful that starting this fall there will be more riders. He said the future is so bright that you have to wear shades and reminded members of the public that when you are the Chair of MTC it's a regional operation and viewing the entire region as a whole. Also, please remember the MTC Executive Director Heminger has been in-charge for eight years of the Federal Transit Administration. Lastly, he said that he would wear his SMART jacket with pride.

Chair Phillips asked the new Directors to introduce themselves.

Director Naujokas stated that he is excited to join the SMART Board. He is looking forward to integrating public transportation to people's daily lives. Director Zane asked Director Naujokas to provide a little history about himself prior to becoming a Councilmember. Director Naujokas said that he is a software developer and has an office in Petaluma.

Director Rogers stated that he is Vice Mayor for the City of Santa Rosa. "For many of us the SMART train isn't just a train but a promise to the future of how our land use policies is going to be and how we are going to integrate better in the North Bay and provide alternatives in the future of people who don't rely in vehicles or sitting in traffic to get to places that people can't afford to live". He is interested in being part of realization where they tackle major issues not just transportation but around housing. He is excited to work with his many colleagues in Marin County and he thanked the board for the warm welcome.

2. Elections of Chairperson and Vice-Chairperson

Director Rabbitt nominates Director Pahre for Vice-Chair.

MOTION: Director Rabbitt nominated Director Pahre for Vice-Chair. Director Arnold second nomination. The motion carried 11-0-0.

Vice-Chair Pahre thanked everyone for the nomination and for their continued confidence, I can't possibly replace Jake but will do a good job, She said that she has been the longest serving Vice Chair on the SMART Board. Her commitment as the representative of Golden Gate Bridge and from SMART is to facilitate the conversation as we move forward especially this year to make sure that the transition through the San Rafael Bettini Transit Center is as smooth as it can be.

3. Approval of the January 16, 2019 Board Minutes

MOTION: Director Rabbitt moved approval of the January 16, 2019 Board Minutes as presented. Director Lucan second. The motion carried 11-0-0

Director Zane stated that she wanted to attend the January 16th Board meeting, however, the Bay Area Air Quality Management District initial planning meeting took longer than expected.

4. Public Comment

Eris Weaver stated that she was happy that the Metropolitan Transportation Commission (MTC) recommended SMART as a recipient of a \$12.6 million grant to fund its bicycle and pedestrian pathway projects. Also, she attended the first Great Redwood Trail planning meeting, where trail advocates and local agencies from all over the North Coast gather to discuss the planning process. She welcomed Directors Naujokas and Rogers to the SMART Board.

Steve Birdleough stated that the Ferry service is getting extremely busy and train passengers will need to anticipate making Ferry reservation for a seat.

Duane Bellinger welcomed Directors Naujokas and Rogers to SMART Board. He said that residents from East Petaluma could benefit from a SMART station at the Corona property. He will submit more comments in writing.

5. Board Members Announcements

Chair Phillips stated that today is his first meeting as being SMART Chair and he thanked all board members for allowing him to do so. He said SMART has an excellent staff and he will continue to build relationships for the future advancement of passenger service to our communities. He asked the board members if they would like to submit any topics, goals and ideas that they would like to discuss this year. Also, we would like to hold a Board Workshop on April 3rd to discuss them.

Director Connolly suggested receiving an update on the North Coast Trail project.

Director Fudge announced that the February 1st the Town of Windsor started operating the Windsor Hopper, which is a complimentary luxury shuttle that connects you to Windsor's popular destinations. The shuttle is to serve the community to attend the release of Pliny the Younger event at the Russian River Brewing. She thanked SMART for being a partner in assisting with advertising.

Director Rogers stated that he has attended prior SMART Board meetings to address his concerns regarding the Jennings Avenue Crossing. He said that on Tuesday, February 12th the California Public Utility Commission (CPUC) will hold a hearing regarding the at-grade

Jennings Avenue Crossing, he will be attending representing Santa Rosa to advocate for an at-grade crossing. Also, he expressed his displeasure on a letter dated February 5th from the SMART Board to the CPUC for the hearing of February 12th stating that the at-grade crossing at Jennings Avenue is not safe. From his perspective, the City of Santa Rosa and SMART have been having productive conversations. The City of Santa Rosa is in the process of developing additional safety measures and alternatives for a safe at-grade crossing at Jennings Avenue. He was disappointed in the way the letter was phrased, since the CPUC can kill the project.

Director Zane stated that Senator McGuire, SMART's General Manager Mansourian, Director Fudge and herself have been engaged in a process trying to move the project forward with safe alternatives. She understands that the City of Santa Rosa is working on engineering plans to address safety alternatives and hopes to continue to engage in that process. She represents this area and she is very concern since it is a very low-income community and they deserve having a safe crossing. Director Zane also mentioned that the Sonoma County Airport will be having flights departing/arriving from Denver starting in March. The Airport Boulevard Station has been a significant connection to the Sonoma County Airport. Her friend Shaun Ralston told her that the 6:19NB train is always full and the quality of life has changed for him.

Director Lucan announced that on January 17th he was at the 1 million rider celebration along with Chair Phillips, Director Fudge, other Board members, and passengers. He thanked staff for an excellent celebration and a huge milestone for SMART.

Chair Phillips stated that he is aware of the Jennings Avenue Crossing issue and continue discussions with the City of Santa Rosa.

6. General Manager's Report

General Manager Mansourian welcomed new Directors Nauyokas and Rogers to the SMART Board.

He stated that SMART celebrated its 1 million rider(s) on January 17th and SMART has now carried approximately 1,031,963 passengers, 95,967 bicycles and 4,173 passengers with wheelchairs. The Engineers-Conductors handed out Platinum passes for free train trip as a special "thank you". The next celebration will be when SMART reaches 100,000 bicycles. He illustrated various slides of the 1 million rider event.

He introduced Chief of Police, Jennifer McGill, who reported that on February 5th at approximately 8:00 pm, SMART Engineer-Conductor placed the train near Eight Street, Santa Rosa in "emergency" status for a possible pedestrian strike. Between Police, Fire, Medical and SMART personnel the individual was not located and was reported that he was playing "chicken" with the train. No injuries were reported on board; however, this was a life and death situation, that the public needs to be educated on. Staff continues to work with local enforcement agencies. The incident caused SMART about a 20-minute delay. Mr. Mansourian

encouraged Board members to inform their local Police department to continue to enforce traffic laws near gate crossings.

Director Zane suggested releasing a press release to inform the public of how these types of incidents affect everyone.

7. Consent

- a. Authorize the General Manager to Execute the Collective Bargaining Agreement between Sonoma-Marín Area Rail Transit District and International Brotherhood of Teamsters Local Union Number 665 for the period of January 28, 2019 to June 30, 2021; and Approve a Resolution to Authorize Fiscal Year 2018-19 Budget Amendment

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

MOTION: Director Pahre moved approval of the Consent Agenda as presented. Director Rogers second. The motion carried 11-0-0.

8. Authorize the General Manager to Execute Contract Amendment No. 6 Burke, Williams and Sorenson, LLP in an amount of \$200,000 for Legal Services

District Counsel Tom Lyons, stated that Burke, Williams and Sorenson, LLP has been providing legal services since 2015. They are assisting SMART in litigation matters and real estate negotiations. We anticipate the continued need for their specialized experience in real estate negotiations transactions.

MOTION: Director Rabbitt moved to Authorize the General Manager to Execute Contract Amendment No. 6 Burke, Williams and Sorenson, LLP in an amount of \$200,000 for Legal Services as presented. Director Lucan second. The motion carried 11-0-0.

9. Authorize the General Manager to Execute Contract No. CV-BB-18-002 with Ghilotti Bros., Inc. in an amount of \$158,500 for Concrete and Electrical Modifications to the Rail Operations Center Maintenance Pit in Preparation for Installation of a Wheel Truing Machine

Chief Engineer Bill Gamlen stated that the item before you is to approve a Contract with Ghilotti Bros in an amount of \$158,500 to modify the vehicle maintenance pit required to install the wheel truing machine. The truing machine will perform services on all of its Diesel Multiple Unit (DMU) wheels.

In September 2018, your Board approved the purchase of a wheel truing machine for the Rail Operation Center to reduce operating cost and increase vehicle reliability.

Staff recommends authorizing the General Manager to execute a Contract with Ghilotti Bros., Inc. in amount of \$158,500.

Comments:

Director Hillmer asked if the Contract amount was included in the budget. Mr. Gamlen responded yes.

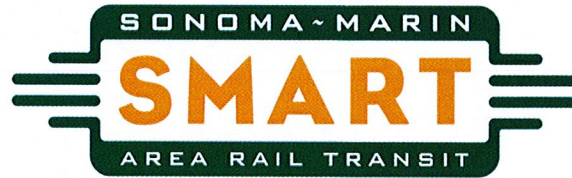
MOTION: Director Hillmer moved to Authorize the General Manager to Execute Contract No. CV-BB-18-002 with Ghilotti Bros., Inc. in an amount of \$158,500 for Concrete and Electrical Modifications to the Rail Operations Center Maintenance Pit in Preparation for Installation of a Wheel Truing Machine as presented. Director Lucan second. The motion carried 11-0-0.

10. Next Regular Meeting Board of Directors, February 20, 2019 – 1:30 PM – 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
11. Adjournment – Meeting adjourned at 2:33PM.

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

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


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February 20, 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 January. All revenues and expenses are within budgeted amounts. Gross sales tax received through the month of January is \$18,829,176. Fare and parking revenues are \$2,524,515 which exceeds budgetary projections to date. Bond fund investments through December totaled \$28,687,535 while other cash and investments equaled \$42,463,739.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Erin McGrath".

Erin McGrath
Chief Financial Officer

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

Sonoma-Marín Area Rail Transit District
Monthly Finance Reports
Through January 2019

Budget Report

	FY 2018-19 Budget	YTD	Remaining Budget
Revenues			
Administration			
Sales/Use Taxes	\$ 26,703,833	\$ 13,242,322	\$ 13,461,511
Interest Earnings	295,000	-	295,000
Rent - Real Estate	302,000	226,419	75,581
Miscellaneous Revenue	1,075,000	3,480,847	-
Subtotal	28,375,833	16,949,588	13,832,092
Operations			
Fund Balance	4,560,824	4,560,824	-
Sales/Use Taxes	11,418,499	5,586,854	5,831,646
Fare & Parking Revenue	3,690,000	2,524,515	1,165,485
State Grants	6,709,939	910,900	5,799,039
Other Charges	645,000	356,532	288,468
Subtotal	27,024,263	13,939,625	13,084,638
Capital			
Fund Balance	20,011,091	20,011,091	-
Federal Funds	28,535,682	6,677,690	21,857,991
State Grants	14,341,137	-	14,341,137
Other Governments/ Misc.	11,057,019	3,959,383	7,097,636
Measure M	228,000	-	228,000
MTC - RM2	3,211,740	1,327,072	1,884,668
Subtotal	\$ 77,384,669	\$ 31,975,237	\$ 45,409,432
Revenue Total	\$ 132,784,765	\$ 62,864,450	\$ 72,326,162
Expenditures			
Administration			
Salaries & Benefits	\$ 5,415,504	\$ 2,574,942	\$ 2,840,561
Services & Supplies	6,534,750	1,792,655	4,742,095
Machinery & Equipment	138,200	119,599	18,601
Debt Service/ Other Charges	16,095,850	4,068,675	12,027,175
Subtotal	28,184,304	8,555,871	19,628,433
Operations			
Salaries & Benefits	14,211,105	6,694,200	7,516,906
Services & Supplies	9,956,093	3,592,412	6,363,681
Buildings & Capital Improvements	3,175,746	912,780	2,262,965
Subtotal	27,342,944	11,199,392	16,143,552
Capital			
Salaries & Benefits	1,413,881	640,420	773,461
Services & Supplies	1,340,083	469,146	870,937
Other Charges	1,400,000	273,948	1,126,052
Machinery & Equipment	19,134,836	1,393,965	17,740,871
Infrastructure	54,446,569	17,408,190	37,038,379
Subtotal	\$ 77,735,369	\$ 20,185,669	\$ 57,549,700
Expenditure Total	\$ 133,262,617	\$ 39,940,932	\$ 93,321,685

Sonoma-Marin Area Rail Transit District
Monthly Finance Reports
Through January 2019

Investment Report

	<u>Amount</u>
Bond Reserve Fund	
Sonoma County Treasury Pool	\$ 17,072,500
Interest Fund	
Sonoma County Treasury Pool	3,232,442
Project Fund	
Sonoma County Treasury Pool	692,480
Principal Fund	
Sonoma County Treasury Pool	7,690,113
SMART Operating Accounts	
Bank of Marin	11,931,269
Sonoma County Treasury Pool	<u>30,532,470</u>
Total	\$ 71,151,274

Capital Project Report

	<u>Budget</u>	<u>Actual</u>	<u>Remaining</u>
Additional Railcar Purchase			
Revenues	\$ 11,000,000	\$ 550,000	\$ 10,450,000
Expenditures	\$ 11,000,000	\$ 1,650,000	\$ 9,350,000
San Rafael to Larkspur Extension			
Revenues	\$ 55,435,059	\$ 33,501,280	\$ 21,933,779
Expenditures	\$ 55,435,059	\$ 34,308,293	\$ 21,126,766
Windsor Extension			
Revenues	\$ 55,000,000	\$ -	\$ 55,000,000
Expenditures	\$ 55,000,000	\$ 170,543	\$ 54,829,457



Contract Summary

Active Contracts as of January 31, 2019

Contractor	Scope	Fiscal Year 18/19 Projected	Fiscal Year 18/19 Actuals-To-Date
A.J. Janitorial Service	Janitorial Services for Operations Facilities	\$17,935.00	\$9,660.00
A.J. Janitorial Service	SMART Station Janitorial and Related Services	\$78,600.00	\$42,700.00
Ahlborn Fence & Steel, Inc.	Novato and San Rafael Fencing Projects	\$49,800.00	\$49,800.00
Air Technology West	Maintenance and On-Call Repair for Air Compressors	\$5,000.00	\$2,361.00
Alcohol & Drug Testing Services, LLC	DOT Drug and Alcohol Testing	\$25,000.00	\$9,296.00
Alliant Insurance Services	Insurance Brokerage & Risk Management Services	\$83,256.00	\$8,256.00
Alstrom Transportation	DMU Collision-Damaged Repair Work and Overhauls	\$300,000.00	\$97,457.00
American Rail Engineer Corporation	Railroad Bridge Engineering, Inspection, & Design	\$80,000.00	\$16,985.00
Aramark Uniform Services	Employee Uniform Provider and Cleaning Service	\$32,000.00	\$17,148.00
Asbury Environmental Services (AES)	Recycling & Disposal Service for Used Oil, Fuel Filters, Rags, and Related Equipment	\$8,156.00	\$1,914.00
Beck Communications	IT Infrastructure Relocation	\$13,609.00	\$13,609.00
Becoming Independent	Emergency Bus Bridge Services	\$50,000.00	\$3,661.00
Bettin Investigations	Background Investigations	\$10,000.00	\$3,466.00
Big Cat Advertising	Digital Advertisement Services	\$18,000.00	\$10,500.00
Bradford D. Andersen dba Andersen Window Tinting	Installation of High Heat Rejecting Tint on DMU Windows	\$11,700.00	\$0.00
Burke, Williams & Sorensen, LLP	Litigation Support Services	\$150,000.00	\$145,195.00
California Northern Railroad Company	DMU Temporary Haulage Agreement	\$20,000.00	\$20,000.00
Certified Employment Group	Temporary Staffing Services	\$31,200.00	\$26,697.00
Corey, Canapary & Galanis	NTD Compliant Passenger Counting Services	\$33,603.00	\$0.00
DeAngelo Brothers, LLC (DBI Services)	Vegetation Abatement, Debris Removal, and Related Services	\$80,000.00	\$77,779.00
DeAngelo Brothers, LLC (DBI Services)	Vegetation Control Services	\$37,651.00	\$37,651.00
Delta Wheel Truing Solutions	Purchase and Installation of Wheel Truing Machine at ROC	\$898,433.00	\$432,750.00
Dr. Mark Clementi	Pre-Employment Psychological Evaluations	\$25,000.00	\$12,630.00
eLock Technologies, LLC	Station Bike Lockers and Maintenance Services	\$11,280.00	\$8,460.00
Empire Cleaners	Uniform Dry-Cleaning, Laundering, and Related Services	\$27,000.00	\$15,958.00
Emtec Consulting Services, LLC	Oracle Accounting System Support Services	\$65,763.00	\$38,415.00
ePath Learning, Inc.	Cloud-Based Training / Learning Management Software	\$6,180.00	\$6,180.00
Everbridge, Inc.	Nixle Computer Software (Cloud-based)	\$16,000.00	\$11,800.00
George Hills Company, Inc.	Third Party Claims Administration Services	\$50,000.00	\$2,616.00
GHD, Inc.	SWPP Compliance, AutoCAD Management, Traffic and Hydraulic Analysis	\$60,000.00	\$9,863.00
Ghiotti Bros, Inc.	Procure and Install Trench Drain at Airport Station	\$22,069.00	\$22,069.00
Golden Gate Bridge, Highway and Transportation District	Customer Service Support Services	\$220,331.00	\$144,529.00
Golden Gate Bridge, Highway and Transportation District	Weekend Bus Service between San Rafael Transit Center and Larkspur Ferry	\$164,902.00	\$17,943.00
GP Crane & Hoist Services	Cal/OSHA Crane Inspection Services	\$8,341.00	\$900.00
Granicus, Inc.	Media Streaming & Internet Broadcasting Services	\$13,799.00	\$6,890.00
Hanford A.R.C.	Implementation and Monitoring Las Gallinas Creek Riparian Enhancement Plan	\$66,170.00	\$55,142.00
Heavy Equipment Transportation, Inc.	Transportation Services for Heavy Machinery and Equipment	\$3,530.00	\$2,030.00
Holland Company	Track Geometry and Measurement Services	\$24,000.00	\$24,000.00
Hulcher Services, Inc.	Derailment & Hazmat Services	\$40,000.00	\$0.00
Industrial Railways Company	Provision of Ballast Car, Operator to Load Ballast Car	\$89,621.00	\$88,858.00
Innovative Business Solutions	Payroll Processing Services	\$26,872.00	\$11,722.00
Intellectrace, Inc.	Internet/Cellular Tower Maintenance Services	\$39,414.00	\$19,291.00
Intelligent Technology Solutions, Inc.	Maximo MMS Implementation and Support Services	\$133,911.00	\$142,423.00
James Flageollet	Legal Services	\$84,503.00	\$54,990.00
Lescure Company, Inc.	Train Wash Re-Design	\$20,000.00	\$0.00
LTK Engineering Services	Vehicle and Systems Design and Construction Management Services	\$337,691.00	\$107,058.00
Managed Health Network	Employee Assistance Program (EAP) Services	\$4,800.00	\$1,793.00
Masabi LLC	SMART Mobile Ticketing Pilot Project	\$58,730.00	\$29,400.00
MaxAccel	Compliance Management Software Design/Implementation/Asset Management	\$12,867.00	\$7,000.00

Contractor	Scope	Fiscal Year 18/19 Projected	Fiscal Year 18/19 Actuals-To-Date
Maze & Associates	Financial Audit Services	\$49,850.00	\$38,105.00
MGrodner, LLC	Project Management Services	\$100,000.00	\$16,730.00
Netwoven Inc.	Design Information Architecture for Document and Project Management Technology	\$4,927.00	\$3,596.00
Netwoven Inc.	SharePoint Maintenance, Support, Implementation, and Related Services	\$99,000.00	\$59,386.00
North Bay SAP Services	Substance Abuse Professional Services	\$3,800.00	\$0.00
Northwestern Pacific Railroad Company, Inc.	Ballast Car Moving Services	\$36,000.00	\$28,000.00
Nossaman LLP	Legal Services - Railroad Regulatory Issues & Transit Capital Projects	\$67,736.00	\$2,419.00
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$9,116.00	\$0.00
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$7,687.00	\$6,571.00
Ojo Technology, Inc.	Installation of Security Access Control Systems at ROC and SMART Headquarters	\$81,128.00	\$60,855.00
Pamco Machine Works, Inc.	Railroad Wheel Pressing Services	\$378,000.00	\$0.00
Parodi Investigative Solutions	Pre-Employment Background Investigation Services	\$20,000.00	\$10,250.00
Paychex	Payroll Processing Services	\$6,587.00	\$6,587.00
Pivotal Vision, LLC	Security Software Licensing	\$2,200.00	\$0.00
Platinum Advisors, LLC	State Legislative Advocacy Services	\$60,000.00	\$50,000.00
Platinum Advisors, LLC	State Legislative Advocacy Services	\$60,000.00	\$0.00
Portola Systems, Inc.	SMART Station Network Configuration Services	\$186,630.00	\$139,681.00
Precision Wireless	Tech Support and Maintenance for Land Mobile Radio	\$30,000.00	\$17,021.00
RailPros, Inc.	Professional Engineering Services for Larkspur Extension	\$1,431,375.00	\$652,822.00
Reyff Electric Company	FY19 On-Call Electrical Work	\$25,000.00	\$0.00
Santa Rosa Fire Equipment Service, Inc.	SMART Fire Equipment Maintenance	\$10,000.00	\$0.00
ServPro of Lake Mendocino and Sonoma County	Biohazard Clean-Up and Hazmat Services	\$22,004.00	\$8,288.00
Sonoma County Fleet Operation Division	Non-Revenue Fleet Maintenance Services	\$71,047.00	\$40,736.00
Sonoma County Probation Department	Right-of-Way Vegetation Control, Brush and Debris Removal, and Homeless Camp Clean-up	\$50,000.00	\$16,951.00
Sperry Rail Service	Rail Flaw Detection Services	\$13,125.00	\$0.00
SPTJ Consulting	Network Infrastructure, Security, Migration and Setup Services	\$396,630.00	\$100,913.00
Stacy and Witbeck	Railroad Track Maintenance, Alignment, and Restoration	\$221,888.00	\$196,108.00
Stacy and Witbeck/Herzog, JV	Design/ Build Construction of Civil, Track & Structures Improvements of IOS-1	\$250,000.00	\$0.00
Stacy and Witbeck/Herzog, JV	Design/Build Construction of Civil, Track & Structures Improvements of Larkspur Extension	\$35,799,878.00	\$19,657,418.00
Stantec Consulting Services, Inc.	Environmental Permit Management and Construction Compliance Monitoring	\$294,082.00	\$66,911.00
Stripe N Seal	Safety Stencils at Crossings	\$37,941.00	\$37,941.00
Sue Evans	Real Estate Support Services	\$50,000.00	\$31,430.00
Sumitomo Corporation	Manufacture & Delivery of Rail Vehicles	\$17,714,836.00	\$1,100,000.00
Summit Signal, Inc.	Emergency Call-Out Services for Track and Signals	\$10,000.00	\$1,763.00
Swiftly, Inc.	AVL Mobile Application and Website Interface	\$8,925.00	\$8,400.00
The GBS Group	Internet Connectivity (Wi-Fi) for SMART Trains	\$226,780.00	\$184,704.00
United Mechanical Incorporated	HVAC Maintenance Services at SMART Facilities	\$19,320.00	\$4,729.00
Utah Transit Authority	DMU Wheel Truing Services	\$134,964.00	\$28,413.00
Van Scoyoc Associates	Federal Lobbying Services	\$30,000.00	\$0.00
Van Scoyoc Associates	Federal Legislative Advocacy Services	\$33,125.00	\$27,000.00
VenTek Transit Inc.	Clipper Vending Machine Operations and Maintenance Services	\$233,956.00	\$111,408.00
Vievu	Cloud-Based Storage of Security Data	\$1,080.00	\$0.00
WBE	Emergency PA System Install Project at SMART Stations	\$44,582.00	\$44,582.00
WBE	Relocation of AV Equipment	\$2,753.00	\$2,753.00
West Coast Arborists, Inc.	Tree Trimming, Removal, and Related Services	\$50,000.00	\$29,590.00
Whiting Services, Inc.	Inspection and Maintenance of Jacks for DMU	\$9,275.00	\$9,275.00
William Campagna	Disability Access Consultant Services	\$12,000.00	\$1,000.00
WRA Environmental Consultants	Environmental Permitting, Management, & Support Services	\$354,805.00	\$200,756.00
	TOTAL:	\$62,428,749.00	\$24,870,058.00

* Actuals-To-Date includes invoices that have been approved as of January 31, 2019, but may not have been processed in SMART's Financial System.



February 20, 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

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

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: Approval of Certified Employment Group Contract Amendment
No. 4



Dear Board Members:

RECOMMENDATION: Authorize the General Manager to execute Amendment No. 4 with Certified Employment Group for Temporary Staffing Services in the amount of \$36,720 for a contract not to exceed amount of \$194,953.

SUMMARY:

Since July of 2015, Certified Employment Group has assisted SMART with temporary staffing assistance related to staff vacancies as well as purchasing of equipment, replacement parts, and other items critical to maintaining the railroad. Due to an increased volume of purchasing activities this year for operations equipment funded by grants from SB 1, we anticipate the need for additional temporary staffing services through June 30, 2019. We recommend that your Board approve an amendment to the current contract with Certified Employment Group by an amount of \$36,720 for a not-to-exceed amount of \$194,953.

FISCAL IMPACT: Funding for temporary staffing is included in the Fiscal Year 2018-19 budget.

REVIEWED BY: [x] Finance  [x] Legal 

Sincerely,



Lisa Hansley
Human Resources Manager

Attachment(s): Certified Employment Group Contract Amendment No. 4

**FOURTH AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
AND CERTIFIED EMPLOYMENT GROUP**

This Fourth Amendment dated as of February ____, 2019 (the “Fourth Amendment”) to the Agreement for Consultant Services by and between the Sonoma-Marin Area Rail Transit District (“SMART”) and Certified Employment Group (“CONSULTANT”), dated as of July 27, 2015 (the “Original Agreement,” and as amended by the First, Second, Third and this Fourth Amendment, the “Agreement”).

RECITALS

WHEREAS, SMART and CONSULTANT previously entered into the Original Agreement and subsequent Amendments to provide temporary staffing services, Direct Hire Search services, and computer skills testing; and

WHEREAS, SMART desires to increase the amount of the Agreement by \$36,720 for a total not-to-exceed amount of \$194,953.

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. **“PRICING/FEES AND BILL RATES”** Section of the Agreement is amended as follows:

The Agreement amount shall be increased by \$36,720 for the provision of services, with a total not-to-exceed amount of \$194,953.

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 Fourth Amendment as set forth below.

**SONOMA-MARIN AREA RAIL TRANSIT
DISTRICT**

Dated: _____

By _____
Farhad Mansourian, General Manager

CERTIFIED EMPLOYMENT GROUP

Dated: _____

By _____
Its _____

APPROVED AS TO FORM:

Dated: _____

By _____
District Counsel



February 20, 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

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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 black ink, appearing to read "Farhad".

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: Federal Single Audit for Fiscal Year 2017-18

Dear Board Members:

RECOMMENDATION: Review and accept SMART's Fiscal Year 2017-18 Single Audit

SUMMARY:

Following the close of each fiscal year, SMART undergoes an Independent audit following best practices and guidelines issued by the Government Accounting Standards Board (GASB). You reviewed and approved our annual audit at our December 5, 2018 meeting, which found no deficiencies or material weaknesses.

In addition, we are required to undergo a separate audit process related to significant expenditures of federal funds. This audit is to ensure compliance with Title 2 U.S. Code of Federal Regulations CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit requirements for Federal Awards (Uniform Guidance). When completed, this audit document is provided to our federal funding agencies.

Our auditors, Maze and Associates, completed the audit (attached) on February 5, 2019. We are pleased to report, as shown on page 1, there were no material weaknesses or significant deficiencies identified. The Single Audit for Fiscal Year 2017-18 focused primarily on \$9.3 million in federal funds utilized on the San Rafael to Larkspur segment. Other programs reviewed were \$157,608 in FEMA grant funding related to 2017 floods and fire, and \$2,280 in final closeout of the Blackpoint Bridge automation project. As reported on page 3 of the audit, SMART had no audit findings related to these funds.

FISCAL IMPACT: None

REVIEWED BY: [] Finance _____ [X] Counsel 

Very truly yours,

 A handwritten signature in black ink, appearing to read "Erin McGrath".

Erin McGrath
Chief Financial Officer

Attachments: 1) Fiscal Year 2018 Single Audit Report

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
SINGLE AUDIT REPORT
FOR THE YEAR ENDED June 30, 2018

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SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

**SINGLE AUDIT REPORT
For The Year Ended June 30, 2018**

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SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2018

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

CFDA#(s)	Name of Federal Program or Cluster
20.500/20.507	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated November 28, 2018 which is an integral part of our audits and should be read in conjunction with this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
US Department of Transportation Pass Through Programs			
Passed Through California Department of Transportation			
Highway Planning and Construction (Federal-Aid Highway Program)			
Black Point Bridge Automation	20.205	ISTDEML 6411(002)	\$2,280
Subtotal of Department of Transportation Pass-Through Programs			2,280
U.S Department of Transportation Direct Programs			
Federal Transit Cluster			
Federal Transit - Capital Investment Grants			
SMART San Rafael to Larkspur Extension	20.500		6,224,263
Federal Transit - Formula Grants			
SMART San Rafael to Larkspur Extension	20.507		3,102,133
Subtotal Federal Transit Cluster			9,326,396
Total Department of Transportation			9,328,676
U.S Department of Homeland Security-Federal Emergency Management Pass Through Programs			
Passed Through California Governor's Office of Emergency Services			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
January 2017 Emergency Flood Funding (FEMA)	97.036	FEMA-4301-DR-CA	121,424
October 2017 Emergency Fire Funding (FEMA)	97.036	FEMA-4344-DR-CA	36,184
			157,608
Total U.S. Department of Homeland Security-Federal Emergency Management Agency			
Total Expenditures of Federal Awards			\$9,486,284

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2018

NOTE 1-REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Sonoma-Marín Area Rail Transit District (District), California and its component units as disclosed in the notes to the Basic Financial Statements.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3 – INDIRECT COST ELECTION

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of the
Sonoma-Marin Area Rail Transit District
Petaluma, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 28, 2018, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, California
November 28, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board Members of the
Sonoma-Marín Area Rail Transit District
Petaluma, California

Report on Compliance for Each Major Federal Program

We have audited Sonoma-Marín Area Rail Transit District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

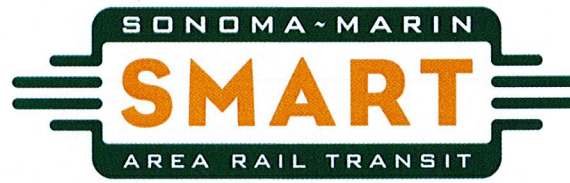
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 28, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Maze & Associates

Pleasant Hill, California
February 5, 2019

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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

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Farhad Mansourian
General Manager

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

February 20, 2019

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

SUBJECT: Approve Contract Amendment No. 2 with Golden Gate Bridge,
Highway and Transportation District for Customer Service Needs

Dear Board Members:

RECOMMENDATION:

Authorize the General Manager to execute Contract Amendment No. 2 with Golden Gate Bridge, Highway and Transportation District (GGT) for customer service with a not-to-exceed amount of \$671,160 for a two-year term, for a total not-to-exceed contract amount of \$1,101,756 for all four years.

SUMMARY:

SMART's successful passenger rail service has now carried more than 1 million passengers in just over a year, and our service continues to grow. Providing excellent customer service is a vital component of SMART's success. As a new service, it is essential that we are responsive to questions and complaints in a timely manner, and that a system is in place to effectively track and resolve all customer service issues.

SMART currently contracts with the Golden Gate Bridge, Highway and Transportation District (GGT) to meet a full slate of customer service needs. Golden Gate Transit has an established a bilingual customer service center in downtown San Rafael at the Bettini Transit Center, adjacent to SMART's station in San Rafael. The customer service center operates Monday through Friday from 7 a.m. to 6 p.m. and is staffed by a customer service supervisor and six customer relations assistants. In addition to SMART, Golden Gate Transit also provides contracted customer services for Marin Transit.

SMART's existing contract with GGT, which was authorized by your Board in May of 2016, provided for a comprehensive package of customer services, including:

- Responding to customer service calls and providing service information including inquiries about fares, schedules, and connections to other public transit providers.

- Fielding email and voicemail customer service inquiries.
- Fielding complaints and general inquiries, including properly logging all contacts, follow-up, resolution and close out.
- Receiving and logging of items left on trains, and tracking the return of lost items to their owners.
- Selling and issuing Clipper cards, including discount cards for seniors, youth, and passengers with disabilities.
- Providing walk-up window customer service.

SMART's partnership with Golden Gate Transit allows us to meet the high demand for customer service that comes in through calls, emails, and walk-inquiries—a volume of service that we are not staffed to handle at our Petaluma offices alone. For example, during our first year of service alone, the GGT customer service center fielded 10,818 calls, 3,639 emails, and tracked 455 lost-and-found items related to SMART service. These statistics are in addition to the 1,739 customer service calls and emails fielded by our Petaluma staff.

Providing customer service through GGT's established customer service center is a more cost-effective and efficient solution than an in-house solution. The potential costs and staff time associated with handling all customer service in-house would include: a minimum of two FTE customer service positions, a customer service supervisor, a physical office location along the right-of-way to allow for easy access to SMART riders, storage at that location for lost and found items, costs associated with installing computers with secure connections, phone lines and office equipment. Having a Customer Service Center in San Rafael near our station also provides a SMART train-accessible option for customers, and offers an option for our Marin County based passengers in addition to our offices in Petaluma.

This amendment reflects a monthly increase of \$1,082, which reflects GGT's required cost of living increase for its team. This rate will remain the same for the next two years covered by this amendment. Both SMART and GGT will continue to review customer service costs quarterly, and the rate SMART pays is based on actual usage, which has been consistently below the monthly not-to-exceed rate.

With the current contract set to expire and with new metrics based on actual services provided, we recommend your Board approve Amendment No. 2 to continue customer services for the next two years at the monthly rate of \$27,965. SMART and Golden Gate will review the metrics quarterly and make adjustments as needed, to ensure we pay only for services rendered.

Scope of Work

The scope of work that GGT will provide for SMART includes but is not limited to the following services:

- Answer and respond to customer phone calls placed to the Customer Service Center (CSC) and respond to customer service related emails seeking information on SMART service.

- Enter, process and administer incidents into the incident system. Customer Service staff will make contact with all customers within two days of receiving a complaint or inquiry.
- Process Lost & Found items including logging, customer contact, reunification of items with customers, as well as disposal of unclaimed items.
- Provide walk-up window services to SMART customers that includes selling Clipper cards, fielding inquiries, and Lost & Found pickup

Other Requirements

- SMART will provide training as needed to educate GGT customer service staff on SMART services.
- GGT and SMART will hold monthly customer service meetings to review policies, procedures and monthly metrics.
- GGT and SMART will review the customer service budget quarterly, including reviewing staffing levels.
- The contract would be subject to reciprocal termination by either agency with a three-month written notice.

Proposed Budget

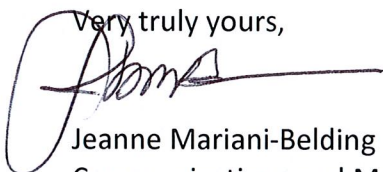
Based on current data on the volume of SMART-related customer service inquiries, the rate for GGT's contracted customer service is \$27,965 per month. The basis for monthly costs for customer services in Amendment No. 2 are:

\$6,559	Customer Service Calls
\$1,129	Lost & Found
\$2,384	Email Responses
\$449	Voicemails
\$17,444	Window customers
\$27,965	Monthly Total

FISCAL IMPACT: Funds for the contract extension are available in the Fiscal Year 2018-19 budget.

REVIEWED BY: [x] Finance  [x] Counsel 

Very truly yours,



Jeanne Mariani-Belding
Communications and Marketing Manager

Attachment(s): Golden Gate Bridge, Highway and Transportation Amendment No. 2

**SECOND AMENDMENT TO AGREEMENT FOR CUSTOMER SERVICE
CENTER SUPPORT SERVICES BETWEEN THE
SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AND
GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT.**

This Second Amendment dated as of February ____, 2019 (the “Second Amendment”) to the Agreement for Customer Service Center Support Services by and between the Sonoma-Marín Area Rail Transit District (“SMART”) and Golden Gate Bridge, Highway and Transportation District (“DISTRICT”), dated as of May 16, 2017 (the “Original Agreement,” as previously amended by the First Amendment, and this Second Amendment, the “Agreement”).

RECITALS

WHEREAS, SMART and DISTRICT entered into the Agreement to fulfill the need for Customer Service Center Support Services during the first 9 months of SMART's rail passenger service; and

WHEREAS, SMART and DISTRICT previously entered into the First Amendment on February 21, 2018, to extend the term of the Agreement, to increase the monthly fee amount, and to revise the notice period for termination, as well as to include a quarterly review of the customer service budget; and

WHEREAS, the Parties desire to extend the term of the Agreement for twenty-four (24) additional months, and to increase the not-to-exceed amount by \$671,160 for a total not-to-exceed amount of \$1,101,756.

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. **III. COMPENSATION AND MANNER OF PAYMENT.** Section III of the Agreement is amended as follows:

“The DISTRICT will perform all of the services included in Section II for a fee of up to \$27,965 per month based on actual services rendered. The monthly fee amount will include all costs and expenses incurred by the DISTRICT in performing the services in Section II. This will increase the not-to-exceed amount of the Agreement by \$671,160 for a total not-to-exceed amount of \$1,101,756. The DISTRICT will submit

invoices at the end of each month, prorated for any partial month. SMART will pay approved invoices within thirty (30) days of their receipt.”

2. **IV. TERM OF AGREEMENT.** Section IV of the Agreement is amended as follows:

“The term of this Agreement shall be extended and will remain in effect for an additional twenty-four (24) months, or until February 15, 2021, unless terminated sooner pursuant to Section X, Termination.”

3. 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 Second Amendment as set forth below.

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

Dated: _____

By: _____
Farhad Mansourian, General Manager

APPROVED AS TO FORM:

Dated: _____

By: _____
SMART District Counsel

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Dated: _____

By: _____
Its: _____

ATTEST:
By: _____

APPROVED AS TO FORM:

Dated: _____

By: _____
Attorney for the DISTRICT