

BOARD OF DIRECTORS REGULAR MEETING AGENDA

May 16, 2018 - 1:30 PM

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

- 1. Call to Order
- 2. Approval of the April 18, 2018 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 Intelligent Technology Solutions Contract Amendment No. 3
- 7. Review Fiscal Year 2017-18 Year End Financial Report and Proposed Preliminary Fiscal Year 2018-19 Budget
- 8. Approve a Resolution for the addition of (1) Full Time Engineer-Conductor Position
- 9. Adopt and Support Position on Senate Bill 1029: North Coast Railroad Authority Right-of-Way: Great Redwood Trail Agency Sonoma-Marin Area Rail Transit
- Closed Session Conference with Legal Counsel regarding existing litigation pursuant to California Government Code Section 54956.9(a); Lomas Partners, LLC. v. Sonoma-Marin Area Rail Transit - Case No. SCV-262331
- 11. Report Out of Closed Session
- 12. Next Regular Meeting Board of Directors, June 6, 2018 1:30 PM 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
- 13. Adjournment

DISABLED ACCOMMODATION: If you have a disability that requires the agenda materials to be in an alternate format or that requires an interpreter or other person to assist you while attending this meeting, please contact SMART at least 72 hours prior to the meeting to ensure arrangements for accommodation. Please contact the Clerk of the Board at (707) 794-3072 or dial CRS 711 for more information.

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.org



BOARD OF DIRECTORS REGULAR MEETING MINUTES

April 18, 2018 - 1:30 PM

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

1. Call to Order

Chair Fudge acknowledged Director Connolly for taking the train from Marin Civic Center to Downtown Petaluma and arriving to the meeting on a bicycle. Director Connolly said that he would recommend it, it is day 3 of 45 days without a vehicle (Annual Challenge "Ride with Damon").

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

2. Approval of the March 21, 2018 Board Meeting Minutes

MOTION: Director Eddie moved approval of March 21, 2018 minutes as presented. Director Mackenzie second. The motion carries 9-0-0. (Directors Pahre and Phillips arrived later; Director Rabbitt absent).

3. Public Comment on Non-Agenda Items

Alisha O'Loughlin congratulated SMART's staff on the construction completion of the recent Pathway segment. She asked if the Board can prioritize the Pathway along Airport Station to Windsor if Regional Measure 3 passes on the June ballot, and if SMART could conduct a 60% pathway design for funds to be leveraged.

Patricia Tuttle Brown thanked SMART's General Manager Mansourian and staff for securing funds from the Federal Transit Administration for the Larkspur Extension Project.

Director Pahre arrived 1:35pm

John Diamante thanked SMART staff for securing \$22.5 million in funds from the Federal Transit Administration for the Larkspur Extension Project. Also, thank you for articulating

the need to get to Vallejo and the San Joaquin Corridor. Also, Highway 37 should be left with two lanes, the investment is too much.

Director Phillips arrived 1:36pm

Bettina O'Brien stated that there should be way for SMART Commuter Service to connect to Bay Area Rapid Transit (BART).

4. Board Member Announcements

Director Mackenzie asked if SMART will be having a discussion of the California Transportation Commission Town Hall meeting in the General Managers Report agenda item. Chair Fudge responded yes, the General Manager Mansourian will discuss.

5. General Manager's Report

General Manager Mansourian provided his April 2018 written report to the Board.

He thanked the Sonoma County Transportation Authority (SCTA) for hosting the California Transportation Commission (CTC) Town Hall meeting on April 11th and 12th. SMART conducted a passenger rail service presentation on day one, and on day two, members participated on a tour of SMART's Rail Operations Center along with a train ride to Novato. SMART received positive feedback.

Director Mackenzie stated that day one of their visit involved a Town Hall meeting with representatives from Lake, Mendocino and Sonoma Counties. SCTA Executive Director, Suzanne Smith, gave an overview transportation priority presentation and SMART's General Manager, Farhad Mansourian, gave a passenger rail service presentation. On day two, the group took a tour of the Rail Operations Center and traveled to Novato on the train and returned to Santa Rosa by bus through the Novato Narrows.

Director Zane stated that the CTC meeting was held at the DeTurk Round Barn which is located in the 3rd District. The representatives stayed at Hotel La Rose, located in the Historic Santa Rosa Railroad Square area. There was a very lively discussion regarding building housing and density building around transit areas. They are very supportive and tracking all the issues regarding housing and transportation. Also, she attended the Emergency Preparedness Exercise at the Sonoma County Airport today. There were about 50 agencies involved including the FEMA K-9 Teams. She received positive comments from the Fire Chief of Rincon Valley Fire, who takes the train monthly with his wife to travel from Petaluma to Sonoma County Airport. Lastly, she suggested having an open dialogue in open session regarding housing along the SMART right-of-way.

General Manager Mansourian stated that since the start of passenger service in August 25th through April 12th, SMART has carried approximately 440,117 passengers, 36, 980 bicycles

and 1,867 passengers with wheelchairs. The ridership revenue collected is approximately \$2.4M, and continues to exceed what was budgeted. He thanked all SMART's riders for their continued support.

He distributed to the Board and members of the public the Sonic Optic Deployment report. He said that since SMART has entered into partnership with Sonic for fiber optic system in Sonoma and Marin Counties, Sonic has provided fiber optic services to over 2,200 business, and in the next two-years thousand more business will be connected. Additionally, over 70 North Bay schools will be connected at no cost.

He said that SMART has completed four bicycle/pathway segments in Marin and Sonoma Counties. Opening Ceremonies will be conducted at 1) San Rafael; 2) Novato; 3) Rohnert Park and 4) Santa Rosa. Details will be announced soon.

Lastly, he briefed the Board on the Amended Senate Bill 1029 (SB 1029) that was introduced by Senator McGuire and approved by one Senate Committee on Monday, April 16th. He said that SMART owns the railroad from Corte Madera toward North and East of Napa River and back to Downtown Healdsburg. North Coast Railroad Authority (NCRA) owns north of Healdsburg. This bill would require the authority, before April 1, 2019, to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to both its right-of-way south of a point in the City of Willits and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District, and to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its right-of-way north of that point in the City of Willits to the Department of Transportation. The bill will also abolish NCRA when the transfer is made. The bill's highlights are the following: 1) authorizes the SMART Board to contract with an operator to operate freight service when funding is available; 2) provide employee workforce housing; 3) conduct freight rail studies; 4) it would add a member to the Board of Directors to be appointed by the Mendocino County Board of Supervisors, if the Mendocino County Board of Supervisors chooses to do SO.

6. Consent

- a. Approval of Monthly Financial Reports
- b. Approval of James Flageollet Contract Amendment No. 6
- c. Authorize the General Manager to Execute an Agreement with the Transportation Authority of Marin for the use of the South of Corte Madera Creek for a Pathway

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

MOTION: Director Lucan moved approval of the Consent Agenda as presented. Director Hillmer second. The motion carries 11-0-0 (Director Rabbitt absent).

7. Approve a Resolution Authorizing the General Manager to Submit State Transit Assistant Fund Claims to the Metropolitan Transportation Commission

General Manager Mansourian stated that with the start of passenger service, SMART becomes eligible to receive several state funding sources. For some of these funds, Board resolutions authorizing submittals of all necessary application materials are required. The fund source that is the subject of this staff report is State Transit Assistance (STA) Funds. Therefore staff recommends that the Board adopts the resolution authorizing the General Manger to submit claims for State Transit Assistance funds.

MOTION: Director Arnold moved to Approve a Resolution Authorizing the General Manager to Submit State Transit Assistant Fund Claims to the Metropolitan Transportation Commission as presented. Director Phillips second. The motion carries 11-0-0 (Director Rabbitt absent).

8. Approval of Burke, Williams & Sorenson, LLP, Contract Amendment No. 5

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 Mackenzie moved the Approval of Burke, Williams & Sorenson, LLP, Contract Amendment No. 5 as presented. Director Hillmer second. The motion carries 11-0-0 (Director Rabbitt absent).

9. Approve a Resolution Authorizing Change Order A-001 to Contract No. CV-DB-16-001 with Stacy and Witbeck/Herzog for the Andersen Drive 36" Storm Drain in the amount of \$478,781 at the request and expense of the City of San Rafael

Chief Engineer Bill Gamlen gave a brief overview of the project and stated that the approval of the Change Order will allow the contractor to replace a 36" storm drain on Andersen Drive as part of the Larkspur Extension Project. This work is being funded by the City of San Rafael as part of the Anderson Drive reconstruction. During construction it was identified that an existing 36" storm drain system under the rail was problematic and the pipe did not have adequate capacity to support the track. SMART worked with the City of San Rafael Public Works Department to implement the Change Order and will be funded by the City. Therefore, staff recommends approval of this change order.

Directors' Comments

Chair Zane asked why is the work is so expensive at approximately \$500k. Mr. Gamlen responded that different discoveries happen when construction begins. The actual work needed will not be discovered on design plans.

Director Phillips stated that since he is Chair of the San Rafael Sanitation District and Mayor of San Rafael he will exclude himself from this agenda item. Mr. Gamlen clarified that this is a storm facility and not sewer.

MOTION: Director Hillmer moved to Approve a Resolution Authorizing Change Order A-001 to Contract No. CV-DB-16-001 with Stacy and Witbeck/Herzog for the Andersen Drive 36" Storm Drain in the amount of \$478,781 at the request and expense of the City of San Rafael as presented. Director Pahre second. The motion carries 10-0-1 (Director Phillips abstain; Director Rabbitt absent).

Chair Fudge adjourned the Board to closed session at 1:59 pm to discuss the following:

- Closed Session Conference with the Chief of Police and General Manager regarding security of public services and public facilities pursuant to California Government Code Section 54957
- 11. Report Out of Closed Session

Chair Fudge reported out of closed session at 2:37 pm on the following:

Conference with the Chief of Police and General Manager regarding security of public services and public facilities pursuant to California Government Code Section 54957 Report Out: No action taken

- 12. Next Regular Meeting Board of Directors, May 2, 2018 1:30 PM 5401 Old Redwood Highway, 1st Floor, Petaluma, CA 94954
- 13. Adjournment Meeting adjourned at 2:38 p.m.

Respectfully submitted,
Leticia Rosas-Mendoza Clerk of the Board
Approved on:



Debora Fudge, Chair

Sonoma County Mayors and Councilmembers Association

Judy Arnold, Vice Chair

Marin County Board of Supervisors

Damon Connolly

Marin County Board of Supervisors

Jim Eddie

Golden Gate Bridge, Highway/Transportation District

Dan Hillmer

Marin Council of Mayors and Councilmembers

Eric Lucan

Transportation Authority of Marin

Jake Mackenzie

Sonoma Mayors and Councilmembers Association

Barbara Pahre

Golden Gate Bridge, Highway/Transportation District

Gary Phillips

Transportation Authority of Marin

David Rabbitt

Sonoma County Board of Supervisors

Carol Russell

Sonoma 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 May 16, 2018

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:

As of April 30, Gross Sales Tax Revenue received is \$25,500,199 and fare and parking revenue is \$2,658,510. Both are on track for the year to date. Spending is also within overall budgetary authority as approved by the Board.

This month, later on your Agenda, we are presenting a complete update to Fiscal Year 2017-18 as part of the Fiscal Year 2018-19 budget presentation.

Very truly yours,

Erin McGrath

Chief Financial Officer

Attachment(s): Monthly Financial Report

Contract Summary

Sonoma-Marin Area Rail Transit District

Monthly Finance Reports

Through April 2018

Budget Report						
	·	FY 2017-18 Budget		YTD	F	Remaining Budget
Revenues						
Administration						
Sales/Use Taxes	\$	26,089,840	\$	14,578,066	\$	11,511,774
Interest Earnings		295,000		562,617		(267,617)
Rent - Real Estate		394,088		344,667		49,421
Miscellaneous Revenue		50,000		1,860,194		(1,810,194)
Subtotal		26,828,928		17,345,544		9,483,384
Operations		= = 10 0 = 0		= = 10 0 = 0		
Use of Fund Balance		5,518,270		5,518,270		-
Sales/Use Taxes		10,922,133		10,922,133		0
Fare & Parking Revenue State Grants		2,950,000		2,658,510		291,490
		3,000,000		904,683		2,095,317
Charges For Services Subtotal		30,000 22,420,403	-	89,952		(59,952) 2,326,855
		22,420,403		20,093,548		2,320,633
Capital						
Use of Fund Balance		20,538,185		20,538,185		-
Federal Funds		267,910		121,424		146,486
State Grants		1,708,096		19,873		1,688,223
Other Governments/ Misc.		4,663,350		970,875		3,692,475
Measure M		325,000		119,251		205,749
MTC - RM2		16,792,844		8,340,449		8,452,394
Subtotal	\$	44,295,385	\$	30,110,057	\$	14,185,327
Revenue Total	\$	93,544,716	\$	67,549,150	\$	25,995,567
Expenditures						
Administration						
Salaries & Benefits	\$	5,031,910	\$	3,527,801	\$	1,504,109
Services & Supplies		6,511,106		3,336,025		3,175,081
Debt Service/ Other Charges		14,217,685		14,216,444		1,241
Subtotal		25,760,701		21,080,269		4,680,431
Operations						
Salaries & Benefits		13,076,545		9,093,844		3,982,701
Services & Supplies		7,683,769		3,816,661		3,867,109
Buildings & Capital Improvements		1,060,089		290,129		769,959
Appropriations for Contingencies		600,000		-		600,000
Subtotal		22,420,403		13,200,634		9,219,769
Capital						
Salaries & Benefits		1,346,966		846,936		500,030
Services & Supplies		1,116,221		346,939		769,282
Other Charges		4,010,000		437,253		3,572,748
Land		2,839,000		2,018,550		820,450
Buildings & Capital Improvements		185,000		184,980		20
Machinery & Equipment		9,821,070		3,967,119		5,853,951
Infrastructure Subtotal	\$	23,547,098	\$	12,596,855	\$	10,950,242
		42,865,355		20,398,632		22,466,723
Expenditure Total	\$	91,046,459	\$	54,679,536	\$	36,366,923

Sonoma-Marin Area Rail Transit District Monthly Finance Reports

Through April 2018

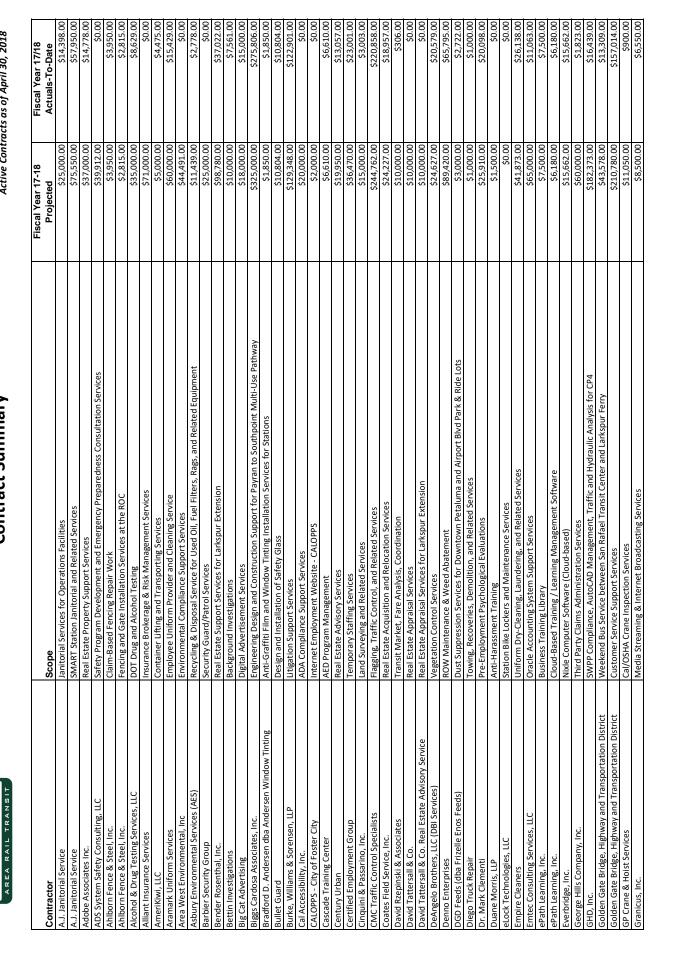
Investment Report

· · · · · · · · · · · · · · · · · · ·	
	Amount
Bond Reserve Fund	
Sonoma County Treasury Pool	\$ 17,072,500
Interest Fund	
Sonoma County Treasury Pool	1,307,249
Project Fund	
Sonoma County Treasury Pool	375,040
Principal Fund	
Sonoma County Treasury Pool	1,435,157
SMART Operating Accounts	
Bank of Marin	11,941,941
Sonoma County Treasury Pool	30,274,117
	\$ 62,406,003

Capital Project Report			
	Budget	Actual	Remaining
Phase 1 Operating Segment			
Revenues	\$ 448,207,379	444,665,117	3,542,262
Expenditures	448,207,379	417,680,400	30,526,979
Additional Railcar Purchase			
Revenues	11,000,000	220,000	10,780,000
Expenditures	11,000,000	550,000	10,450,000
San Rafael to Larkspur Extension			
Revenues	55,435,059	10,188,260	45,246,799
Expenditures	55,435,059	13,004,498	\$ 42,430,562

Contract Summary

SONOMA~MARIN



Contractor	Scope	Fiscal Year 17-18 Projected	FISCAI TEAT 17/18 Actuals-To-Date
Hanford A.R.C.	Implementation and Monitoring Las Gallinas Creek Riparian Enhancement Plan	\$108,686.00	\$54,519.00
Holland Company	Track Geometry and Measurement Services	\$24,000.00	\$0.00
Hulcher Services, Inc.	Derailment & Hazmat Services	\$40,000.00	\$0.00
ICF Jones & Stokes, Inc.	Environmental Permitting Management and Support Services	\$360,320.00	\$182,358.00
Intelletrace, Inc.	Internet/Cellular Tower Maintenance Services	\$37,538.00	\$27,500.00
Intelligent Technology Solutions, Inc.	Maximo MMS Implementation and Support Services	\$122,101.00	\$89,954.00
James Flageollet	Legal Services	\$109,325.00	\$78,130.00
John Zanzi	Fire and Life Safety Planning	\$10,000.00	\$5,138.00
Krebs Construction Services, Inc	Project Cost Management Services	\$1,000.00	\$0.00
Leete Generators	Generator Maintenance	\$4,000.00	\$857.00
Lescure Company, Inc.	Fuel Reel Removal and Capping of Fueling Outlets	\$24,725.00	\$24,725.00
LTK Engineering Services	Vehicle and Systems Design and Construction Management Services	\$1,286,225.00	\$780,724.00
Managed Health Network	Employee Assistance Program (EAP) Services	\$4,500.00	\$3,198.00
Masabi LLC	SMART Mobile Ticketing Pilot Project	\$64,000.00	\$42,200.00
MaxAccel	Compliance Management Software Design/Implementation/Asset Management	\$14,500.00	\$9,500.00
Maze & Associates	Financial Audit Services	\$40,540.00	\$38,560.00
MGrodner, LLC	Project Management Services	\$99,575.00	\$49,159.00
Militus, Inc.	Digital Security Assessment	\$30,000.00	00.000(08\$
Netspeed Solutions, Inc.	Avaya IP Office Support and Professional Services at Petaluma, ROC, and MOW	\$5,800.00	00.008'\$\$
Netspeed Solutions, Inc.	Avaya IP Office Support and Professional Services at Roblar	\$1,417.00	\$1,417.00
Netwoven Inc.	Design Information Architecture for Document and Project Management Technology	\$46,050.00	\$33,001.00
North Bay SAP Services	Substance Abuse Professional Services	\$5,000.00	\$1,200.00
Nossaman LLP	Legal Services - Railroad Regulatory Issues & Transit Capital Projects	\$75,000.00	\$0.00
Occupational Health Centers of CA	Pre-Employment Evaluation Services	\$9,421.00	\$7,953.00
Ojo Technology, Inc.	Security Camera Maintenance	\$5,000.00	\$0.00
Oracle	Fusion Accounting Software & Hosting Services	\$42,707.00	\$32,040.00
Parks Electric	On-Call Electrical Contracting Services	\$6,085.00	\$6,085.00
Parodi Investigative Solutions	Pre-Employment Background Investigation Services	\$20,350.00	\$15,500.00
Paychex	Payroll Processing Services	\$31,000.00	\$24,055.00
Platinum Advisors, LLC	State Legislative Advocacy Services	\$120,000.00	00.000,06\$
Portola Systems, Inc.	SMART Station Network Configuration Services	\$185,006.00	\$59,040.00
Public Financial Mangement, Inc.	Arbitrage Rebate Compliance Services	\$2,000.00	\$0.00
Public Financial Mangement, Inc.	Financial Advisory Services	\$5,000.00	\$0.00
RailPros, Inc.	Professional Engineering Services for Larkspur Extension	\$333,000.00	\$215,107.00
Reyff Electric Company	On-Call Electrician Services	\$18,915.00	00.006′2\$
ServPro of Lake Mendocino and Sonoma County	Biohazard Clean-Up and Hazmat Services	\$24,360.00	\$2,356.00
Shimmick Construction Co, Inc.	D/B Construction of 10S2, Haystack, OMF, Station Finishes and Pathway	\$3,292,813.00	\$3,134,657.00
Sonoma County Fleet Operation Division	Non-Revenue Fleet Maintenance Services	\$40,000.00	\$4,263.00
Sonoma County Probation Department	Right-of-Way Vegetation Control, Brush and Debris Removal, and Homeless Camp Clean-up	\$42,160.00	\$10,020.00
Sperry Rail Service	Rail Flaw Detection Services	\$10,000.00	\$9,150.00
SPTJ Consulting	Network Infrastructure, Security, Migration and Setup Services	\$133,416.00	\$102,735.00
Stacy and Witbeck/Herzog, JV	Design/ Build Construction of Civil, Track & Structures Improvements of IOS-1	\$1,400,344.00	\$604,068.00
Stacy and Witbeck/Herzog, JV	Design/Build Construction of Civil, Track & Structures Improvements of Larkspur Extension	\$15,400,000.00	\$7,390,966.00
Stericycle, Inc.	Medical Waste Pick-Up and Disposal Services	\$1,918.00	\$82.00
Steve Taylor Excavation	Excavation, Asphalt, and Related Contracting Services	\$35,000.00	\$0.00
Stripe N Seal	Painting, Stenciling, and Asphalt Sealing Services	\$13,386.00	\$9,234.00
STV, Inc.	On-Call Railroad Bridge Inspection Services	\$50,000.00	\$0.00
Sue Evans	Real Estate Support Services	\$50,000.00	\$0.00
Cumitomo Cornoration	Manufacture 9. Dolivon, of Bail Vokicles	CO 070 070	00 000 000

		Fiscal Year 17-18	Fiscal Year 17/18
Contractor	Scope	Projected	Actuals-To-Date
Summit Signal, Inc.	Emergency Call-Out Services for Track and Signals	\$10,000.00	00.0\$
The GBS Group	Internet Connectivity (Wi-Fi) for SMART Trains	00'800'688\$	\$256,989.00
United Mechanical Incorporated	HVAC Maintenance Services at SMART Facilities	\$24,994.00	\$945.00
United Mechanical Incorporated	HVAC Installation Services for SMART Facilities	\$16,832.00	\$16,832.00
Utah Transit Authority	DMU Wheel Truing Services	\$111,100.00	\$33,931.00
Van Scoyoc Associates	Federal Legislative Advocacy Services	\$51,000.00	\$32,000.00
VenTek Transit Inc.	Fare Vending Machine Operations and Maintenance Services	\$225,000.00	\$141,112.00
Vievu	Cloud-Based Storage of Security Data	\$720.00	\$720.00
WBE	Design and Installation of Security Equipment	00'880'56\$	\$88,786.00
WBE	Train Wash CCTV Installation	\$14,980.00	\$14,980.00
WBE	Existing CCTV System On-Call Maintenance	\$35,000.00	\$13,030.00
William Campagna	Disability Access Consultant Services	\$30,000.00	\$14,750.00
	Totals	\$35,945,134.00	\$18,470,402.00

*Actuals-To-Date includes invoices that have been approved as of April 30, 2018, but may not have been processed in SMART's Financial System.



May 16, 2018

Debora Fudge, Chair Sonoma County Mayors' and Councilmembers Association

Judy Arnold, Vice Chair Marin County Board of Supervisors

Damon ConnollyMarin County Board of Supervisors

Jim Eddie Golden Gate Bridge, Highway/Transportation District

Dan HillmerMarin County Council of Mayors and
Councilmembers

Eric Lucan Transportation Authority of Marin

Jake Mackenzie Sonoma County Mayors' and Councilmembers Association

Barbara Pahre
Golden Gate Bridge,
Highway/Transportation District

Gary PhillipsTransportation Authority of Marin

David Rabbitt Sonoma County Board of Supervisors

Carol Russell Sonoma County Mayors' and Councilmembers Association

Shirlee ZaneSonoma 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 Santa Rosa, CA 94954

SUBJECT: Approval of Intelligent Technology Solutions Contract Amendment No. 3

Dear Board Members:

RECOMMENDATION:

Authorize the General Manager to execute Contract Amendment No. 3 to Contract No. OP-IS-15-001 with Intelligent Technology Solutions (ITS) in the amount of \$94,250 for total not to exceed \$970,908. This amendment funds two changes to the contract. The first change is to fund an extension of all MAXIMO login licenses until March 31, 2021. The second change is to fund additional user licenses to meet our current staffing levels.

SUMMARY:

This Amendment shall provide funding to ITS to expand the number of login licenses available in our MAXIMO system to meet our current staffing levels. This Amendment also extends the term of the contract until March 31, 2021, so that our current contract termination date meets the MAXIMO subscription termination date. Any further extensions will be in full year intervals.

BACKGROUND:

In November 2015, your Board approved a Contract with ITS for services to implement, train and support a cloud based MAXIMO Maintenance Management System. This MAXIMO system is used to track all aspects of the Operations department, including but not limited to dispatch logging, purchasing, inventory, and the maintenance of our vehicles, facilities, track, and signal systems.

MAXIMO is a cloud based system, which means that instead of having the IT infrastructure of the system on site at SMART, SMART pays a monthly, per user fee to access the software hosted on a cloud system. This means that the system, as well as our data, is kept redundantly in several geographically independent locations. This ensures that our data and system are well insulated against failure.

Our staffing levels have grown since the initial implementation of this MAXIMO system. These new staff members need logins to the system to perform their job functions. This contract amendment provides the needed additional logins for these additional staff.

FISCAL IMPACT: Contract is included in the Fiscal Year 2018-19 budget.

REVIEWED BY: [x] Finance _____ [x] Counsel __

Very truly yours,

Information Systems Manager

cc: Duane Sayers

Attachment(s): Intelligent Technology Solutions Contract Amendment No. 3

THIRD AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AND INTELLIGENT TECHNOLOGY SOLUTIONS, LLC

This Third Amendment dated as of May 16, 2018 (the "Third Amendment") to the Agreement for Consultant Services by and between the Sonoma-Marin Area Rail Transit District ("SMART") and Intelligent Technology Solutions, LLC ("CONSULTANT"), dated as of November 1, 2015 (the "Original Agreement," and as amended by the First Amendment, the Second Amendment, and this Third Amendment, the "Agreement").

RECITALS

WHEREAS, SMART and CONSULTANT previously entered into the Original Agreement to provide implementation, training, and support of a cloud-based Maximo Maintenance Management System (hereinafter "MMS"); and

WHEREAS, SMART and CONSULTANT previously amended the Agreement to increase the not-to-exceed amount and to switch to a full support, fee for service model; and

WHEREAS, SMART desires to increase the Agreement's not-to-exceed amount by \$94,250 for a total not-to-exceed amount of \$970,908 to adjust the structure and amount of software licenses as well as extend the term of the contract through March 31, 2021; 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 2. "LIST OF EXHIBITS"

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

(a) EXHIBIT A: SCOPE OF WORK

The work described in the attached **Exhibit A** Scope of Work is in addition to the Exhibit A from the First Amendment dated January 1, 2017, the Second Amendment dated December 20, 2017 and the Original Agreement dated November 1, 2015.

(b) EXHIBIT B: BUDGET

The Budget in **Exhibit B** to the Agreement shall be replaced with the Budget in **Exhibit B** of this Third Amendment.

2. **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 and increased by the First Amendment, the Contract amount shall be increased by an amount not-to-exceed \$94,250 for a total not-to-exceed amount of \$970,908.

3. **ARTICLE 6.** "TERM OF AGREEMENT" Section 6.01 of the Agreement is hereby removed and replaced with the following:

Section 6.01 The term of this Agreement shall remain in effect until March 31, 2021, unless terminated earlier in accordance with the provisions of **Article 7**.

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 Third Amendment as set forth below.

	SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
Dated:	ByFarhad Mansourian, General Manager
	INTELLIGENT TECHNOLOGY SOLUTIONS, LLC
Dated:	By
	Its
	APPROVED AS TO FORM:
Dated:	By District Counsel

EXHIBIT A SCOPE OF WORK

Exhibit A is amended as follows:

Figure A-1, or the list of SMART employees requiring licenses, is hereby removed and replaced with the following:

		Amendment 3 Login
Department	Position Classification	Count
Operations Admin	Operations Manager	1
	Railroad Information Systems	
Operations Admin	Specialist	1
Operations Admin	Administrative Assistant	1
Operations Admin	Accounting	1
Operations Admin	Purchasing	1
Safety Training/Compliance	Safety and Compliance Officer	1
Transportation	Superintendent	1
Transportation	Assistant Superintendent	1
Transportation	Controller-Supervisor	11
Transportation	Engineer-Conductor	0
Transportation	Bridge Tender	0
Vehicle Maintenance	Superintendent (Chief Mechanical	
(Mechanical)	Officer)	1
Vehicle Maintenance		
(Mechanical)	Vehicle Maintenance Supervisor	5
Vehicle Maintenance		
(Mechanical)	Vehicle Maintenance Technician	11
Vehicle Maintenance		
(Mechanical)	Parts Clerk	2
Vehicle Maintenance		
(Mechanical)	Laborer	7
Signals and Way	Superintendent	1
Signals and Way	Signal Supervisor	2
Signals and Way	Signal Technician	8
Signals and Way	Track Maintenance Supervisor	2
Signals and Way	Track Maintainer	5
Signals and Way	Facilities Maintenance Supervisor	1
Signals and Way	Facilities Maintenance Technician	3

Total Logins: 67

The amended cost of licenses hereby includes all the licenses listed in this **Figure A-1**.

Intelligent Technology Solutions, LLC Amendment No. 1 Contract No. OP-IS-15-001

Exhibit A

V. Post Implementation Service and Suppor	t is removed and re	placed by	the followin	g:
---	---------------------	-----------	--------------	----

Contractor will continue to provide Software as a Service, fee-for-service support through the duration of the contract (3/31/2021).

On an as-needed basis SMART may request to add, subtract, and/or alter the existing licensing structure. The Parties will work together to minimize the frequency of these changes but agree to maintain the flexibility necessary to accommodate changes to the workforce and shifting employee roles.

EXHIBIT B BUDGET

NOT-TO-EXCEED BUDGET BY CONTRACT YEAR:

Exhibit B Budget is amended to include the additional licensing costs, and replaces the Exhibit B Budget from the Agreement:

		Year 1		Year 2		Year 3		Year 4		Year 5	Year	Year 6 (partial)		
	Nov '	15 - Oct '16	Nov	'16 - Oct '17	Nov	'17 - Oct '18	Nov	'18 - Oct '19	Nov '	19 - Oct '20	Nov'	20-Mar '21		Total
Implementation Services	\$	226,787	\$	-	\$	-	\$	-	\$	-	\$	-	\$	226,787
Implementation Travel	\$	20,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	20,000
24 Hour Support	\$	9,984	\$	13,978	\$	3,495	\$	-	\$	-	\$	-	\$	27,457
Fee for Service	\$	-	\$	-	\$	10,901	\$	14,829	\$	15,274	\$	-	\$	41,004
Software as a Service	\$	107,655	\$	102,356	\$	105,406	\$	108,568	\$	111,825	\$	47,166	\$	535,810
Addition of HSE Operator Log	\$	4,777	\$	4,900	\$	5,068	\$	5,220	\$	5,634	\$	2,452	\$	25,600
Additional Licensing Costs	\$	-	\$	-	\$	7,741	\$	15,099	\$	15,552	\$	6,560	\$	44,952
Total	\$	369,203	\$	121,234	\$	132,290	\$	143,716	\$	148,285	\$	56,177	\$	921,610



Debora Fudge, Chair

Sonoma County Mayors' and Councilmembers Association

Judy Arnold, Vice Chair

Marin County Board of Supervisors

Damon Connolly

Marin County Board of Supervisors

Jim Eddie

Golden Gate Bridge, Highway/Transportation District

Dan Hillmer

Marin County Council of Mayors and Councilmembers

Eric Lucan

Transportation Authority of Marin

Jake Mackenzie

Sonoma County Mayors' and Councilmembers Association

Barbara Pahre

Golden Gate Bridge, Highway/Transportation District

Gary Phillips

Transportation Authority of Marin

David Rabbitt

Sonoma County Board of Supervisors

Carol Russell

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 May 16, 2018

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

SUBJECT: Review Fiscal Year 2017-18 Year-End Budget Report, Proposed Fiscal Year 2018-19 Budget

Dear Board Members:

RECOMMENDATION: Review and Provide Feedback

SUMMARY:

Today we are presenting for your review the Fiscal Year 2017-18 Year-End Budget Report and Proposed Fiscal Year 2018-19 Annual Budget. This allows for any guidance in advance of your approval of the budget in June. When we return in June we will detail any minor changes that are necessary at that time and will provide the necessary resolutions that accompany adoption of the budget.

This report provides a brief overview of the budget, more detailed discussion can be found in the budget document itself. SMART's two-year budget document this year reflects a revised format showing, first, an Executive Summary with an overview Table of all revenues, expenses and fund balance status. Following that there are Tables showing revenues and expenditures by year within SMART's three Departments: Administration, Operations and Capital. This new format provides greater detail on revenues and expenditures by Department by fiscal year. The final table in the budget is the proposed salary schedule for the new Fiscal Year.

Fiscal Year 2017-18 Year End Budget Report:

Revenue: Overall revenue for the Fiscal Year in 2017-18 will be \$70,957,451. This amount is \$11.6 million higher than was anticipated in June of last year due to an increase in Larkspur project activity tied to grants and other funding, one-time property sale revenue, and some increases in operating revenue.

Expenditures: Projected expenditures at the end of Fiscal Year 2017-18 are \$83,341,631. This is \$2.75 million lower than anticipated in the original budget due to savings realized in Administration and Operations for professional services. Other savings were tied to the elimination of contingencies that are no longer needed. Finally, payments to contractors for the Phase 1 IOS project that were anticipated before June have shifted to the next fiscal year.

Proposed Fiscal Year 2018-19 Budget:

Revenues: In the new fiscal year, we project revenues of \$89,985,693, which is \$19 million higher than the prior year. We are projecting Sales Tax revenues to increase 3% overall from the prior year. Significant operating revenue increases of \$3 million are tied to new state funding available through SB 1. \$15.7 million of the increase is tied to our Capital projects, including both Larkspur and our four new rail vehicles set to arrive in late 2018. An additional \$555,000 is anticipated in fares and parking revenue which is a very conservative increase tied to the receipt of a full year of revenue.

Expenditures: We are requesting authority for \$113.7 million in expenses next year, which is \$30.4 million higher than the prior year. Increases are detailed in the budget document. Significant highlights in each department are as follows:

- Administration: Administration increased \$2.7 million primarily due to a debt service increase \$1.9 million over the prior year; other combined savings that were one-time in nature in the current year are not assumed in the next fiscal year.
- Operations: Operations costs are projected to increase \$4.96 million. Within that amount, salaries and benefits are projected to increase \$982,144 primarily due to the addition of 11 full-time employees for operating needs. Discussion of the need for these positions can be found in the budget but are tied to service improvement, the addition of four new rail vehicles to the system, and increased testing and other work for the Larkspur extension. Operations also will receive an additional \$1.9 million in capital equipment for vehicle, track and signal maintenance partially funded by state grants.
- Capital: Capital project activity shows an increase of \$22.7 million over the previous year. This is split between Larkspur work, which includes the Anderson Drive project funded by the City of San Rafael and significant payments for our first 14 rail cars and the additional four we will receive in late 2018.
- Reserves and Fund Balance: In our strategic planning process leading up to passenger service, we anticipated that the year before and right after startup would be a challenging time of balancing revenues and expenditures with a number of unknowns. To counter those challenges and the uncertainties of our revenue stream, we anticipated and planned for a healthy reserve which this budget achieves. As planned, we are setting aside \$17,000,000 in operating reserves as part of the budget. We are also showing a closing fund balance that will be available for capital maintenance and projects of \$4,985,028. In both Fiscal Years 2017-18 and 2018-19, we utilize available fund balance to complete the capital project as we had planned. We are also relying on those funds for operations costs that our revenues are not yet sufficient to cover.

We believe this budget proposal reflects an ongoing strong effort by SMART to manage its resources in a way that provides the best service possible to our riders while working to generate revenues that will help us build the system to reach greater numbers and more communities. We will continue to work on ways to reduce costs and bring more resources to bear on our transit system.

FISCAL IMPACT: No current impact of budget review.

Very truly yours,

Erin McGrath

Chief Financial Officer

Attachment(s): SMART Proposed Budget: Fiscal Year 2018-19 Proposed Annual Budget and

Fiscal Year 2017-18 Year-End Budget Report

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT PROPOSED BUDGET: FISCAL YEAR 2018-19

and

Fiscal Year 2017-18 Year-End Budget

DRAFT: MAY 2018

PROPOSED BUDGET: FISCAL YEAR 2018-19

and Fiscal Year 2017-18 Year-End Budget

CONTENTS

1. EXECUTIVE SUMMARY

TABLE 1: Overview of Sources and Uses for Budget

2. BUDGET REVIEW BY DEPARTMENT

- a. Table 2: Administration
- b. Table 3: Capital
- c. Table 4: Operations

3. POSITION AUTHORIZATIONS

a. Table 5: Proposed FY 2018-19 Position Authorizations

EXECUTIVE SUMMARY

SMART's two-year budget document this year reflects a revised format showing revenues and expenditures by SMART's three Departments: Administration, Operations and Capital. This new format provides greater detail on revenues and expenditures by Department by fiscal year. There are three detailed budget tables by Department, in addition to a summary overview chart and the proposed salary schedule.

In our strategic planning process leading up to passenger service, we anticipated that the year before and right after startup would be a challenging time of balancing revenues and expenditures with a number of unknowns. In the two years prior to August 2017, we were required to fully staff and operate various facilities, conduct months of testing and continuously run trains without the benefit of any fare revenues. To counter those challenges and the uncertainties of our revenue stream, we anticipated and planned for a healthy reserve which this budget achieves. As planned, we are setting aside \$17,000,000 in operating reserves as part of the budget. We are also showing a closing fund balance that will be available for capital maintenance and projects of \$4,985,028. In Fiscal Years 2017-18 and 2018-19, we utilize available fund balance to complete the capital project as we had planned. We are also relying on those funds for operations costs that our revenues are not yet sufficient to cover. Use of fund balance in each year is shown in summary Table 1. In our first year of passenger service, we have been able to achieve the fare revenues we modeled and are budgeting a very conservative \$3.69 million for passenger revenue in the new fiscal year. We are also anticipating significant revenues of \$6.7 million related to SB1. Funds associated with that tax allowed us to open service with more trips than we had modeled as part of the passage of Measure Q. We also are utilizing the SB1 funds to leverage the purchase of a wheel truing machine, additional wheels and spare parts necessary for service reliability.

In the event that SB1 funding is eliminated via ballot measure, we will need to revisit our service schedule, staffing and other costs in order to close the funding gap that it would create. As part of reviewing our staffing needs going forward, we have determined that additional resources will be needed to address current schedule issues as well as testing and preparing for the Larkspur extension. As a result, we are proposing the addition of 11 full time employees to the operations budget in the next year.

The budget also includes all the revenues and expenditures for all of SMART's capital projects, including the completion of the Phase 1 (IOS1) project, which includes final vehicle and signal acceptance. Significant expenditures related to the Larkspur project are reflected as are costs related to the arrival of our four new rail cars at the end of 2018.

TABLE 1 (on the following page) provides a combined, broad overview of the sources and uses in the District's budget for all departments. There are three budget columns, the first reflecting the original budget for Fiscal Year 2017-18 approved in June of 2017, the second showing the year end changes to reflect actual revenues and expenses, and the third showing the Proposed Budget for Fiscal Year 2018-19. This chart also shows funds available in SMART's Fund Balance, which is used for all purposes including capital project completion and operational needs. The Fiscal Year 2017-18 Year End Budget reflects all Board approved amendments during the Fiscal Year as well as adjustments for actual spending levels. Overall approved expenses are reduced by \$2.75 million due to both shifting construction schedules into the next fiscal year and cost savings. Revenues were adjusted up by \$11.6 million to reflect increased property transaction revenues and funding mix shifts in the capital projects. The proposed Fiscal Year 2018-19 budget proposal increases revenues by \$19 million and expenditures by \$30.4 million. Significant increases are related to the Larkspur extension project, increased debt service, and the addition of 11 FTE in the new fiscal year. More discussion is included in the Budget by Department sections.

TABLE 1:							
BU	DGET REPORT: SUMMARY	O	F ALL SOU	RC	ES AND	USE	S
			FY 2017-18		FY 2017-18		FY 2018-19
			APPROVED BUDGET		YEAR END ACTUALS & ESTIMATES	PRO	POSED BUDGET
Budget Sources							
	Fund Balance	\$	58,116,705	\$	58,116,705	\$	28,732,525
	Sales/Use Taxes		37,011,973		37,011,973		38,122,332
	Interest and Lease Earnings		689,088		1,278,415		742,000
	Miscellaneous Revenues		50,000		1,803,692		930,000
	Fare & Parking Revenue		2,950,000		3,135,000		3,690,000
	State Grants		4,321,096		5,000,963		16,980,939
	Charges For Services		30,000		58,800		45,000
	Federal Funds		8,157,643		7,018,714		24,535,682
	Other Governments/ Misc.		1,805,000		4,025,647		1,500,000
	Measure M		285,000		285,000		228,000
	MTC - RM2		4,073,222		11,339,246		3,211,740
	Total All Sources	\$	59,373,023	\$	70,957,451	\$	89,985,693
Budget Uses							
	Salaries & Benefits		18,866,052		19,949,307		21,040,490
	Services & Supplies		14,552,241		13,544,653		16,223,465
	Debt Service/ Other Charges		14,204,100		14,217,685		16,095,850
	Equipment, Buildings & Improvements		1,329,919		974,232		2,942,067
	Capital Projects		37,225,320		34,938,934		57,754,647
	Equipment Replacement Allocation		525,000		525,000		525,000
	Operating Contingency		600,000		-		-
	Capital Salary Transfer		(1,208,467)		(808,180)		(848,329)
	Total All Uses	\$	86,094,165	\$	83,341,631	\$	113,733,190
	Use of Fund Balance		(26,721,143)		(12,384,180)		(23,747,497)
	Deposit to Operating Reserve		(17,000,000)		(17,000,000)		
	Remaining Fund Balance (Capital Reserve)	\$	14,395,562	\$	28,732,525	\$	4,985,028
	Remaining Operating Reserve	\$	17,000,000	\$	17,000,000	\$	17,000,000

BUDGETS BY DEPARTMENT

Each Department has its own Section and Table that provide information on that Department's Fiscal Year 2017-18 Original budget, Revisions for Year End, and the Proposed Fiscal Year 2018-19 budget.

Administration Budget:

Spending on the Administration budget is relatively flat with some reductions in costs during the current fiscal year that are invested in the new budget year for anticipated needs. Those include the filling of currently vacant positions and scheduled step increases, crucial IT upgrades and professional services related to ridership, transit planning and other new functions of an operating transit system. One unavoidable cost increase of \$1.9 million in the Fiscal Year 2018-19 budget is the scheduled Debt Service increase related to the 2011 bond sale. Below is an overview, further detail can be found in **Table 2** on the following page.

Fiscal Year 2017-18 Final Budget Report:

Revenues: Overall revenues are adjusted down to match expenditures for the year. Miscellaneous revenues increased significantly due to property transactions in Petaluma that resulted in unanticipated one-time revenue of \$1.69 million. We have also added revenue from advertising which was not included in our original budget but is anticipated to be \$138,845 for the year. Although we are seeing increases in sales tax revenues following the fire, we are not reflecting those increases in our year end numbers, as they may not reflect an ongoing trend. We will report back to you as part of our annual audit on the final revenue amounts.

<u>Expenditures</u>: Expenditures are reduced by \$990,750 to reflect salary savings from vacant positions, savings in consulting for IT, legal and insurance coverage.

Fiscal Year 2018-19 Proposed Budget:

<u>Revenues:</u> Ongoing sales tax revenue is projected to increase by 3% over originally budgeted amounts from the prior year. Allocation of sales tax to Administration is increased in the new budget to match expenses. Total increase in all revenue allocated to Administration is \$2.7 million.

<u>Expenditures:</u> Expenses for the new Fiscal Year are increased by \$2.7 million in the proposed budget primarily due to a \$1.9 million increase in Debt Service. There are also a number of IT server and software replacement needs that the District must implement this year, which increases both the computer budget and the professional service budget for specialized programming and security related to the new systems. There is also an increase in professional services costs that are tied to consultants needed for ridership and other analysis required to meet FTA reporting guidelines, work in preparation for a new strategic plan in 2019, and actuarial analysis needed for retiree cost planning.

Please reference **Table 2** (next page) for other details on changes.

TABLE 2:

ADMINISTRATION BUDGET

Original, Year End FY 2017-18 and Proposed FY 2018-19

	FY 2017-18	FY 2017-18	FY 2018-19	
		YEAR-END ACTUALS &		
DESCRIPTION	APPROVED BUDGET	ESTIMATES	PROPOSED BUDGET	EXPLANATION OF SIGNIFICANT CHANGES
REVENUES:				
Sales/Use Taxes				
State Sales Tax Collection	\$ 890,253	\$ 890,253	\$ 934,766	Increase in state collection costs
Sales Tax withheld by Trustee	14,204,100		, ,	Debt schedule increase
Sales Tax Allocation to Administration	10,818,194			**Amount changes to balance revenue with expense
Total Sales/Use Taxes	25,912,547			
Use of Money/Property				
Interest Earnings	295,000	745,482	205.000	Increase due to bighout they entisingted found helence
3	295,000	138,845		Increase due to higher than anticipated fund balance New train and platform advertising
Advertising Revenue Rent - Real Estate	394,088			Reduction tied to lease termination
Total Use of Money/Property	689,088	· · · · · · · · · · · · · · · · · · ·	742,000	neduction tied to lease termination
, , ,	083,080	1,270,413	742,000	
Charges for Services				
Other Charges - Fees, Reimbursements	-	65,992	30,000	Application fees, and insurance reimbursements
Total Charges for Services	-	65,992	30,000	
Miscellaneous Revenues				
Sale - Lease/Purchase	-	1,687,700	850,000	FY18 - sale of easments and license; FY19 TAM pathway agreement
Miscellaneous Revenue	50,000	50,000	50,000	, , , ,
Total Miscellaneous Revenues	50,000	1,737,700	900,000	
TOTAL REVENUES	\$ 26,651,635	\$ 25,660,885	\$ 28,375,833	

-varuations						
EXPENDITURES:						
ADMINISTRATION						
Salaries and Benefits						
Employee Salaries	\$ 4,	,103,790	\$	4,161,474	\$ 4,251,813	
Employee Benefits	,	,205,496		1,211,905	1,163,690	
Total Salaries and Benefits	5,	,309,286		5,373,379	5,415,504	Step adjustments, benefit cost increases, filling of vacant positions
Services and Supplies						
Communications		46,700		52,800	53,200	
Insurance	2,	,677,667		2,388,965	2,128,000	Reduction in set aside needed for Self Insured Retention
Maintenance-Facilities		17,530		17,045	18,950	
Miscellaneous Expense		43,600		49,100	55,100	
Office Expense		123,030		100,965	122,560	Savings in current year; copier leases and other costs slightly decreased
Postage, Printing, Periodicals		35,500		39,000	47,000	
Accounting/ Payroll Services		86,000		76,000	90,000	Increase in auditing costs due to additional federal funds
Professional Services		908,534		625,330	1,079,500	Software upgrade, ridership analysis, security screenings, advocacy
Agency Extra Help		100,000		8,000	100,000	Short term leave coverage as needed
State Administrative Fee		890,253		890,253	934,766	State fee increases
Legal Services		525,000		390,576	475,000	As-needed legal expertise/ support; reflects outside counsel savings
Rents/Leases		741,194		750,617	774,024	
Computer Software and Hardware		318,701		273,396	361,110	Equipment replacements, software upgrade, ongoing license fees
Public Outreach		312,000		197,235	303,200	Increased outreach for Larkspur extension
Training, Travel and Memberships		189,800		88,670	147,350	Ongoing training of new and existing staff
Mileage Expense		37,740		36,870	36,520	
Total Services and Supplies	\$ 7,	,053,249	\$	5,984,821	\$ 6,726,279	
Other Charges and Payments			! 			
Bond Principal, Interest	14.	,204,100	1	14,204,100	16,095,850	Debt service scheduled increase
Settlements	,	-		13,585	-,,,	
Total Other Charges	14,	,204,100		14,217,685	16,095,850	
Buildings & Capital Improvements (Capital Assets)						
Equipment		85,000		85,000	138,200	Computer servers hardware replacements
Total Buildings and Capital Improvements		85,000		85,000	138,200	·
Contingencies						
Operating Contingencies			<u> </u>	-	<u>-</u>	
Total Contingencies						
TOTAL ADMINISTRATION EXPENDITURES	\$ 26,6	51,635	\$	25,660,885	\$ 28,375,833	

^{**}The entire amount of Sales Tax is realized and shown on Table 1. The amount allocated to Administration changes depending on year-end revenues and expenses. For Fiscal Year-End 2017-18, only \$22,578,778 was needed to balance. For Fiscal Year 2018-19 we are assuming a 3% increase in sales tax and budgeting \$26,703,833 for Administration in order to balance.

Capital Budget:

The Year-End Report for the Fiscal Year 2017-18 Capital Department shows Revenues of \$24.1 million and Expenses of \$36.2 million. In the proposed Fiscal Year 2018-19 budget, Revenues are anticipated to be \$39.7 million and expenses are projected to be \$58.9 million. In each fiscal year, as planned for at the start of the Phase 1 project, SMART's reserved sales tax funds in its fund balance are available and used to pay for any project expenses not covered by grants.

Fiscal Year 2017-18 Final Budget Report:

Revenues: Overall revenues have been increased \$8.4 million to reflect actual receipts. There were a number of shifts in construction schedules and funding during the year that combined to make this change. Principally among them are increases in Bridge Toll funding for Larkspur, which are tied to expenditures on that project. The shift of the Anderson Drive project to the current fiscal year is tied to revenues from the City of San Rafael that were added in the current year as well. Other funds are related to construction of the SOMO Village Pathway in Rohnert Park that were not included in the original budget proposal.

<u>Expenditures:</u> There are a number of shifts between the two fiscal years that result in an overall reduction of \$1.4 million in Fiscal Year 2017-18 spending on Capital. The largest shifts were payments to the vehicle manufacturer which shifted out of the current year budget and led to a significant \$4 million reduction. That was offset by an increase in cooperative work primarily related to Anderson Drive and utility work paid for by the City of San Rafael of \$3.8 million.

Fiscal Year 2018-19 Proposed Budget:

Revenues: Revenues for the next budget are increased by \$15.7 million over the current year to match increased capital project activity funded by grant revenue. The State of California is funding SMART's four new rail cars as well as construction of the Payran Pathway in Petaluma. Federal funds are related to the Larkspur project and include funds from three different federal sources. Cooperative agreements and MTC funding are all related to the Larkspur extension.

<u>Expenditures</u>: Overall expenses are projected to increase \$22.7 million with significant costs associated with the Larkspur extension project and SMART's four new rail cars. We are also budgeting for remaining costs of the Phase 1 project, including final acceptance of our first 14 car sets and contract closeouts of all Civil and Systems related contracts.

TABLE 3, on the next page, provides further breakdown and additional details.

TABLE 3:

CAPITAL BUDGET

CAFITAL BUDGET									
Original, Year End FY 2017-18 and Proposed FY 2018-19									
	FY 2017-18	FY 2017-18 FY 2018-19							
			YEAR-END ACTUALS &						
DESCRIPTION	APP	ROVED BUDGET		ESTIMATES	PROPOSED BUDGET		EXPLANATION OF SIGNIFICANT CHANGES		
REVENUES:									
Intergovernmental Revenues									
State - Grant Funds	\$	1,321,096	\$	1,398,151	\$	10,261,000	Additional Rail Sets, EEMP Pathway, Payran pathway		
Federal - Grant Funds		8,157,643		7,018,714			Larkspur Extension Project ongoing		
Other Governments		1,805,000		4,025,647			Anderson Drive, Open Space Pathway, Sonoma County Pre-emption		
Measure M - Sonoma County		285,000		285,000		228,000	Sonoma Pathway Project - Payran to Southpoint design		
MTC - Bridge Tolls		4,073,222		11,339,246		3,211,740	7th car set final funding, Larkspur extension		
Total Intergovernmental Revenues		15,641,961		24,066,758		39,736,422			
Miscellaneous Revenues									
Miscellaneous Revenue		-		467,486		-	SOMO Village Pathway		
Total Miscellaneous Revenues		-							
TOTAL REVENUES	\$	15,641,961	\$	24,066,758	\$	39,736,422			
USE OF FUND BALANCE	\$	21,911,004	\$	12,112,499	\$	19,161,163			
EVDENDITUDES.									
EXPENDITURES:									
CAPITAL									
Salaries and Benefits									
Employee Salaries	\$	919,013	\$	1,043,662	\$	1,093,864			
Employee Benefits		289,454		303,304		320,017			
Total Salaries and Benefits		1,208,467		1,346,966		1,413,881	Step adjustments, benefit cost increases, filling of vacant positions		
Services and Supplies									
Postage, Printing, Periodicals		5,000		5,000		5,000			
Professional Services - Project		243,000		634,536	İ	497,740	Project related costs for environmental, ADA, as needed engineering		
Computer Software and Hardware		12,645		-		12,645	Shift of cost to new budget for project equipment		
Memberships		2,000		2,000	l	2,000			
Training, Travel		5,000		5,000		5,000			
Permits/Fees		50,000		50,000	İ	50,000			
Mileage Evnense		10 000	I	5 000	l	5 000			

Operations Budget:

In the Year End 2017-18 Budget Report, we are projecting very little change in expenses for Operations. Most of the changes shown are tied to Board-approved changes throughout the year or reflect expenditure shifts between categories. As part of start-up and new operations, the ongoing cost of certain activities is still being developed. We have been able to capture savings and utilize those savings in areas with additional costs that we had not anticipated. Given the number of new activities we have implemented in the last 18 months during our start up and passenger service, we were very successful in anticipating overall expenses for the year.

A number of changes are proposed in the new Fiscal Year 2018-19 budget which are tied to new staff and capital equipment needed in order to continue our excellent service record and ensure continued reliability in the coming years. Because we were able to successfully negotiate three labor contracts during the Fiscal Year, we are reflecting no significant increases for those contracts because we had no cost-of-living increases through the end of Fiscal Year 2018-19. Further details are provided below. Finally, we are showing the Operating Reserve of \$17 million, an amount we think is prudent for the District at this time.

Fiscal Year 2017-18 Final Budget Report:

Revenues: Overall revenues are projected to be \$21.2 million. We have increased our anticipated Fare and Parking revenue slightly to reflect actual experience in the past 6 months. Anticipated State revenue was increased by \$602,812 as a result of new revenues related to SB1, including increased State Transit Assistance funding. Sales tax revenue available for Operations increased by \$3.3 million due to additional overall revenue increases freeing up more funds in the current year.

Expenditures: Overall expenditures are reduced in the final budget report by \$388,077. Salaries and benefits increases that were approved by the Board during the fiscal year are reflected in an increase of \$880,663 in that category. Categories that required additional funds during the year included Revenue Vehicle Maintenance, which required an additional \$149,845 in order to fund wheel truing activities and to purchase spare parts needed to maintain our passenger vehicles, Maintenance of both Railway and Signals required increases of \$567,649 in order to fund switch, signal, crossing and track resurfacing needed in order to keep the system in good repair. These increases were offset by savings in fuel and professional services. We have also eliminated the appropriated Operating Contingency of \$600,000, which is no longer needed due to the fact that we have a year of cost experience on which to budget and we have set aside a significant Operating Reserve.

Fiscal Year 2018-19 Proposed Budget:

Revenues: Revenues for Fiscal Year 2018-19 total \$21.9 million. This includes the allocation of Sales Tax to Operations, State grant funding for maintenance equipment and capital purchases related to operations, fare and parking revenues, as well as other charges related to the right-of-way. The budget reflects a significant increase of \$3.1 million in state funding, which is tied to the SB1 Diesel Fuel Tax. These funds will be used to purchase a wheel truing machine and install it at our Rail Operations Facility,

as well as to purchase additional wheel axles, track maintenance equipment, and spare parts for our passenger vehicles, signals and track. Fund balance will be allocated to Operations of \$4.6 million in order to balance anticipated expenditures, leaving a closing balance of \$4.99 million. Significant one-time investments in equipment account for more than half of this imbalance, including \$2.8 million associated with a wheel truing machine, axle replacements and track resurfacing equipment.

Expenditures: Operations costs are anticipated to increase \$5.0 million in the next fiscal year, primarily in three categories. First, salaries and benefits costs are increasing by \$982,144. This reflects both a full year of salary increases tied to labor contract increases, as well as the addition of 11 new fulltime employees, including four Engineer Conductors, three Laborers, one Facilities Maintenance Technician, two Vehicle Maintenance Technicians, and one Administrative Assistant. As discussed in the Executive Summary, we are recommending that additional resources be provided to address current schedule issues as well as prepare for the Larkspur extension. In addition, the arrival of four new cars at the end of 2018 will require an increase in labor and supplies that would not be supported by current levels of resources. Second, capital facilities and equipment investments, which are partly funded through state grants, account for an increase of \$1.9 million. These additions are crucial to ensure timely maintenance of our passenger vehicles in order to keep our exemplary on-time-performance, as well as equipment needed to maintain 43-miles of track, stations, signals and facilities. Fuel costs are increased \$480,711 in order to accommodate the four new rail cars, which will need extensive testing before being placed in service. There are a number of professional services that support passenger amenities, such as passenger WiFi service and maintenance, Clipper machine maintenance and servicing, customer service via Golden Gate Bridge staff, emergency bus bridge support, servicing of security cameras and other rail network systems, and a number of other professional services that will require an increase next fiscal year of \$609,532.

TABLE 4, on the next page details the Operations Department budget.

TABLE 4:

OPERATIONS BUDGET

Original, Year End FY 2017-18 and Proposed FY 2018-19

Olighad, Teat Dia 11 2017 To and 110 posted 1 2010 17									
	FY 2017-18		FY 2017-18	FY 2018-19					
			YEAR-END ACTUALS						
DESCRIPTION	APPROVED BUDGET		& ESTIMATES	PROPOSED BUDGET	EXPLANATION OF SIGNIFICANT CHANGES				
REVENUES:									
Sales/Use Taxes									
Sales/Use Taxes	\$ 11,099,43	6	\$ 14,433,195	\$ 11,418,499					
Total Sales/Use Taxes	11,099,42	6	14,433,195	11,418,499	Allocated from total revenue as available				
Intergovernmental Revenues									
State - Grant Funds	3,000,00	00	3,602,812	6,709,939	State Commuter Rail/STA Funding				
Total Intergovernmental Revenues	3,000,00	0	3,602,812	6,719,939					
Charges for Services									
Fare Revenue	2,925,00	00	3,100,000	3,640,000	Conservative projection with minimal increase				
Parking Revenue	25,00	00	35,000	50,000	Increases based on actual receipts and projections				
Other Charges - Fees, Reimbursements	30,00	00	58,800	45,000	Changes due to reimbursements received; ongoing dispatch fee				
Total Charges for Services	2,980,00	0	3,193,800	3,735,000					
TOTAL REVENUES	\$ 17,079,42	6 \$	\$ 21,229,807	\$ 21,873,438					
USE OF FUND BALANCE:	\$ 4,810,13	9 5	\$ 271,681	\$ 4,586,334					

EXPENDITURES:					
OPERATIONS					
Salaries and Benefits					
Employee Salaries	\$ 9,516,920	\$ 10,324,	758	\$ 10,991,152	
Employee Benefits	2,831,379	2,904,	203	3,219,954	
Total Salaries and Benefits	12,348,298	13,228,	961	14,211,105	New FTE additions, benefit cost increases, filling of vacant positions
Services and Supplies					
Uniform Expense	230,064	162,	000	225,978	Uniform/boot costs tied to employee counts and usage
Communications	191,007	185,	296	233,515	Cost of call boxes, cellular for AVL and WiFi, and equipment replacement
Maintenance-Equipment	188,000	113,	941	235,000	On-call maintenance and equipment repair
Maintenance-Radios	128,675	128,	675	144,108	Radio site licenses and support
Maintenance-Revenue Vehicles	274,169	424,	014	906,097	Increased need for wheels and other train spare parts
Maintenance-Railway	397,165	700,	190	611,475	Track resurfacing, right-of-way maintenance and repairs
Maintenance of Signals	128,320	392,	945	358,200	Gate repair, flagging, signal equipment
Maintenance-Buildings/Facilities	240,660	267,	565	277,960	Station & facility cleaning, bike lockers, HVAC and electrical
Maintenance - Pathway	42,500	15,	000	42,500	Increase in pathway maintenance costs projected ongoing
Printing Services	5,000		-	-	
Office Expense	155,000	117,	500	138,000	Projections based on actual expense
Agency Extra Help	100,000	100,	000	125,000	As needed assistance during leaves
Rents/Leases - Equipment	77,880	102,	000	123,420	Specialty equipment needed for right-of-way maintenance
Minor Equipment	227,800	237,	553	260,915	Signage, tools, and cleaning supplies for DMUs and right-of-way
Computer Software and Hardware	214,754	198,	215	240,159	Ongoing software needs and computer replacements
Training, Travel and Memberships	254,300				Professional training for PTC, signal and track regulations
Fuel and Lubricants	1,423,607		293		Increase in fuel prices and additional mileage for testing
Miscellaneous	65,000		000	60,000	, , , , , , , , , , , , , , , , , , ,
Professional Services	2,403,538	,		,	WiFi, network support, customer service, and fare machine maintenance
Utilities	423,910			674,050	Cost for signals, bridges, facilities, and rail operations center
Total Services and Supplies	7,171,347	6,858,		8,919,801	and the second s
Buildings & Capital Improvements (Capital A	\ \a==4=\				
Buildings & Capital Improvements (Capital A					
Vehicles, Equipment	15,000	000	-	2 002 007	Whool truing machine, ayle replacements, and track maintenance action
	1,229,919	889,	232	2,803,807	Wheel truing machine, axle replacements, and track maintenance equip.
Software/ Intangible Assets Total Buildings and Capital Improvements	1,244,919	889,	232	2,803,867	
	,				
Equipment Replacement					
Annual Allocation	525,000				Allocation for future equipment replacement schedule
	525,000	525,	000	525,000	
Contingencies					
Operating Contingencies	600,000				Replaced by creation of operating reserve
Total Contingencies	600,000		-	-	included by a contain of operating reserve
TOTAL OPERATIONS EVERYSTEIN	å 24 000 TST	A 24 F24	100 4	26 450 550	
TOTAL OPERATIONS EXPENDITURES	\$ 21,889,565	\$ 21,501,4	\$88 \$	26,459,773	

Position Authorizations

On the next two pages in **Table 5** are the proposed Position Authorizations necessary for the Fiscal Year 2018-19 budget. As discussed in the Operations budget section, we are adding 11 new positions. In Administration, we adjusted one salary by 5% based on a survey of comparable positions, adjusted one title to match job duties assigned and shifted our Safety and Compliance Officer to Administration from Operations. These changes proposed from the current fiscal year are noted to the side of the changes.

TABLE 5:

Fiscal Year 2018-19 : Proposed Position Authorization									
Position	FTE	Salary Range Annual		Salary Range: Hourly		CHANGE			
		Low	High	Low	High	CHANGE			
ADMINISTRATIVE POSITIONS		ı							
Accountant	1	70,304	85,467	33.80	41.09				
Accounting and Payroll Assistant	1	51,002	62,005	24.52	29.81				
Administrative Analyst/ Contracts	1	77,605	94,328	37.31	45.35				
Administrative Assistant	2	46,218	56,181	22.22	27.01				
Assistant Planner*	1	66,934	81,349	32.18	39.11				
Assistant General Counsel	1	133,598	162,386	64.23	78.07				
Chief of Police	1	158,808	193,024	76.35	92.80				
Chief Financial Officer	1	213,574	259,626	102.68	124.82				
Clerk of the Board	1	70,304	85,467	33.80	41.09				
Code Compliance Officer	2.5	52,270	63,544	25.13	30.55				
Communications and Marketing Manager	1	130,354	158,434	62.67	76.17	Adjusted Range			
Community Outreach Coordinator	1	68,598	83,387	32.98	40.09				
Community Outreach Specialist	1	106,974	130,042	51.43	62.52				
Deputy General Manager	1	234,624	285,168	112.80	137.10				
Fiscal Manager	1	121,056	147,118	58.20	70.73				
General Counsel	1	213,574	259,626	102.68	124.82				
General Manager	1	-	302,474	-	145.42				
Human Resources Manager	1	118,082	143,541	56.77	69.01				
Human Resources Principal Analyst	1	106,974	130,042	51.43	62.52				
Information Systems Specialist	1	118,082	143,541	56.77	69.01				
Information Systems Technician	1	70,306	85,458	33.80	41.09				
Legal Administrative Assistant	1	63,690	77,418	30.62	37.22				
Payroll Technician	1	51,002	62,005	24.52	29.81				
Procurement Coordinator	1	99,341	120,744	47.76	58.05				
Programming and Grants Manager	1	130,354	158,434	62.67	76.17				
Real Estate Officer	1	73,861	89,794	35.51	43.17				
Real Estate Manager	1	147,451	179,254	70.89	86.18				
Human Resources Technician	1	63,690	77,418	30.62	37.22	Title Change			
Safety & Compliance Officer	1	121,056	147,118	58.20	70.73	Shift From Operations			
Senior Administrative Analyst	1	87,797	106,725	42.21	51.31				
Senior Planner	1	92,248	112,133	44.35	53.91				
Supervising Accountant	1	85,654	104,125	41.18	50.06				

Subtotal Administrative Full Time Equivalents (FTE)

34.5

Table 5 : Continued on Next Page (Page 1 of 2)

TABLE 5:

Fiscal Year 2018-19: Proposed Position Authorization						
Position	FTE	Salary Range Annual		Salary Range: Hourly		CHANGE
		Low	High	Low	High	CHAITGE
CAPITAL POSITIONS						
Assistant Engineer *	5	83,574	101,587	40.18	48.84	
Associate Engineer*	1	99,341	120,744	47.76	58.05	
Chief Engineer	1	175,282	213,075	84.27	102.44	
Deputy Project Manager *	1	175,282	213,075	84.27	102.44	
Junior Engineer *	1	73,861	89,794	35.51	43.17	
Manager Train Control Systems	1	175,282	213,075	84.27	102.44	
Project Extra hires *		Up to amount	50,000			
Construction Engineer *	1	109,658	133,286	52.72	64.08	

Subtotal Capital Full Time Equivalents (FTE)

11

OPERATIONS POSITIONS						
Administrative Assistant	1	46,218	56,181	22.22	27.01	Added One
Administrative Services Manager	1	83,574	101,587	40.18	48.84	
Assistant Superintendent of Transportation	1	101,837	123,760	48.96	59.50	
Bridge Tender*	2.5	-	58,531	-	28.14	
Controller /Supervisor	10	89,565	108,867	43.06	52.34	
Conductor**	11	66,123	77,792	31.79	37.40	
Engineer-Conductor**	29	79,498	93,517	38.22	44.96	Added Four
Extra Hires Operations		Up to amount	350,000			Revised Amount
Facilities Maintenance Supervisor	1	92,248	112,133	44.35	53.91	
Facilities Maintenance Technician	3	-	73,070	-	35.13	Added One
Laborers	10	-	53,206	-	28.14	Added Three
Operations Manager	1	175,282	213,075	84.27	102.44	
Parts Clerk	2	57,699	70,138	27.74	33.72	
Railroad Information Systems Specialist	1	104,374	126,859	50.18	60.99	
Signal Supervisor	2	99,341	120,744	47.76	58.05	
Signal Technician	9	-	100,734	-	48.43	
Superintendent of Vehicle Maintenance	1	121,056	147,118	58.20	70.73	
Superintendent of Transportation	1	121,056	147,118	58.20	70.73	
Superintendent Signals and Way	1	121,056	147,118	58.20	70.73	
Track Maintainer	5	-	76,794	-	36.92	
Track Maintenance Supervisor	2	91,790	111,592	44.13	53.65	
Vehicle Maintenance Supervisor	4	94,536	114,941	45.45	55.26	
Vehicle Maintenance Technician	12	-	93,558	_	44.98	Added Two

Subtotal Operations Full Time Equivalents (FTE)**

99.5 **See footnote

145

^{*} Denotes Limited-Term Position Dependent on Project need

 $^{{\}bf **} \ {\bf Engineer/Conductor} \ \ {\bf may} \ {\bf be} \ {\bf filled} \ {\bf by} \ {\bf Conductors}, \ {\bf Total} \ {\bf FTE} \ \ {\bf for} \ {\bf both} \ {\bf positions} \ {\bf combined} \ {\bf is} \ {\bf 29}$



Debora Fudge, Chair

Sonoma County Mayors' and Councilmembers Association

Judy Arnold, Vice Chair

Marin County Board of Supervisors

Damon Connolly

Marin County Board of Supervisors

Jim Eddie

Golden Gate Bridge, Highway/Transportation District

Dan Hillmer

Marin County Council of Mayors and Councilmembers

Eric Lucan

Transportation Authority of Marin

Jake Mackenzie

Sonoma County Mayors' and Councilmembers Association

Barbara Pahre

Golden Gate Bridge, Highway/Transportation District

Gary Phillips

Transportation Authority of Marin

David Rabbitt

Sonoma County Board of Supervisors

Carol Russell

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

May 16, 2018

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

SUBJECT: Budget Amendment to SMART Personnel Allocations

Dear Board Members:

RECOMMENDATION:

Approve Resolution Number 2018-11 authorizing addition of one (1) Engineer-Conductor position in the Fiscal Year 2017-18 budget.

SUMMARY:

As presented during the budget item on your agenda today, we are proposing the addition of four Engineer-Conductors to our staffing. This change would mean that there would be 29 Full-time Engineer-Conductor positions authorized in the new, FY 2018-19 budget.

Although the Board has yet to vote on the entire budget proposal, we are recommending the early approval of one new Engineer-Conductor in advance of the new budget due to an unusual circumstance. As you know, we have had great success with hiring exceptional individuals whose skills at both train operation and handling the public are second to none. However, because of the cost of living in the Bay Area, we have lost a number of employees who could not find adequate affordable housing. We were recently contacted by one such former employee who desires to return to SMART. Because our positions are currently full, we do not have the ability to hire any new Engineer-Conductors. We would like to be able to bring this employee back as soon as possible because he has already been trained on our equipment and is familiar with our system. We believe that this additional position would be valuable in our efforts to fully staff our current schedule without stretching staff too thin.

FISCAL IMPACT: Minimal current year cost will be offset by budgetary salary savings. Annual salary and benefit cost increase in next fiscal year for one additional Engineer Conductor is \$140,276.

REVIEWED BY: [x] Finance ______

Very truly yours,

Lisa Hansley

Human Resources Manager

Attachment(s): Resolution No. 2018-11 Amending the Annual Budget for Fiscal Year 2017-18

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, AMENDING RESOLUTION NO. 2017-05 TO REVISE THE ANNUAL BUDGET FOR FISCAL YEAR 2017-18 TO PROVIDE FOR REVISED POSITION AUTHORITY

WHEREAS, as part of its approval of the Annual Budget for Fiscal Year 2017-18, the Board duly considered the annual expenditures necessary for the Sonoma-Marin Area Rail Transit District; and

WHEREAS, on June 21, 2017, the Board adopted Resolution No. 2017-05 approving the Annual Budget for Fiscal Year 2017-18; and

WHEREAS, Resolution No. 2017-05 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 revised position authority.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Year 2017-18 Budget for the Sonoma-Marin Area Rail Transit District attached as Exhibit A to Resolution No. 2017-05 is hereby amended to revise Table 4, Fiscal Year 2017-18 Proposed Position Authorizations, to reflect position authorization shown below:

POSITION	FTE	An	Annual Hourly		
		Low	High	Low	High
Engineer-Conductor**	26	79,498	93,517	38.22	44.96

BE IT FURTHER RESOLVED except as specifically amended or supplemented by this Resolution, Resolution No. 2017-05, 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. 2017-05.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Sonoma-Marin Area Rail Transit District held on the 16th day of May, 2018, by the following vote:

DIRECTORS: AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	Debora Fudge, Chair, Board of Directors Sonoma-Marin Area Rail Transit District
ATTEST:	
Leticia Rosas-Mendoza, Clerk of the Board of Directors	
Sonoma-Marin Area Rail Transit District	



Debora Fudge, Chair

Sonoma County Mayors' and Councilmembers Association

Judy Arnold, Vice Chair

Marin County Board of Supervisors

Damon Connolly

Marin County Board of Supervisors

Jim Eddie

Golden Gate Bridge, Highway/Transportation District

Dan Hillmer

Marin County Council of Mayors and Councilmembers

Eric Lucan

Transportation Authority of Marin

Jake Mackenzie

Sonoma County Mayors' and Councilmembers Association

Barbara Pahre

Golden Gate Bridge, Highway/Transportation District

Gary Phillips

Transportation Authority of Marin

David Rabbitt

Sonoma County Board of Supervisors

Carol Russell

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 May 16, 2018

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

SUBJECT: Senate Bill 1029 North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marin Area Rail Transit

Dear Board Members:

RECOMMENDATIONS:

Adopt a support position on Senate Bill 1029. This measure would implement needed changes in the public administration and preservation of the North Coast Rail Corridor.

BACKGROUND:

Existing law created the North Coast Railroad Authority ("Authority") with various powers and duties relating to rail service in the north coast area of the state, including the authority to acquire, own, operate, and lease real and personal property reasonably related to the operation and maintenance of railroads.

This bill would require the authority, before April 1, 2019, to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to both its right-of-way south of a point in the City of Willits and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District, and to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its right-of-way north of that point in the City of Willits to the Department of Transportation. The bill would abolish the authority after those transfers are made.

Existing law created, within the Counties of Sonoma and Marin, the Sonoma-Marin Area Rail Transit District ("District"), which is governed by a 12-member board of directors, with specified duties and powers. Existing law requires the district to work with specified authorities to achieve a safe, efficient, and compatible system of passenger and freight rail service and authorizes the district to own, operate, manage, and maintain a passenger rail system within the territory of the district.

This bill would additionally require the district to consider the need and financing for employee workforce housing and would add an additional member to the district's board of directors, to be appointed by the Mendocino County Board of Supervisors. The bill would authorize the District to provide freight services and require the district to conduct a freight rail study incorporating the entire right-of-way south of Willis. The bill would also make various conforming changes to the district's provisions relating to the abolishment of the North Coast Rail Authority. The bill would repeal the requirement that the district obtain coverage for itself and its employees under certain federal laws.

Because this bill would impose new requirements on local entities, it would impose a state-mandate on local programs. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

As it specifically pertains to the District the intent of the Legislature is to do all of the following:

- Transfer the North Coast Railroad Authority's real property, rail assets, rail easements, and right-of-way south of mile post 142.5 in Willits, California, to the Sonoma-Marin Area Rail Transit District for the purposes of creating and maintaining a passenger and freight railroad service and trail system.
- Provide funding for the construction and maintenance of the systemwide trail and railroad line, including funding for any related design needs, environmental assessment, permits, mitigation measures, or associated property interests

In addition, the legislation would make conforming changes to the District existing legislation as follows:

Section 105001 of the Public Utilities Code is amended to read:

■ 105001. It is the intent of the Legislature in enacting this part to provide for a unified, comprehensive institutional structure for the ownership and governance of a passenger rail system within the Counties of Sonoma and Marin and a freight service that operates upon the same rail line and serves the Counties of Humboldt, Marin, Mendocino, Napa, and Sonoma.

Section 105003 of the Public Utilities Code is amended to read:

105003. As used in this part, the following terms have the following meanings:

- "District" means the Sonoma-Marin Area Rail Transit District.
- "Rail transit" means the transportation of passengers and their incidental baggage by rail and provision of freight service by rail.
- "Rail transit works" or "rail transit facilities" means any or all real and personal property, equipment, rights, or interests owned or to be acquired by the district for rail transit service purposes, including ancillary bicycle and pedestrian pathways that provide connections between and access to station sites.
- "Board of directors," "board," or "directors" means the board of directors of the district.
- "Public agency" includes the state, and any county, city and county, city, district, or other political subdivision or public entity of, or organized under the laws of, this state, or any department, instrumentality, or agency thereof.

Section 105032 of the Public Utilities Code is amended to include authority to:

Consider the need and financing for employee workforce housing.

Section 105088 is added to the Public Utilities Code, to read:

105088. upon receiving the North Coast Railroad Authority's rights, privileges, and responsibilities relating to the authority's right-of-way south of mile post 142.5 in the City of Willits pursuant to Section 93030 of the Government Code, and upon receiving funding, the district shall do all of the following:

- Conduct a freight rail study incorporating the portion of the right-of-way between mile post 0.0 and mile post 142.5.
- Create or assign the positions of trail manager and freight rail manager.
- Before January 1, 2020, and annually thereafter, submit a report to the Legislature, in compliance with Section 9795 of the Government Code, describing its progress towards fulfilling the requirements and goals relating to the right-of-way.

CURRENT STATUS:

On April 10, 2018, the bill was heard and approved by the Senate Transportation and Housing Committee. On April 24, 2018, the bill was heard and approved by the Senate Natural Resources and Water Committee. The bill is scheduled for hearing at the Senate Appropriation Committee on May 14, 2018. We will provide you with and an update on that hearing.

FISCAL IMPACT:

As the bill continues to move through the legislation process, we will monitor and coordinate with Senator McGuire to insure appropriate funding is allocated to SMART.

Very truly yours,

Farhad Mansourian General Manager

Attachment(s): Senate Bill 1029





Home

Bill Information

California Law

Publications

Other Resources

My Subscriptions

My Favorites

SB-1029 North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marin Area Rail Transit District. (2017-2018)

SHARE THIS:





Date Published: 04/30/2018 02:00 PM

AMENDED IN SENATE APRIL 30, 2018

AMENDED IN SENATE APRIL 16, 2018

AMENDED IN SENATE APRIL 05, 2018

AMENDED IN SENATE MARCH 15, 2018

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

SENATE BILL

No. 1029

Introduced by Senator McGuire

February 08, 2018

An act to add Section 14111 to, and to add Chapter 4 (commencing with Section 93030) to Title 12 of, the Government Code, to add Chapter 14 (commencing with Section 5880) to Division 5 of, and to repeal Section 5883 of, the Public Resources Code, and to amend Sections 105001, 105003, 105012, 105020, 105032, and 105095 of, to add Section 105088 to, and to repeal Sections 105104, 105105, and 105180 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1029, as amended, McGuire. North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marin Area Rail Transit District.

(1) Existing law creates the North Coast Railroad Authority with various powers and duties relating to rail service in the north coast area of the state, including the authority to acquire, own, operate, and lease real and personal property reasonably related to the operation and maintenance of railroads.

This bill would require the authority, before April 1, 2019, to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to both its right-ofway south of a point in the City of Willits and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District, and to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its right-of-way north of that point in the City of Willits to the Department of Transportation. The bill would abolish the authority after those transfers are made.

(2) Existing law establishes the Active Transportation Program, within the Department of Transportation, to fund projects that promote active modes of transportation, such as biking and walking.

This bill would require the department, within 2 years of being transferred the rights, privileges, and responsibilities relating to the northern right-of-way described in paragraph (1), to inventory any parcel or contract related to the right-of-way and complete an environmental assessment of the right-of-way. The bill would require the department, before January 1, 2021, to transfer those rights, privileges, and responsibilities to the Great Redwood Trail Agency.

This bill would create the Great Redwood Trail Agency, and provide for the appointment of its board of directors. The bill would require the agency, upon 4 board members joining the agency's initial board of directors, to advise the department on certain issues relating to the northern right-of-way. The bill would require the agency to create and maintain a trail in, or next to, the northern right-of-way. The bill would require the agency to complete the railbanking process on a portion of the northern right-of-way, and would authorize the agency to contract with an operator to operate freight or excursion rail service on the remaining portion of the northern right-of-way, as specified.

(3) Existing law creates, within the Counties of Sonoma and Marin, the Sonoma-Marin Area Rail Transit District, which is governed by a 12-member board of directors, with specified duties and powers. Existing law requires the district to work with specified authorities to achieve a safe, efficient, and compatible system of passenger and freight rail service and authorizes the district to own, operate, manage, and maintain a passenger rail system within the territory of the district.

This bill would additionally require the district to provide consider the need and financing for employee workforce housing and the means to finance it, housing, and would add a member to the district's board of directors, to be appointed by the Mendocino County Board of Supervisors. The bill would require the district to conduct a freight rail study incorporating the entire length of the southern right-of-way transferred to the district as described in paragraph (1). The bill would also make various conforming changes to the district's provisions relating to the abolishment of the North Coast Rail Authority. The bill would repeal the requirement that the district obtain coverage for itself and its employees under certain federal laws.

(4) Because this bill would impose new requirements on local entities, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This bill shall be known, and may be cited, as the Great Redwood Trail Act.

SEC. 2. It is the intent of the Legislature to do all of the following:

- (a) Create a systemwide hiking, biking, and riding trail along or parallel to the North Coast Railroad Authority's railroad tracks on the north coast.
- (b) Settle all liabilities, debts, contractual obligations, and leasehold interests held by the Northwestern Pacific Railroad Company, and other legal obligations of the North Coast Railroad Authority, transfer the authority's assets and the right-of-way as provided for in this act, and abolish the North Coast Railroad Authority, which was established by statute in 1989.
- (c) Transfer the North Coast Railroad Authority's real property, rail assets, rail easements, and right-of-way south of mile post 142.5 in Willits, California, to the Sonoma-Marin Area Rail Transit District for the purposes of creating and maintaining a passenger and freight railroad service and trail system.
- (d) Provide funding for the construction and maintenance of the systemwide trail and railroad line, including funding for any related design needs, environmental assessment, permits, mitigation measures, or associated property interests.
- (e) Create the Great Redwood Trail Agency, which will be responsible for constructing and maintaining a hiking, biking, and riding trail in the northern portion of the right-of-way, from mile post 142.5 to mile post 300.5.

- (f) Transfer the northern portion of the North Coast Railroad Authority's right-of-way, from mile post 142.5 to mile post 300.5, to the Department of Transportation for a period of not more than two years, and then have it transferred to the Great Redwood Trail Agency.
- (g) Ensure each portion of the right-of-way not used for rail is railbanked or otherwise used as a trail.
- (h) Ensure each portion of the right-of-way used for rail also has a trail created and maintained in, or next to, it.
- (i) (1) Provide for the creation of the trail as a multiuse trail wherever practical, provide a safe, continuous alignment with appropriate and flexible design standards for site conditions, and support the intended uses of the trail.
- (2) Provide for the specific trail use types, including hiking, biking, and equestrian uses, to be determined by site specific studies and a broad community engagement process.
- (j)Any successor agency to North Coast Railroad Authority shall be subject to the California Environmental Quality Act (CEQA), to the extent indicated by Friends of the Eel River v. North Coast Railroad Authority (2017) 3 Cal.5th 677.
- SEC. 3. Section 14111 is added to the Government Code, to read:
- **14111.** (a) Within two years of receiving the North Coast Railroad Authority's rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to the authority's right-of-way north of mile post 142.5 in the City of Willits, including any associated branch or spur lines, pursuant to Section 93031, the department shall do both of the following:
- (1) Inventory any parcel or contract related to the right-of-way.
- (2) Complete an environmental assessment of the right-of-way.
- (b) Before January 1, 2021, and after receiving notice from the Great Redwood Trail Agency pursuant to Section 5884 of the Public Resources Code, the department shall transfer those rights, privileges, and responsibilities described in subdivision (a) to the Great Redwood Trail Agency.
- SEC. 4. Chapter 4 (commencing with Section 93030) is added to Title 12 of the Government Code, to read:

CHAPTER 4. Abolishment

- 93030. Before April 1, 2019, the authority shall transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to both its right-of-way south of mile post 142.5 in the City of Willits, including any associated real property, rail easements, and branch or spur lines, and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District created pursuant to Section 105010 of the Public Utilities Code.
- **93031.** Before April 1, 2019, the authority shall transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its right-of-way north of mile post 142.5 in the City of Willits, including any associated branch or spur lines, to the Department of Transportation.
- **93032.** In making the transfers pursuant to Sections 93030 and 93031, the authority shall transfer all of its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to any right-of-way.
- 93033. Upon making all of the transfers described in this chapter, the authority shall be abolished.
- SEC. 5. Chapter 14 (commencing with Section 5880) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 14. Great Redwood Trail Agency

- **5880.** The Great Redwood Trail Agency is hereby created.
- 5881. For purposes of this chapter, the following definitions shall apply:
- (a) "Agency" means the Great Redwood Trail Agency.

- (b) "Board" means the agency's board of directors described in Section 5882.
- (c) "Department" means the Department of Transportation.
- (d) "Right-of-way" means the entire length of the right-of-way transferred to the department pursuant to Section 93031 of the Government Code.
- **5882.** The agency shall be governed by a board of directors, composed as follows:
- (a) The Governor shall appoint two board members, one representing the department and one representing the Natural Resources Agency, who are knowledgeable about trails, parks, railroads, or rivers.
- (b) The Senate Committee on Rules shall appoint one board member who is knowledgeable about trails, parks, railroads, or rivers.
- (c) The Speaker of the Assembly shall appoint one board member who is knowledgeable about trails, parks, railroads, or rivers.
- (d) The Board of Supervisors of the County of Mendocino may appoint one board member.
- (e) The Board of Supervisors of the County of Humboldt may appoint one board member.
- (f) ____ may appoint one board member.
- 5883. (a) Upon four board members joining the agency's initial board, the agency shall advise the department on issues relating to railbanking and the creation and maintenance of a trail in, or next to, the right-of-way.
- (b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.
- 5884. (a) Before January 1, 2021, the board of directors shall notify the department that the agency is ready to assume ownership of the right-of-way.
- (b) Upon the department making the transfer described in Section 14111 of the Government Code, the agency shall assume ownership of the right-of-way.
- 5885. The agency shall do all of the following:
- (a) For the portion of the right-of-way between mile post 142.5 and mile post 284, including any associated branch or spur lines, the agency shall complete the railbanking process on, and create and maintain a trail in, or next to, that portion of the right-of-way. The agency may contract with a trail manager or organization to meet the requirements of this subdivision.
- (b) For the portion of the right-of-way between mile post 284 and mile post 300.5, including any associated branch or spur lines, the agency shall create and maintain a trail in, or next to, that portion of the right-of-way, and may contract with a trail manager or organization to meet these requirements. The agency may contract with an operator to operate freight or excursion rail service on this portion of the right-of-way, except that the service shall not interfere with or harm the agency's trail.
- (c) Before January 1, 2020, and annually thereafter, submit a report to the Legislature, in compliance with Section 9795 of the Government Code, describing its progress towards fulfilling the requirements and goals relating to the right-of-way.
- 5886. The agency shall have and may exercise all rights and powers, expressed or implied, necessary to carry out the purposes and intent of this chapter, including, but not limited to, to enter into and perform all necessary contracts pursuant to Article 53.5 (commencing with Section 20815) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code.
- 5887. The agency shall be subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).
- SEC. 6. Section 105001 of the Public Utilities Code is amended to read:
- 105001. It is the intent of the Legislature in enacting this part to provide for a unified, comprehensive institutional structure for the ownership and governance of a passenger rail system within the Counties of Sonoma and Marin

and a freight service that operates upon the same rail line and serves the Counties of Humboldt, Marin, Mendocino, Napa, and Sonoma.

SEC. 7. Section 105003 of the Public Utilities Code is amended to read:

105003. As used in this part, the following terms have the following meanings:

- (a) "District" means the Sonoma-Marin Area Rail Transit District.
- (b) "Rail transit" means the transportation of passengers and their incidental baggage by rail and provision of freight service by rail.
- (c) "Rail transit works" or "rail transit facilities" means any or all real and personal property, equipment, rights rights, or interests owned or to be acquired by the district for rail transit service purposes, including ancillary bicycle and pedestrian pathways that provide connections between and access to station sites.
- (d) "Board of directors," "board," or "directors" means the board of directors of the district.
- (e) "Public agency" includes the state, and any county, city and county, city, district, or other political subdivision or public entity of, or organized under the laws of, this state, or any department, instrumentality, or agency thereof.

SEC. 8. Section 105012 of the Public Utilities Code is amended to read:

- 105012. (a) Upon the dissolution of the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, the district shall succeed to any or all of the powers, duties, rights, obligations, liabilities, indebtedness, bonded and otherwise, immunities, and exemptions of the commission and its board of commissioners and the authority and its board of directors.
- (b) Upon the dissolution of the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, the district shall assume the rights and obligations of the commission and the authority under any contract to which the commission or the authority is a party and-which that is to be performed, in whole or in part, on or after the date of dissolution of the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority.
- (c) All real and personal property owned by the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority may be transferred to the district.
- (d) Upon the dissolution of the Sonoma-Marin Area Rail Transit Commission, the district shall assume, without any condition whatsoever, all responsibilities and obligations previously assumed by the commission with respect to its fund transfer agreement with the Department of Transportation for the funding of the Sonoma-Marin Area Rail Transit Project.
- (e) On and after the date of dissolution of the Sonoma-Marin Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, any reference in any provision of law or regulation to the commission or the authority shall be deemed to refer to the district.

SEC. 9. Section 105020 of the Public Utilities Code is amended to read:

105020. The government of the district shall be vested in a board of directors, which shall consist of 12 or 13 members, appointed as follows:

- (a) Two members of the Sonoma County Board of Supervisors, each of whom shall also serve on the Board of Directors of the Sonoma County Transportation Authority, appointed by the Sonoma County Board of Supervisors.
- (b) Two members of the Marin County Board of Supervisors, appointed by the Marin County Board of Supervisors.
- (c) Three members, each of whom shall be a mayor or council member of a city or town within the County of Sonoma, appointed by the Sonoma County Mayors and Council Members Association or its successor, provided the following conditions are met:
- (1) At least two members are also city representatives for the Sonoma County Transportation Authority.
- (2) All of the members are from cities on the rail line in Sonoma County.
- (3) No city has more than one member.

- (d) The member of the City Council of the City of Novato who also serves on the Marin County Congestion Management Agency, appointed by the Marin County Congestion Management Agency or its successor.
- (e) The member of the City Council of the City of San Rafael who also serves on the Marin County Congestion Management Agency, appointed by the Marin County Congestion Management Agency or its successor.
- (f) One member, who shall be a mayor or council member of a city or town within the County of Marin and a member of the Marin County Congestion Management Agency, appointed by the Marin County Council of Mayors and Council Members or its successor.
- (g) Two members of the Golden Gate Bridge, Highway and Transportation District, neither of whom shall be a member of the Marin or Sonoma County Boards of Supervisors, appointed by the Golden Gate Bridge, Highway and Transportation District or its successor.
- (h) One member appointed by the Mendocino County Board of Supervisors, if it chooses to do so.
- SEC. 10. Section 105032 of the Public Utilities Code is amended to read:
- 105032. It shall be the duty of the board and it shall have the power to:
- (a) Own, operate, manage, and maintain a passenger rail system within the territory of the district.
- (b) Determine the rail transit facilities, including ancillary bicycle and pedestrian pathways, to be acquired and constructed by the district, the manner of operation, and the means to finance them.
- (c) Adopt an annual budget for the district that provides for the compensation of its officers and employees.
- (d) Fix rates, rentals, charges, and classifications of rail transit service operated by the district.
- (e) Adopt an administrative code that prescribes the powers and duties of district officers, the method of appointment of district employees, and the methods, procedures, and systems for the operation and management of the district.
- (f) Adopt rules and regulations governing the use of rail transit facilities owned or operated by the district.
- (g) Cause a postaudit of the financial transactions and records of the district to be made at least annually by a certified public accountant.
- (h) Adopt rules and regulations providing for the administration of employer-employee relations.
- (i) Provide Consider the need and financing for employee workforce housing and the means to finance it. housing.
- (j) Do any and all things necessary to carry out the purposes of this part.
- **SEC. 11.** Section 105088 is added to the Public Utilities Code, to read:
- 105088. Upon receiving the North Coast Railroad Authority's rights, privileges, and responsibilities relating to the authority's right-of-way south of mile post 142 142.5 in the City of Willits pursuant to Section 93030 of the Government Code, and upon receiving funding, the district shall do all of the following:
- (a) Conduct a freight rail study incorporating the entire length portion of the right-of-way. right-of-way between mile post 0.0 and mile post 142.5.
- (b) Create or assign the positions of trail manager and freight rail manager.
- (c) Before January 1, 2020, and annually thereafter, submit a report to the Legislature, in compliance with Section 9795 of the Government Code, describing its progress towards fulfilling the requirements and goals relating to the right-of-way.
- SEC. 12. Section 105095 of the Public Utilities Code is amended to read:
- 105095. The district may provide a rail transit system for the transportation of passengers and their incidental baggage by rail and provision of freight service by rail.
- SEC. 13. Section 105104 of the Public Utilities Code is repealed.
- SEC. 14. Section 105105 of the Public Utilities Code is repealed.

SEC. 15. Section 105180 of the Public Utilities Code is repealed.

SEC. 16. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.