



**BOARD OF DIRECTORS
MEETING AGENDA
May 19, 2021 – 1:30 PM**

**IN ACCORDANCE WITH GOVERNOR’S EXECUTIVE ORDERS N-25-20 AND N-29-20
THE SMART BOARD OF DIRECTORS MEETING WILL BE HELD VIRTUALLY**

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

[ZOOM TELECONFERENCE INSTRUCTIONS](#)

PUBLIC COMMENT PRIOR TO MEETING:

If you wish to make a comment you are strongly encouraged to please submit your comment by 5:00 p.m. on Tuesday, May 18, 2021 at <https://www.surveymonkey.com/r/SMARTBoardComments>

PUBLIC COMMENT DURING THE MEETING:

The SMART Board Chair will open the floor for public comment during the Public Comment periods on the agenda. Please check and test your computer settings so that your audio speaker and microphones are functioning. Speakers are asked to limit their comments to two (2) minutes. The amount of time allocated for comments during the meeting may vary at the Chairperson’s discretion depending on the number of speakers and length of the agenda.

1. Call to Order
2. Approval of the May 5, 2021 Board Minutes
3. Board Member Announcements
4. General Manager’s Report
5. Public Comment on Non-Agenda Items
6. Consent Calendar
 - a. Accept Monthly Ridership Report – April 2021
 - b. Adopt a Resolution to Amend the Budgeted Administrative Salary Ranges to Create a Range for the Position of General Manager
 - c. Authorize the General Manager to Execute Contract No. HR-PS-21-004 with KL2 Connects LLC to provide executive recruitment services for the position of General Manager with a maximum not-to-exceed amount of \$48,450

Consent Calendar Con't

- d. Approve a Resolution Authorizing the Submittal of an Affordable Housing Sustainable Communities grant to the State of California Strategic Growth Council and Department of Housing and Community Development to construct the SMART Pathway crossing of McDowell Boulevard and the SMART second Petaluma Station at Corona Road

Regular Calendar

7. Authorize the General Manager to Execute Contact Amendment No. 1 in the amount of \$158,075 to the existing Consultant Services contract with Civic Edge Consulting for marketing support services for a total not-to-exceed amount of \$258,050
8. Fiscal Year 2022 Draft Budget (*Discussion*)
9. Update on Schedule, Weekend Service and Fare Incentives (*Discussion*)
10. Next Regular Meeting of the Board of Directors, June 2, 2021 – 1:30 PM
11. Adjournment

DISABLED ACCOMODATIONS:

Upon request, SMART will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, service or alternative format requested at least two (2) days before the meeting. Requests should be emailed to Leticia Rosas-Mendoza, Clerk of the Board at lrosas-mendoza@sonomamarintrain.org or submitted by phone at (707) 794-3072. Requests made by mail SMART's, 5401 Old Redwood Highway, Suite 200, Petaluma, CA 94954 must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.



**BOARD OF DIRECTORS
REGULAR MEETING MINUTES
May 5, 2021 - 1:30 PM**

**IN ACCORDANCE WITH GOVERNOR’S EXECUTIVE ORDERS N-25-20 AND N-29-20
THE SMART BOARD OF DIRECTORS MEETING WILL BE HELD VIRTUALLY**

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

1. Call to Order

Vice Chair Pahre called the meeting to order at 1:30pm. Directors Colin, Connolly, Fudge, Garbarino, Gorin, Hillmer and Lucan were present; Director Arnold joined later; Directors Bagby, Rogers and Rabbitt absent.

2. Approval of the April 21, 2021 Board Minutes

MOTION: Director Hillmer moved approval of April 21, 2021 Board Minutes as presented. Director Garbarino second. The motion carried 8-0 (Director Arnold joined later; Directors Bagby, Rogers and Rabbitt absent).

3. Board Members Announcements

None

4. General Manager’s Report

General Manager Mansourian reported that since the start of passenger service in August 2017, SMART has carried 1,970,000 passengers, 205,000 bicycles, and over 7,300 wheelchairs.

He stated that SMART has received many phone inquiries regarding resuming weekend service, especially with the gorgeous weather. He said that we have staff, and we are ready to go; we are waiting for more businesses to open and he is coordinating with his colleague at Golden Gate Bridge, the City and County of San Francisco to see when they're opening other events. We are very anxious as well, and we will have more information, especially since Marin County and San Francisco are moving to yellow tier soon.

Lastly, today's meeting was designated to provide an update on Freight Service back in January when we set up our next six months of work program; unfortunately, we cannot provide a full presentation because Surface Transportation Board (STB) has not yet acted on Northwestern Pacific Railroad Company (NWPCo) Freight operators application. They have set June 11 to review the Freight operators petition for discontinuing the service. Once STB has made their decision, we will bring it to your Board for status and discussion.

5. Public Comment on Non-Agenda Items

Richard Brand stated he seen a letter to the federal Surface Transportation Board from General Manager Mansourian and does not have the date of the letter. However, the letter states that NWPCo. is owned by Woodside Consulting Group, of which he is a member, and the letter addresses issues. He thinks it's the responsibility of the General Manager to address the public in a public meeting when communication is sent to a federal agency.

Director Arnold joined at 1:37pm

Vice Chair Pahre acknowledge the dozen thank you notes from the Bike Coalition members stating they appreciate the prioritization of the path in the Capital Improvement Plan. She thanked them, since it is not often that people take the time to write back and say thank you for the decisions that the Board and staff made.

General Manager Mansourian deferred Mr. Brand's question to District Counsel, Tom Lyons. Mr. Lyons responded that the letter that the public is commenting on is the verified statement that was provided to the Surface Transportation Board that was filed last week. This was part of the application for NWPCo. request for discontinued service and part of a public process with the Surface Transportation Board.

6. Consent
a. Approval of the Monthly Financial Reports

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

MOTION: Director Arnold moved approval of the Consent Agenda as presented. Director Garbarino second. The motion carried 9-0 (Directors Bagby, Rogers and Rabbitt absent).

7. Approve a Resolution Authorizing the Filing of a Grant Application for Federal Funds through Metropolitan Transportation Commission Regional Quick Strike Program to Construct the SMART Pathway - Payran to Lakeville Segment in Petaluma

Grants and Planning Manager, Joanne Parker, stated that the item before the Board is to consider approval of a resolution to support an application to construct the section of the pathway between Payran and Lakeville in Petaluma. The Metropolitan Transportation Commission (MTC) issued a call for Project Nominations for the Safe and Seamless Mobility Quick Strike Program in February 2021. They look to the region at county level transportation agencies to set priorities and submit applications directly on behalf of

sponsors to MTC. Some board members have seen this in the context of your roles on the board of the Transportation Authority of Marin and Sonoma County Transportation Authority.

This project was considered at your last month's meeting in the Capital Improvement Plan, putting some local resources towards this project to complete construction. The Metropolitan Transportation Commission is a host of local requirements even if the project is sponsored by a transit agency. The City of Petaluma in this case is a partner in this application and we were successfully considered both at the Sonoma County Transportation Authority and in the MTC staff recommendations that they released on April 23rd, this project was included in a prioritized list to be funded out of the Quick Strike Program. We attached MTC full packet of the recommendation that they submitted to one of their Technical Advisory Committees. The next step, which is this adoption of a local resolution authorizing the submittal of the application officially, and the amendment in the Transportation Improvement Program.

Comments

Steve Birdleough stated that he is happy to see this project move forward. There is a great shortage of money for these types of projects. The applications for the Active Transportation Program exceeded the amount of available money statewide. There is a proposal that is floating around right now to get \$2 billion out of the State Surplus, so that in the next cycle it will be able to fund many projects. He wanted to mention it so that everyone is aware that this is going on. He will circulate the comment letters and suggestions that are being made regarding that case.

MOTION: Director Hillmer moved to Approve a Resolution Authorizing the Filing of a Grant Application for Federal Funds through Metropolitan Transportation Commission Regional Quick Strike Program to Construct the SMART Pathway - Payran to Lakeville Segment in Petaluma as presented. Director Garbarino second. The motion carried 9-0 (Directors Bagby, Rogers and Rabbitt absent).

8. Approve a Resolution Authorizing the Filing of a Grant Application for Federal Funds through Metropolitan Transportation Commission Regional Quick Strike Program to Construct the SMART Pathway – McInnis Parkway to Smith Ranch Road Segment in San Rafael

Grants and Planning Manager, Joanne Parker stated that the item before the board is to consider approval of a resolution to support an application to construct the section of the SMART Pathway – McInnis Parkway to Smith Ranch Road Segment in San Rafael.

This segment was proposed in Marin and San Rafael between McInnis Parkway to Smith Ranch Road. You can walk all the way up to the edge of the water and where the tracks are and you could probably throw a ball over to the Marin County Regional Parks, however it is difficult to get there by walking or biking, Ms. Parker added.

This project would close that critical gap in the San Francisco Bay Trail Project, and it is also a San Francisco Bay Trail piece. SMART applied for funds to the Transportation Authority of Marin, the funds applied were more than the share that was a portion to Marin for what was considered MTC budget to Marin County.

When the scoring occurred on these projects in Marin, this segment scored second to highest, because of the cost of the project, it does cross Las Gallinas Creek it's a substantial project and has high mitigation costs. It was not funded out of the Marin share of the Quick Strike Program for the staff recommendation; however, the Quick Strike Program does have an additional \$34M funds that have been made available to continue with the programming of the submitted applications in the coming months. Ms. Parker believes that about half of that is being considered for projects that have regional significance. This is a San Francisco Bay trail gap closure project, and the San Francisco Bay trail did provide funds in 2011 to complete design on this project to get it ready for construction and has NEPA clearance on it.

She said this project should be consider separately, because this was not part of the MTC staff recommendation at the end of April; however, it is still being considered regionally and Transportation Authority of Marin's staff have asked SMART staff for further details. Staff has been able to say that because of your Capital Plan consideration last month, we do have additional local resources, we can put toward this proposal, which made our overall ask of the Quick Strike Program go down. We have re-submitted the funding plan and ask for Quick Strike funds to MTC through the Transportation Authority of Marin. This project is also a partnership with the City of San Rafael, and we will be working with them to sign a letter of support indicating the partnership.

This item is a bit premature since we do not have a staff recommendation out of MTC saying that this is funded, however, there is a tight turnaround on submitting all the required transportation improvement program requests. We thought we'd take advantage of updating you or the board in the situation and ask for your consideration of approving a local resolution to submit this grant, so staff is ready when all of the processes are in place.

Comments:

Director Colin thanked staff for bringing this to the Board to consider anytime we can close these gaps as well as help complete the Bay Area Trail is a win.

Director Connolly stated this is a good project and would be closing important gap and it is worthy of support. He stated that the staff's report indicates that previously it had not been recommended by MTC. He asked if there has been any indication from MTC staff what type of work has been done on that at this time. Ms. Parker responded that MTC staff has asked SMART to work through Transportation Authority of Marin (TAM) staff, we have been in communication with staff, they have asked us for this funding update considering our Capital Plan. Staff provided them with an updated funding request, and they have asked SMART to pursue a formal letter with the City of San Rafael indicating relationship and support in partnership. SMART staff has not been in any direct communications with MTC staff on this project. About half of the new funds that are available, are being considered

by MTC for regional projects.

Director Lucan asked if this is a different pot of funds for Quick Strike. Ms. Parker responded that it is additional funds, MTC has not adopted the full Quick Strike program. They have asked all the local sponsors to move ahead with getting local resolutions on the projects on the staff recommendation list just the prior agenda item. they also announced that they had additional funding totaling \$34 million and a proposal for how to divide and prioritize those funds. Again, half of the funds are for regionally significant projects of which Bay Trail and the SMART pathway could be considered above and beyond the budgets, the individual accounts were given so they would not remove a project from a list, it would be additive. Director Lucan asked if this would go back to the TAM Board for discussion. Ms. Parker responded that she did not know the answer, however at the prior deliberations at the TAM Board these conversations were taken into consideration and there is an additional conversation happening at the County level; she believes that will go back to the TAM board, but I she couldn't tell the date.

Director Lucan responded that they would follow up if this does come before the TAM Board, there was a discussion regarding tier one and tier two and he thinks it will be helpful for all the TAM Board members that are on SMART to get talking points should it move forward and how we can best advance.

Warren Wells stated that this is a great project and must support it to close the gap in the Bay Trail. This would allow people use the SMART pathway to avoid traveling through a freeway interchange, he is so happy to see this advancing.

Dani Sheehan asked to support this project, we need to support the closing the gaps, which is very important.

MOTION: Director Connolly moved to Approve a Resolution Authorizing the Filing of a Grant Application for Federal Funds through Metropolitan Transportation Commission Regional Quick Strike Program to Construct the SMART Pathway – McInnis Parkway to Smith Ranch Road Segment in San Rafael as presented. Director Fudge second. The motion carried 9-0 (Directors Bagby, Rogers and Rabbitt absent).

Vice Chair Pahre adjourned the Board to closed session at 1:55pm on the following:

9. Closed Session – Conference with Labor Negotiators pursuant to California Government Code Section 54957
Agency Designated Representative: Chair of the Board
Unrepresented: Position – General Manager

10. Report out of Closed Session

District Counsel, Tom Lyons reported out of closed session at 3:17pm on the following:

Closed Session – Conference with Labor Negotiators pursuant to California Government Code Section 54957

Agency Designated Representative: Chair of the Board

Unrepresented: Position – General Manager

Report Out: Direction was given to negotiator and staff, nothing to report.

11. Next Regular Meeting of the Board of Directors, May 19, 2021 – 1:30 PM

12. Adjournment – Meeting adjourned at 3:19pm

Respectfully submitted,

Leticia Rosas-Mendoza
Clerk of the Board

Approved on: _____



May 19, 2021

David Rabbitt, Chair
Sonoma County Board of Supervisors

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

Judy Arnold
Marin County Board of Supervisors

Melanie Bagby
Sonoma County Mayors' and
Councilmembers Association

Kate Colin
Transportation Authority of Marin

Damon Connolly
Marin County Board of Supervisors

Debora Fudge
Sonoma County Mayors' and
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Patty Garbarino
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Susan Gorin
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Dan Hillmer
Marin County Council of Mayors and
Councilmembers

Eric Lucan
Transportation Authority of Marin

Chris Rogers
Sonoma County Mayors' and
Councilmembers Association

Farhad Mansourian
General Manager

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Petaluma, CA 94954
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Fax: 707-794-3037
www.sonomamarintrain.org

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

SUBJECT: Monthly Ridership Report – April 2021

Dear Board Members:

RECOMMENDATIONS: Information Item

SUMMARY:

We are presenting the monthly ridership report for activity for the month of April 2021. This report shows trends in ridership for SMART by tracking Totals, Average Weekday riders, and Average Weekend/Holiday riders via the two methods we employ to track riders on a daily basis: Onboard Counts and Clipper + Mobile App paid fares. The report details bicycles and wheelchairs counted as well. We have added charts and graphs of the information to further illustrate system trends.

As discussed in prior presentations to Your Board, using both Onboard Counts and Fare collection counts of riders is necessary to track progress. Onboard Counts capture all riders, including the riders who are riding during the Free Fare Days or Free Fare Programs offered by Your Board, riders with passes who neglect to tag on or off, as well as categories of riders such as children under five years old. Therefore, Clipper + Mobile App paid fare reports do not capture all riders.

This and future reports will compare the most recent month to the same month during the prior year, as is standard industry practice for tracking trends over time. The report also shows progress so far in the Fiscal Year compared to the same time in the last Fiscal Year, to enable tracking of riders relative to budget expectations. These reports also note relevant details associated with fare program discount usage and trends in riders bringing bicycles onboard. As this data collection and reporting process evolves, we will continue to revise data discussion and presentation in the reports.

SMART's rider data for March 2021 was posted on the SMART Ridership website (<http://sonomamarintrain.org/RidershipReports>) and SMART's detailed April 2021 data will be posted once validated.

The report covers the ongoing increase of riders returning to SMART as Bay Area Counties lift their Shelter-In-Place restrictions and begin to phase the opening of restaurants, retail shops, schools, offices, and other places of work. In response to the pandemic, SMART reduced service trips offered by 62% through annulled service on weekends starting March 21, 2020, and reduced weekday services, first from 38 to 34 trips, then to 32 trips and, starting April 6, 2020, reduced weekday service to 16 trips.

FISCAL IMPACT: None

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Very truly yours,

/s/

Joanne Parker

Programming and Grants Manager

Attachment(s): Monthly Ridership Report – April 2021

SMART's April 2021 ridership was up 160% over April 2020, which was the first month to see the full impact of the COVID-19 shutdown. Average weekday ridership had been rising steadily from April until October 2020, as COVID rates improved, and then took a dip in the winter months as pandemic conditions worsened and the stay-at-home orders were renewed; however, ridership has risen steadily since February 2021, with March 2021 average weekday ridership increasing 17% over February 2021, and average weekday for April 2021 increasing 25% over March 2021.

As a reminder, SMART modified services in March 2020 due to the COVID-19 pandemic, with weekend service annulled starting March 21 & 22, 2020, and weekday service reduced first by 4 trips (down to 34) on March 23rd, then by another 18 trips, (down to 16), on April 6th. In total, SMART has reduced the number of trips from pre-pandemic by 62%.

COVID-19 related public health orders have varied slightly between Sonoma and Marin Counties, as well as across the Bay Area and State. Generally, Stay at Home were re-issued by Sonoma and Marin Counties in the third week of December 2020 and extended into January 2021, having previously been relaxed in Fall 2020. Sonoma and Marin Counties moved from the most restrictive purple tier into the red tier on February 24th and March 14th, respectively, and into the "orange tier" on March 24th and April 7th, respectively, resulting in a significant reduction of COVID restrictions and permitting many businesses to resume service for the first time in over a year. While Marin County had seen some school openings earlier in the 2020-21 school year, Sonoma County schools did not open in person until mid-April 2021 or later. Traffic levels are returning to pre-pandemic levels and transit agencies are beginning to see the first signs of ridership recovery.

MONTHLY TOTALS YEAR-OVER-YEAR	APR 2020	APR 2021	% Change
Total Ridership (Onboard Counts)	4,571	11,867	160%
Total Paid Ridership (Clipper + App Only)	4,182	11,228	168%
Average Weekday Ridership (Onboard Counts)	208	539	159%
Average Weekday Paid Ridership (Clipper + App Only)	190	509	168%
Total Bikes Onboard	958	2,244	134%
Total Wheelchairs Onboard	24	37	54%

Total ridership year-to-date is down 84%. Fare payments in April through the Clipper and SMART App systems were down 82% from the previous year. The total number of bicycles is down 71%. However, the share of riders bringing bikes on board since April 2020 has averaged 21%, which is twice the amount bringing bikes on board pre-pandemic.

APRIL 2021 (COVID-19) SMART RIDERSHIP

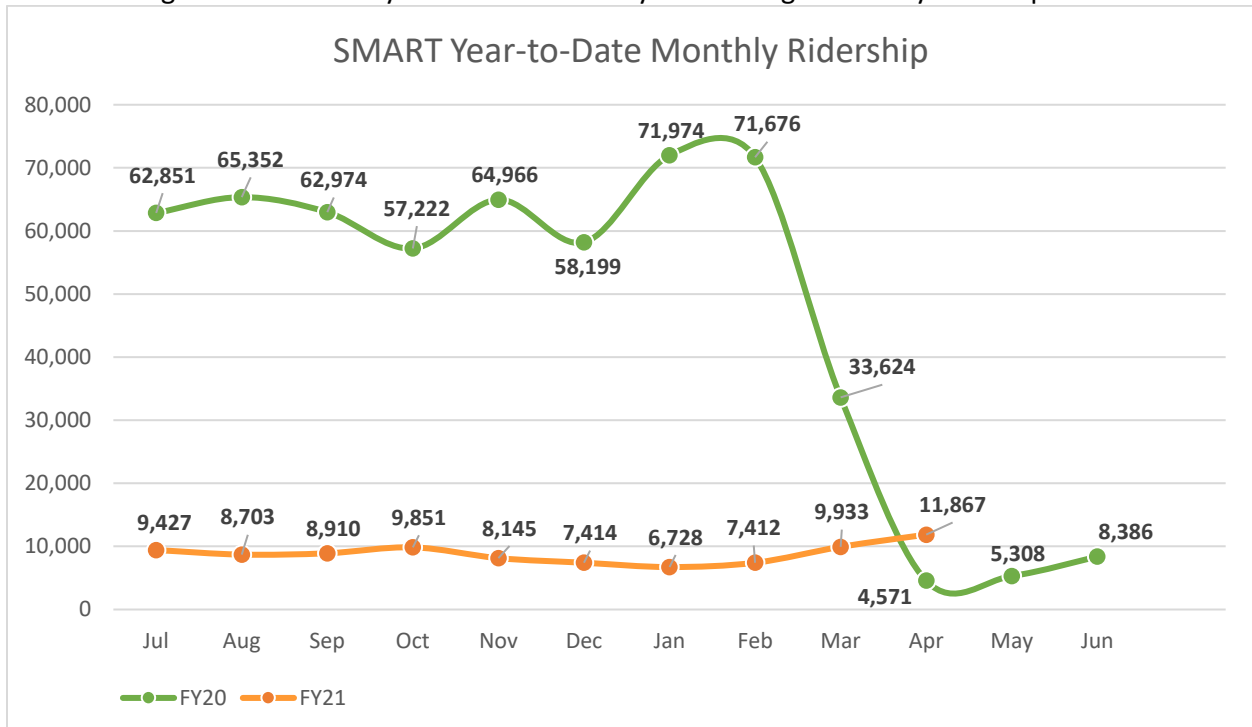
FISCAL YEAR-TO-DATE (JUL - APR)	Fiscal Year 2020	Fiscal Year 2021	% Change*
Total Ridership (Onboard Counts)	553,409	88,390	-84%
Total Paid Ridership (Clipper + App Only)	452,159	82,963	-82%
Average Weekday Ridership (Onboard Counts)	2,281	414	-82%
Average Weekday Paid Ridership (Clipper + App Only)	1,908	388	-80%
Total Bikes Onboard	61,541	18,048	-71%
Total Wheelchairs Onboard	2,086	258	-88%

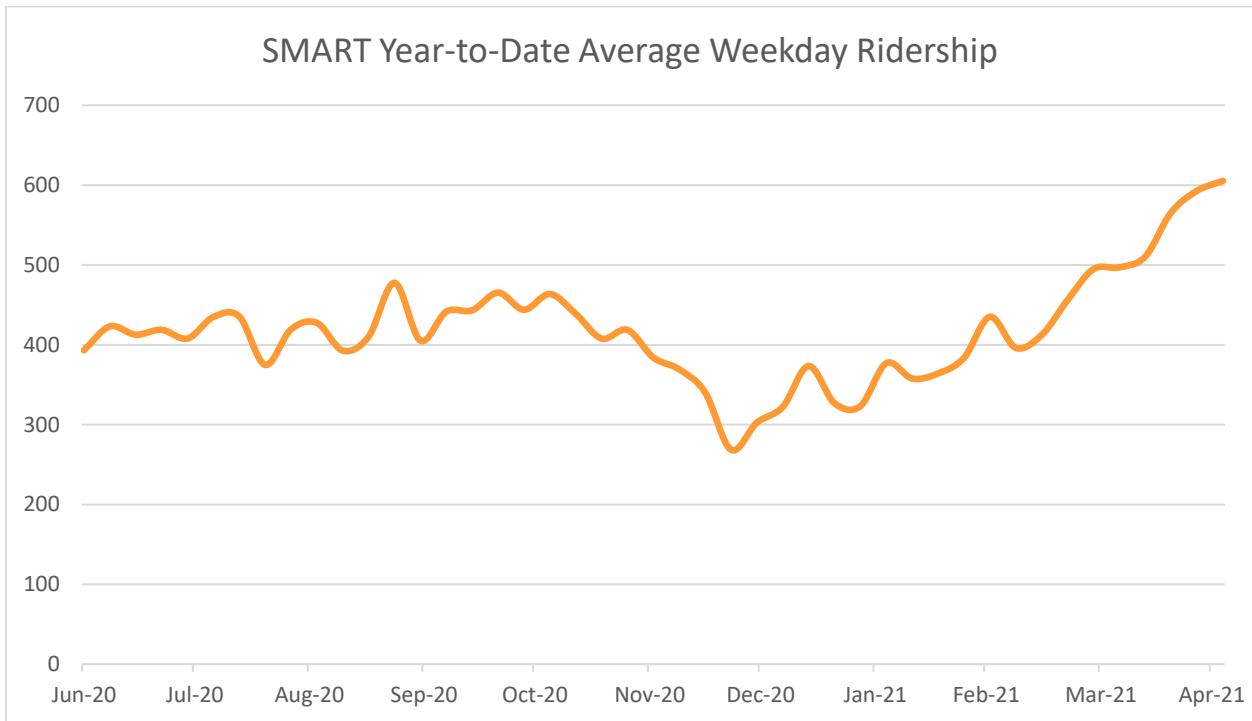
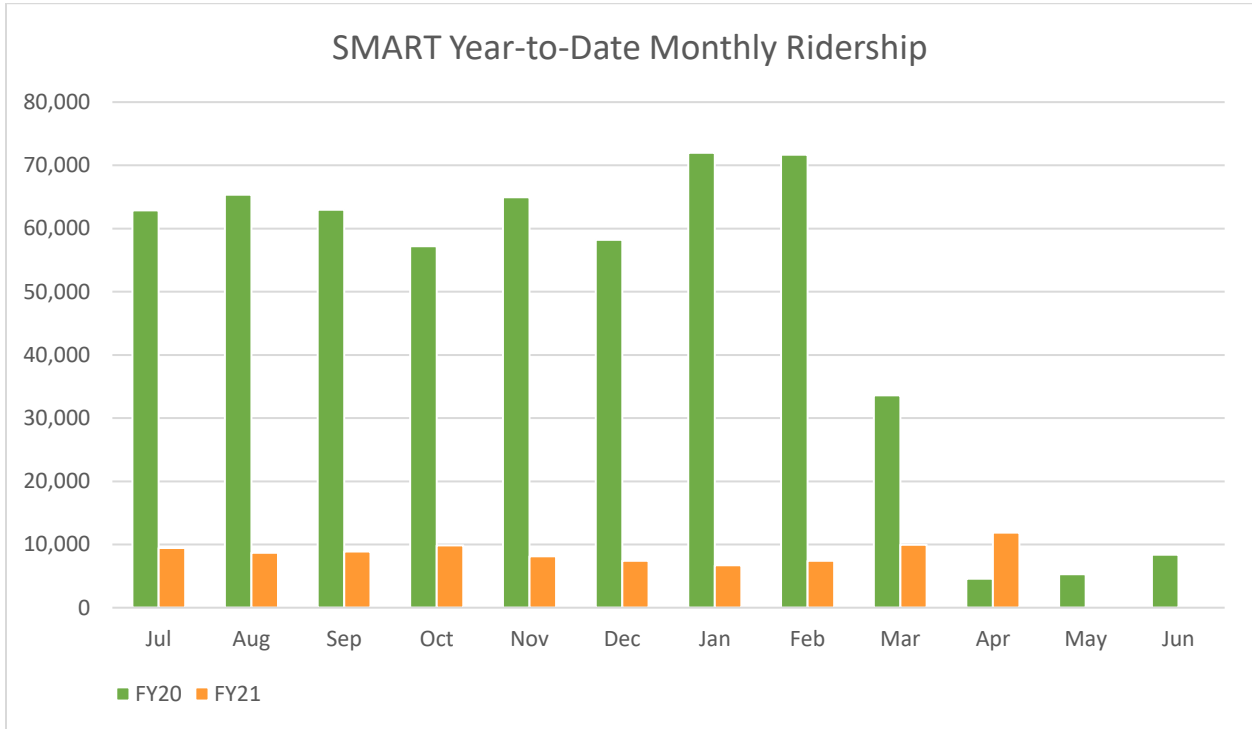
**NOTES: COVID-19 Stay at Home Orders issued third week of March 2020. SMART annulled services starting March 21. SMART experienced similar ridership reductions to other transit systems in the Bay Area and Nationally. Free fare days and free fare programs offered in Fiscal Year 2020 also contributed to lower Clipper + App numbers. Stay at Home Orders were re-issued in December 2020 and extended in January 2021.*

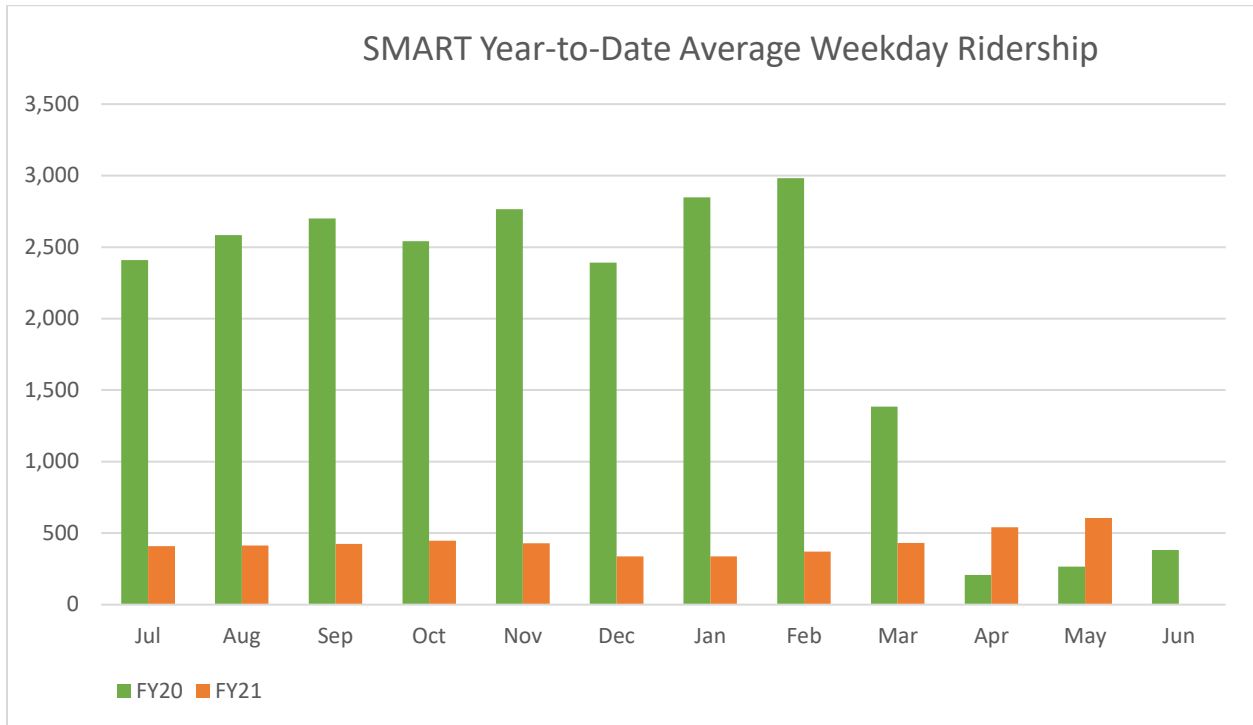
Total ridership for the month of April was 19% higher than total ridership for the month of March 2021, with slight increases in the share of Senior (11%) and Youth (10%) ridership.

In November 2020, SMART kicked off participation in the Clipper START (Low-Income) fare program, which offers a 50% discounted single fare rides to eligible adult riders. Riders using the Clipper START discount have continued to climb steadily from November 2020 (16 boardings) to April 2021 (69 boardings); however, total START program usage remains low, at 1% of total boardings.

The following charts illustrate year-to-date monthly and average weekday ridership trends.









May 19, 2021

David Rabbitt, Chair
Sonoma County Board of Supervisors

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

Judy Arnold
Marin County Board of Supervisors

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

SUBJECT: Amendment to SMART Salary Ranges

Dear Board Members:

RECOMMENDATION:

Adopt Resolution Number 2021-09 to amend the budgeted Administrative salary ranges to create a range for the position of General Manager.

SUMMARY:

On June 17, 2020, the Board adopted Resolution Number 2020-10 approving the annual budget for Fiscal Year 2020-2021, which considered the creation of employee positions and set the compensation and salary for those positions. At that time, the Board approved the position authorizations (Table 5) for Fiscal Year 2020-2021 which included the salary ranges for all budgeted positions within the District. Currently, the budgeted salary for the position of General Manager is represented as an annual rate and does not include a range with a minimum and maximum salary. On April 21, 2021, the District's current General Manager, Farhad Mansourian, announced his intent to retire when his contract expires on August 17, 2021 after ten years of service. The Board of Directors has since commenced a recruitment for the District's next General Manager.

The District reviewed executive compensation of transit agencies and reviewed the median home prices in Marin and Sonoma Counties. It is recommended that the Board create a salary range for the position of \$290,000 - \$330,000 to improve recruitment capability given the high cost of living in the Bay Area.

Thus, we recommend your approval of the attached resolution to amend the budgeted Administrative salary authorizations to include a salary range for the position of General Manager.

Below is the change that would be made to the budgeted salaries allowed in the FY 2020-21 budget if approved:

Position	FTE	Salary Range	
General Manager	1	\$290,000	\$330,000 \$319,966

FISCAL IMPACT: The adoption of this resolution will result in an annual increase to salary costs of \$10,034. This increase has already been accounted for in the FY 2021-22 draft budget.

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Very truly yours,

/s/
Lisa Hansley
Human Resources Manager

Attachments: Resolution Number 2021-09 Amending the Position Authorizations and Salaries for the Annual Budget for Fiscal Year 2020-21

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, AMENDING RESOLUTION NO. 2020-10 TO REVISE ANNUAL BUDGET FOR FISCAL YEAR 2020-2021 TO PROVIDE FOR INCREASED POSITION AUTHORITY

WHEREAS, as part of its approval of the Annual Budget for Fiscal Year 2020-21, the Board duly considered the annual expenditures necessary for the Sonoma-Marín Area Rail Transit District; and

WHEREAS, on June 17, 2020 the Board adopted Resolution 2020-10 approving the Annual Budget for Fiscal Year 2020-21; and

WHEREAS, Resolution No. 2020-10 considered the creation of employee positions and fixed the compensation and salary for those positions; and

WHEREAS, the Board desires to modify the Annual Budget to provide revised position authority; and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Sonoma-Marín Area Rail Transit District that the Fiscal Year 2020-21 Budget for the Sonoma-Marín Area Rail Transit District attached as Exhibit A to Resolution 2020-10 is hereby amended to revise Table 5, SMART Position Authorizations, to revise the salary range for the General Manager, and;

Position	Authorized FTE	Salary Range: Annual		Salary Range: Hourly	
		Low	High	Low	High
General Manager	1	\$290,000	\$330,000	\$139.42	\$158.65

BE IT FURTHER RESOLVED that this action does not authorize an increase overall position counts, and

BE IT FURTHER RESOLVED except as specifically amended or supplemented by this Resolution, Resolution No. 2020-10, 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 2020-10.

**Resolution No. 2021-09
Sonoma-Marín Area Real Transit District
May 19, 2021**

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 19th day of May 2021, by the following vote:

DIRECTORS:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Rabbitt, Chair, Board of Directors
Sonoma-Marín Area Rail Transit District

ATTEST:

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



May 19, 2021

David Rabbitt, Chair
Sonoma County Board of Supervisors

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

Judy Arnold
Marin County Board of Supervisors

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Sonoma-Marín Area Rail Transit Board of Directors
5401 Old Redwood Highway, Suite 200
Santa Rosa, CA 94954

SUBJECT: Approval of Contract No. HR-PS-21-004 with KL2 Connects LLC. for Executive Recruitment Services

Dear Board Members:

RECOMMENDATION:

Authorize the General Manager to execute Contract No. HR-PS-21-004 with KL2 Connects LLC to provide executive recruitment services for the position of General Manager with a maximum not-to-exceed amount of \$48,450.

SUMMARY:

The current General Manager has announced his retirement in August 2021. The Chair of the Board in consultation with the Vice-Chair and 3 of the previous Board Chairs have reviewed the qualifications of KL2 Connects, LLC and are recommending this contract to be approved by the full Board.

The principal partner of this firm who will be leading the recruitment efforts is Celia Kupersmith, who has extensive knowledge of the world of Transit in the Bay Area and served as General Manager for Golden Gate Bridge and Highway Transportation District for over a decade.

This firm's recent recruitments include Santa Clara Valley Transit District, Marin County Transit District and Bay Area Water Emergency Transportation Authority (WETA).

Staff recommends your Board authorize the General Manager to execute Contract No. HR-PS-21-004 with KL2 Connect, LLC with a maximum not-to-exceed amount of \$48,450 to provide executive recruitment services for the next SMART General Manager.

FISCAL IMPACT: Funds are available in the current budget.

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Very truly yours,

/s/
Lisa Hansley
Human Resources Manager

Attachment(s): KL2 Connect LLC Contract No. HR-PS-21-004

AGREEMENT FOR CONSULTANT SERVICES

This agreement (“Agreement”), dated as of May 20, 2021 (“Effective Date”) is by and between the Sonoma-Marín Area Rail Transit District (hereinafter “SMART”), and KL2 Connects, LLC (hereinafter “Consultant”).

RECITALS

WHEREAS, Consultant represents that it is a duly qualified executive recruiting firm experienced and specialized in the areas of recruiting and placing qualified executive candidates with public transit agencies; and

WHEREAS, in the judgment of the Board of Directors of SMART or District, it is necessary and desirable to employ the services of Consultant to recruit and place SMART’s next General Manager.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

ARTICLE 1. RECITALS.

Section 1.01 The above Recitals are true and correct.

ARTICLE 2. LIST OF EXHIBITS.

Section 2.01 The following exhibits are attached hereto and incorporated herein:

- (a) Exhibit A: Scope of Work & Timeline
- (b) Exhibit B: Schedule of Rates

ARTICLE 3. REQUEST FOR SERVICES.

Section 3.01 Initiation Conference. SMART’s Human Resources Manager, will initiate all requests for services through an Initiation Conference, which may be in person, by telephone, or by email. During the Initiation Conference, the Human Resources Manager and Consultant will establish and agree on a specific task for the project.

Section 3.02 Amount of Work. SMART does not guarantee a minimum or maximum amount of work under this Agreement.

ARTICLE 4. SCOPE OF SERVICES.

Section 4.01 Scope of Work. Consultant shall perform services within the

timeframe outlined in **Exhibit A** (cumulatively referred to as the “Scope of Work”).

Section 4.02 Cooperation With SMART. Consultant shall cooperate with the Human Resources Manager in the performance of all work hereunder.

Section 4.03 Performance Standard. Consultant shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Consultant’s profession. If SMART determines that any of Consultant’s work is not in accordance with such level of competency and standard of care, SMART, in its sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with SMART to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 7; or (d) pursue any and all other remedies at law or in equity.

Section 4.04 Assigned Personnel.

- (a) Consultant shall assign only competent personnel to perform work hereunder. In the event that at any time SMART, in its sole discretion, desires the removal of any person or persons assigned by Consultant to perform work hereunder, Consultant shall remove such person or persons immediately upon receiving written notice from SMART.
- (b) Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder on behalf of the Consultant are deemed by SMART to be key personnel whose services were a material inducement to SMART to enter into this Agreement, and without whose services SMART would not have entered into this Agreement. Consultant shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of SMART. Key personnel shall be as listed in the applicable Task Order.
- (c) In the event that any of Consultant’s personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Consultant’s control, Consultant shall be responsible for timely provision of adequately qualified replacements.
- (d) Consultant shall assign the following key personnel for the term of this Agreement:

Celia Kupersmith, Principal (Project Manager),
Jeff Popovich (Assistant Project Manager)
Al Schlimm (Administrative Contact)

ARTICLE 5. PAYMENT.

For all services required hereunder, Consultant shall be paid in accordance with the following terms:

Section 5.01 Consultant shall invoice SMART on a milestone basis detailing the

tasks performed pursuant to the Scope of Work requested by the SMART Human Resources Manager and the hours worked. SMART shall pay Consultant within 30 days after submission of the invoices.

Section 5.02 Consultant shall be paid on a milestone basis, as full compensation for the satisfactory completion of the work described in each milestone identified in the Scope of Work (Exhibit A). The not-to-exceed (NTE) amount of \$48,450.00 for this Agreement includes labor, supervision, applicable surcharges such as taxes, insurance and fringe benefits as well as indirect costs, overhead and profit allowance, equipment, materials and supplies; in no case shall Consultant be reimbursed for an amount in excess of the NTE amount without a formal written amendment to this Agreement. Consultant must submit all invoices on a timely basis, but no later than thirty (30) days from the date the services/charges were incurred. SMART does not reimburse for travel time.

Section 5.03 Consultant must submit all invoices on a timely basis, but no later than thirty (30) days from the date the services/charges were incurred. District shall not accept invoices submitted by Consultant after the end of such thirty (30) day period without District pre-approval. Time is of the essence with respect to submission of invoices and failure by Consultant to abide by these requirements may delay or prevent payment of invoices or cause such invoices to be returned to the Consultant unpaid.

ARTICLE 6. TERM OF AGREEMENT.

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

ARTICLE 7. TERMINATION.

Section 7.01 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, SMART shall have the right, at their sole discretion, to terminate this Agreement by giving 10 days written notice to the other party.

Section 7.02 Termination for Cause. Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, SMART may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.

Section 7.03 Delivery of Work Product and Final Payment Upon Termination. In the event of termination by either party, Consultant, within 14 days following the date of termination, shall deliver to SMART all materials and work product subject to **Section 12.08** and shall submit to SMART an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.

Section 7.04 Payment Upon Termination. Upon termination of this Agreement by SMART, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total

payment specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total payment; provided, however, that if services are to be paid on an hourly or daily basis, then Consultant shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to termination times the applicable hourly or daily rate; provided further that if SMART terminates the Agreement for cause pursuant to **Section 7.02**, SMART shall deduct from such amount the amount of damage, if any, sustained by SMART by virtue of the breach of the Agreement by Consultant.

Section 7.05 Authority to Terminate. The Board of Directors has the authority to terminate this Agreement on behalf of SMART. In addition, the General Manager, in consultation with SMART Counsel, shall have the authority to terminate this Agreement on behalf of SMART.

ARTICLE 8. INDEMNIFICATION

Consultant agrees to accept all responsibility for loss or damage to any person or entity, including SMART, and to indemnify, hold harmless, and release SMART, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Consultant, to the extent caused by the Consultant's negligence, recklessness or willful misconduct in its performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against SMART based upon a claim relating to Consultant's performance or obligations under this Agreement. Consultant's obligations under this Section 8 apply whether or not there is concurrent negligence on SMART's part, but to the extent required by law, excluding liability due to SMART's conduct. SMART shall have the right to select its legal counsel at Consultant's expense, subject to Consultant's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

ARTICLE 9. INSURANCE.

With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its Subcontractors, Consultants, and other agents to maintain, insurance as described below. If the Consultant maintains broader coverage and/or higher limits than the minimums shown below, SMART requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SMART.

Section 9.01 Workers' Compensation Insurance. Workers' Compensation as required by the State of California, with Statutory Limits, and Employer's Liability insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

Section 9.02 General Liability Insurance. Commercial General Liability insurance covering products-completed and ongoing operations, property damage, bodily injury

and personal injury using an occurrence policy form, in an amount no less than \$1,000,000 per occurrence, and \$2,000,000 aggregate.

Section 9.03 Automobile Insurance. Automobile Liability insurance covering bodily injury and property damage in an amount no less than \$1,000,000 combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles.

Section 9.04 Endorsements. Prior to commencing work, Consultant shall file Certificate(s) of Insurance with SMART evidencing the required coverage and endorsement(s) and, upon request, a certified duplicate original of any of those policies. Said endorsements and Certificate(s) of Insurance shall stipulate:

- (a) SMART, its officers, and employees shall be named as additional insured on all policies listed above.
- (b) That the policy(ies) is Primary Insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim which Consultant is liable, up to and including the total limit of liability, without right of contribution from any other insurance effected or which may be effected by the Insureds.
- (c) Inclusion of the Insureds as additional insureds shall not in any way affect its rights either as respects any claim, demand, suit or judgment made, brought or recovered against Consultant. Said policy shall protect Consultant and the Insureds in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.
- (d) Consultant hereby grants to SMART a waiver of any right to subrogation which any insurer of said Consultant may acquire against SMART by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not SMART has received a waiver of subrogation endorsement from the insurer.
- (e) The insurance policy(ies) shall be written by an insurance company or companies acceptable to SMART. Such insurance company shall be authorized to transact business in the state of California.

SMART reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

Section 9.05 Deductibles and Retentions. Consultant shall be responsible for payment of any deductible or retention on Consultant's policies without right of contribution from SMART. Deductible and retention provisions shall not contain any restrictions as to how

or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the name insured is not acceptable.

Section 9.06 Claims Made Coverage. If any insurance specified above is written on a claims-made coverage form, Consultant shall:

- (a) Ensure that the retroactive date is shown on the policy, and such date must be before the date of this Agreement or beginning of any work under this Agreement;
- (b) Maintain and provide evidence of similar insurance for at least three (3) years following project completion, including the requirement of adding all additional insureds; and
- (c) If insurance is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to Agreement effective date, Consultant shall purchase “extending reporting” coverage for a minimum of three (3) years after completion of the work.

Section 9.07 Documentation. The following documentation shall be submitted to SMART:

- (a) Properly executed Certificates of Insurance clearly evidencing all coverages and limits required above. Said Certificates shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current Certificates of Insurance evidencing the above-required coverages and limits on file with SMART for the duration of this Agreement.
- (b) Copies of properly executed endorsements required above for each policy. Said endorsement copies shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current endorsements evidencing the above-specified requirements on file with SMART for the duration of this Agreement.
- (c) Upon SMART’s written request, Consultant shall provide certified copies of the insurance policies to SMART. Said policy copies shall be submitted within thirty (30) days of SMART’s request. After the Agreement has been signed, signed Certificates of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.

Section 9.08 Policy Obligations. Consultant’s indemnity and other obligations shall not be limited by the foregoing insurance requirements.

Section 9.09 Material Breach. If Consultant, for any reason, fails to maintain insurance coverage, which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. SMART, in its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, SMART may purchase such required insurance coverage, and without further notice to Consultant, SMART may deduct from sums due to Consultant any premium costs advanced by SMART for such insurance. These remedies shall be in addition to any other remedies available to SMART.

ARTICLE 10. PROSECUTION OF WORK.

When work is requested of Consultant by SMART, all due diligence shall be exercised and the work accomplished without undue delay, within the performance time specified in the Task Order. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

ARTICLE 11. EXTRA OR CHANGED WORK.

Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not increase the amount paid under the Agreement, and which do not significantly change the scope of work or significantly lengthen time schedules may be executed by the General Manager or Human Resources Manager in a form approved by SMART Counsel. The Board of Directors or General Manager must authorize all other extra or changed work. The parties expressly recognize that SMART personnel are without authorization to order extra or changed work or waive Agreement requirements. Failure of Consultant to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no compensation whatsoever for the performance of such work. Consultant further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of SMART.

ARTICLE 12. REPRESENTATIONS OF CONSULTANT.

Section 12.01 Standard of Care. SMART has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Consultant's work by SMART shall not operate as a waiver or release.

Section 12.02 Status of Consultant. The parties intend that Consultant, in performing the services specified herein, shall act as an independent Consultant and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of SMART and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits SMART provides its employees. In the event SMART exercises its right to terminate this Agreement pursuant to **Article 7**, above, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

Section 12.03 Taxes. Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including but not limited to state and

federal income and FICA taxes. Consultant agrees to indemnify and hold SMART harmless from any liability which it may incur to the United States or to the State of California as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case SMART is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish SMART with proof of payment of taxes on these earnings.

Section 12.04 Records Maintenance. Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to SMART for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder. Consultant and Subconsultants shall permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

Section 12.05 Conflict of Interest. Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by SMART, Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with SMART disclosing Consultant's or such other person's financial interests.

Section 12.06 Nondiscrimination. Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis, including without limitation, SMART's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

Section 12.07 Assignment Of Rights. Consultant assigns to SMART all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Consultant in connection with this Agreement. Consultant agrees to take such actions as are necessary to protect the rights assigned to SMART in this Agreement, and to refrain from taking any action which would impair those rights. Consultant's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as SMART may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of SMART. Consultant shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of SMART.

Section 12.08 Ownership And Disclosure Of Work Product. All reports, original

drawings, graphics, plans, studies, and other data or documents (“documents”), in whatever form or format, assembled or prepared by Consultant and other agents in connection with this Agreement shall be the property of SMART. SMART shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Consultant shall promptly deliver to SMART all such documents, which have not already been provided to SMART in such form or format, as SMART deems appropriate. Such documents shall be and will remain the property of SMART without restriction or limitation. Consultant may retain copies of the above- described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of SMART.

ARTICLE 13. DEMAND FOR ASSURANCE.

Each party to this Agreement undertakes the obligation that the other’s expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. “Commercially reasonable” includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party’s right to demand adequate assurance of future performance. Nothing in this **Article 13** limits SMART’s right to terminate this Agreement pursuant to **Article 7**.

ARTICLE 14. ASSIGNMENT AND DELEGATION.

Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

ARTICLE 15. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING INVOICES AND MAKING PAYMENTS.

All notices, invoices, and payments shall be made in writing and shall be given by personal delivery, U.S. Mail or email. Notices, invoices, and payments shall be addressed as follows:

If to SMART Project Manager:	Sonoma-Marine Area Rail Transit District Attn: Lisa Hansley 5401 Old Redwood Highway, Suite 200 Petaluma, CA 94954 lhansley@sonomamarintrain.org 707-794-3039
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If to SMART Billing: Sonoma-Marin Area Rail Transit District
Attn: Accounts Payable
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954
billing@sonomamarintrain.org
707-794-3330

If to Consultant Project Manager: KL2 Connects, LLC
Attn: Al Schlimm
12 Alabama Avenue
Weaverville, NC 28787
AL@KL2connects.com
828-645-2929

When a notice, invoice or payment is given by a generally recognized overnight courier service, the notice, invoice or payment shall be deemed received on the next business day. When a copy of a notice, invoice or payment is sent by facsimile or email, the notice, invoice or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, invoice or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, invoices and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

ARTICLE 16. MISCELLANEOUS PROVISIONS.

Section 16.01 No Waiver of Breach. The waiver by SMART of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

Section 16.02 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Consultant and SMART acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Consultant and SMART acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

Section 16.03 Consent. Wherever in this Agreement the consent or approval of

one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

Section 16.04 No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

Section 16.05 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Venue for any action to enforce the terms of this Agreement or for the breach thereof shall be in the Superior Court of the State of California in the County of Marin.

Section 16.06 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

Section 16.07 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

Section 16.08 Acceptance of Electronic Signatures and Counterparts. The parties agree that this Contract, Agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when all parties have signed this Agreement. Signatures delivered by scanned image as an attachment to electronic mail or delivered electronically through the use of programs such as DocuSign must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

Section 16.09 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CONSULTANT: KL2 CONNECTS, LLC

By: _____
Al Schlimm, President

Date: _____

SONOMA-MARIN AREA RAIL TRANSIT (SMART)

By: _____
Heather McKillop, Chief Financial Officer

Date: _____

CERTIFICATES OF INSURANCE ON FILE WITH AND APPROVED AS TO SUBSTANCE FOR SMART:

By: _____
Ken Hendricks, Procurement Coordinator

Date: _____

APPROVED AS TO FORM FOR SMART:

By: _____
District Counsel

Date: _____

EXHIBIT A
SCOPE OF WORK & TIMELINE

I. Overview

The Sonoma-Marín Area Rail Transit District (“SMART”) is contracting with KL2 Connects, LLC to perform executive recruitment and placing services for SMART’s next General Manager.

II. Project Management

All work will be initiated, coordinated, and reviewed by SMART’s Human Resources Manager. Work may be initiated in writing or by teleconference.

III. Scope of Work

A. Consultant shall perform the following services under this Agreement following SMART’s written Notice to Proceed:

a. Intake and Analysis

- i. Conduct an intake Zoom conference call to establish contacts, objectives, expectations, timing requirements, communications preferences, and other relevant issues. The topics may include:
 1. Organizational structure.
 2. Organizational mission and values.
 3. Strategic goals.
 4. Cultural, environmental, and government considerations
 5. The current leadership team (and its various perspectives)
 6. Six-to-twelve-month priorities for the position.
 7. Short and long-term challenges for the position and the District.
 8. The position description (and requested revisions).
 9. Technical and competency requirements for the position.
 10. The compensation package.
 11. Market conditions and challenges germane to the recruitment.
 12. The project timeline.

b. Stakeholder Interviews

- i. Using virtual methods due COVID-19 limitations, Consultant shall interview a mutually agreed upon set of SMART stakeholders (board members, selection committee members, staff, union

representatives, etc.), employing a uniformly administered, SMART-approved set of questions.

(In the interest of encouraging candid opinions, interviewees' identities will not be associated with their comments in Consultant's written summary.)

- ii. **Optional Online Survey Development and Facilitation.** For an additional fee of \$1,950, Consultant is available to design and conduct an online survey should SMART wish to collect the opinions of an extended group of stakeholders. A viable client-provided email database would be required for this option.

c. **Leadership Profile**

- i. Consultant shall collect Stakeholder opinions to be used to develop a Leadership Profile, a concise document identifying the professional and personal characteristics stakeholders would like the winning candidate to possess. When approved by SMART this document will become the blueprint that will guide every aspect of the search.

Below is an example of a Leadership Profile that SMART can expect:

KL2 pleased to present the following Leadership Profile, which was derived from input received in numerous meetings with _____ Board members, _____ staff, and key community stakeholders. This Profile outlines the skill set, personal and professional attributes, and transit industry experience the incoming GM will need in order to be the best fit for the organization. _____'s Ideal General Manager must...

- *Be passionate about public transportation and its value to the community.*
- *View the _____ General Manager position as "the best job in town!"*
- *Bring positive energy and a palpable and infectious enthusiasm to the role.*
- *Work to further develop, achieve, and sustain _____'s mission and core activities.*
- *Build upon _____ staff's existing commitment to that mission.*
- *Be a dynamic leader with the ability to inspire and motivate.*
- *Be humble, yet confident, decisive, and effective.*
- *Be a strong communicator in all forms.*
- *Foster a culture that supports internal and external communication and engagement.*

- *Value honesty and openness with the Board, staff, communities, and working partners.*
- *Be a good listener who approaches conversations with a collaborative and open attitude.*
- *Understand the people, situations, and political realities that comprise _____'s environment.*
- *Value _____'s constituent communities at a personal as well as a professional level.*
- *Develop strong collaborative relationships within _____ and with those communities.*
- *Actively engage the community, the Board, and staff in supporting _____'s vision and work.*
- *Be comfortable and effective working amidst complex, politicized community dynamics.*
- *Be flexible, open to alternative approaches, and willing to partner on decisions.*
- *Improve the perception of _____ as a collaborative partner.*
- *Be willing to share credit for _____'s successes with staff and working partners.*
- *Consistently and successfully promote the agency's message across all audiences.*
- *Embrace _____'s vision for the future and commit to fulfilling it.*
- *Assist the Board of Directors in developing that vision.*
- *Partner with the Board to develop and achieve the agency's goals.*
- *Support the development of a cohesive Board that employs the strengths of each member.*
- *Keep Board members well informed.*
- *Passionately support staff growth and development and value their contributions*
- *Effectively build a team comprised of both long-tenured employees and newly-hired staff.*
- *Develop and build upon the good relationship between labor and management.*
- *Bring to _____ strong negotiation, facilitation, and problem-solving skills.*
- *Be a strong manager of budgets and good steward of _____'s limited financial resources.*
- *Be able to work successfully with federal, state, and local agencies.*
- *Support leading edge transit ventures that benefit the entire region.*
- *Have a history of successful collaboration with the FTA, other mission-critical organizations.*
- *Meet community expectations of public officials in a manner reflecting the values of _____.*

d. Position Description, Candidate Requirements

Consultant shall develop and/or otherwise modify SMART's position description and/or Candidate Requirements so that they reflect all appropriate reporting relationships, responsibilities, and objectives, and so that they detail all core competencies, preferred experience, soft skills, and personal qualities.

e. Advertising

Consultant will develop for SMART's approval a Position Ad and Advertising Plan. Upon SMART approval, Consultant will deploy that ad for regional and national exposure, including options intended to engage a diverse slate of candidates. Based on its 180-plus successful searches, Consultant is familiar with and experienced in using effective advertising modes including, but not limited to, APTA's Passenger Transport, TransitTalent.com, LinkedIn, COMTO, etc.

f. Brochure

Consultant will develop for SMART's approval a Position Brochure to be used in marketing the position, the District, and the region to a diverse array of prospective regional and national candidates.

g. Questions

Consultant will develop for SMART's approval a Candidate Evaluation Matrix containing the interview questions Consultant will use to equitably rate candidates against key performance criteria.

h. Sourcing and Outreach

While the Position Ads are running (over 30 or more days), multiple Consultant principals will begin networking across the industry to engage active as well as passive candidates. Consultant principals will make inquiries, pursue leads, and market the opportunity through professional organizations, social media, and the mining of internal and external transit industry databases. While advertising is often effective, more "high-touch" means may be necessary to reach the most passive candidates, as those who are not actively looking may be amenable if approached by a firm with Consultant's credentials. Consultant's principals routinely network with high level talent, and they will contact and encourage the strongest candidates to apply.

i. Screening and Outreach

As candidates emerge Consultant will acknowledge, review, schedule, distribute materials to, and begin screening the most qualified prospects by phone or teleconference. Throughout this process, Consultant will employ a standardized approach in evaluating each against SMART-approved criteria. Multiple Consultant principals will be involved in each screening interview, and they will subsequently discuss their varying opinions and perspectives to ensure a multi-faceted evaluation. In addition to evaluating each candidate's experience, leadership qualities, communications skills, technical competencies, and education, Consultant will give special attention to assessing his or her organizational fit. As the search proceeds, Consultant will keep the channels of communication with candidates open (albeit confidentially) to ensure their continued interest and enthusiasm for the position.

j. Preliminary Briefing Book

As a slate of initial candidates emerges, Consultant will submit to SMART (electronically) a Preliminary Briefing Book containing, for each candidate, a cover letter, resume, brief summary of strengths and issues, an Ethics Questionnaire (the first step in Consultant's background checking process), and a brief summary of online social media history and activity.

k. Shortlisting

Consultant's Project Manager will debrief with SMART and assist the District in reducing the larger slate of candidates to a viable Short List of the most qualified. Time will be of the essence during this stage of the process.

l. Reference/Background Checking

When SMART and Consultant have reduced the larger pool of candidates to a Short List, Consultant will begin checking their backgrounds and interviewing their references. For each candidate, Consultant will check three or four candidate-provided references (supervisory wherever possible) and also solicit independent perspectives from Consultant's other industry contacts.

m. Finalist Briefing Book

Consultant will prepare and deliver to SMART (electronically) its Shortlisted Finalists Briefing Book, a detailed document designed to assist SMART's board as it conducts its interviews. In addition to the items provided in the Preliminary book this version will add candidate photos, reference comments, background information, and other items as mutually agreed upon.

n. Interview Logistics

Consultant will assist SMART with any necessary interview logistics including procuring candidate and interviewer availability, distributing briefing materials and directions, and, if desired, assisting in the planning of on-site activities. SMART will then proceed with its Short List interviews. In Consultant's COVID-19-era searches agencies have conducted all shortlisted candidate interviews via teleconference and reserved in-person travel for a single finalist in the very last phase of the search.

o. Final Background Checking

Once a single preferred finalist has been identified, Consultant will engage background checking procedures including criminal checks and other verifications through GoodHire (a registered FCRA-compliant Consumer Reporting Agency), and credit checking (as allowed by state law) through TransUnion (a national credit bureau). While these processes can usually be completed in a week, due to COVID-19 there may be slight delays in verifying a candidate's education and employment.

Background searches are subject to a rapidly evolving body of Equal Employment Opportunity Commission, Fair Credit Reporting Act, and state, county, and local law. For example, some states do not allow a background check until an offer has been made; some make exceptions for high-paying or public sector jobs; and, in a movement that may be gaining ground at the federal level, some prohibit criminal history questions or searches outright. With the emergence of related legislative efforts (non-compliant disclosure, ban-the-box, adverse action, and increased Title VII enforcement), and with the goal of minimizing liability for both Consultant and SMART, Consultant warrants that it will make every effort to conduct this background search in compliant fashion.

GoodHire Procedures

GoodHire will provide the candidate with an email link to an encrypt-ed FCRA-compliant Consent Form. Upon completion GoodHire will begin its search. Upon the search's completion GoodHire will provide Consultant and the candidate with full copies of the search results (including real-time updates and source information), and Consultant will share "clear/not clear" results with SMART via a 1-page report. The candidate will be given the option of adding Comments for Context to the report and, should he or she take issue with a finding, have the right to pursue a correction directly with GoodHire. GoodHire does not guarantee the accuracy or truthfulness of the information regarding the subject of the re-port, only that it is accurately copied from public records. It further states that information generated as a result of identity theft, including evidence of criminal activity, may be inaccurately associated with the subject of the report.

TransUnion Procedures

TransUnion's Share-Able for Hires background checking service will provide a full credit report and basic criminal search findings on the candidate (complementing GoodHire's more comprehensive criminal search). TransUnion will not, per policy and emerging legislation, provide Consultant with a FICO score. Because the credit industry is highly regulated, Consultant will require assistance in obtaining the candidate's credit report. Consultant will use the candidate's contact information to order the report, and TransUnion will email a link to the candidate requesting identity verification. Once that is provided TransUnion will generate the report, copying both Consultant and the candidate. Should the candidate take issue with a finding, he or she will have the right to pursue a correction directly with TransUnion.

Consultant Exclusions

Consultant warrants that it will, in good faith, make every legal effort to discover and report a candidate's financial record (as allowed by law) and criminal history (should one exist, as allowed by law). However, as Consultant must abide by a growing body of privacy legislation it cannot guarantee that such records will be legally discoverable in accordance with applicable Federal, state, county, and local regulations. Consultant will not be responsible for repeating this search at no cost due to the emergence of information that was legally undiscoverable by Consultant.

p. Interactive Evaluations (Optional at SMART Request)

Should SMART require deeper candidate evaluations, Consultant shall assist SMART in facilitating the interactive processes to inform its decision-making. Below are examples of techniques we have successfully applied to recent CEO searches. We look forward to further reviewing these techniques with SMART to determine which might best meet the District's needs.

- *Candidates (individually) may be interviewed by SMART with board members or other key stakeholders sitting in on the interviews.*
- *Candidates (individually) may be interviewed by a combination of lead staff, union representation, members of the public, business leaders, and/or community advocates as identified by SMART. A Consultant principal would observe these interviews and report the group's analysis to the hiring manager or Selection Committee.*
- *Each finalist (individually) may be tasked with responding to a series of up to three scenarios: 1) Each finalist (individually) giving a five-minute presentation on a real-time issue facing SMART after having only received limited information on the issue; 2) Each finalist (individually) being presented with a simulated challenging management situation and asked to present a solution; and/or 3) Each finalist (individually) being asked to role play a difficult situation (for example, a disciplinary meeting where they seek resolution). Other role players may be board members, lead staff, or Consultant principals.*

q. Emotional Intelligence (EQ) Assessment (Optional at SMART Request)

Consultant can obtain candidate EQ assessments through a non-profit called Six Seconds. Founded in 1997, Six Seconds has offices in ten countries and agents in fifty, and it has provided services to public and private sector organizations including Microsoft, Fedex, Lockheed Martin, the U.S. Marine Corps, Pfizer, American Express, Morgan Stanley, and Xerox. Six Seconds defines emotional intelligence as a set of competencies that allows leaders to apply feeling as well as thinking in the making of optimal decisions. Six Seconds posits that emotions are essential to effective decision making and motivation, and that leaders who use their emotions effectively are better able to influence, communicate, and focus.

This service may be provided for an additional fixed fee of \$1,500.

r. Debriefing

Consultant's Project Manager will be available to further discuss candidates' strengths and issues and to assist SMART in selecting its single preferred finalist. Consultant will have ensured that each finalist is

technically qualified, at which point SMART's decision may come down to the best organizational fit.

s. Offer, Negotiation, Closure

Consultant's Project Manager will assist SMART in relaying its offer to its single selected finalist and negotiating the terms of employment regarding compensation, benefits, start-date, relocation, etc. Consultant has extensive experience negotiating employment contracts and will provide assistance to SMART as needed.

t. Notification

Consultant's Project Manager will promptly and professionally notify unsuccessful candidates of SMART's hiring decision, closing the loop and thanking them for their participation in the process.

u. Reporting

Throughout the search, Consultant's Project Manager will keep SMART informed via the District's preferred methods as established in the initial conference call. These methods are anticipated to include, at a minimum, phone and/or teleconference meetings and bimonthly progress reports via email.

B. SMART shall be responsible for perform the following services under this Agreement:

- a. SMART will assign a primary contact person to Consultant.
- b. SMART will provide Consultant with timely approvals of submitted materials.
- c. SMART will assist in the coordination of calendars.
- d. SMART will provide timely organization, compensation, position, and related information.
- e. SMART will directly coordinate candidate travel reimbursement.

IV. Deliverables

Throughout the performance of work, Consultant shall submit the following materials for SMART's approval:

- A. Work plan and timeline
- B. Progress Reports
- C. Job Description Revisions
- D. Leadership Profile

- E. Advertising Plan
- F. Position Advertisement
- G. Position Brochure
- H. Candidate Evaluation Outline
- I. Candidate Interview Questions
- J. Candidate Briefing Book
- K. Reference Check Questions
- L. Candidate Background Check Report
- M. Compensation Consultation (if requested)

The timeline for deliverable will be identified during the initiation conference and mutually agreed upon by both parties.

V. Timeline for Each Requirement / Task

Consultant will focus its resources with the intention of completing SMART’s search within 90 to 120 days of receiving a Notice to Proceed. Upon receipt of the Notice to Proceed, Consultant’s Project Manager will develop a detailed task calendar identifying specific dates. Listed below are the critical elements of the search and the number of projected days estimated to complete each. Consultant will remain as flexible as possible throughout in order to best meet the District’s needs.

Intake.....	2 Days
Stakeholder Interviews.....	7 Days
Brochure, Ad, Other Material Development.....	10 Days
Advertising, Sourcing, Outreach, Candidate Screening.....	45 Days
Briefing Book Preparation and Delivery.....	7 Days
Consultation and Shortlisting.....	7 Days
Client Interviews.....	5 Days
Reference Checking.....	7 Days
<u>Background Checks on Single Finalist.....</u>	<u>7 Days</u>
Estimated Total Time.....	~97 Days

VI. Warranty

If, within one calendar year of his or her first day of employment, a Consultant-referred candidate hired by SMART is terminated for cause (other than a reduction in the scope of duties) or voluntarily leaves SMART for any reason (other than family emergency, illness, or death), Consultant will repeat the recruitment at no cost except for Consultant travel and/or candidate travel/relocation. Consultant will not be responsible for repeating the search at no cost due to the emergence of information that was legally undiscoverable by Consultant.

VII. Non-Compete for SMART Employees

Consultant agrees to refrain from ever actively recruiting the General Manager that the Consultant places with SMART. Consultant further agrees to refrain from actively recruiting other SMART employees on behalf of other clients for a period of 12 months from the completion of any Consultant contract with SMART. If, as a result of Consultant's advertising or marketing of another client's position via its standard advertising or communications, Consultant is approached by any SMART employee on his or her own (without direct solicitation by Consultant), Consultant will be ethically and legally obligated to consider that employee's application as it would any other.

VIII. Acceptance Criteria

All work performed under this Agreement will be reviewed by SMART's Human Resources Manager. Should SMART find that Consultant's submitted slate of candidates is unacceptable, Consultant will continue searching until a candidate that meets all of the District's criteria is firmly in place.

**EXHIBIT B
SCHEDULE OF RATES**

Consultant shall perform the recruitment of its next General Manager a fixed and all-inclusive fee of **\$45,000**.

PROGRESS PAYMENT	DESCRIPTION	FIXED FEE
1	Upon Consultant Receipt of Notice to Proceed	\$11,250.00
2	Upon Completion of the Initial Round of Screening Interviews	\$11,250.00
3	Upon Completion of Presentation of Candidates via the Electronic Briefing Book	\$11,250.00
4	Upon SMART Selection of a Candidate and that Candidate's Acceptance into the Position	\$11,250.00
TOTAL		\$45,000.00

OPTIONAL SERVICES:

OPTIONAL ITEM #	DESCRIPTION	FIXED FEE
1	Online Survey Development and Facilitation	\$1,950.00
2	Emotional Intelligence (EQ) Assessment	\$1,500.00

GENERAL INFORMATION:

Consultant Travel

Consultant's stated fee listed above includes four (4) "person trips" to SMART's location by Consultant's project manager and/or her assistant. Any additional SMART-requested trips will be pre-approved, documented, and billed in compliance with SMART's Travel Guidelines for SMART Contractors.

Candidate Travel and Relocation

The coordination of, and direct reimbursement to, candidates for their interview-related travel and expenses will be the sole responsibility of SMART. Any and all compensation or reimbursement related to the hired candidate's relocation to SMART's location will be the sole responsibility of SMART.

Internal Candidates

The interviewing of internal candidates can provide valuable organizational perspective and points of comparison with external candidates. It also promotes good will by recognizing career achievement and suggesting avenues of advancement. Should internal candidates apply for this position Consultant will accord them the same consideration, respect,

sensitivity, and due process that it accords to external candidates. Should SMART select an internal candidate for this position after Consultant has interviewed, vetted, evaluated, and presented internal and/or external candidates, Consultant's entire fee will apply.

Other Hires

Should SMART elect (within one year of any authorized Consultant search) to hire into any other positions any individuals from lists of candidates referred to SMART by Consultant, Consultant shall be entitled to a 15% fee based upon those individuals' first-year salaries.



May 19, 2021

David Rabbitt, Chair
Sonoma County Board of Supervisors

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

Judy Arnold
Marin County Board of Supervisors

Melanie Bagby
Sonoma County Mayors' and
Councilmembers Association

Kate Colin
Transportation Authority of Marin

Damon Connolly
Marin County Board of Supervisors

Debora Fudge
Sonoma County Mayors' and
Councilmembers Association

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

Susan Gorin
Sonoma County Board of Supervisors

Dan Hillmer
Marin County Council of Mayors and
Councilmembers

Eric Lucan
Transportation Authority of Marin

Chris Rogers
Sonoma County Mayors' and
Councilmembers Association

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

SUBJECT: Resolution Authorizing the Submittal of an Affordable Housing Sustainable Communities grant to the State of California Strategic Growth Council and Department of Housing and Community Development Housing Sustainable Communities (AHSC) Program funds to construct the SMART Pathway crossing of McDowell Boulevard and the SMART second Petaluma Station at Corona Road.

Dear Board Members:

RECOMMENDATIONS:

Approve Resolution Number 2021-10 Authorizing the General Manager to submit a grant application and any required documents on behalf of SMART for Affordable Housing Sustainable Communities (AHSC) Program funds to construct the SMART Pathway crossing of McDowell Boulevard and the SMART second Petaluma Station at Corona Road.

SUMMARY:

On February 26, 2021, the State of California released a Notice of Funding Availability for the sixth cycle of the Affordable Housing and Sustainable Communities (AHSC) grant funds program. The AHSC is administered by the California Strategic Growth Council (SGC) and the State Department of Housing and Community Development (Department). The program has been developed to provide funding to both housing projects and transportation investments that support the State's climate and land use goals. This sixth round of the AHSC will invest \$405 Million of California Climate Initiatives funds, otherwise known as Greenhouse Gas Reduction Funds, into communities statewide, with applications due June 8, 2021, and awards adopted by the SGC on October 28, 2021.

SMART has been asked to participate in this sixth AHSC application cycle in a partnership with the City of Petaluma and the Danco Group on a proposal to build the second SMART station in Petaluma at Corona along with an affordable housing development proposed on adjacent property. The maximum amount that can be requested in an application is \$10 million towards transportation improvements and \$20 million towards housing development.

The SMART transportation components of the proposal to be funded include construction of the second SMART station in Petaluma and construction of an enhanced SMART Pathway crossing improvement at McDowell Boulevard, in conjunction with the Active Transportation Program-funded 2.7-mile segment of SMART Pathway to be constructed be Southpoint Boulevard in Petaluma and Main Street in Penngrove.

The SMART second Petaluma station has a cost estimate of \$12 million for engineering and construction. It has been agreed by the housing developer, Danco Group, that approximately 1.2 acres of land will be granted to the SMART Station project to provide for accessibility and parking. Based on that agreement, this application proposes the SMART second Petaluma Station project would receive \$8 million in AHSC funds, to be matched by \$2 million from the City of Petaluma and \$2 million from SMART, as discussed as part of Your Board's April 2021 Capital Plan. The SMART Pathway enhanced crossing at McDowell Boulevard has a cost estimate of \$1.027 million and this application proposes up to \$500,000 in AHSC funds to be matched by \$527,000 from SMART, as discussed as part of the \$2 million Sonoma County Pathway Enhancement Project during Your Board's April 2021 Capital Plan. These SMART projects have California Environmental Quality Act clearances.

The City of Petaluma transportation components to be funded include multiple pedestrian and bicycle improvements along McDowell Boulevard as well as Petaluma Transit bus stop improvements and operating expansion. This application proposes up to \$1.5 million in AHSC grant funding for these elements to be matched by other City of Petaluma identified funds. The Danco Group housing component of the project, Meridien at Corona Station, includes 131 Affordable Housing units, designed to be affordable to families earning 30-60% of Area Median Income or less, as well as urban greening investments and a 3-year transit pass program for residents of the development. This application proposes up to \$20 million in AHSC grant funds towards the Danco Group housing project elements.

Participation in this AHSC grant application as a Joint Applicant with the City of Petaluma and Danco Group means SMART, if the funding is awarded, will execute a joint grant agreement with project parties and the State of California Housing and Community Development. SMART would also sign an agreement directly with the project partners, Petaluma and Danco, to govern responsibilities and indemnify parties as applicable. The submittal of invoice requests, among other requirements, will occur directly between SMART and the State. To file an AHSC grant application as a Joint Applicant, the State requires each applicant to submit a resolution from their governing body designating an authorized person to file the AHSC application and any necessary AHSC-required documents to allow for award of the funds and the successful completion of any AHSC-funded project. The resolution identifies the *total* project grant amount across all parties and does not specify the portions directed to SMART. The delineation of the total is included in the application documents submitted with the local resolution.

FISCAL IMPACT: None.

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Very truly yours,

/s/

Joanne Parker
Programming and Grants Manager

Attachment(s): Resolution Number 2021-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT AUTHORIZING APPLICATION FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM

WHEREAS, the State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated February 26, 2021, (NOFA) under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

WHEREAS, the Sonoma-Marín Area Rail Transit District (SMART) is an eligible public agency project sponsor and may receive funding from State of California, the Department and the SGC for transportation projects; and

WHEREAS, the SGC is authorized to approve funding allocations for the AHSC Program, subject to the conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement, and the Department is authorized to administer the approved funding allocations of the AHSC Program; and

WHEREAS, SMART desires to apply for AHSC Program funds, as a Joint Applicant with the City of Petaluma and the Danco Group, for the purposes of constructing the Meridian at Corona Station AHSC Project, which includes the Meridian at Corona Road housing, urban greening and other improvements to be implemented by the Danco Group, the Petaluma bicycle and pedestrian improvements and Petaluma Transit service improvements to be implemented by the City of Petaluma, and the “SMART Petaluma North Station at Corona Road and SMART Pathway – McDowell Boulevard Enhanced Crossing in Petaluma”, collectively the “SMART Project”, to be implemented by SMART; and

WHEREAS, SMART wishes to implement the SMART Project portion of the Meridian at Corona Station AHSC Project; and

WHEREAS, SMART wishes to delegate authorization to submit and execute all required AHSC Program documents and any amendments thereto for the SMART Project portion of this Meridian at Corona Station AHSC Project to the SMART General Manager, or designee;

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

1. Authorizes the submittal to the Department the AHSC Program application as detailed in the NOFA dated February 26, 2021, for Round 6 in a total amount not to exceed \$30,000,000 for all Meridian at Corona Station AHSC Project components to be implemented independently by Danco Group, the City of Petaluma, and SMART, as defined by the AHSC Program Guidelines adopted on February 24, 2021; and

Resolution No. 2021-10
Sonoma-Marín Area Rail Transit District
May 19, 2021

2. Agrees, if the application is approved, SMART is hereby authorized and directed to enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$30,000,000 for all Meridian at Corona Station Project components, and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department and all amendments thereto (collectively, the AHSC Documents); and
3. Agrees, if the application is approved, SMART will enter into an agreement with the City of Petaluma and Danco Group assigning the construction and development responsibilities, including procurement, labor standards and other requirements of the Standard Agreement as necessary to complete each parties individual project element responsibilities and including indemnification as necessary; and
4. Agrees to comply with all terms, conditions and requirements as specified in the Standard Agreement, including identified allowable capital asset project expenditures and incorporation of the full application in the Agreement, and agrees to use the funds for eligible capital assets in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package; and
5. Designates SMART’s General Manager, or designee, to be authorized to execute all required documents of the AHSC Program as required by the Department and any Amendments thereto with the State and Department which may be necessary for the completion of the aforementioned project.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 19th day of May 2021, by the following vote:

DIRECTORS:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Rabbitt, Chair, Board of Directors
Sonoma-Marín Area Rail Transit District

ATTEST:

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



May 19, 2021

David Rabbitt, Chair
Sonoma County Board of Supervisors

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

Judy Arnold
Marin County Board of Supervisors

Melanie Bagby
Sonoma County Mayors' and
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Kate Colin
Transportation Authority of Marin

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Dan Hillmer
Marin County Council of Mayors and
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Eric Lucan
Transportation Authority of Marin

Chris Rogers
Sonoma County Mayors' and
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Farhad Mansourian
General Manager

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5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

SUBJECT: Approval of Civic Edge Consulting Contract Amendment No. 1

Dear Board Members:

RECOMMENDATION:

Authorize the General Manager to execute Contact Amendment No. 1 in the amount of \$158,075 to the existing Consultant Services contract with Civic Edge Consulting for marketing support services for a total not-to-exceed amount of \$258,050.

SUMMARY:

In November 2020, we contracted with Civic Edge Consulting to perform day-to-day social media communications assistance and build a strong multimedia community outreach effort based on a long-term strategic communications plan. This communications partnership between SMART staff and Consultant team engaged a broad spectrum of the North Bay community regarding SMART's impact on the region, including economic development, connecting to jobs, and improving the environment.

As Civic Edge Consulting has proven successful in increasing engagement on Facebook by 175%, Twitter by 238%, and produced a portfolio of fresh, high-quality photographs and a new marketing video, SMART staff has decided to extend its contract through this amendment to support SMART's Welcome Back marketing campaign.

This contract amendment will support SMART's outreach and marketing efforts to regain its pre-pandemic ridership and to attract new riders beginning with Memorial Day Weekend promotions and continuing through Labor Day to build SMART's ridership and overall public awareness of the benefits that SMART brings to the North Bay.

FISCAL IMPACT: Funds for this service are included in the Fiscal Year 2020-21 and 2021-22 Community Outreach budget.

REVIEWED BY: Finance _____/s/_____ Counsel _____/s/_____

Very truly yours,

/s/
Matt Stevens
Acting Communications & Marketing Manager

Attachment(s): Civic Edge Consulting Contract Amendment No. 1

**FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
AND CIVIC EDGE CONSULTING.**

This First Amendment dated as of May 20, 2021 (the “First Amendment”), to the Agreement for Consultant Services by and between Civic Edge Consulting (hereinafter referred to as “CONSULTANT”) and the Sonoma-Marín Area Rail Transit District (hereinafter referred to as “SMART”), dated as of November 1, 2020 (the “Original Agreement,” as amended and supplemented by this First Amendment, the “Agreement”).

RECITALS

WHEREAS, CONSULTANT and SMART previously entered the Original Agreement on November 20, 2020 to provide public engagement and media planning services; and

WHEREAS, SMART desires to amend the Agreement to add additional scope of work, increase the not-to-exceed amount by \$158,075 for a total not-to-exceed amount of \$258,050, and extend the term to September 30, 2021.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **“ARTICLE 2. LIST OF EXHIBITS.”**

The Exhibit A “Scope of Work & Timeline” is hereby amended to include the scope of work identified in the Exhibit A “Scope of Work & Timeline” included in this First Amendment.

The Exhibit B “Schedule of Rates” of the original agreement is hereby deleted and replaced with the Exhibit B “Schedule of Rates” included in this First 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 subsequent Amendments, the contract amount shall be increased by an amount not-to-exceed \$158,075 for a total not-to-exceed amount of \$258,050 for the Agreement.

3. **“ARTICLE 6. TERM OF AGREEMENT”** is hereby deleted and replaced in its entirety with the following:

“ARTICLE 6. TERM OF AGREEMENT. The term of this Agreement shall remain in effect through September 30, 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 First Amendment as of the date first set forth above.

SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

Dated: _____

By _____
Farhad Mansourian, General Manager

CIVIC EDGE CONSULTING

Dated: _____

By _____
Lisbet Sunshine, President

APPROVED AS TO FORM:

Dated: _____

By _____
District Counsel

EXHIBIT A
SCOPE OF WORK & TIMELINE

In addition to the work that Civic Edge Consulting is currently providing to SMART under the original agreement, Consultant shall also be responsible for: 1) marketing the return of weekend service, 2) marketing the return of the full weekday schedule, and 3) managing SMART's social media communications through September.

I. Scope of Work

A. Marketing the Return of Weekend Service

- a. Consultant, with SMART's approval of all content prior to release, shall perform the following services under this task:
 - i. Update SMART's Internal Communications Resources, including:
 1. SMART's Website
 2. SMART's App (for promotions like Sail & Rail)
 3. SMART Subscriber Email List
 4. Social Media Platforms (Minimum of 2-5 posts per week)
 - a. Facebook
 - b. Twitter
 - c. Instagram
 5. Kiosks and on-board posters
 - ii. Develop, Manage, and Execute Digital and Radio Ads
 1. Consultant shall provide SMART with a Media Buy Plan for review and approval.
 2. Digital Ads will include:
 - a. Display ads, including Spanish-language placements.
 - b. Spotify
 - c. NextDoor (Specific Neighborhoods near the Rail Corridor)
 - d. Programmatic Video
 - e. Podcasts
 3. Consultant will partner with SMART regarding the target audience for these digital advertisements.
 - iii. Develop and Execute all Public Relations and Outreach
 1. Draft Press Releases and story pitch ideas
 2. Liaison with local media feature writers (some examples include: NPR/KQED, SF Chronical, NBC News, Sonoma and Marin Magazines, Pacific Sun, Spanish-Language Univision, KMO, La Voz, El Tecolote, El Observador).
 3. Develop media partnerships with Marin IJ and Press Democrat to use influencer social media posts as advertisements and cross

- promotional opportunities.
- 4. Engage with the North Bay Business Journal, SF Business Times, workplace reporters.
- 5. Partner with Boston Properties (Salesforce Tower, Embarcadero Center) to reach 30,000+ employees.
- 6. Partner with Marin Country Mart and post signage and perform customer and tenant outreach.

B. Marketing the Return of Full Weekday Service

- a. Consultant, with SMART approval of all content prior to release, shall perform the following services under this task:
 - i. Update SMART's Internal Communications Resources, including:
 - 1. SMART's Website
 - 2. SMART's App (for promotions like Sail & Rail)
 - 3. SMART's Subscription Email List
 - 4. Social Media Platforms (Minimum of 2-5 posts per week)
 - a. Facebook
 - b. Twitter
 - c. Instagram
 - 5. Kiosks and on-board posters
 - ii. Develop, Manage, and Execute Digital and Radio Ads
 - 1. Consultant shall provide SMART with a Media Buy Plan for review and approval.
 - 2. Digital Ads will include:
 - a. Display ads
 - b. LinkedIn
 - c. Podcasts
 - 3. Radio Ads will include:
 - a. KCBS, Alice Travel Weather Information News (TWIN) ads
 - 4. Consultant will partner with SMART regarding the target audience for these digital advertisements.
 - iii. Develop and Execute Public Relations and Outreach
 - 1. Draft Press Releases and story pitch ideas
 - 2. Liaison with local media feature writers (some examples include: NPR/KQED, SF Chronical, NBC News, Sonoma and Marin Magazines, Pacific Sun, Spanish-Language Univision, KMO, La Voz, El Tecolote, El Observador).
 - 3. Develop media partnerships with Marin IJ and Press Democrat to use influencer social media posts as advertisements and cross promotional opportunities.

4. Engage with the North Bay Business Journal, SF Business Times, workplace reporters.
5. Partner with Boston Properties (Salesforce Tower, Embarcadero Center) to reach 30,000+ employees.
6. Partner with Marin Country Mart and post signage and perform customer and tenant outreach.

b. Target Audience:

C. Managing Social Media Communications

- a. Consultant, with SMART approval of all content prior to release, shall perform the following services under this task:
 - i. Develop and Manage SMART’s day-to-day social media platforms, as well as continue to promote the Welcome Back campaign.
 - ii. Consultant will develop for approval and release a minimum of 2-5 posts per week.
 - iii. Broadly, the goals of SMART’s social media presence will continue building on key messages that include, but are not limited to, the following:
 1. Dispel misunderstandings and untruths about SMART.
 2. Give residents of Sonoma and Marin Counties a broader understanding of SMART benefits to the community.
 3. Provide stakeholders and leaders with the information they need to become SMART champions.
 - iv. Consultant will continue to collect and share meaningful data about SMART’s operation and impact, build a sense of pride and ownership around how SMART ties together the community, and develop engaging, sharable content that speaks to the interests of residents and stakeholders.
 - v. Consultant will develop SMART’s Social Media calendar
 - vi. Perform a “Community Ties” video refresh.

II. Timelines for Deliverables

Consultant shall provide SMART with an initial detailed and comprehensive schedule for all task work by May 25, 2021. All final schedule dates must be approved by SMART.

EXHIBIT B SCHEDULE OF RATES

		Lisbet Sunshine	Peter Lauterborn	Marianne Glaser	Translation	Other Direct Costs	Sub Totals	Totals
		<i>President</i>	<i>Senior Strategic Advisor</i>	<i>Senior Project Manager</i>				
Rates		\$250.00	\$225.00	\$175.00				
Task 1	Internal Communication Resources							\$2,450.00
1.1	Website and App	1.00	2.00	1.00			\$875.00	
1.2	Kiosks and on-board posters	1.00	2.00	1.00			\$875.00	
1.3	Overall Strategy	1.00	2.00	0.00			\$700.00	
Hours		3.00	6.00	2.00				
Budget		\$750.00	\$1,500.00	\$500.00	\$0.00	\$0.00	\$2,450.00	
Task 2	Digital and Radio Ads							\$105,600.00
2.1	Production and Creative Management	18.00	40.00	60.00			\$24,000.00	
2.2	Media Ad Buys (sub-consultant)					\$81,600.00	\$81,600.00	
Hours		18.00	40.00	60.00				
Budget		\$4,500.00	\$10,000.00	\$15,000.00	\$0.00	\$81,600.00	\$105,600.00	
Task 3	Public Relations and Outreach							\$12,000.00
3.1	Press Release	1.00	2.00	2.00	\$1,000.00		\$2,050.00	
3.2	Develop media partnerships	4.00	8.00	15.00			\$5,425.00	
3.3	Outreach	1.00	6.00	11.00	\$1,000.00		\$4,525.00	
Hours		6.00	16.00	28.00				
Budget		\$1,500.00	\$4,000.00	\$7,000.00	\$2,000.00	\$0.00	\$12,000.00	
Task 4	Social Media							\$29,450.00
4.1	Weekend Service Campaign	0.00	4.00	7.00			\$2,125.00	
4.2	Social Media Content Creation	9.00	45.00	65.00			\$23,750.00	
4.3	Video Refresh		3.00	4.00		\$2,200.00	\$3,575.00	
Hours		9.00	52.00	76.00				
Budget		\$2,250.00	\$13,000.00	\$19,000.00	\$0.00	\$2,200.00	\$29,450.00	
Task 5	Project Management							\$8,575.00
5.1	Client Check-in's	4.00	5.00	3.00			\$2,650.00	
5.2	Internal Communications and Strategy	4.00	6.00	9.00			\$3,925.00	
5.3	Reporting	0.00	5.00	5.00			\$2,000.00	
Hours		8.00	16.00	17.00				
Budget		\$2,000.00	\$4,000.00	\$4,250.00	\$0.00	\$0.00	\$8,575.00	
TOTALS								\$158,075.00
Hours Sum		44.00	130.00	183.00				
Column Sum		\$11,000.00	\$29,250.00	\$32,025.00	\$2,000.00	\$83,800.00	\$158,075.00	\$158,075.00



David Rabbitt, Chair
Sonoma County Board of Supervisors

May 19, 2021

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

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

Judy Arnold
Marin County Board of Supervisors

SUBJECT: FY 22 Draft Budget Information

Melanie Bagby
Sonoma County Mayors' and
Councilmembers Association

Dear Board Members:

Kate Colin
Transportation Authority of Marin

RECOMMENDATIONS: Informational and Discussion Item

Damon Connolly
Marin County Board of Supervisors

SUMMARY:

Debora Fudge
Sonoma County Mayors' and
Councilmembers Association

The last two fiscal years have been challenging. First in January of 2020, SMART opened the Larkspur extension and the downtown Novato Station. Ridership and farebox collections were at an all-time high. Within a few months, the entire landscape had changed. COVID-19 brought with it unprecedented uncertainty both in revenues and ridership. Both Fiscal Year (FY) 20 and FY 21 were a time of service and expenditure reductions. In FY 22, we are looking towards the future, bringing back service, riders, and implementation of the recently approved Capital Plan. The following is the draft FY 2021/2022 budget which is for the period July 1, 2021 – June 30, 2022.

Patty Garbarino
Golden Gate Bridge,
Highway/Transportation District

Susan Gorin
Sonoma County Board of Supervisors

Dan Hillmer
Marin County Council of Mayors and
Councilmembers

Eric Lucan
Transportation Authority of Marin

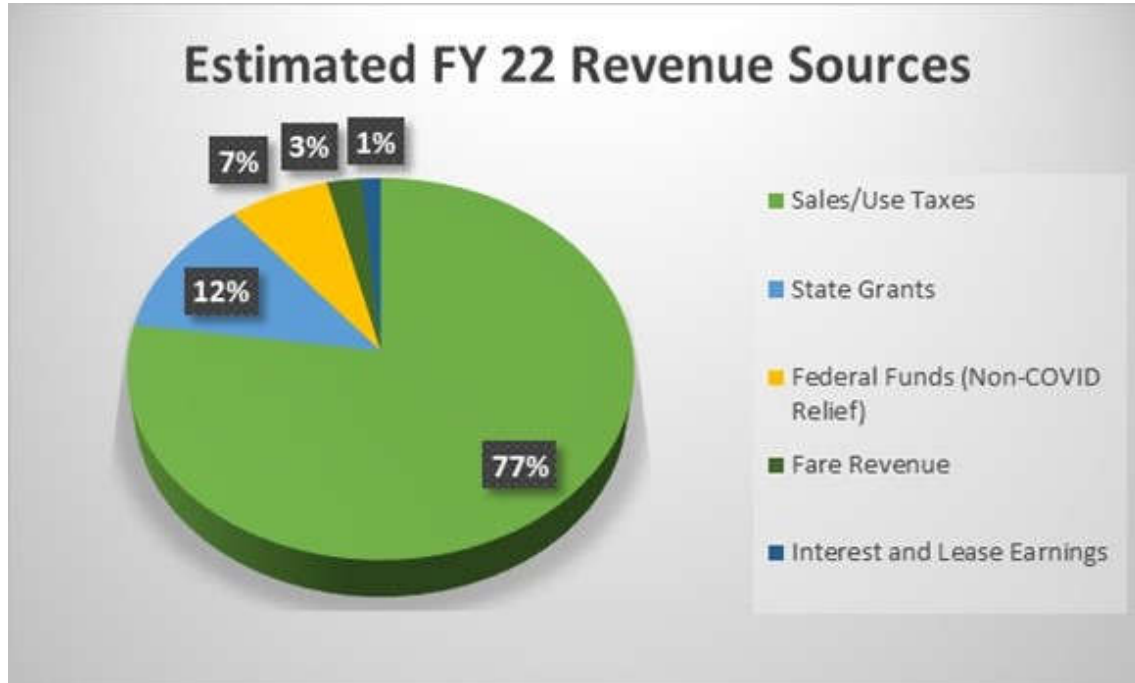
We have included a summary of the budget in Exhibit A. It includes both revenues and expenditures as detailed in the narrative. It also includes audited actual revenues and expenditures for FY 20. We have also included the FY 21 amended budget that was approved by the Board in February 2021. There have been a few minor adjustments since the Board approval that have been reflected in this document. These are Board adopted budgeted numbers and do not reflect actual or estimated expenditures. Actual expenditures for FY 21, can be found in the Monthly Financial Report. Once the FY 21 financials are closed, we will prepare a budget to actual comparison at that time. The last column in the summary is the proposed budgeted for FY 22.

Chris Rogers
Sonoma County Mayors' and
Councilmembers Association

Farhad Mansourian
General Manager

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

Revenues



Sales Tax

On November 4, 2008, more than two-thirds of the voters in Sonoma and Marin counties approved Measure Q implementing the 2008 Measure Q Sales Tax. The 2008 Measure Q Sales Tax is a sales and use tax of one quarter of one percent (1/4%) imposed for a period of 20 years beginning April 1, 2009 on the gross receipts from the sale of all tangible personal property sold at retail businesses in the counties and a use tax at the same rate on the storage, use, or other consumption in the counties of such property purchased from any retailer for storage, use or other consumption in the counties, subject to certain exceptions.

State Revenues

SMART receives reoccurring formula allocations from the state revenue programs itemized below. SMART may receive other state grants but those are received on an application basis, are project specific, and are typically one-time allocations.

- State Transit Assistance
- State Rail Assistance
- State Local Partnership Program
- Local Carbon Transit Operations Program

Federal Revenues

SMART is a direct recipient of Federal Transit Administration (FTA) Funds. There are three (3) sources of federal funds in the FY 22 budget. We have not assumed any funds from the American Rescue Plan Act, but we are anticipating receiving funds in FY 22 and will amend the budget accordingly once the amounts are known.

- 5307 Funds: FTA Urbanized Area Formula Funds
- FRA Grant for Suicide Prevention
- Quick Strike Funds for the Payran to Lakeville Pathway Construction project

Farebox Revenues

Fare box revenues are still expected to be down for FY 22 but are expected to double from FY 21 anticipated actual collections. However, fare revenue is not expected to return to pre-pandemic levels until FY 24. The FY 22 budgeted number is approximately \$2.8 million less than what was originally forecasted pre pandemic. The FY 22 estimate may change based on ridership and fare policy.

Other SMART Revenues

- Interest and Lease Earnings: Includes leases and interest earnings which are expected to remain the same in FY 22 and advertising revenue which is expected to increase but not return to pre-pandemic levels until FY 24
- Miscellaneous Revenues: Vary each year, but are less in FY 22 due to one-time funds in FY 21
- Parking Revenue: Are expected to go up in FY 22 but not return to pre-pandemic levels until FY 24
- Charges for Services: Include dispatching and flagging services
- Other Governments: Joint project with City of San Rafael for Pathway Study

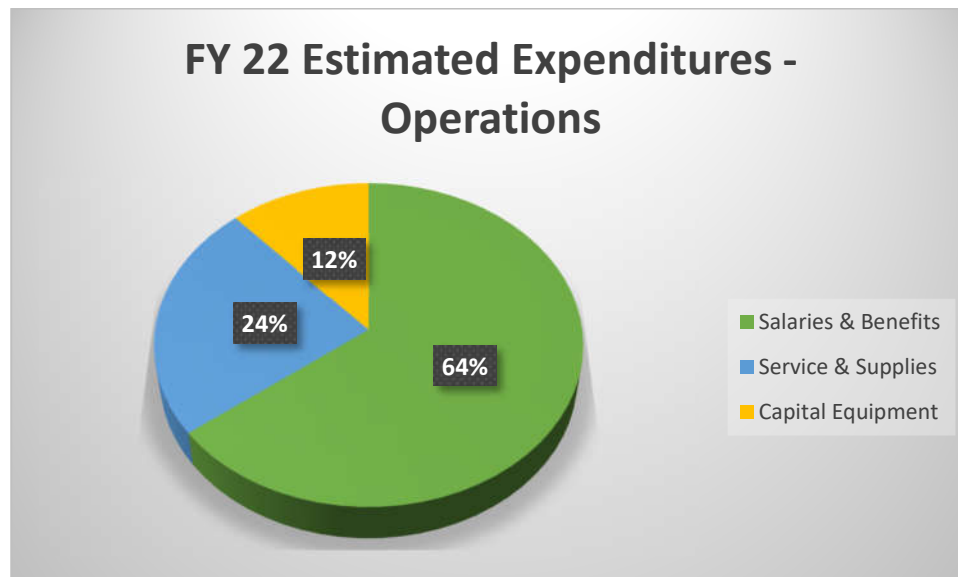
		FY 2019-20	FY 2020-21	FY 2021-22
		FINAL ACTUALS	APPROVED AMENDED BUDGET PLUS ADJUSTMENTS	PROPOSED BUDGET
Budgeted Revenue				
1	Sales/Use Taxes	39,784,110	39,133,000	42,074,000
2	Interest and Lease Earnings	1,238,993	738,700	732,665
3	Miscellaneous Revenues	931,087	105,000	30,000
4	Fare Revenue	3,090,457	655,525	1,311,050
5	Parking Revenue	50,368	25,000	27,000
6	State Grants	27,828,105	20,204,131	6,546,727
7	State Grants - Freight (Fund 40)	-	6,000,000	-
8	Charges For Services	189,184	80,000	57,500
9	Federal Funds (Non-COVID Relief)	2,609,220	7,394,025	3,843,733
10	Federal Funds (COVID Relief)	8,058,183	8,684,064	-
11	Other Governments/ Misc.	5,442,759	8,957,193	50,000
12	Measure M	22,632	157,348	-
13	Total All Revenues	\$ 89,245,098	\$ 92,133,986	\$ 54,672,675

State revenues saw the most significant decline. We have had to postpone construction of the Sonoma County Pathway project due to current litigation, therefore we are not expecting to get state revenues to construct that project until after the lawsuit is resolved. The second largest change is in federal COVID-19 relief grants. We received significant funds in FY 21. We are expecting to receive American Rescue Plan Act (ARPA) funds consistent with our Federal 5307 allocation which would provide around \$10 million over several years however, these funds have not yet been allocated by the Metropolitan Transportation Commission, so they have not yet been reflected in the FY 22 budget.

Expenditures

Operations

Included in the FY 2021/2022 draft budget is funding to restore weekend service to pre-pandemic levels and to increase weekday service to the “6-1-6” schedule which would be equivalent to six morning runs, 6 evening runs, and one midday run.



This budget only has funding for the service identified above. To add additional weekday or weekend service, we have estimated that we would need an additional \$ 2.2 million per year. We would need to receive an allocation from ARPA before we would have sufficient funds to return to or exceed those levels.

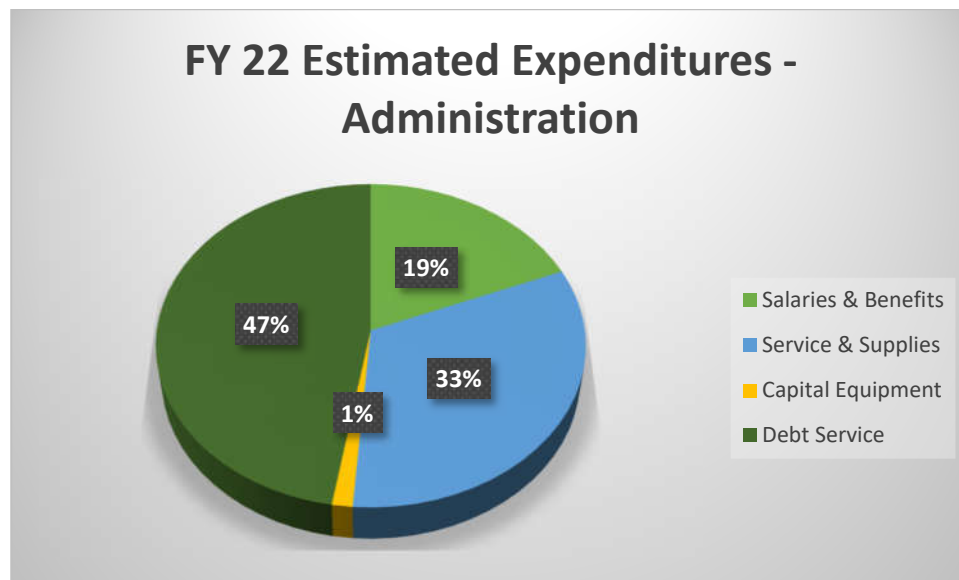
The increases in employee salaries and benefits and fuel and lubricants are a result of adding weekend service and the “6-1-6” schedule. We have added back two (2) Engineer/ Conductor positions and one (1) new Track Maintainer position. We have also included all the pay requirements per the existing collective bargaining agreements. The capital equipment of \$2.9

million includes funding for Diesel Mechanical Units (DMU) transmission, DMU restroom overhaul, permanent magnet alternator overall, automatic passenger counters, Heating, Ventilation, and Air Conditioning (HVAC) system overhaul, spare parts, and the upgrade of the automatic vehicle locator equipment and grade crossing cameras.

DESCRIPTION	FY 2019-20 FINAL ACTUALS	FY 2020-21 APPROVED AMENDED BUDGET PLUS ADJUSTMENTS	FY 2021-22 PROPOSED BUDGET
EXPENDITURES:			
OPERATIONS			
Salaries and Benefits			
Employee Salaries	10,651,825	11,845,176	12,166,025
Employee Benefits	2,990,424	3,665,401	4,121,189
Total Salaries and Benefits	13,642,248	15,510,578	16,287,214
Services and Supplies			
Uniform Expense	71,007	136,000	137,000
Communications	194,829	228,100	196,500
Maintenance-Equipment	371,030	454,676	467,576
Maintenance-Radios	115,432	151,400	163,750
Maintenance-Revenue Vehicles	1,169,501	2,576,119	742,500
Maintenance-Railway	793,540	373,090	394,250
Maintenance of Signals	122,214	204,351	200,000
Maintenance-Buildings/Facilities	205,150	248,567	247,080
Maintenance - Pathway	8,297	10,000	12,000
Transportation Services	190,391	93,000	93,000
Office Expense	71,489	86,500	76,000
Agency Extra Help	-	5,000	2,500
Rents/Leases - Equipment	60,911	82,020	73,020
Minor Equipment	190,563	253,688	217,190
Computer Software and Hardware	194,564	268,880	-
Training, Travel and Memberships	31,966	63,180	94,000
Fuel and Lubricants	950,388	905,000	1,255,000
Miscellaneous	1,801	4,500	4,900
Professional Services	1,604,750	1,415,020	909,040
Utilities	563,607	700,525	705,275
Total Services and Supplies	6,911,428	8,259,616	5,990,581
Buildings & Capital Improvements (Capital Assets)			
Vehicles, Equipment	1,988,014	2,349,778	2,931,000
Total Buildings and Capital Improvement	1,988,014	2,349,778	2,931,000
TOTAL OPERATIONS EXPENDITURES	\$ 22,541,691	\$ 26,119,972	\$ 25,208,795

Administration

The administration budget funds the day-to-day business functions of the organization such as finance, human resources, planning, legal, and information technology.



Included in the Administration budget is payment of the annual debt service. It is budgeted at \$14.9 million approximately \$3 million less than it was prior to the refinancing of the debt in October of 2020.

Costs for railroad liability insurance is anticipated to increase by approximately \$250,000. We are still waiting for the actual insurance bids, so this number may change and need to be adjusted in the FY 22 amended budget.

Also included are funds for legal services and the “Welcome Back” campaign. We have also included funds for interns, cost of living increases, and personnel step increases. We are also requesting one (1) new purchasing assistant position. This position is needed to support the organization including operations and capital because of increased workload related to contracts, more federal funds, and more procurements.

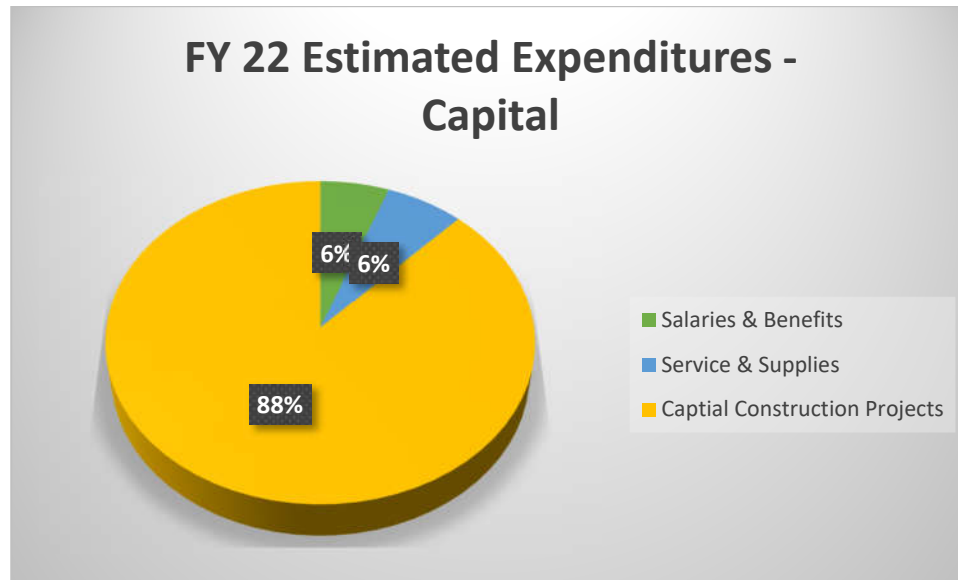
During our presentation on performance metrics, we identified the need for resources to gather data and develop further metrics. We have included \$195,000 in the Administration budget for pathway counter and consulting services, web reporting tools, and train and pathway surveys.

We have also included \$387,600 for Information Technology capital projects to replace and upgrade of servers, routers, and switches.

DESCRIPTION	FY 2019-20 FINAL ACTUALS	FY 2020-21 APPROVED AMENDED BUDGET PLUS ADJUSTMENTS	FY 2021-22 PROPOSED BUDGET
EXPENDITURES:			
ADMINISTRATION			
Salaries and Benefits			
Employee Salaries	3,471,392	3,761,327	4,374,878
Employee Benefits	1,020,377	1,280,643	1,549,435
Total Salaries and Benefits	4,491,769	5,041,970	5,924,313
Services and Supplies			
Communications	30,748	49,250	49,250
Insurance	1,751,589	2,410,490	2,672,121
Maintenance-Facilities	19,240	31,035	5,000
Fees/ Miscellaneous Expense	725,197	63,338	68,270
Office Expense	61,614	85,860	85,860
Postage, Printing, Periodicals	29,286	58,600	71,800
Accounting/ Payroll Services	81,626	93,791	95,385
Professional Services	721,606	789,995	1,817,620
Agency Extra Help	21,018	100,000	100,000
State Administrative Fee	805,480	901,134	1,000,000
Legal Services	202,738	404,928	2,120,000
Rents/Leases	489,495	511,468	499,193
Computer Software and Hardware	111,762	254,050	583,780
Public Outreach	30,311	261,700	861,281
Training, Travel and Memberships	43,033	127,700	157,930
Mileage Expense	33,529	39,920	39,620
Total Services and Supplies	\$ 5,158,270	\$ 6,183,260	\$ 10,227,109
Other Charges and Payments			
Bond Principal, Interest	16,747,600	14,284,259	14,936,756
Settlements	100,000	-	-
Total Other Charges	16,847,600	14,284,259	14,936,756
Buildings & Capital Improvements (Capital Assets)			
Equipment	45,942	83,000	445,600
Total Buildings and Capital Improvements	45,942	83,000	445,600
TOTAL ADMINISTRATION EXPENDITURE	\$ 26,543,581	\$ 25,592,489	\$ 31,533,778

Capital

The capital budget includes projects identified in the Capital Plan adopted by the Board in April. The largest category of expenditures in the Capital budget is Capital Projects.



We have funded \$5,500,000 in this budget to be used towards design and permitting funds for the following pathway projects:

- McInnis Parkway to Smith Ranch Road
- Smith Ranch Road to Main Gate Road
- Sate Access Road to Bay Trail
- Hannah Ranch Road to Vintage Way
- Vintage Way to North Side Novato Circle
- Grant Avenue to Olive Avenue
- Olive Avenue to Rush Creek Place
- Lakeville to Payran Street
- Lakeville to Oak Street Extension
- Main Street to E. Railroad Avenue
- 3rd Street to 6th Street
- Guernville Road to W. Steele Lane
- W. Steele Lane to San Miguel Boulevard
- San Miguel Boulevard to Airport Boulevard

Also included in capital expenditure budget is \$1,085,806 for construction of the Payran to Lakeville pathway project. We had included \$100,000 for a feasibility study of the Puerto Suello to North San Pedro pathway; however, we have learned that the estimate is much lower at \$30,000. We will be revising the draft budget to reflect that lower amount going forward. SMART will be providing \$15,000 towards the study with \$15,000 assumed to be coming from the City of San Rafael.

We are also funding design and permitting funds for two timber bridges in the amount of \$313,110. Those bridges are:

- Milepost (MP) 24.36 Drainage Tributary Pacheco Creek Timber Bridge Replacement
- MP 31.47 San Antonio Tributary Timber Trestle Replacement

DESCRIPTION	FY 2019-20 FINAL ACTUALS	FY 2020-21 APPROVED AMENDED BUDGET PLUS ADJUSTMENTS	FY 2021-22 PROPOSED BUDGET
EXPENDITURES:			
CAPITAL			
Salaries and Benefits			
Employee Salaries	996,517	1,088,740	1,121,402
Employee Benefits	321,536	329,021	361,028
Total Salaries and Benefits	1,318,053	1,417,761	1,482,430
Services and Supplies			
Communications	8,196	7,700	7,700
Professional Services - Project	289,718	805,200	711,830
Computer Software and Hardware	14,714	11,336	3,000
Training, Travel, Memberships	2,591	6,000	4,500
Permits/Fees	45,040	17,500	30,000
Mileage Expense	-	5,000	1,000
Total Services and Supplies	360,258	852,736	758,030
Other Charges and Payments			
Other Governments	918,506	3,786,500	100,000
Total Other Charges	918,506	3,786,500	100,000
Buildings & Capital Improvements (Capital Assets)			
Land		-	-
Buildings & Improvements			
Machinery and Equipment	34,006		
Capital Equipment - Work in Progress	10,805,628	3,177,138	25,000
Infrastructure	24,463,033	19,034,041	10,179,857
Total Buildings and Capital Improvement	35,302,667	22,211,179	10,204,857
Interfund Transfers			
Salaries and Benefits Transfer - Capital	(861,571)	(860,000)	(816,560)
Total Interfund Transfer	(861,571)	(860,000)	(816,560)
TOTAL CAPITAL EXPENDITURES	\$ 37,037,913	\$ 27,408,176	\$ 11,728,757

Carryforward Funds/ Expenditures

As part of the FY 22 budget, we are anticipating carrying forward approximately \$10.2 million from FY 21 to FY 22. This includes projects and programs that are not estimated to be completed or expended in FY 22. Both the revenues and expenditures will be rolled forward. Because we are estimating what will be spent between now and June 30, 2021, this number will most likely change and will be adjusted in the FY 22 amended budget.

Reserves

SMART has several reserves that have been established for various purposes.

Pension Liability Reserve

This reserve is to ensure that we have funds set aside for future pension costs. We have been trying to contribute \$500,000 to this reserve on an annual basis. Once we close the books, we will be able to calculate the amount of pension liability. Once that is known we can true-up the amount transferred to this reserve in the FY 22 amended budget. The FY 22 balance is \$3,574,676.

Equipment Reserve

This reserve is used to accumulate funds for future capital equipment needs such as vehicle replacement. The current balance is \$7,625,000. These funds were assumed to be utilized towards completion of the capital plan approved by the Board in April 2021.

Corridor Completion Reserve

This reserve was established in the FY 2020/2021 amended budget to set aside funds for design, environmental, or leveraging grants. The current balance is \$7,000,000. These funds were assumed to be utilized towards completion of the capital plan approved by the Board in April 2021.

Operating Reserve

The FY 2020/2021 operating reserve is \$10 million. We have done the calculation and 25% of the operating costs for FY 2021/2022 would result in a reserve of \$9.6 million. Since this is below the \$10 million minimum threshold, the reserve will remain at \$10 million for FY 22.

The current estimated fund balance after deducting the reserves is \$23.5 million.

Recession Discussion

We asked MuniServices, who provides our sales and use tax revenues forecast, to look at a recession scenario for SMART. If we want to build in a recession, their recommendation would be to do so in FY 31/32.

Very truly yours,

/s/

Heather McKillop
Chief Financial Officer

Attachment(s): PowerPoint Presentation

Exhibit A					
BUDGET REPORT: OVERVIEW OF ALL SOURCES AND USES					
	FY 2019-20	FY 2020-21	FY 2021-22		
	FINAL ACTUALS	APPROVED AMENDED BUDGET PLUS ADJUSTMENTS	PROPOSED BUDGET	EXPLANATION OF SIGNIFICANT CHANGES	
Budgeted Revenue					
1	Sales/Use Taxes	39,784,110	39,133,000	42,074,000	Aligned with latest forecast from Muni-Services
2	Interest and Lease Earnings	1,238,993	738,700	732,665	Includes Leases/ Advertising/ and Interest Expense; Leases remain the same, advertising is higher than amended budget but not expected to return to pre-pandemic levels until FY24
3	Miscellaneous Revenues	931,087	105,000	30,000	Decrease due to one-time funds in FY21
4	Fare Revenue	3,090,457	655,525	1,311,050	Fares are assumed to double in FY22 and return to pre-pandemic levels by FY24. Dependent on fare policy and ridership
5	Parking Revenue	50,368	25,000	27,000	Parking revenues are expected to be slightly higher than FY21 and return to pre-pandemic levels by FY24
6	State Grants	27,828,105	20,204,131	6,546,727	No grants or capital construction projects in FY22
7	State Grants - Freight (Fund 40)	-	6,000,000	-	Expected that these revenues will carry forward to FY22
8	Charges For Services	189,184	80,000	57,500	
9	Federal Funds (Non-COVID Relief)	2,609,220	7,394,025	3,843,733	Federal 5307 funds + FRA suicide prevention grant + CMAQ Strike
10	Federal Funds (COVID Relief)	8,058,183	8,684,064	-	Have not assumed ARPA funds at this time
11	Other Governments/ Misc.	5,442,759	8,957,193	50,000	Joint project with City of San Rafael - Puerto Suelo to North San Pedro Pathway Study
12	Measure M	22,632	157,348	-	
13	Total All Revenues	\$ 89,245,098	\$ 92,133,986	\$ 54,672,675	
14	Beginning Fund Balance	\$ 41,295,147	\$ 44,417,060	\$ 37,826,030	
15	Total Revenues + Beginning Fund Balance	\$ 130,540,245	\$ 136,551,046	\$ 92,498,705	
Debt Service					
16	Debt Service	\$ 16,747,600	\$ 14,284,259	\$ 14,936,756	
17	Total Revenues Less Debt Service	\$ 113,792,645	\$ 122,266,787	\$ 77,561,949	
Budgeted Expenditures					
18	Salaries & Benefits	19,452,070	21,970,308	23,693,957	Cost increase for union contracts, benefits increases
19	Services & Supplies	12,429,957	15,295,612	16,975,720	Fuel increase tied to schedule increase, performance metrics, welcome back campaign, increased insurance costs, legal expertise
20	Other Charges	100,000	-	-	
21	Equipment, Buildings & Improvements	2,033,956	2,432,778	3,376,600	DMU capital maintenance, automatic passenger counters, grade-crossing & Calpark Tunnel cameras, pathway chip and seal project, IT security/ server replacement
22	Capital Projects	35,302,667	22,211,179	10,204,857	No capital construction projects in FY22; Design and permitting for pathway projects, bridge repair, mitigation
23	Other Governments	918,506	3,786,500	100,000	Reimbursable work for other jurisdictions fluctuates
24	Freight (Fund 40)	-	6,000,000	-	Expected that these expenditures will carry forward to FY22
25	Account and Fund Transfers	(861,571)	(860,000)	(816,560)	Capitalizable labor
26	Total Budgeted Expenditures	\$ 69,375,585	\$ 70,836,377	\$ 53,534,574	
27	Total Revenues Less Debt Service and Budgeted Expenditures	\$ 44,417,060	\$ 51,430,410	\$ 24,027,375	Available Budget Sources minus All Uses
28	Transfer to Future OPEB/CalPERS Liability Fund	\$ -	\$ 1,079,380	\$ 500,000	
29	Transfer to Equipment Sinking Funds	\$ -	\$ 5,525,000	\$ -	
30	Transfer Fund Balance to New Corridor				
30	Completion Reserve	\$ -	\$ 7,000,000	\$ -	
31	Adjustment to match Board approved minimum agency reserve	\$ -	\$ -	\$ -	
32	Total Additional Adjustments	\$ -	\$ 13,604,380	\$ 500,000	
33	Estimated FY Ending Fund Balance	\$ 44,417,060	\$ 37,826,030	\$ 23,527,375	
Restricted Fund Balances (Reserves)					
34	Self Insured	1,876,019	1,876,019	1,876,019	
36	Future OPEB/ CalPERS Liability Fund	1,995,296	3,074,676	3,574,676	
35	Equipment Sinking Fund	2,100,000	7,625,000	7,625,000	
37	Corridor Completion Reserve (New)		7,000,000	7,000,000	
38	Operating Reserve (25% or 3 months operating)	10,000,000	10,000,000	10,000,000	

SMART BOARD OF DIRECTORS FY 2021/2022 Draft Budget May 19, 2021



FY 22 Budget Components

- Revenues
- Expenditures
- Carryforward
- Reserves

Exhibit A

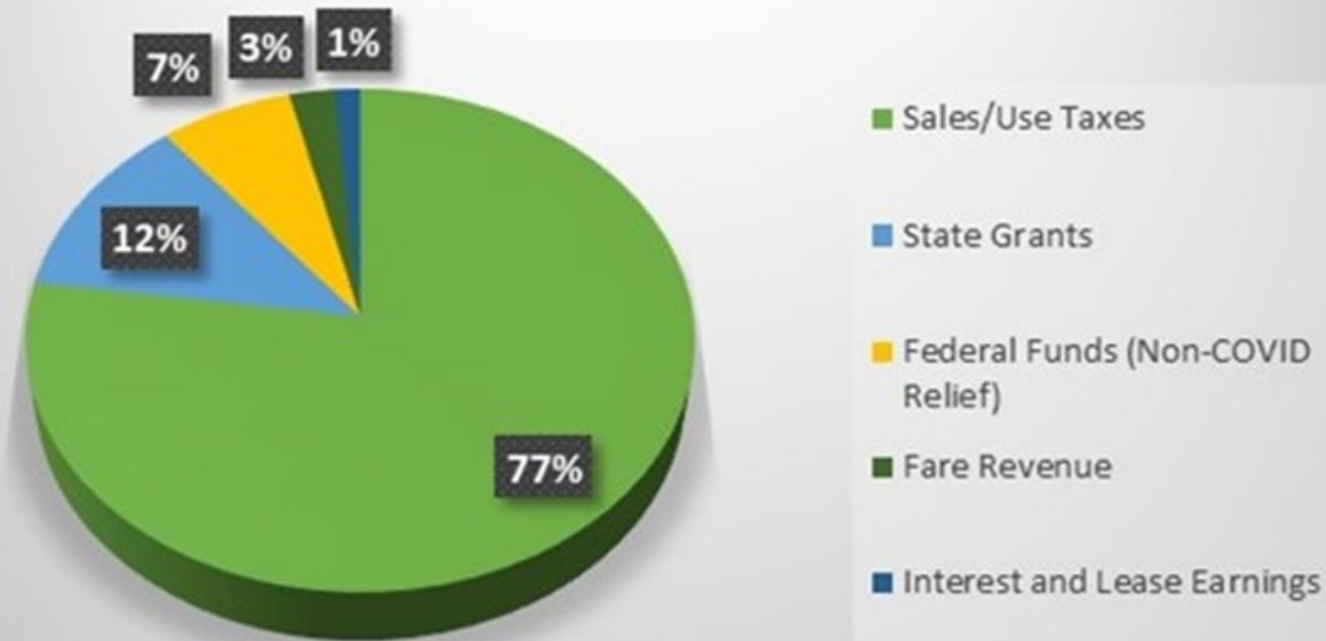
BUDGET REPORT: OVERVIEW OF ALL SOURCES AND USES

		FY 2019-20	FY 2020-21	FY 2021-22	
		FINAL ACTUALS	APPROVED AMENDED BUDGET PLUS ADJUSTMENTS	PROPOSED BUDGET	EXPLANATION OF SIGNIFICANT CHANGES
Budgeted Revenue					
1	Sales/Use Taxes	39,784,110	39,133,000	42,074,000	Aligned with latest forecast from Muni-Services
2	Interest and Lease Earnings	1,238,993	738,700	732,665	Includes Leases/ Advertising/ and Interest Expense; Leases remain the same, advertising is higher than amended budget but not expected to return to pre-pandemic levels until FY24
3	Miscellaneous Revenues	931,087	105,000	30,000	Decrease due to one-time funds in FY21
4	Fare Revenue	3,090,457	655,525	1,311,050	ridership
5	Parking Revenue	50,368	25,000	27,000	Parking revenues are expected to be slightly higher than FY21 and return to pre-pandemic levels by FY24
6	State Grants	27,828,105	20,204,131	6,546,727	No grants or capital construction projects in FY22
7	State Grants - Freight (Fund 40)	-	6,000,000	-	Expected that these revenues will carry forward to FY22
8	Charges For Services	189,184	80,000	57,500	
9	Federal Funds (Non-COVID Relief)	2,609,220	7,394,025	3,843,733	Federal 5307 funds + FRA suicide prevention grant + CMAQ Strike
10	Federal Funds (COVID Relief)	8,058,183	8,684,064	-	Have not assumed ARPA funds at this time
11	Other Governments/ Misc.	5,442,759	8,957,193	50,000	Joint project with City of San Rafael - Puerto Suelo to Noth San Pedro Pathway Study
12	Measure M	22,632	157,348	-	
13	Total All Revenues	\$ 89,245,098	\$ 92,133,986	\$ 54,672,675	
14	Beginning Fund Balance	\$ 41,295,147	\$ 44,417,060	\$ 37,826,030	
15	Total Revenues + Beginning Fund Balance	\$ 130,540,245	\$ 136,551,046	\$ 92,498,705	
Debt Service					
16	Debt Service	\$ 16,747,600	\$ 14,284,259	\$ 14,936,756	
17	Total Revenues Less Debt Service	\$ 113,792,645	\$ 122,266,787	\$ 77,561,949	
Budgeted Expenditures					
18	Salaries & Benefits	19,452,070	21,970,308	23,693,957	Cost increase for union contracts, benefits increases
19	Services & Supplies	12,429,957	15,295,612	16,975,720	Fuel increase tied to schedule increase, performance metrics, welcome back campaign, increased insurance costs, legal expertise
20	Other Charges	100,000	-	-	
21	Equipment, Buildings & Improvements	2,033,956	2,432,778	3,376,600	DMU capital maintenance, automatic passenger counters, grade-crossing & Calpark Tunnel cameras, pathway chip and seal project, IT security/ server replacement
22	Capital Projects	35,302,667	22,211,179	10,204,857	No capital construction projects in FY22; Design and permitting for pathway projects, bridge repair, mitigation
23	Other Governments	918,506	3,786,500	100,000	Reimbursable work for other jurisdictions fluctuates
24	Freight (Fund 40)	-	6,000,000	-	Expected that these expenditures will carry forward to FY22
25	Account and Fund Transfers	(861,571)	(860,000)	(816,560)	Capitalizable labor
26	Total Budgeted Expenditures	\$ 69,375,585	\$ 70,836,377	\$ 53,534,574	
27	Total Revenues Less Debt Service and Budgeted Expenditures	\$ 44,417,060	\$ 51,430,410	\$ 24,027,375	Available Budget Sources minus All Uses
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38	Operating Reserve (25% or 3 months operating)	10,000,000	10,000,000	10,000,000	



Revenues

Estimated FY 22 Revenue Sources



Revenues

- Sales Tax
 - Largest funding source (77%)
 - Estimated to generate \$42 million in FY 22
 - MuniServices most recent forecast
 - Expires in FY 29
- State Grants
 - 2nd largest funding source (12%)
 - 4 programs are reoccurring formula funds
 - Others funds available on application / project specific basis

Revenues

- Federal Funds
 - 3rd largest funding source (7%)
 - 5307 funds, Quick Strike, and FRA Suicide prevention grant
- Fare Revenues
 - Expected to increase and double from FY 21 estimate but still be less than pre-pandemic levels
 - Current estimate is a return to pre-pandemic levels by FY 2024
 - Dependent on ridership & fare revenue policy

Revenues

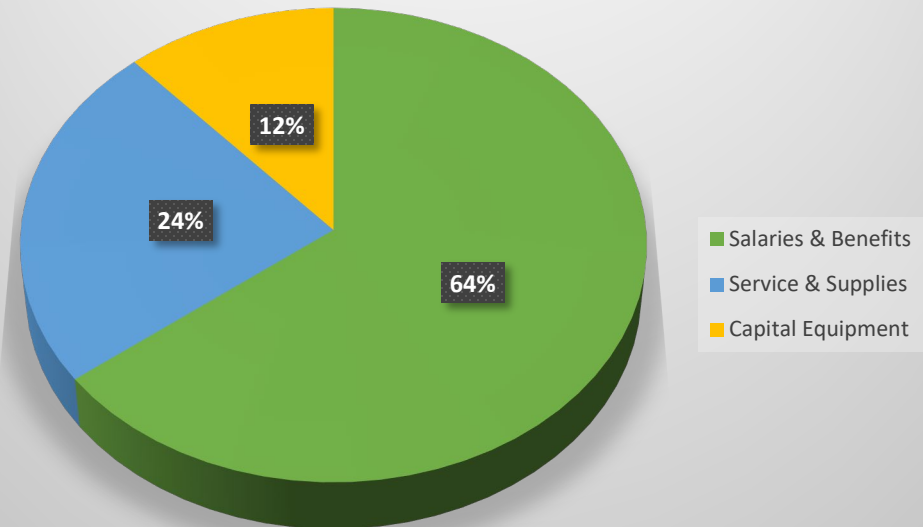
- COVID-19 Relief Funds
 - Received \$14.9 million of CARES Act funds
 - All funds have been expended
 - Received \$1.8 million of CRRSAA funds
 - All funds will be expended in FY 21
 - American Rescue Plan Act (ARPA)
 - Bay Area Urbanized Areas (UZAs) received around \$1.8 billion
 - MTC is deciding how much and when to allocate
 - Santa Rosa UZA allocation is \$27.4 million
 - Normal distribution
 - 40% SMART (\$10.9 million)
 - 35% Santa Rosa City Bus (\$9.6 million)
 - 25% Sonoma County Transit (\$6.9 million)
 - Have not assumed ARPA funds in the FY 22 budget

Expenditures

Operations

- Includes funding and personnel for “6-1-6” schedule and weekend service
- Does not include funds to return to pre-pandemic service levels
- Have estimated we need an additional \$2.2 million for increased service beyond “6-1-6” schedule
- In FY 22, salaries and benefits is most of the cost (72%)
- Have included \$2.9 million for capital equipment and capital repairs as outlined in the capital plan

FY 22 Estimated Expenditures -
Operations



Expenditures

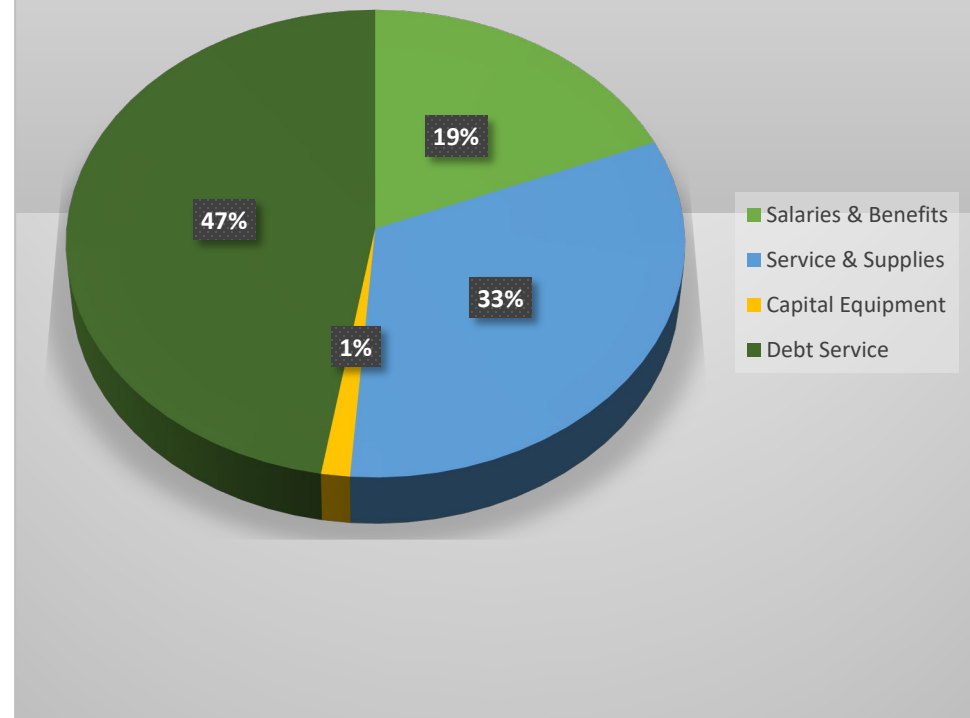
Administration

- Have included costs for litigation and “Welcome Back” campaign
- Have included for 1 new position (purchasing assistant)
- Have included costs for performance measures (\$195,000)
 - Pathway counters and consulting services
 - Web based tools
 - Train and pathway surveys
- Capital funds for information technology

Debt Service

- \$14.9 million in FY 22
- \$3 million less than prior FY 22 amount due to refinancing

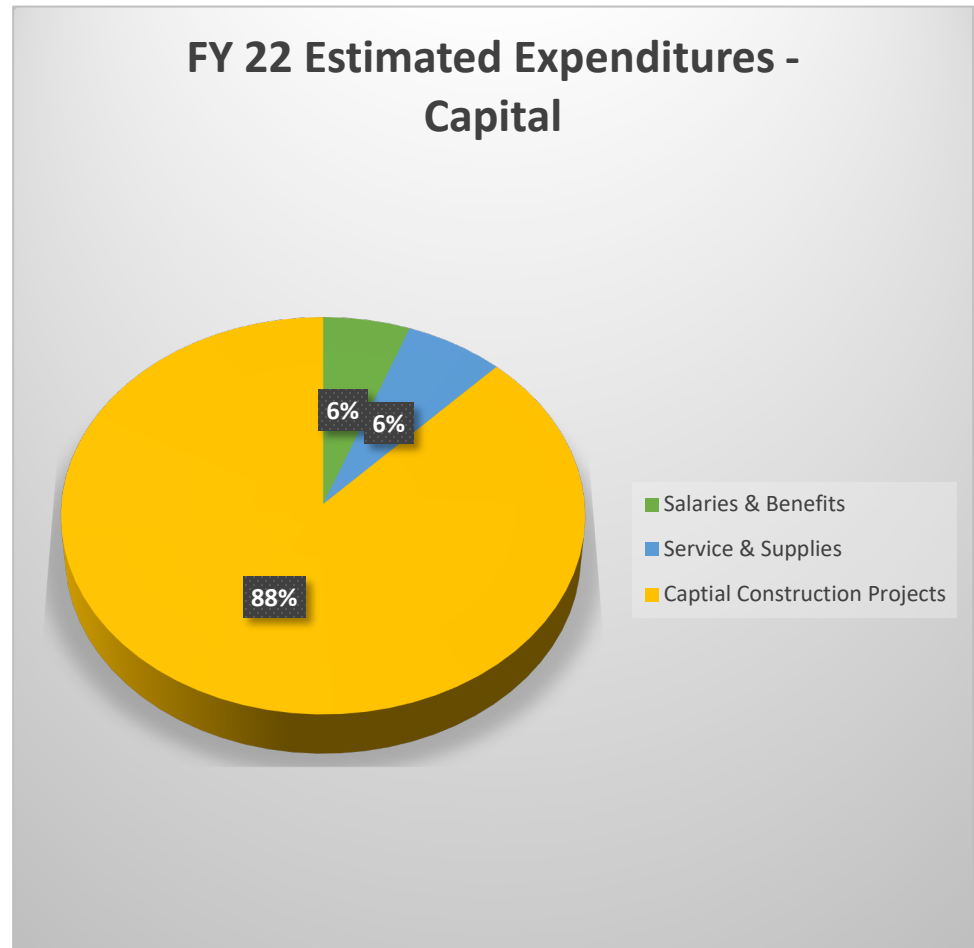
FY 22 Estimated Expenditures - Administration



Expenditures

Capital

- Implementation of Capital Plan adopted by Board April 2021
- \$5,500,000 towards design and permitting of pathway projects
- Match for the Quick Strike grant for Payran to Lakeville pathway project
- Design and Permitting funds for two timber bridges



Carryforward Funds/ Expenditures

- Carryforward
 - Projects or programs not completed or spent in FY 21
 - Projected to be \$10.2 million
 - Includes almost \$6 million from freight budget that was not expended
 - Will change once year end information is known
 - Will be updated in FY 22 amended budget after the financial audit is completed and actual numbers are known

Reserves and Estimated Fund Balance

- Reserves
 - Pension Liability Reserve – Contributing \$500,000 in FY 22. Balance will be \$3,574,676
 - Equipment Reserve – Not contributing anything additional in FY 22. Balance is \$7,625,000. Will be drawn down over time to fund capital plan.
 - Corridor Completion Reserve – Not contributing anything additional in FY 22. Balance is \$7,000,000. Will be drawn down over time to fund capital plan.
 - Operating Reserve – Current policy is 25% of operations or minimum of \$10 million.

Connect with us:

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May 19, 2021

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Sonoma County Board of Supervisors

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Golden Gate Bridge,
Highway/Transportation District

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SUBJECT: Update on Schedule, Weekend Service and Fare Incentives

Dear Board Members:

RECOMMENDATION:

Review the material and presentations to be provided at the meeting and provide feedback (Discussion).

SUMMARY:

In response to feedback received at the listening sessions and recent survey results we are recommending restoring some service during the week and on Saturdays.

As COVID-19 restrictions are eased in Sonoma and Marin counties and the North Bay begins to reopen, more riders are returning to transit.

It should be noted that restrictions have been lifted at varying rates across our service area, with some areas only allowing in person school to start in the past few weeks. This uneven re-opening and continued uncertainty on the schedule for full resumption of in person school and office work have created a complicated environment for establishing transit service schedules. Our local and regional transit partners are trying to remain flexible in reconfiguration of transit schedules and service levels. Today, you reviewed our April ridership report which showed continuous increase in passengers month over month as well as substantial increase over this time last year, despite SMART having reduced train trips by 62% during the pandemic. Of course, the ridership remains significantly below the pre-pandemic times.

SMART is committed to serving our community and the riders that rely on our public transit service. The agency has been coordinating with the Sonoma and Marin County Offices of Education and our transit partners in the North Bay to assess the changes to transit ridership and demand as we enter the next phase of the pandemic.

SMART conducted a short survey to understand how we can make improvements to our service and schedule to meet the needs of our community. The survey was distributed to educators in Marin and Sonoma counties, the SMART e-newsletter list of nearly 10,000 subscribers, and promoted on social media to reach beyond our audiences. In one week, over 1,000 people responded to the survey, which includes a mix of community members who ride the SMART train and those who do not. This survey will conclude Sunday, May 16, and we will provide a full results at your Board meeting.

The information collected will be used to build an expanded SMART schedule which we will be sharing with you at the Board meeting.

The preliminary results shows a remarkable similarity with what we heard during the Listening Sessions that your Board conducted.

Overwhelmingly, our survey respondents requested an increased frequency of trains during the southbound morning commute and the northbound evening commute. We are able to add weekday frequency but do not have the staff or revenue resources at this point to return to the frequency in our pre-pandemic schedule of 38 trips. However, we can deploy an interim service enhancement now while working on a more permanent schedule solution that seeks to maximize transit connections along the corridor, once our partner operator schedules are better known and once pandemic conditions have further receded.

SMART has sufficient staff and resources now to accommodate demand during commute hours using a modified pandemic schedule, by adding train trips in the morning and evening to increase both southbound and northbound commute capacity.

A significant number of responses to our survey requested increasing trains during the mid-afternoon and late evening to accommodate leisure trips. SMART's proposed interim pandemic schedule includes additional mid-day trips and one later train to allow riders to enjoy recreational travel. The majority of our survey responses indicated that they were looking forward the return of weekend service. During the pandemic and uncertainties over the availability of revenues, SMART adopted fiscally constrained budgets that minimized staff positions resulting in limitations in the ability to return to pre-pandemic levels of service that would include both more trips on weekdays and full restoration of weekend services. While we work to grow our available revenues to support restoration of our operating schedule to pre-pandemic levels, SMART is able to relaunch weekend service on Saturdays, beginning on Memorial Day weekend. Once additional staff positions included in your proposed Fiscal Year 2022 budget are filled and when the Larkspur Ferry resumes weekend service, SMART will reassess the demand for reintroducing Sunday train service.

According to the data collected from our survey, the most important factors that influence a person's decision to ride the SMART train are the schedule, connections to other transit systems, such as the Larkspur Ferry, and the price of fares.

I have asked our Chief Financial Officer to examine the current fare structure and recommend changes. She will make a presentation at your Board meeting but preliminarily, she has examined our Daily Fares, our 31-day rolling Monthly pass and our Eco Pass with an eye towards simplifying our fare program and focusing on our customers. I have also requested that we review the weekend/Holiday fare structures. We heard that families who wish to ride SMART would appreciate a "Family" package that is affordable.

We are looking forward to your feedback and that of members of public once you had the chance of reviewing the presentations from staff. Based on your feedback, we will return at the future Board meeting for specific action items.

Very truly yours,

/s/

Farhad Mansourian
General Manager