

Agenda Item 9 - FY 2025/2026 Draft Budget

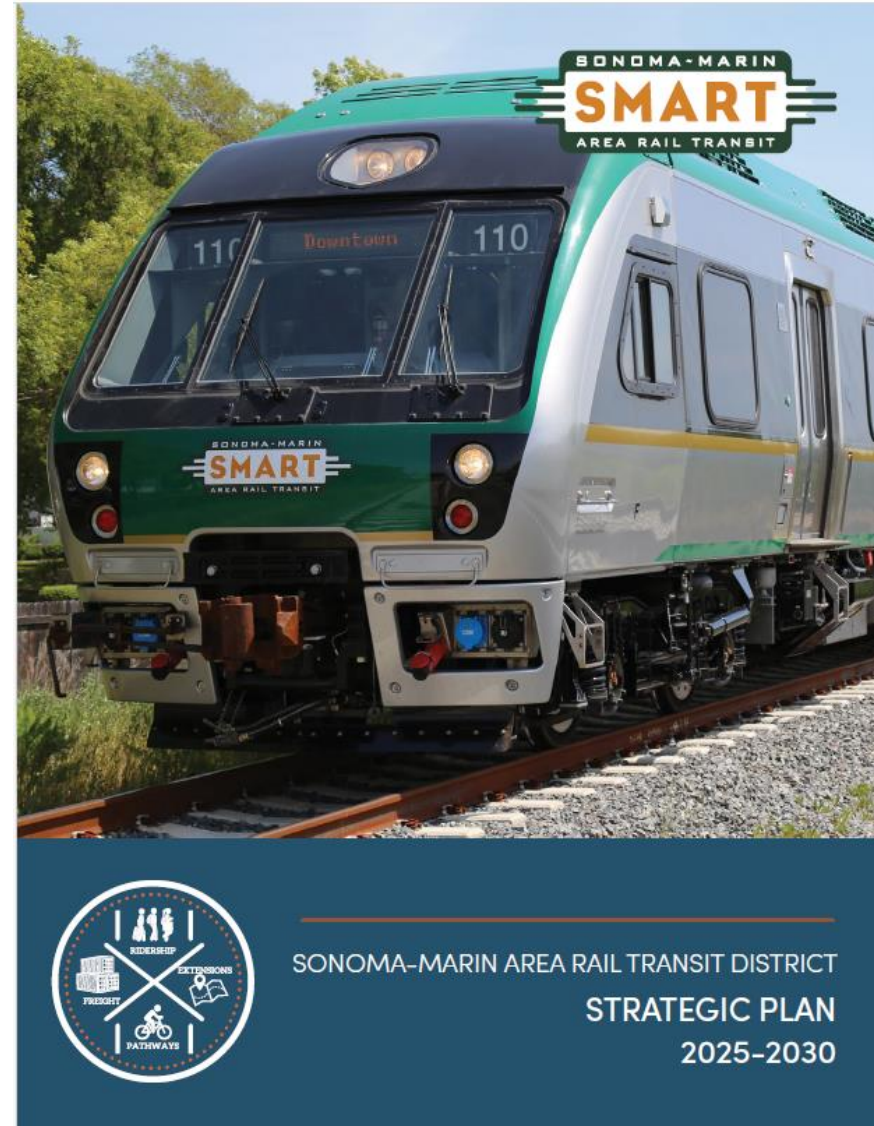
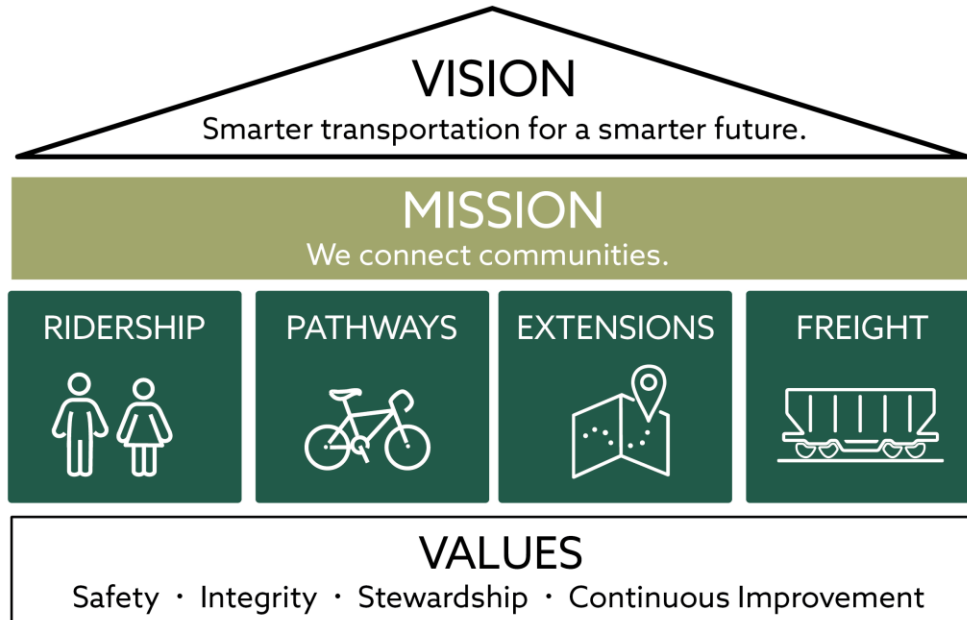


Presentation Contents

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Strategic Plan & SMART House



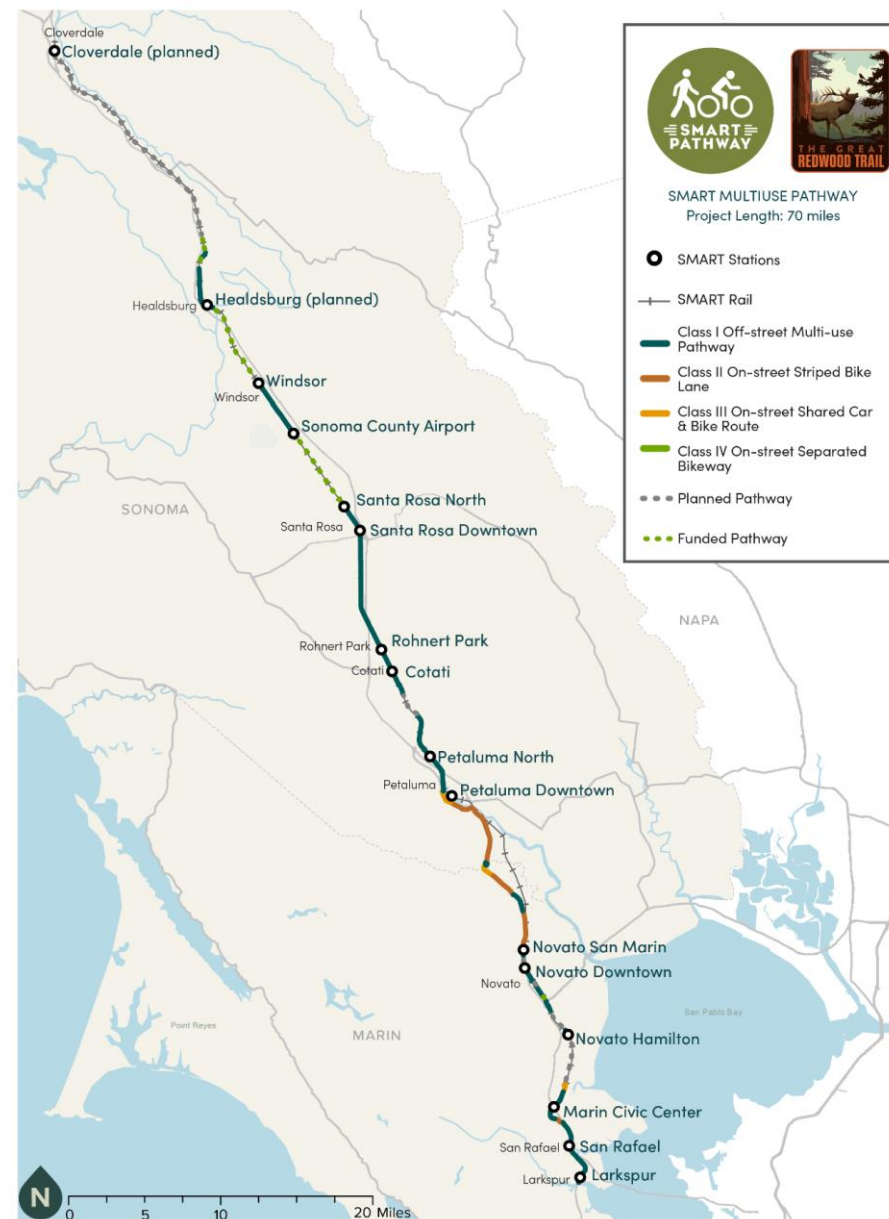
Ridership

Goals and Expenditures

- Continue “Youth and Seniors Ride Free” program
- Undertake Preventative Maintenance and State of Good Repair projects to maintain the safety, quality, and efficiency of SMART’s rail system
- Maintain compliance with all requirements and regulations
- Collaborate with transit providers to improve bus/ferry connections
- Continue monitoring the system/ridership and adjusting where necessary
- Ridership estimate: 1,210,000

Ridership	
Category	FY26 Budget Amount
Administration	\$ 10,492,618.59
Operations	\$ 27,140,233.00
Website	\$ 154,666.67
Quality of Life & Economic Analysis	\$ 60,000.00
Healdsburg Storage Racks	\$ 36,500.00
Generator Plug Retrofit at all Platforms	\$ 20,489.00
Power Drop at Fulton	\$ 30,000.00
Replace Standby battery banks for wayside signals	\$ 70,400.00
Guideway & Track Main Line Surfacing	\$ 345,338.00
Fire Suppression System	\$ 60,000.00
DMU Light Replacement	\$ 200,000.00
IT Projects	\$ 248,000.00
Bridges - St. Vincent Culvert	\$ 250,000.00
Civic Center Kiss-n-Ride (Design)	\$ 224,000.00
Ram Truck (1502)	\$ 50,000.00
F150 Crew Cab XL (2 axle) - 1608	\$ 48,000.00
F150 Crew Cab XL - 1609	\$ 48,000.00
Used Hyrail boom Truck	\$ 200,000.00
Switches - 4/year	\$ 120,000.00
On-Board DMU Cameras	\$ 750,000.00
Fabric Building for Scrubber storage/ garage	\$ 30,000.00
Backup Generator at Roblar	\$ 50,000.00
Coupler/ Gear Shaft Overhaul	\$ 625,000.00
Cummins New Engine after Treatment System	\$ 700,000.00
Cummins Mid-Life Overhaul or New Engines	\$ 1,250,000.00
Radiator Fan Modification	\$ 150,000.00
Battery Overhaul	\$ 90,000.00
Transmission Overhaul	\$ 90,000.00
Mahle Cooling System Overhaul	\$ 250,000.00
Master Control Overhaul	\$ 192,000.00
DMU Air Brake Overhaul and Air Supply Unit	\$ 1,151,404.00
Energy Cushion Device Crash System	\$ 150,000.00
RailQuip Car Mover	\$ 100,000.00
Calipri Digital Wheel Measurement Gauge	\$ 75,000.00
Total	\$ 45,451,649.26

Pathways - Map



Pathways – Goals and Expenditures

- Construct funded segments of the pathway
 - Hanna Ranch Rd to Vintage Way
 - Guerneville Rd to Airport Blvd
 - Joe Rodota to 3rd Street
- Complete design and permitting of pathway segments
- Continue mitigation projects to mitigate impact of the pathway as required
- Maintain pathway in a state of good repair
- Complete pathway wayfinding program

Pathways	
Category	FY26 Budget Amount
Administration	\$ 2,330,835.00
Operations	\$ 34,461.00
Engineering	\$ 341,174.28
Website	\$ 154,666.67
IT Projects	\$ 248,000.00
Quality of Life & Economic Analysis	\$ 60,000.00
Mitigate Pathway Segments	
- Petaluma Riparian Construction & Monitoring	\$ 23,800.00
- Crane Creek Riparian Monitoring	\$ 518,930.00
- Helen Putnam Riparian Monitoring	\$ 125,131.82
- Windsor Riparian Mitigation Monitoring	\$ 38,800.00
Design Pathway Segments	
- Marin-Sonoma Pathway - Design	\$ 221,660.17
- Marin Pathway - Design	\$ 275,000.00
- Puerto Suello Pathway - Design	\$ 385,465.00
Pathway Repairs & Rehab	\$ 115,200.00
Pathway Wayfinding Project	\$ 85,000.00
Windsor to Healdsburg Project Development - Pathway	\$ 38,500.00
Windsor to Healdsburg - Pathway	\$ 367,500.00
Construct Pathway Segments	
- Joe Rodota Trail to 3rd Street	\$ 1,454,886.00
- Hanna Ranch Road to Vintage Way	\$ 1,145,000.00
- Guerneville Road to Airport Blvd.	\$ 1,120,000.00
Total	\$ 9,084,009.94

Extensions – System Map



Extension – Goals and Expenditures

- Finish development of the progressive design-build project from Windsor to Healdsburg
- Award Contract for progressive design-build of the Extension from Windsor to Healdsburg
- Installation and implementation of Petaluma North Station solar project
- East/ West Rail
 - Continue participation in Highway 37 corridor activities
 - Work with partners to incorporate rail into the project
- Mitigate Extension/Station projects as required

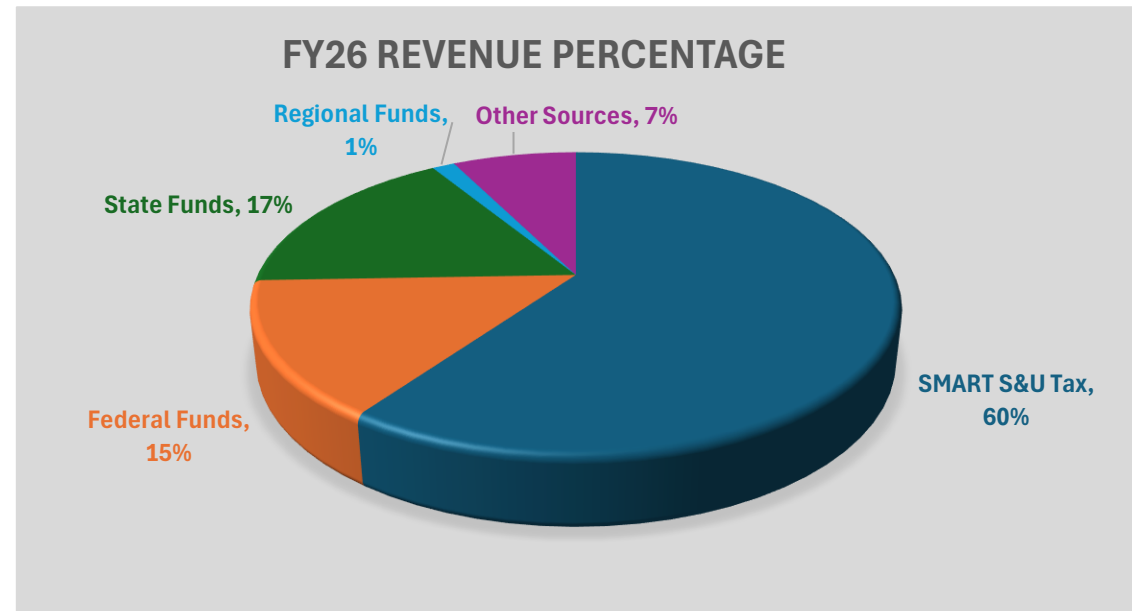
Extensions	
Category	FY26 Budget Amount
Administration	\$ 6,421,723.12
Engineering	\$ 209,106.82
Website	\$ 154,666.67
IT Projects	\$ 248,000.00
State Route 37 Study	\$ 6,000.00
Quality of Life & Economic Analysis	\$ 60,000.00
Mitigate Extension Projects	
- San Rafael Creek Riparian Construction & Monitoring	\$ 63,816.75
- Las Gallinas Riparian Enhancement & Monitoring	\$ 23,800.00
- Mira Monte Restoration	\$ 195,000.00
- IOS-1 Riparian Mitigation	\$ 240,000.00
Petaluma North - Solar Project	\$ 1,300,000.00
Windsor to Healdsburg Project Development	\$ 236,500.00
Windsor to Healdsburg	\$ 2,257,500.00
Total	\$ 11,416,113.35

Revenues



Fiscal Year 2025/2026 Revenues

Revenues by Funding Sources	FY 26
Sales and Use Tax	
Measure Q	\$ 46,265,300
Measure Q Cost of Collection	\$ (683,796)
Net Sales & Use Tax	\$ 45,581,504
Measure Q Roll forward	\$ 3,818,460
Transfer from Reserve Funds	\$ 1,500,000
Subtotal	\$ 50,899,964
Federal Funds	
5307 - Urbanized Area Formula Funds	\$ 3,848,178
5337 - Federal State of Good Repair Funds	\$ 5,642,175
Community Project Funds - Discretionary Earmark	\$ 1,520,000
Quick Strike (CMAQ) McInnis to Smith Ranch Rd Pathway	\$ -
FRA - Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$ -
FRA - Suicide Prevention Grant	\$ -
FTA / OBAG 2 - Hanna Ranch to Vintage Way	\$ 91,600
FTA/ OBAG 3 - Hanna Ranch to Vintage Way	\$ 171,750
Subtotal	\$ 11,273,703
State Funds	
AHSC - Affordable Housing and Sustainable Communities	\$ 1,610,000
Caltrans Sustainability Communities Competitive Planning Grant	\$ 159,354
ITIP - Complete Streets	\$ 896,000
LCTOP - Low Carbon Transit Operating Program	\$ 760,918
LPP - Local Partner Program	\$ 727,443
SB1 - SRA - State Rail Assistance	\$ 3,500,000
STA - State of Good Repair (SGR)	\$ 340,634
STA - State Transit Assistance (Revenue)	\$ 2,094,129
STA - State Transit Assistance (Population)	\$ 1,266,953
TIRCP - Windsor to Healdsburg (Design)	\$ 1,380,000
State Funds - Shuttle Service	\$ 250,000
Subtotal	\$ 12,985,431
Regional Funds	
RM3 - Civic Center Kiss-n-Ride	\$ 224,000
RM3 - Hanna Ranch to Vintage Way	\$ 824,400
Subtotal	\$ 1,048,400
Other Sources	
Advertising	\$ 175,000
Charges for Services	\$ 112,851
Fares - Passenger Rail	\$ 2,541,000
Fares - Shuttle	\$ 2,000
Interest Earning	\$ 800,000
Misc.	\$ 55,885
Parking	\$ 17,580
Rent - Real Estate	\$ 494,025
Other Governments / Private Sector	\$ 1,534,821
Subtotal	\$ 5,733,161
Total Revenues	\$ 81,940,659



Expenditures



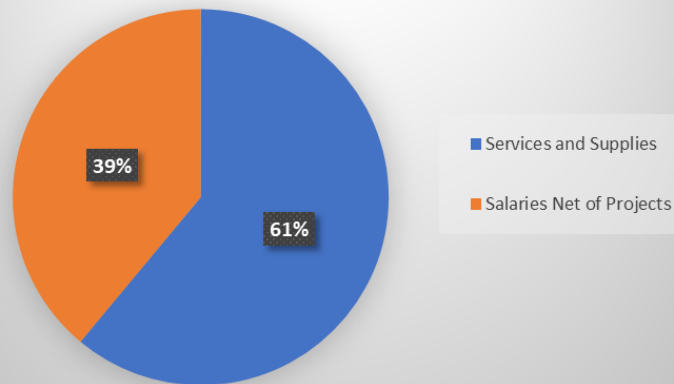
Expenditures (non-Freight)

- Salaries and Benefits make up the highest proportion of the operating budget
 - Collective Bargaining Agreements determine increases for unionized employees
 - Non-unionized employees cost of living increase of 3%
 - Medical Benefits increased greatly in last fiscal year, budgeting 15% for Fiscal Year 2026
 - No new full-time equivalent (FTE) positions authorized in this budget
 - Five (5) Position upgrades, Three (3) intern positions budgeted
- Reduction in Supplies and Services as compared to the Fiscal Year 2025
 - Efforts to reduce budgeted amounts to be more in line with actuals in past fiscal years
 - Implementation of inventory for Vehicle Maintenance department in FY25, Maintenance of Way in this budget
 - Costs that increase outside of control of management due to insurance costs, oil prices, and headcount priced in budget
 - Eliminating contingency amounts in department budgets
- Project Costs
 - Lined up with priorities and funding
 - Evaluated based on whether in Capital Plan
- Overall costs distributed between the pillars according to allocation calculation

Administration Costs

Administration Salaries & Benefits	FY26
Finance	\$ 3,274,876
IT	\$ 685,807
HR	\$ 606,689
Legal	\$ 792,440
Marketing and Outreach	\$ 594,841
Board	\$ 190,962
Real Estate	\$ 582,211
Planning	\$ 392,974
Planning - Pathway	\$ 197,568
Engineering (non-Project Specific)	\$ 401,481
Total:	\$ 7,719,850

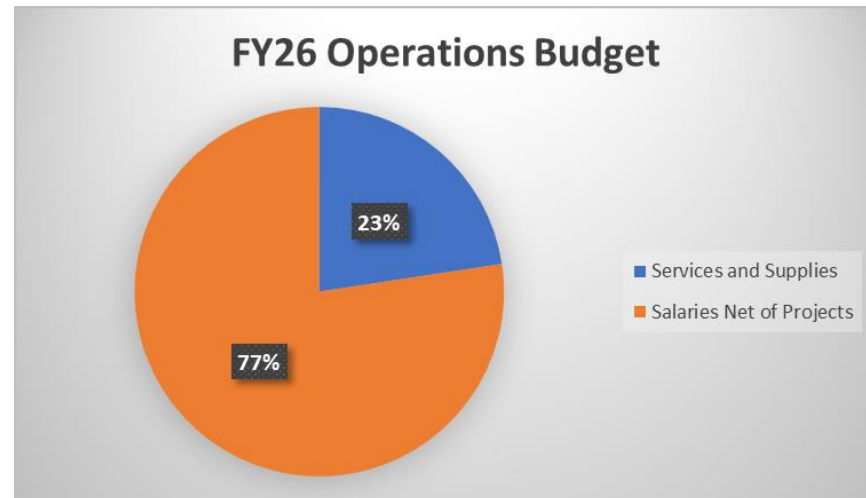
FY26 Administration Budget



Account Description	FY 25 Amended Budget	FY26 Requested Budget
Insurance	\$ 3,184,605	\$ 3,652,064
Provisions for Claims	\$ 500,000	\$ 750,000
Maintenance of Radios	\$ 196,910	\$ 233,931
Auditing/ Accounting Services	\$ 61,710	\$ 59,870
Fiscal Accounting Services	\$ 6,300	\$ 4,000
Legal Services	\$ 775,000	\$ 790,000
Agency Extra Help	\$ 155,000	\$ 90,866
Training & Travel Expense	\$ 310,678	\$ 173,760
Contracted Services	\$ 225,000	\$ 110,000
Printing Services	\$ 62,800	\$ 65,400
Fiscal Agent Fees	\$ 5,000	\$ 3,000
Permits/ Fees	\$ 20,090	\$ 30,180
Fare Collection Fees	\$ 306,500	\$ 293,452
Public/ Legal Notices	\$ 64,000	\$ 38,146
Rental/ Leases - Equipment	\$ 56,035	\$ 51,440
Rental/ Leases - Buildings	\$ 453,667	\$ 453,667
Mileage Reimbursement & Auto Tolls	\$ 41,642	\$ 33,212
Contract Services - Administrative	\$ 2,555,479	\$ 2,303,508
Contract Services - Personnel	\$ 270,500	\$ 208,650
Communications	\$ 353,200	\$ 299,908
Claims Processing Payroll	\$ 50,000	\$ 45,000
Facility Services	\$ 3,600	\$ 3,600
Uniform Expense	\$ 5,000	\$ 3,700
Personal Protective Equipment	\$ 3,000	\$ 2,000
Memberships	\$ 62,390	\$ 62,130
Miscellaneous Expense	\$ 1,000,000	\$ 1,000,000
Office Expense	\$ 50,600	\$ 49,600
Books/ Periodicals	\$ 3,500	\$ 2,500
Postage	\$ 8,265	\$ 5,600
Small Tools and Equipment	\$ 1,000	\$ 700
Computer Hardware	\$ 182,500	\$ 171,600
Computer Software	\$ 1,067,570	\$ 986,062
Marketing/ Promotional Items	\$ 30,000	\$ 42,000
Public Relations Expense	\$ 262,000	\$ 75,000
Utilities	\$ 3,600	\$ 3,600
Grand Total	\$ 12,337,140	\$ 12,098,146

Operations Costs

Operations Salaries and Benefits	FY26
Operations General	\$ 1,266,868
Maintenance of Way	\$ 4,724,656
Transportation	\$ 9,537,047
Vehicle Maintenance	\$ 4,403,361
Safety	\$ 1,102,757
Total:	\$ 21,034,689



Account Description	FY 25 Amended Budget	FY26 Requested Budget
Maintenance of Equipment	\$ 485,904	\$ 443,947
Maintenance of Signals	\$ 142,500	\$ 190,000
Maintenance of Revenue Vehicles	\$ 361,000	\$ 546,000
Maintenance of Facilities	\$ 263,345	\$ 297,794
Maintenance of Railway	\$ 233,363	\$ 239,300
Maintenance of Pathway	\$ 30,500	\$ 30,500
Training & Travel Expense	\$ 58,050	\$ 66,164
Rental/ Leases - Equipment	\$ 51,960	\$ 56,400
Mileage Reimbursement & Auto Tolls	\$ 1,000	\$ 380
Contract Services - Administrative	\$ 1,132,252	\$ 269,776
Contract Services - Transportation	\$ 842,337	\$ 786,249
Communications	\$ 50,996	\$ 53,700
Uniform Expense	\$ 69,200	\$ 65,000
Personal Protective Equipment	\$ 26,100	\$ 25,500
Fuel and Lubricants	\$ 1,829,684	\$ 1,780,000
Memberships	\$ 1,900	\$ 1,600
Miscellaneous Expense	\$ 10,000	\$ -
Office Expense	\$ 54,000	\$ 54,532
Postage	\$ 32,500	\$ 24,000
Consumables	\$ 62,500	\$ 53,500
Small Tools and Equipment	\$ 79,320	\$ 100,000
Software	\$ 77,823	\$ 25,663
Public Relations Expense	\$ 123,902	\$ 30,000
Utilities	\$ 957,980	\$ 1,000,000
Grand Total	\$ 6,978,116	\$ 6,140,005

Reserves

- Pension and Other Post-Employment Benefits Liability Reserve
 - Funding for future pension costs
 - Adding \$1,000,000 in Fiscal Year 2026
 - Total Reserve of \$6,574,676
- Vehicles & Equipment Reserve
 - Funding future capital equipment (i.e. DMUs)
 - Adding \$1,000,000 in Fiscal Year 2026
 - Total Reserve of \$12,317,250
- Corridor Completion Reserve
 - Set aside for design or environmental work, or to leverage grant funds
 - Utilizing \$1,500,000 in Fiscal Year 2026
 - Total Reserve balance of \$5,500,000
- Operating Reserve
 - Maintaining fund equivalent to 25% operating costs
 - Adding \$1,231,027 in Fiscal Year 2026 to maintain 25%
 - Total Reserve of \$12,959,990



Projects



Non-Capital Projects

- Environmental Projects
 - Mitigation projects extensions and pathway
 - Ongoing requirements once they are established for 5-10 years
- Projects that will not result in a SMART asset
- Maintenance projects
- SMART Website, Quality of Life Study
- Project Development and Design
- Work for others

Project Name	FY26 Budget Amount
San Rafael Creek Riparian Construction & Monitoring	\$ 63,816.75
Las Gallinas Riparian Enhancement & Monitoring	\$ 23,800.00
Mira Monte Restoration	\$ 195,000.00
Petaluma Riparian Construction & Monitoring	\$ 23,800.00
Crane Creek Riparian Monitoring	\$ 549,712.00
Helen Putnam Riparian Monitoring	\$ 125,131.82
Windsor Riparian Mitigation Monitoring	\$ 38,800.00
IOS-1 Riparian Mitigation	\$ 240,000.00
Total	\$ 1,260,060.57

Non-Capital Projects		FY26
Department	Project Name	Amount
Maintenance of Way	Generator Plug Retrofit at all Platforms	\$ 20,489.00
	Power drop - Fulton	\$ 30,000.00
Total		\$ 50,489.00
Marketing and Outreach	Website	\$ 464,000.00
Total		\$ 464,000.00
MOW and Vehicle Maintenance	Healdsburg Storage Racks	\$ 36,500.00
Total		\$ 36,500.00
Engineering - Pathway	Pathway Design - Marin & Sonoma & Puerto Suello	\$ 882,125.17
Total		\$ 882,125.17
Engineering	Windsor to Healdsburg Project Development	\$ 275,000.00
	Joe Rodota Trail to 3rd Street Project - City & Developer	\$ 1,534,821.00
	State Route 37	\$ 6,000.00
Total		\$ 1,815,821.00
Planning	Quality of Life & Economic Analysis	\$ 180,000.00
Total		\$ 180,000.00
	Total Non-Capital Projects	\$ 3,428,935

Project-Specific Capital Costs

- These projects tied to specific funding
- Completion of Pathway Wayfinding project
- Pathway Projects Construction:
 - Joe Rodota Trail to 3rd Street, Santa Rosa
 - Hanna Ranch Road to Vintage Way, Novato
 - Guerneville Road to Airport Boulevard, Santa Rosa
- Petaluma North Station Solar Project
- Windsor to Healdsburg Extension preliminary project costs
- Civic Center Kiss-n-Ride Design

Project Specific		FY26
Department	Project Name	Amount
Planning - Pathway	Wayfinding	\$ 85,000.00
Total		\$ 85,000.00
Engineering - Pathway	Joe Rodota Trail to 3rd Street	\$ 1,454,886.00
	Hanna Ranch Road to Vintage Way	\$ 1,145,000.00
	Guerneville Road to Airport Blvd.	\$ 1,120,000.00
Total		\$ 3,719,886.00
Engineering	Petaluma North - Solar Project	\$ 1,300,000.00
	Windsor to Healdsburg Extension	\$ 2,625,000.00
	Civic Center Kiss-n-Ride (Design)	\$ 224,000.00
Total		\$ 4,149,000.00
Total Project Specific		\$ 7,953,886

State of Good Repair Projects

- Repair St. Vincent's Culvert
- Vehicle Maintenance Projects
 - Overhauls, Modifications, Light Replacements, New Cameras On-Board, Fire Suppression System
- Maintenance of Way Projects
 - Guideway and Track Surfacing
 - Pathway Repairs and Rehabilitation
 - Switches and battery banks

State of Good Repair Projects		FY26
Department	Project Name	Amount
Engineering	Bridges	\$ 250,000
Total		\$ 250,000
Vehicle Maintenance	Coupler/ Gear Shaft Overhaul	\$ 625,000
	Cummins New Engine after Treatment System	\$ 700,000
	Cummins Mid-Life Overhaul or New Engines	\$ 1,250,000
	Radiator Fan Modification	\$ 150,000
	Battery Overhaul	\$ 90,000
	Transmission Overhaul	\$ 90,000
	Mahle Cooling System Overhaul	\$ 250,000
	Master Control Overhaul	\$ 192,000
	DMU Air Brake Overhaul and Air Supply Unit	\$ 1,151,404
	On-Board DMU Cameras	\$ 750,000
	Fire Suppression System	\$ 60,000
	DMU Light Replacement	\$ 200,000
Total		\$ 5,508,404
Maintenance of Way	Guideway & Track Main Line Surfacing	\$ 345,338
	Switches - 4/year	\$ 120,000
	Replace Standby battery banks for wayside signals	\$ 70,400
Total		\$ 535,738
Maintenance of Way - Pathway	Pathway Repairs & Rehab	\$ 115,200
Total		\$ 115,200
Other	Miscellaneous State of Good Repair Project	\$ 2,422,381
Total		\$ 2,422,381
	Total State of Good Repair	\$ 8,831,723

Capital Administration and Operations Projects

- IT Equipment projects
- Non-Revenue vehicle replacements
- Maintenance of Way projects
 - Fabric Building for Scrubber storage
 - Backup Generator
- Vehicle Maintenance
 - Energy Cushion Device Crash System
 - Car Mover
 - Digital Wheel Measurement Gauge

Capital Administration and Operations Projects		FY26
Department	Project Name	Amount
IT	IT Equipment	\$ 744,000.00
Total		\$ 744,000.00
Operations Administration	Non-Revenue Vehicles	\$ 346,000.00
Total		\$ 346,000.00
Maintenance of Way	Fabric Building for Scrubber storage/ garage	\$ 30,000.00
	Backup Generator at Roblar	\$ 50,000.00
Total		\$ 80,000.00
Vehicle Maintenance	Energy Cushion Device Crash System	\$ 150,000.00
	RailQuip Car Mover	\$ 100,000.00
	Calipri Digital Wheel Measurement Gauge	\$ 75,000.00
Total		\$ 325,000.00
	Total Projects/ Capital	\$ 1,495,000

Revenues vs Expenses

- Utilizing \$7.7 million fund balance in Fiscal Year 2026
- Leaves \$53.8 million in fund balance for future years

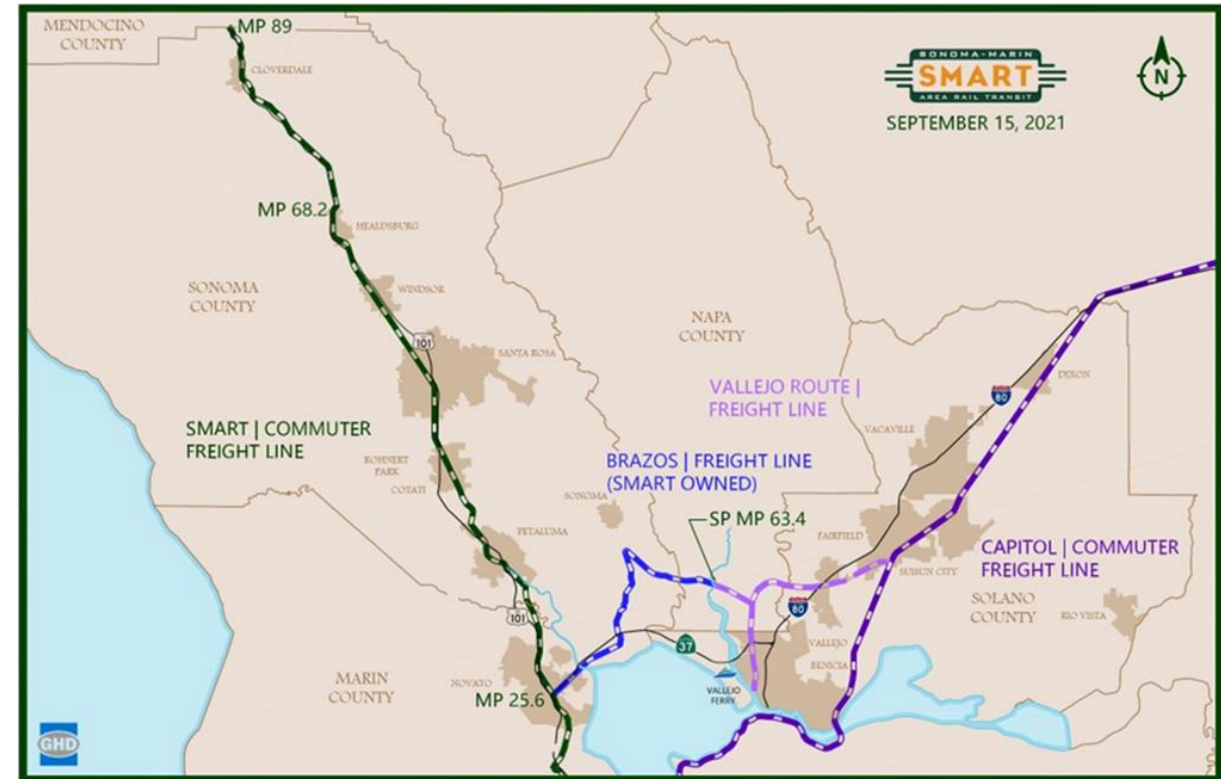
Fund Balance	FY26 Budget
Beginning Fund Balance	\$ 61,508,650
Revenues	FY26 Budget
SMART S&U Tax	\$ 50,899,964
Federal Funds	\$ 11,273,703
State Funds	\$ 12,985,431
Regional Funds	\$ 1,048,400
Other Sources	\$ 5,733,161
Total Revenues	\$ 81,940,659
Expenditures	FY26 Budget
Debt Service	\$ 16,996,844
Salaries & Benefits	\$ 30,418,226
- Reduction for Salaries Charged to Projects	\$ (1,663,687)
- Reduction for Admin Salaries and Services to Freight	\$ (34,944)
Services & Supplies	\$ 18,238,151
Contribution to OPEB/CalPERS Liability Fund	\$ 750,000
Vehicle/Equipment Capital Reserve	\$ 1,000,000
Operating Reserve	\$ 1,231,027
Projects	
Non-Capital	\$ 4,658,214
State of Good Repair	\$ 8,831,723
Equipment	\$ 2,419,000
Facilities	\$ 6,459,886
Infrastructure	\$ -
Non-Revenue Vehicles	\$ 346,000
Land Acquisition	\$ -
Total Expenditures	\$ 89,650,440
Fund Balance	FY26 Budget
Final Fund Balance	\$ 53,798,870

Freight Budget



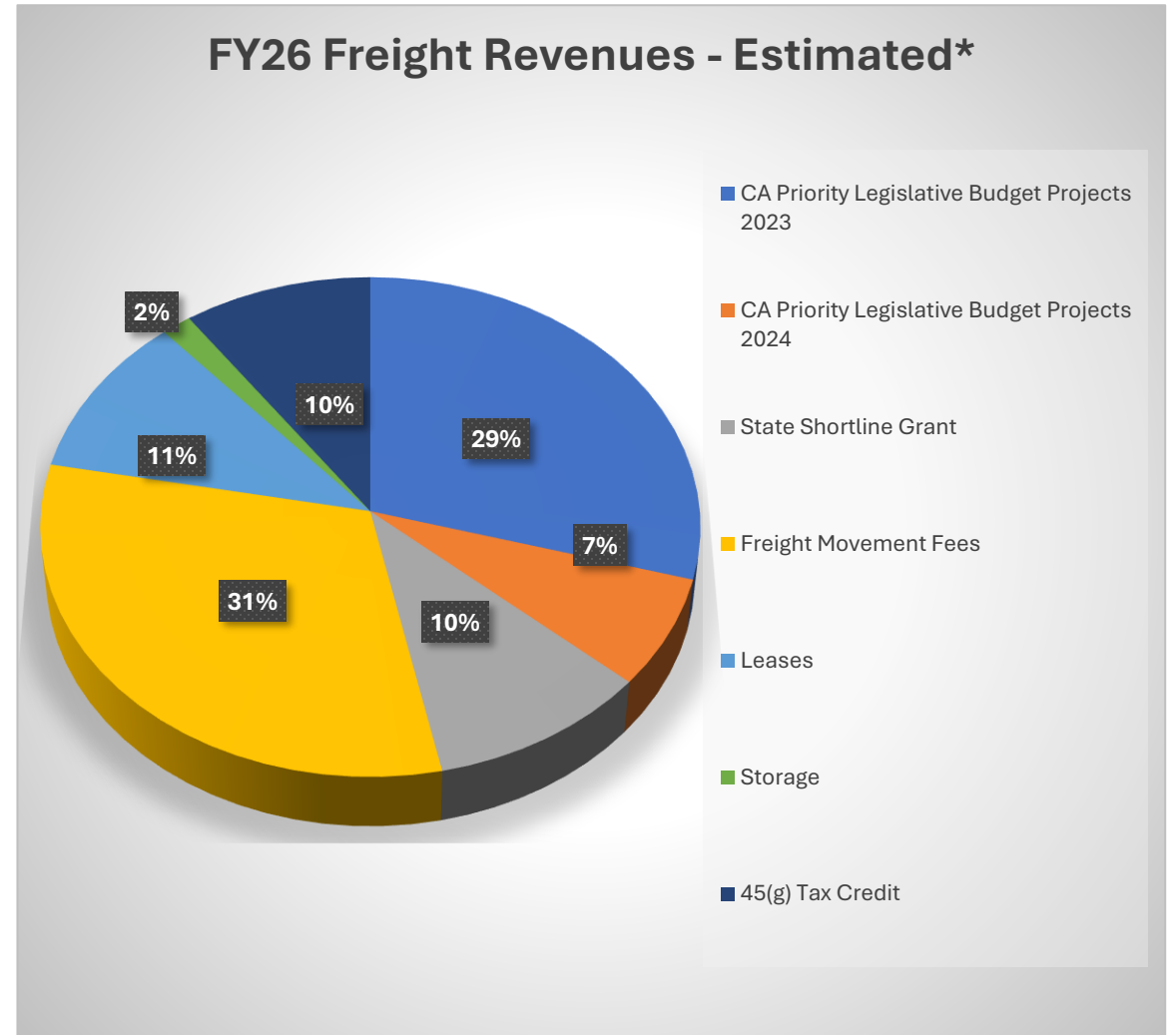
Freight – Goals

- Manage maintenance requirements
- Fiscal Year 2026 budgets funds to improve bridges
 - Bridge timbers were purchased in prior fiscal years
 - Novato Creek, Sears Point Drainage, Wingo – Sonoma Creek
- Partner to repair Grandview Avenue grade crossing
- Railroad tie replacement to maintain freight right-of-way
- Continue to market freight and storage opportunities at SMART
- Leverage storage track at Schellville and Burdell
- Promote transload opportunities at Victory Station (Schellville)



Freight Revenues

Revenues	
CA Priority Legislative Budget Projects 2023	\$ 750,000
CA Priority Legislative Budget Projects 2024	\$ 180,528
Caltrans SR37 Construction Support	\$ 7,000
State Shortline Grant	\$ 262,651
Freight Movement Fees	\$ 800,000
Leases	\$ 270,000
Storage	\$ 40,000
45(g) Tax Credit	\$ 251,000
Misc.	\$ 10,000
Total Revenues	\$ 2,571,179



Freight – Expenditures

- Maintaining freight system in a state of good repair
 - Tie replacement
 - General maintenance
- Replacing/improving bridges and crossing

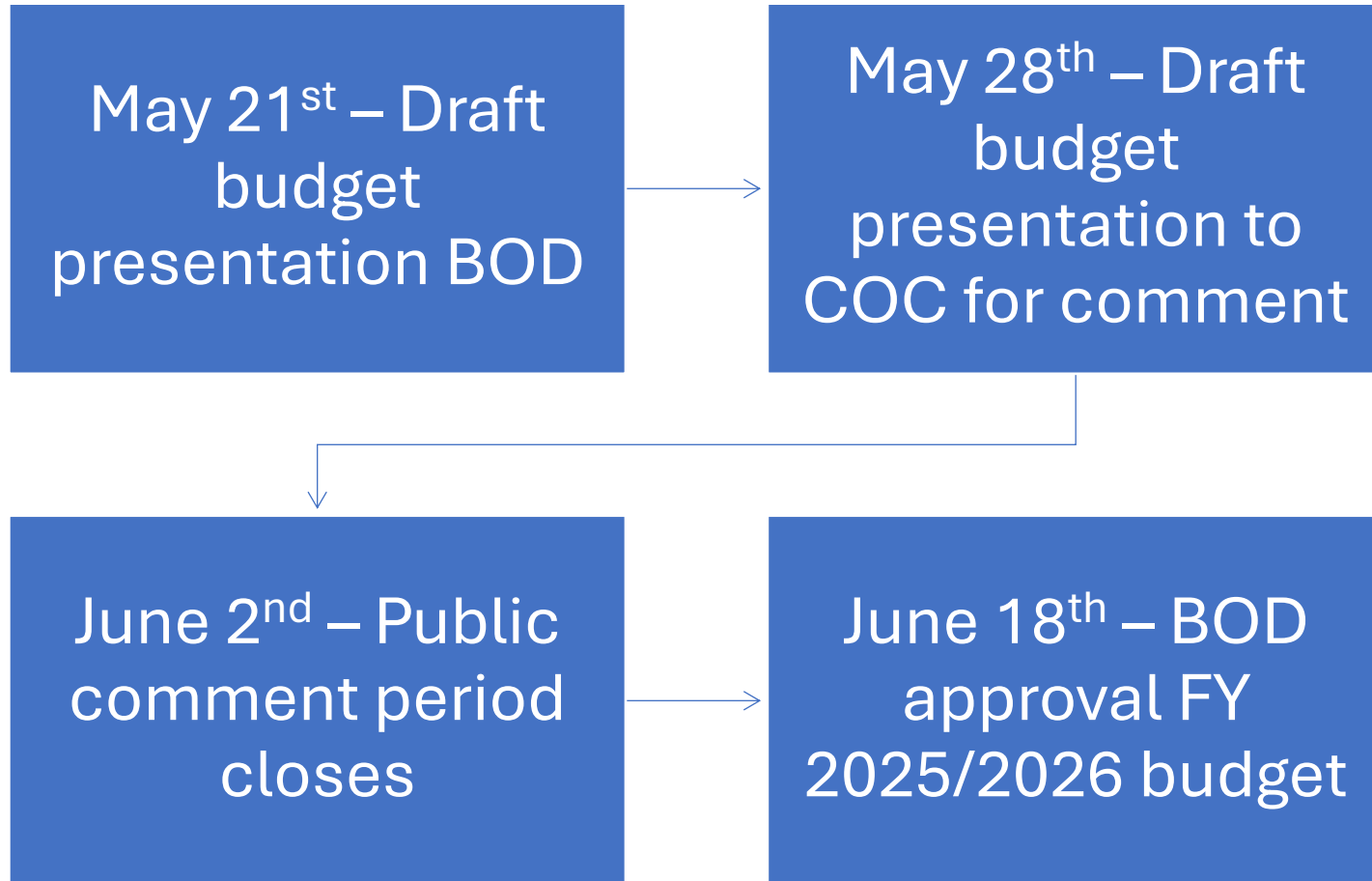
Freight	
Category	FY26 Budget Amount
Salaries and Benefits	\$ 1,075,090.00
Operations	\$ 943,788.00
Grade Crossing Repair (Grandview Avenue)	\$ 20,000.00
Tie Replacement	\$ 50,000.00
Bridges	
- Brazos Branch - Phase II (Novato Creek)	\$ 54,121.37
- Phase II (Sears Point Drainage)	\$ 217,974.36
- Phase II (Wingo - Sonoma Creek)	\$ 203,205.29
Work for Others: SR37 Grade Crossing Modifications	\$ 7,000.00
Total	\$ 2,571,179.02

Changes Identified from Draft Budget

- Revenues
 - Net Difference: \$2,000,439 increase
- Expenditures
 - State of Good Repair
 - Additional funds to marketing
- Awaiting comments from Board, COC, public



Calendar



Feedback & Questions



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