



Sonoma-Marín Area Rail Transit District Annual Report - Measure Q Program 2015

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About Sonoma-Marin Area Rail Transit (SMART)

SMART is a transit district created by the State of California in 2003 to oversee the development, implementation and operation of a passenger rail system in Marin and Sonoma counties.

SMART is currently implementing a passenger rail and bicycle-pedestrian pathway project funded by Measure Q, a one-quarter cent sales tax approved by Sonoma and Marin voters in 2008. It will ultimately serve a 70-mile corridor from Larkspur to Cloverdale, with a first phase from Downtown San Rafael to Sonoma County Airport Boulevard anticipated to begin rail operations near the end of 2016.

For more information about SMART and its projects and programs, please visit www.sonomamarintrain.org.

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Message From The Chair, Board of Directors

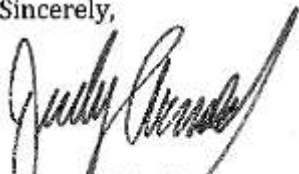
On behalf of the SMART Board of Directors, I am pleased to present this year's Annual Report, a progress update on our rail and pathway transit project funded by the voters of Marin and Sonoma Counties. Although SMART provides numerous reports to the public such as an audited, Comprehensive Annual Financial Report, monthly project reports and budget reports as part of our regular Board meetings, this Annual Report is designed to encompass information from each of those reports. It presents a summary of our progress to date on the SMART capital project, information on SMART operations, as well as a summary of our financial activity for the year.

In 2015, SMART achieved a number of construction and project milestones, including:

- Arrival of all 14 rail cars that will provide passenger service to Marin and Sonoma
- Completion of the challenging replacement of the Haystack Bridge over the Petaluma River
- Completion of the Rail Operations Center in Santa Rosa
- Reestablished 6.5 acres of wetlands at the Mira Monte Marina restoring the site to its natural state
- Hiring of a number of new Operations-critical staff positions needed for the arrival of rail cars and acceptance of track
- Continued growth in sales tax revenue receipts as the economy has steadily recovered
- Secured funding for the Downtown San Rafael to Larkspur Extension

On behalf of SMART, I'd like to thank our many community partners for their time and effort in helping SMART achieve the goals set forth by the voters of the SMART District. We look forward to continued progress on the SMART rail and pathway project and the exciting start of passenger service in the coming year.

Sincerely,



Judy Arnold, Chair
SMART Board of Directors

Trackway & Bridges, Signal & Train Systems

In order to accommodate commuter trains at increased speeds, SMART has had to rebuild most of the historic rail infrastructure in its right-of-way. This means that all track, bridges, and other structures along the 43 miles of the Initial Operating Segment have been under construction at some point since 2012. This includes creation of a new signal system to control train movement and safety measures for the entire rail right-of-way. By 2015, SMART's two major design-build contractors made substantial progress and are close to completion of their work. Stacy and Witbeck/Herzog, whose scope includes track work, bridges, drainage, at-grade crossings and other infrastructure from Airport Boulevard to the Marin Civic Center, has completed all remaining mainline track reconstruction in Sonoma and Marin, with only minor work to be completed before track is finally turned over to SMART. In doing so, Stacy and Witbeck/Herzog has rebuilt or repaired 22 bridges, rebuilt 56 grade crossings, reconstructed approximately 40 miles of track, and built four passing sidings essential to passenger operations.



Stacy and Witbeck/Herzog also continued

their work on SMART's train communications and control systems in 2015. Train systems include various mechanisms for communication and electrical integration for the railway, including Positive Train Control (PTC), which will allow SMART to control trains remotely to ensure a higher level of safety for the public. SMART has now received and installed all of the signal instrument houses required to operate the system. The control center and electronics are now installed, and the SMART radio system became operational in late 2015. This essential communication system required successful negotiation of four long term Site License Agreements with property owners to ensure proper coverage along the right-of-way.

Grade crossing testing using SMART trains began in 2015, and by December 50% of the crossings had been tested.

In order for the systems to work along the right-of-way, SMART needed to acquire power and property rights from Pacific Gas & Electric Company. By the end of 2015, all the necessary property rights and power hook-ups had been acquired.

The essential communications network was activated in the northernmost sections of the SMART system, following successful completion of fiber optic installation along the right-of-way.



All communications equipment was installed in the signal instrument houses in 2015, and will continue to be tested for the first several months of 2016.

SMART's other design-build contractor, Shimmick Construction, has been hard at work since being awarded a \$68.7 million contract in late 2013 completing track and signals from the Marin Civic Center station to the downtown San Rafael station. Progress in 2015 included:

- Completion of all track construction in San Rafael
- Completion of the Puerto Suello Tunnel rehabilitation
- Completion of seven grade crossing installations in San Rafael
- Substantial completion of construction of the Haystack Landing Bridge over the Petaluma River
- Completion of construction of the Rail Operations Center in Santa Rosa

As listed above, Shimmick Construction has been working on the technically challenging replacement of the Haystack Moveable Bridge at the Petaluma River. The new bridge is a rolling bascule bridge purchased and relocated from Galveston Texas in 2012. This key piece of the SMART system was the focus of much of the construction in 2015. Construction included an 18 day shutdown of the railroad to remove the old swing span bridge from the river, and track construction to tie into the new bridge alignment. Shimmick Construction has completed the majority of the bridge construction with final bridge balancing, machinery tuning, and operator training remaining in the first months of 2016.



In 2015 Shimmick Construction also completed SMART's new Rail Operations Center on Airport Boulevard in north Santa Rosa. This is the "nerve center" of the SMART system. It houses SMART's passenger vehicles, provides 24-hour dispatch and systems, and is where the train crews report for duty.



The facility was substantially completed during the summer, in time to start receiving SMART train sets; the last of which arrived at the end of the calendar year. By the end of 2015, SMART's growing operations and maintenance staff, as well as rail vehicle consultants, were reporting to the Rail Operations Center for work every day.

Environmental Mitigation Program

Although the rail construction work is primarily comprised of rehabilitation and replacement of existing infrastructure, there are still multiple requirements for environmental mitigation as a result of the California

Environmental Quality Act (CEQA) and our federal and state permits.

Additionally, the multi-use pathway is a new facility that has required a challenging, full environmental review and permitting process. During the first two years of construction, SMART faced significant permitting delays that impacted construction timelines. Without sufficient local mitigation bank sites available, in 2013 SMART purchased the 60-acre Mira Monte Marina property along the Marin/Sonoma border to provide local prime wetland environmental mitigation.

In early 2015, SMART completed extensive restoration work of the property, removing derelict buildings and dilapidated boats, and removing old fill material to re-establish 6.5 acres of wetlands and restore the site to its natural state. Tidal flows were re-introduced in late winter, inundating over 16,000 native plantings with tidal flows to put the site well on its way to becoming a thriving natural habitat for local and endangered species.



Passenger Rail Cars



Perhaps the most exciting and tangible achievement in 2015 was the arrival of SMART's first train car set in the spring of 2015. For the first time, the public was able to see the state-of-the-art Diesel Multiple Unit vehicles, which will be the least polluting and safest passenger rail cars available. Over the course of the rest of the year, SMART received the remaining 6 car sets and now has all 14 cars (or 7 sets) at its Rail Operations Center in Santa Rosa. Testing has begun to ensure the car's safety, quality, and compliance with all federal regulations. This includes both "static" testing at the maintenance yard, and dynamic testing on the newly rebuilt tracks.

Testing of the cars will continue for the first half of 2016, to ensure that the cars and the signal system work in tandem for a reliable and safe transit system that will serve the community for decades to come.

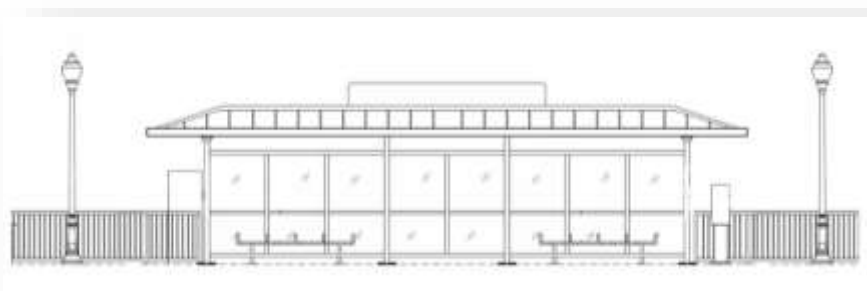
In June 2015, SMART was notified that it had successfully competed for the Cap and Trade auction revenues through the Transit and Intercity Rail Capital Program. As such, the State programmed \$11 million for SMART to acquire additional rail cars to expand fleet capacity. The funds enable SMART to leverage a one-time opportunity to exercise the remainder of the contract options with SMART's rail car manufacturer, cost effectively grow the fleet, and allow additional capacity to be available as operating conditions may require.



Rail Stations

SMART concluded a collaborative review process with local municipalities, transit agencies and the SMART Board to gather feedback and finalize the platform and station aesthetics. This process developed a standardized platform shelter, platform lighting and amenities in a gloss black color scheme. The SMART Board offered local municipalities an opportunity to personalize the stations by choosing a color that better matches their surroundings.

Rail platforms, in most cases, began to take shape prior to 2015 as their infrastructure was built as part of the track construction. The pouring of the concrete platform tops began in late 2015 in downtown San Rafael, and will be progressing north to Airport Boulevard into 2016. The top platform slabs contain all of the



communication, power and lighting conduits needed for passenger safety and informational needs. Finished shelters, lighting and other amenities will be installed during the spring and summer of 2016. And finally, as part of SMART's safety

work with local first responders, work was completed with local municipalities to determine proper street addresses for all the new stations.

Bicycle & Pedestrian Pathway

Shimmick Construction's contract awarded in late 2013 included construction of seven segments of the SMART Pathway in Sonoma and Marin that had completed California environmental clearances. These segments, which will provide approximately 3 ¼ miles of pathway, were also chosen because they will enhance station access. Those segments are among the 17 segments for approximately 20 miles of multi-use pathway within the Initial Operating Segment between San Rafael and Santa Rosa that SMART wishes to construct when funding is secured.

In Spring of 2015, SMART completed federal environmental approval known as the National Environmental Policy Act (NEPA) on two segments of pathway in Rohnert Park. The remainder of the pathway between Guerneville Road in Santa Rosa and McInnis in San Rafael was in the final stage of federal environmental approvals at the end of 2015. For the two Rohnert Park pathway segments with environmental clearance, East Cotati Avenue to Southwest Boulevard and Southwest Boulevard to Golf Course Drive, SMART received allocations of federal grant funds, acquired necessary property rights, and completed the procurement of a construction contractor through the second half of 2015.

Completion of the NEPA process in the near future will make the remaining pathway segments eligible for Federal Funds. This process has also enabled significant progress to be made with permit agencies towards an understanding of pathway construction permitting requirements, including coordination with California Public Utilities Commission (CPUC) on pathway, rail, and road crossings. It has also led to coordination of proposed pathway work with stations' design work, including pedestrian and bicycle circulation, access into the stations, and plans for bicycle parking.

SMART partnered with the Sonoma County Regional Parks Department to construct pathway from Hearn Avenue to the Joe Rodota Trail in Santa Rosa. The majority of this pathway was built in 2015.

In 2015, after successfully competing for a grant to create a Bike Parking Investment Plan, SMART hired Nelson Nygaard and Toole Design Group to identify a range of bicycle parking investments at all SMART rail stations. The plan will analyze what bicycle parking types are available, what markets need to be served along the corridor, and what investments would be appropriate. The plan resulting from this process will be taking the preliminary findings of identified user groups, destinations, and existing station capacity to stakeholders. The project was introduced in December and will be completed in the first half of 2016.

Outside of the SMART Initial Operating Segment, SMART has donated land and will ultimately own the Central Marin Ferry Connector multi-use pathway being constructed by the Transportation Authority of Marin southward from the future SMART Larkspur Station. This pathway will connect the SMART-owned CalPark Tunnel on the north side of Sir Francis Drake Boulevard, to the Larkspur



Ferry on the south side. The project was substantially constructed in 2015, with an opening planned in early 2016. Ultimately the Central Marin Ferry Connector will be a useful connection for rail passengers connecting from the train at the future SMART Larkspur Station to the Ferry. SMART staff also completed a survey and title work for the Greenway Pathway Project south of Sir Francis Drake in Larkspur to the end of the line in Corte Madera. This project, still in the planning phase, would utilize SMART-owned land but be built and maintained by the County of Marin.

Rail Extensions

On February 3, 2015, SMART's first rail extension project between Downtown San Rafael and Larkspur began in earnest with the announcement of the inclusion of the project in the President's Federal Fiscal Year 2016 budget proposal. Specifically, the Federal Transit Administration (FTA) Capital Investment Grant Program included \$20 million in new Federal Small Starts funding for the completion of the Larkspur extension. These funds, combined with \$20 million in Regional Measure 2 Bridge Toll funds programmed by the Metropolitan Transportation Commission in 2014, provide SMART with enough resources to construct the connection to the Larkspur Ferry services. These construction funds were added to grant funds awarded in prior years, which allowed the completion of the Federal Environmental Analysis (EA) of the Larkspur Extension Project.

In May 2015, the Federal Transit Administration (FTA) issued a Finding of No Significant Impact (FONSI) for the project, which allowed work to progress into the engineering phase. In late 2015, SMART awarded a contract for engineering and program management services for the SMART rail extension to Larkspur to RailPros, and preparatory work commenced on the project. Finally, SMART and FTA staff began regular meetings and made significant progress on many of the requirements for executing a grant agreement for the FTA Small Starts program. In June 2015 SMART reached a major milestone when the FTA approved SMART's request to become an "FTA Direct Grantee", which makes SMART eligible to receive grants from the FTA without another agency as an intermediary. And in December 2015 the federal budget was adopted, which secured sufficient funding for the SMART Larkspur extension project within the FTA Small Starts program.

Operations

The year 2015 was pivotal for SMART's Operations Department. With the approval of an expanded operations budget in June of 2015, SMART began to fulfil its commitment to move from a planning, design and construction agency into an operating passenger railroad. The operations department began the year as a 5-person team involved in operations planning and documenting compliance with federal regulations, and ended the year with almost half its nearly 80-person planned staff. This meant work on more than 23 recruitments for 19 different positions. As such, the Board of Directors approved a new Employee Policies and Procedures manual, to govern the employment practices of the District.





track and structures

In 2015 the growing operations department staff worked on the following essential functions:

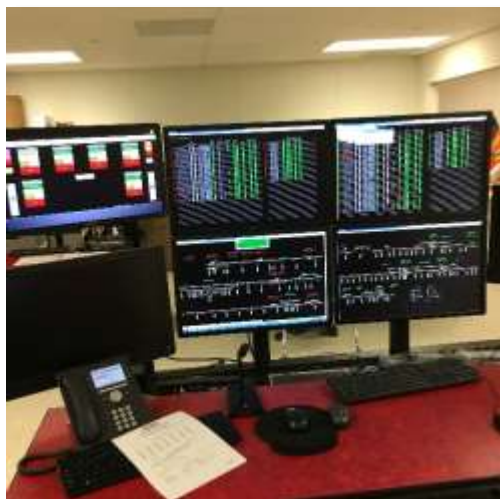
- Hiring staff and procuring equipment to assume 24-hour railroad dispatching
- SMART train testing operations
- Train operation supervision
- Rail vehicle maintenance and acceptance support
- Inventory control, and procurement and stocking of consumables
- Maintenance of rail signals and railway
- Coordination of track access and acceptance of new

In 2015, operations staff moved into SMART’s nearly complete Rail Operations Center at Airport Boulevard, and developed plans for maintenance staging, storage and support on SMART’s property at Fulton Road in Sonoma County. In December, the Board of Directors approved SMART’s new maintenance management information system, which will track and assist with management of all repairs to SMART’s vehicles and rail infrastructure and provide all documentation required by federal regulators.

The increase in train movement on the SMART mainline, along with ongoing freight operation and contractor activity, resulted in an enhanced weekly Track Allocation process, through which conflicting demands for track access and track time are discussed, moderated and resolved.

For a third year, SMART supported and partially staffed two Sonoma Raceway AMTRAK excursion trains during the Summer,

bringing hundreds of passengers to the Sonoma Raceway’s NASCAR and Indy Car races over SMART’s track along Highway 37 into Napa.



Significant time and effort was spent in 2015 to prepare safety manuals and other documentation required by the Federal Railroad Administration, as well as into training and certification of operations personnel. Essential operating documents were developed, including rules books, an Employees’ Timetable update, and a body of Standard Operating Procedures. Operations and security staff also managed the right-of-

way cleanup of dozens of homeless encampment sites on SMART property in conjunction with local jurisdictions and homeless outreach providers.

FARE COLLECTION AND TRANSIT COORDINATION

As part of its cooperative work with the Metropolitan Transportation Commission (MTC), who provided significant funding for SMART's fare collection systems, SMART agreed to use the Clipper® fare collection system as its only collection system. In preparation for revenue collection, in 2015 the SMART Board adopted a zone-based fare structure, with 5 initial fare zones and 7 at system buildout. SMART coordinated with local transit partners on development of a consensus around fare business rules and the SMART Board adopted those rules in March 2015, which consisted of fare categories, discount rates, and inter-operator transfer credits. The SMART fare categories include Adult, Youth (5-18), Senior (65 and above), and Regional Transit Discount Card (RTC)/Disabled. The discounted categories (all but Adult) were approved to have a 50% discount from the full fare. In addition, every passenger using their Clipper® card and transferring between systems within certain time windows will receive either \$1.50 credit or the half-fare equivalent credit. This fare coordination work will continue into 2016. Individual and collective meetings have taken place with the following operators: Santa Rosa CityBus, Golden Gate Transit, Sonoma County Transit, Marin Transit, Petaluma Transit, Mendocino Transit and Napa VINE.



In 2015, MTC procured necessary equipment and software programming services to implement the SMART-specific Clipper® fare collection solution. The SMART-specific Clipper® card vending machines are being designed and constructed locally by VenTek Transit, a Petaluma-based company, with installation expected in mid- 2016. SMART's adoption of Clipper® will occur as other North Bay bus transit operators who do not yet have Clipper® will also be installing the system in their busses making interconnection more seamless for the public.

In addition, SMART continued to work with local transit providers on route coordination and attraction of outside resources to support transit connectivity in 2015. Regional agencies have been leading their own coordination planning activities in preparation for SMART commuter services, including MTC, the Sonoma County Transportation Authority and the Transportation Authority of Marin. SMART has also been working cooperatively with local businesses and private transportation providers on employer train connections, as well as regional programs to support employee access to alternative commute options. Included in SMART's ongoing efforts to explore effective "first and last mile" solutions for accessing the SMART system were surveys conducted by SMART in 2014 and 2015, with ongoing information gathering being conducted by local jurisdictions and employers. SMART also attends regional coordination groups such as the Regional Hub Signage Program, the 511.org Transit Information group, and MTC's Real-Time Transit information working groups.

SAFETY AND SECURITY

SMART made great strides in the area of safety and security in 2015. The District drastically increased its outreach, internal and external trainings and overall emergency response preparedness. Major documents completed during the year included the Threat and Vulnerability Assessment, Accident and Incident Response Protocol, First Responder Guide for SMART Emergencies, Grade Crossing Community Evaluation and revised System Safety Plan.

At the Board of Directors request, State legislation was introduced by Senator McGuire to allow SMART to create a sworn Chief of Police to facilitate security information sharing and increase SMART's access to restricted public safety information. After several months of hearings and votes, Governor Brown signed this important legislation for SMART's operations. This action in the final month of the year allowed the Board, in early 2016, to convert the Security Manager's position into SMART's Chief of Police.



All Marin and Sonoma County police, Sheriff and California Highway Patrol agencies were represented at two Emergency First Responder Plan meetings. These meetings were held to identify possible police incidents SMART will be facing, and practical responses from law enforcement. They also provided an opportunity for SMART and first responders to establish protocols, communication plans and responsibilities for all types of emergencies predicted along the railroad. SMART hosted numerous trainings for outside police personnel throughout the year. SWAT teams from Sonoma County Sheriff, Central Marin Police, Novato Police and San Rafael Police were provided access to SMART's train to use for exercises that allowed them to practice high risk responses on trains. Police K9 teams from Lake County, Novato and Clearlake used our Fulton and Airport Boulevard sites to conduct trainings which included, drug search, suspect apprehension and handler protection.

Fire agencies also practiced responses on SMART trains and facilities. Several Sonoma County fire agencies participated in train familiarization training and emergency window "pull". This particular training was for first responders to observe the emergency window features on SMART's vehicles. Additional work with fire agencies included practicing moving wheelchair passengers on and off the train away from a platform and how to load fire and first aid equipment on and off the train.



In addition to offering SMART trains and facilities to all local, state and regional law and fire agencies for training purposes, SMART hosted two Grade Crossing Collision Investigation Courses open to any area first responders. These classes were well-attended with approximately 50 first responders trained in emergency response.

SMART also held meetings with Sonoma and Marin Counties District Attorney's Offices and their respective Coroner representatives. The Coroners play a vital role during incident response involving a fatality. Each Coroner's office has worked with SMART to walk through responses, best practices and likely scenarios SMART will face. Additionally, Security staff conducted presentations for, or coordinated work with, the Sonoma and Marin County Chiefs Associations, School Law Enforcement Partnership, Marin and Sonoma Suicide Prevention representatives and the Metropolitan Transportation Commission staff.

SMART also worked internally to ensure key staff received training such as CPR/First Aid and Automated External Defibrillators, Rail System Safety, fire extinguisher operations and Emergency Operations overviews. Eleven total exercises were conducted with staff on emergency procedures, with topics ranging from El Nino response to accident response to a bombing/criminal event. Staff at varying levels participated in table tops, field response and full scale exercises with outside police and fire agencies. Our Emergency Operations Center (EOC) has been outfitted with technology and supplies to allow for a quick "stand up" for our EOC in the event of an emergency. Finally, staff attended several trainings hosted by the US Department of Transportation as part of the Transit Safety and Security Program Certification focused on system security and safety, collision investigation, and managing emergencies. Right-of-way security was also a priority during 2015 as we prepare for increased train frequency and passenger service.

Fencing for purposes of security and safety began in 2015 and is progressing as needed. Three types of fencing are being installed depending on the circumstances: chain link, high security and barbed wire/agriculture fencing. The entire right of way was evaluated several times by staff for the most appropriate areas for fencing and type.



SMART also successfully competed for two Urban Area Security Initiative (UASI) grants from Marin County and Sonoma County. These grants, totaling \$108,000, fully fund security cameras at each of the planned platforms and parking lots. A total of 60 cameras and necessary servers will be purchased through this grant for monitoring our platforms and parking lots.

Outreach and Education

In 2015, the SMART Community Education and Outreach Team continued to focus its outreach and educational efforts on project construction notification and rail safety education to our neighbors in Marin and Sonoma counties. Construction outreach to residents and businesses included: direct door-to-door neighborhood canvassing of over 1,500 businesses and residents, distribution of bi-lingual door hangers, flyers and mailed letters, electronic message boards and construction news advisories to the press and public service agencies and municipal organizations.

A major focus in 2015 was the launch of our online safety campaign, including a new website, www.BeTrackSMART.org, which includes a rail safety quiz, bilingual information on track safety and links to encourage the public to reach out to SMART on safety issues. We also place bus back ads on Golden Gate Bridge busses, panels on the Marin County fair “Rawhide Express” train, and ads in local movie theaters during the holidays.



The SMART Community Education and Outreach team made 22 public presentations in 2015 to a variety of audiences, primarily in civic organizations and professional associations (such as Rotary Club, Active 20/30 Club, Sons in Retirement, and North Bay Association of Realtors). SMART also has a number of staff who are authorized Operation Lifesaver volunteers and have provided education training to over 5,700 Kindergarten through 12th grade students. In addition, the Outreach Team continued to incorporate rail safety information into all presentations and into public information booths and tables at fairs and public events.

SMART participated in 24 fairs and community events, (with a total attendance of over 345,000 people) and engaged with over 7,000 members of the public in 2015. Events included: Cloverdale Citrus Fair, Petaluma Butter & Eggs, Tour de Novato, Cinco de Mayo, NASCAR (Sonoma Raceway), Marin County Fair, Novato Art & Wine, Sonoma County Day at the Fair, Levi's Granfondo, Biketoberfest, and North Bay Discovery Days Science Fair. Outreach material at events focused on project updates and safety education where people were encouraged to play the bi-lingual rail safety game developed by SMART Community Education and Outreach.

SMART also focused on a variety of community partnerships in 2015 including: the North Bay Leadership Council Algebra Academy for minority youth entering High School, California Operation Lifesaver and Sonoma Safety PALS (Prevention and Life Safety), a county-wide public safety agency collaboration theatrical play delivering safety messaging to over 1,800 elementary students in the

spring and fall of 2015. Staff also participated community meetings and events sponsored by our partners in government in Marin and Sonoma Counties.

SMART continued its on-line presence with website advertisements that included links to the SMART Progress Update webpage which is updated daily with current status information (accessible from the SMART website home page.) Online users can receive regular updates from SMART using Facebook, Twitter & the SMART web page. In 2015 SMART added a Flickr photo sharing link for members of the public who don't have Facebook or Instagram.

As of the end of 2015 SMART enjoyed wide public outreach through the internet, including the following:

- 6,741 Constant Contact Emails
- 4,273 Facebook Likes
- 1,454 Twitter Followers
- 347 Instagram Followers



Financial Information

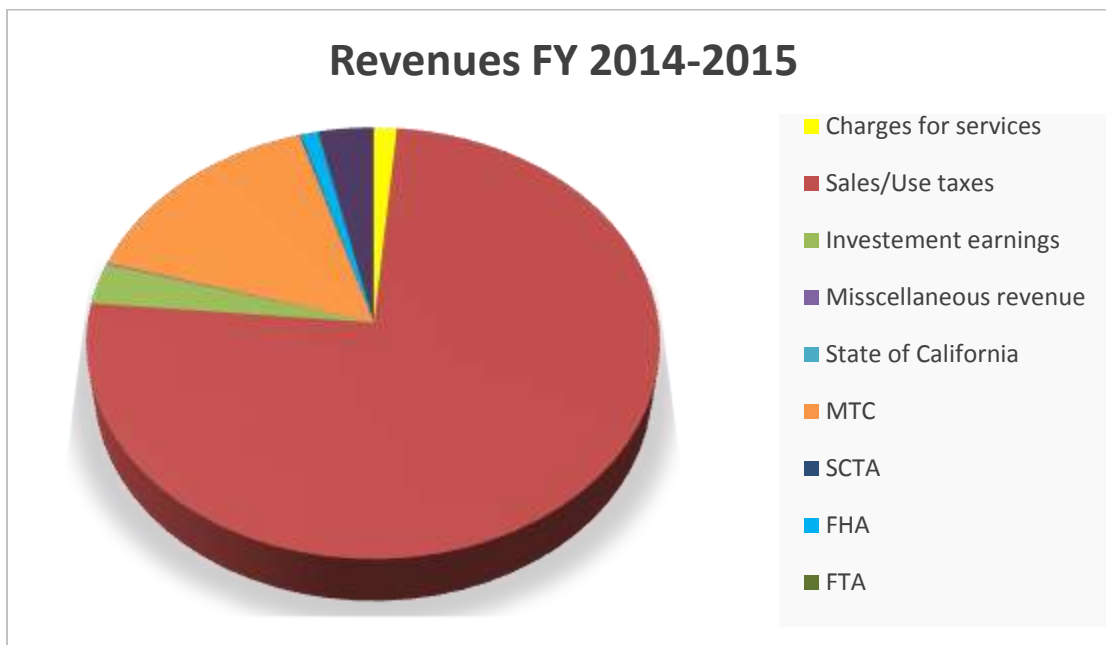
The financial integrity of the District remains one of the top priorities of SMART. In addition to annual independent audits, SMART participates in other financial best practices, including annual Government Finance Officer's Association trainings, granting agency trainings, and federal Single Audits, as required. In 2015 SMART also undertook an important and challenging effort to bring the accounting and payroll functions in-house, in order to provide better control over our financial activities. That work was completed in the second half of 2015. The District continues to have a cooperative relationship with the County of Sonoma due to their management of SMART's bond funds and general fund reserves, which are invested in the County Pool.

SMART's Comprehensive Annual Financial Report, which SMART has produced for three years, presents information on our financial activities throughout the year, using the format and language of accepted government accounting standards. In this annual report, we summarize pertinent information for readers that is derived from that report but adjusted to show expenditures without depreciation and other non-cash changes.

In Fiscal Year 2014-15 SMART received total revenues, including grants, of \$45,113,589.

Those Revenues include:

- Sales Tax Revenues of \$33,845,427
- Bridge Toll grant funds through the Metropolitan Transportation Commission (MTC) of \$7,119,973
- Investment earnings of \$1,384,557
- Reimbursements and other payments of \$1,534,698



Sales Tax revenues continue to grow with the improving economy. Tax revenue for the year represented an increase of 4.2% over FY 2013-14, which is higher than the 3% budgeted for the year.

At the end of the Fiscal Year, SMART had an unrestricted fund balance of \$115 million. SMART also held bond funds of \$23 million, which are primarily reserves controlled by SMART's bond trustee. In 2015 SMART utilized the majority of bond funds available on construction-related costs. Remaining reserves are invested in the Sonoma County Treasury Pool and the California Asset Management Program until used for the project.

Total Expenditures for Fiscal Year 2014-15 were \$135 million. Included in that total were \$4.3 million in non-capitalized salaries and benefits. SMART also incurred debt service for the project bond of \$13.3 million. The vast majority of expenses were in capital investments of \$122.4 million. Capital investments are the many construction and related costs associated with the SMART Rail and Pathway Project. Over \$115 million in design, permitting, and construction expenses went into the track, systems, bridges, platforms and rail related investments. Of that amount, \$9.8 million was spent on the Haystack Bridge, and \$16 million was for the new Rail Operations Center. Payments for design, management and construction of our new rail vehicles totaled \$7 million. Direct SMART pathway expenses related to federal environmental clearance, design, and construction were \$887,607. Environmental expenses for creating the Mira Monte mitigation site were \$2.3 million.

