

September 19, 2014

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



Dear Supervisor Arnold and Board members:

The Marin Conservation League has reviewed the reports of both the Marin Civil Grand Jury and the Sonoma Civil Grand Jury regarding SMART. While we are concerned that these reports did not explore SMART's progress on environmental aspects of its operations, we concur with some of their recommendations, and have comments on broader implications of inadequate financial oversight.

We support a stronger role for the Citizens Oversight Committee (COC). Measure Q identified one COC role, which was to participate in the Strategic Plan development and implementation. The 2009 Strategic Plan committed to an update in two years. That did not happen. It is now five years since the last Strategic Plan. It needs to be out by the end of this year. The COC is engaged in the process and wants to have a meaningful role to be able to issue a report and fulfill their responsibility as assigned in Measure Q.

The revenue projections need to be forecast and operations quantified through the life of the sales tax term, 2029. These projections should be updated annually and the public needs to be made aware of them. The projections should take into account the usual fluctuations that inevitably occur within a decade and consider contingencies for periods of lower income. Part of the projection should be for high and low ridership estimates.

MCL sees a need for thorough development of Sensitivity Analysis for financial projections based upon alternative operating revenue scenarios along with accompanying remedial financial strategies to deal with such alternative revenue outcomes. Once SMART begins operations it will incur the fixed expense of bond repayments. Will the 1/4 of 1% sales tax be sufficient to cover both the bond repayments and any potential shortfall in operating revenues vs operating expenses?

Why is this important?

- The fare box does not cover SMART's operating expenses. MCL is concerned about what happens if the fare box covers less of the operating expenses than is being forecast, and, consequently, what financial and operating strategies will be necessary to cover whatever revenue shortfalls may ensue.
- Financial shortfalls could bring about a delay in operations, shortening the length of the service route and, as a result, lower ridership. How would this affect the predicted

PHONE: 415.485.6257
FAX: 415.485.6259

EMAIL: mcl@marinconservationleague.org
WEB: marinconservationleague.org

ADDRESS: 175 N. Redwood Dr., Ste. 135
San Rafael, CA 94903-1977



environmental benefits, including reduced vehicle/greenhouse gas emissions?

- The lack of expertise and critical review that exists absent a knowledgeable and fully participating board, along with oversight committees, deprives the public of the representation and information to which it is entitled.
- If there is a shortfall in revenue needed to complete the line this could mean tapping into funds that should go to other local transit.
- Issues such as public safety did not receive the rigorous review they deserve.

It is understood that operations will not be started until late in 2016, but projections must be developed to be prepared well before the start date. There should be transparency with the public as this information is developed. Appointing a citizens advisory group to provide a structured way of getting feedback from users could be invaluable to the board and staff decision-making. Even if the group is not currently needed, it should be incorporated into the planning.

MCL appreciates the progress that has been made with the upgrade of the tracks, selection of the operating equipment and complications of securing permits, but some big issues still need to be addressed, such as quiet zones and the ultimate operating system. We strongly urge SMART to be transparent regarding the needed projections.

Yours truly,



Jon Elam
President

cc. Citizens Oversight Committee
Transportation Authority of Marin
Metropolitan Transit Authority