
**SONOMA COUNTY
TRANSPORTATION AUTHORITY**

**SCTA MEETING
AGENDA PACKET**

**Monday, May 13, 2002
3:15 p.m.**

**Sonoma County
Permit & Resource Management Department
2550 Ventura Avenue
Planning Commission Hearing Room
Santa Rosa, California**

SONOMA COUNTY TRANSPORTATION AUTHORITY

A G E N D A

May 13, 2002

3:15 p.m.

Sonoma County Permit & Resource Management Department
2550 Ventura Avenue
Planning Commission Hearing Room
Santa Rosa, California

Directors

Jake Mackenzie, Chair
Rohnert Park

Paul Kelley, V. Chair
Sonoma County

Steve Allen
Windsor

Joe Costello
Sonoma

Geoffrey Fox
Cotati

Mike Healy
Petaluma

Robert Jehn
Cloverdale

Mike Kerns
Sonoma County

Lisa Schaffner
Healdsburg

Tim Smith
Sonoma County

Sam Spooner
Sebastopol

Sharon Wright
Santa Rosa

ITEM

- I. Public Comment
- II. Consent Item (Attachment) - **ACTION**
 - A. Minutes of the April 8, 2002 Meeting
- III. Reports - **INFORMATION/ACTION**
 - A. Executive Committee Report (Chair Mackenzie)
 - B. North Coast Rail Authority (NCRA) Report (Chair Mackenzie)
 - C. Metropolitan Transportation Commission (MTC) Report (Dir. Wright)
 - D. SCTA Staff Report (Suzanne Wilford, Exec. Dir.)
 1. Bay Area Partnership Activities
 2. Joint Marin/Sonoma Activities
 3. SCTA Committee Reports
 4. Staff Report
- IV. Caltrans Report – **DISCUSSION/ACTION**
 - A. Status Report on Highway 101 Projects
 - B. Authorization to negotiate a contract for the Highway 101 EIR/EIS
- V. SMART Report – **DISCUSSION/ACTION**
 - A. Report on AB2224 – SMART District
 - B. Resolution of Support for AB2224
 - C. New Reports from SMART
 - D. Request for Proposals for EIR/EIS and Preliminary Engineering
- VI. LAFCO Resolution No. 2390 – **DISCUSSION/ACTION**
- VII. State Legislation Related to Transportation – **DISCUSSION/ACTION**
- VIII. FY02/03 SCTA Preliminary Budget for FY02/03– **DISCUSSION**
- IX. Other Business/Director Announcements – **DISCUSSION**
- X. Adjourn – **ACTION**

SCTA Staff

Suzanne Wilford
Executive Director

Janet Spilman
Transportation Planner

Jeanette Wood
Executive Assistant

The next **SCTA** meeting will be held on **June 10, 2002**.

SONOMA COUNTY TRANSPORTATION AUTHORITY

MINUTES
April 15, 2002

ATTENDEES

Director Mackenzie
Director Allen
Director Costello
Director Fox
Director Healy

Director Jehn
Director Robinson
Director Schaffner
Director Wright

Chair Mackenzie called the meeting to order.

ITEM

I. Public Comments

There were no comments.

Consent Item

A. Minutes of the March 18, 2002 Meeting

Director Wright made the motion to approve the minutes.

Director Schaffner seconded the motion and the minutes were approved as written with Directors Fox, Robinson and Costello abstaining.

B. Additions to the agenda

Suzanne Wilford requested that the MTC lawsuit and the SCTA's participation in it be added to the agenda as an action item.

Director Wright made the motion to add the item.

Director Healy seconded and the motion passed unanimously.

III. Reports

A. Executive Committee

Chair Mackenzie gave a report on the activities of the Executive Committee. They discussed the SMART legislation update with a presentation from Bill Kortum on some possible language changes. The meeting with the City of Petaluma regarding project delivery was rescheduled to May 13 at 2 p.m. The SCTA is not in a position to discuss the Cooperative Agreement with Caltrans at this time. The Executive Committee directed Ms. Wilford to proceed with Director Jehn's advice in seeking insurance for SCTA staff and offices as they go about their business.

B. North Coast Railroad Authority (NCRA)

Chair Mackenzie was not present at the last NCRA meeting. He stated that the NCRA is concerned with the language in the SMART legislation and their representation on the new entity. Discussions are taking place between County Counsel and NCRA Counsel to resolve any issues.

C. Metropolitan Transportation Commission (MTC) Report

Director Wright stated that The Mineta Institute is holding a Hot Spots Forum April 11 from 9:30 a.m. to 2:30 p.m. The forum will focus on the Marin/Sonoma Narrows. MTC is holding the second round of public workshops in their Smart Growth strategy. This is a follow-up to the series of workshops held last fall. The Sonoma County workshop is April 20 at Steele Lane Community Center from 8:30 a.m. to 2:45 p.m. The public can register for this workshop on the ABAG website at www.abag.ca.gov

D. SCTA Staff Report

Suzanne Wilford presented the following reports.

1. Bay Area Partnership Activities

Staff has been working with MTC and the Bay Area Partnership on the finalizing the 2002 STIP. The Bay Area Partnership is meeting March 19 in Oakland and is trying to reconvene after not meeting for several years. The Partnership is made up of all nine executive directors from the Congestion Management Agencies as well as the transit operators throughout the bay area. They will be discussing several policy issues related to transportation as well as constructual issues as how they can better serve MTC and the CMAs in providing information and coordinated responses on funding and policy matters.

2. Joint Marin/Sonoma Activities

The next SMART Commission meeting is April 17 at 2 p.m. in Novato and the next Marin/Sonoma Narrows Policy Advisory Group will be April 19 at 9:30 a.m.

Chair Mackenzie stated that on April 4th the Marin Congestion Management Agency, the Marin County Board of Supervisors and the Marin County Transit District had a joint meeting. The Executive Committee of the Marin CMA discussed their position on the possibility of a November 2002 election, possible outreach programs and the interest to work with Sonoma County. During the meeting, Chair Mackenzie spoke to the Marin CMA to report the SCTA's decision about the election and to relay the SCTA's interest in future outreach efforts and continuing to work with Marin County. The Marin CMA voted unanimously not to place a measure on the 2002 ballot.

Chair Mackenzie and Executive Director Wilford met with Congresswoman Lynn Woolsey and her staff along with Marin CMA Chair Steve Kinsey and Executive Director Mansourian. They discussed the funding of projects on Hwy 101 and in particular the Marin/Sonoma Narrows project. SCTA and Marin CMA staff will be working closely with Congresswoman Woolsey's staff regarding funding and the reauthorization of TEA 21. Congresswoman Woolsey committed her support of measures to promote rail service in the Hwy 101 corridor.

Chair Mackenzie intends for the SCTA to meet regularly with the Marin CMA and he will be working with staff to schedule a meeting for the summer.

3. SCTA Committee Reports

The next TAC meeting is April 25.

The next CAC meeting is April 29.

The next PCC meeting is May 14.

IV. FY02/03 TDA Article 3 Program for Bicycles

Last month the Authority approved a list of project to be funded through the Transportation Development Act (TDA) Article 3. Since then there have been request for changes in the list. The changes will not delay or affect any projects that were approved last month. A (green) handout was distributed to the Authority noting the requested changes.

Director Wright clarified that the City of Santa Rosa was not transferring \$2,646 to the City of Cotati but that it was a loan with no interest.

Staff also presented a draft letter for the chair's signature urging Caltrans to delineate bike lanes along the entire length of the Hwy 116 roadway rehabilitation project from Cotati to Sebastopol.

Director Costello made the motion to adopt Resolution No. 2002-005 and to authorize the Chair to sign the letter to Caltrans.

Director Wright seconded and the motion passed unanimously.

V. FY02/03 Coordinated Claim for Transit

The Coordinated Claim describes the distribution of TDA and STA funds as per MTC's guidelines. These funds are the primary source of operating revenue for Sonoma County transit operators. The Coordinated Claim documents the existing fund agreements between the cities and the county and is the primary mechanism for establishing contribution agreements for services provided by transit operators to local jurisdictions. The Transit TAC and the Paratransit Coordinating Committee have approved the claim. It was noted that TDA funds are derived from sales tax and are down this year due to the poor economy. The outlook for FY02/03 is conservative in its estimate of \$17,200,000.

Bryan Albee, Sonoma County Transit, stated that this is the first time in many years that there is a decrease in TDA funding and is directly related to the slowdown in the local economy. TDA funds overall were down about 7.5%. The STA funds, which are derived from fuel tax, are down due the lower cost of fuel. STA funds are down about 33%. For Sonoma County Transit revenues are down over 10% during the current year and will have to use about \$750,000 in reserve funds for operating costs next year to maintain today's level of service.

Director Wright made a motion to adopt Resolution No. 2002-006.

Director Allen seconded and the motion passed unanimously.

VI. FY02/03 TFCA Program of Projects

The Transportation Fund for Clean Air (TFCA) Program provides funding through vehicle registration fees for clean air projects. The SCTA serves as the project manager for the funds, which are known as the 40% funds that come directly to the county. These are funds that come to the county based on a formula from the Air District, based on generation of a \$4 surcharge on registration of vehicles in the Bay Area. Only the southern portion of Sonoma County (from Windsor south) is included in the Bay Area Air Quality Management District. This year there is \$876,111 available to program to TFCA eligible projects. A handout (yellow) was distributed to the Authority showing the amount of funds available to each jurisdiction and the projects that were applied for this year. Some jurisdictions did not submit any projects but did provide funding to Sonoma County Transit in order to purchase Compressed Natural Gas buses that will serve their jurisdictions. Sonoma County Transit is partnering with the Cities of Windsor and Petaluma to help build intermodal facilities for them. With the approval of these projects there will be a balance of \$22,000 that will roll over into next year's budget.

Director Wright made a motion to approve Resolution No. 2002-007.

Director Costello seconded and the motion passed unanimously.

VII. FY02/03 FTA Section 5310 Paratransit Projects

The FTA Section 5310 Program provides funds to nonprofit agencies for the purchase of paratransit vehicles and other transportation related equipment. This is an annual process that involves project sponsors, the Paratransit Coordinating Committee, MTC and Caltrans. The PCC took an active role this year working with members to help with their application process. Four agencies, Becoming Independent, Petaluma People Services, Council on Aging and Friends House submitted applications. The scoring of the applications is done by the PCC and by Caltrans based on strict criteria mandated by Caltrans. It emphasizes need and effectiveness based on clients served, miles traveled, hours of operation among other things. Caltrans list the projects statewide in order of their score and funds downward on the list. Last year projects that scored in the low 80's received funding. This year Becoming Independent and Petaluma People Services scored very well and will probably receive vehicles. Council on Aging and Friends House did score as well and are unlikely to receive vehicles, although Friends House did receive a vehicle last year.

Director Wright was concerned that the reason nonprofits are not able to score well is because they do not have the vehicles available to serve more clients. She requested staff to look into the possibilities of revising the scoring system and report back to the Authority on what that process might be.

VIII. SMART Report

The most current version of bill AB2224 was distributed to the Authority. The first hearing for this bill is set for April 15 in the Assembly Transportation Committee. A draft of a briefing paper was also distributed to the Authority summarizing the goal of the legislation, the background and what some of the issues are.

The goals are:

1. Create a single rail transit district responsible for ownership of the Northwestern Pacific (NWP) rail line from Healdsburg south to Corte Madera and for planning and future operations of passenger/commuter rail service.
2. Consolidate ownership of the NWP line from Healdsburg south to Corte Madera in order to streamline planning efforts and establish a single point of contact for all future activities on the rail line in Sonoma and Marin Counties
3. Maintain or potentially enhance, the status quo as it relates to freight operations under the direction of the North Coast Railroad Authority (NCRA)

The bill will also be heard in the Assembly Local Government Committee. The bill was double referred because it is the creation of a new local entity.

Some of the outstanding issues include the concerns of the NCRA relating to membership and their desire to have their operating agreement, currently with the NWPRA, renegotiated and a commitment that freight service will not be harmed by a future passenger rail service. Humboldt County shares these concerns and others related to freight service and have been expressed recently. Another concern is the process by which city representatives would be appointed to the new district. There is also a concern over potentially losing TCRP funds both for SMART and the NCRA.

Director Costello raised a concern that Section 44 does state or limit what sales tax funds could be used for.

Ms. Wilford stated that if the district were to impose a transit tax for the district then there would need to be a nexus between any future projects and that transit district. Possible projects could include bike projects tied to rail, feeder buses and shuttles.

Mr. Kortum suggested that the legislation be reworded so that the new district could help fund projects in jurisdictions not directly on the rail line such as bike trails, buses and pedestrian paths in east and west county.

Mr. Ellman agreed with Mr. Kortum and stated that voters would favor a tax funding a variety of projects such as rail, bike paths and buses especially if they are not restricted to the rail corridor. He would like to see the legislation revised to incorporate that language.

Ms. Wilford will ask county counsel to clarify what transit tax funds could be used for and relay back to Mr.

Kortum and Mr. Ellman.

IX. Caltrans Report

A. 2002 STIP Update

The CTC met on April 3rd and 4th and approved the 2002 STIP. All of the projects that the SCTA had included in their submittal were approved including the \$11.6 million for the Marin/Sonoma Narrows project. L.A. County, San Bernardino County and Orange County were not as lucky as the Bay Area. They had projects removed from their lists because of the state of the economy. The Bay Area Region did what the CTC requested in shifting projects around.

B. Status Report on Highway 101 Projects

Manny Caluya, Caltrans Project Manger, gave an update on the following projects.

Highway 101 widening Wilfred Avenue to Route 12 – 45% of the work is complete with 51% of time elapsed. Although the project completion date is winter 2002, the opening of the HOV lanes (weather permitting) is end of October 2002. Phase 2 of this project is the sound walls. The design is ongoing with construction to begin in spring 2003.

Highway 101 Petaluma southbound Auxiliary Lane – environmental document is schedule to be complete this summer. Prior to that Caltrans will hold a public meeting to consider sound walls for the northbound side of the project.

Southbound Highway 101/116 Bridge Separation project – Caltrans will hold a meeting to decide the type of bridge that is needed after that detailed design will take place with construction scheduled for spring 2003.

Highway 101 Rohnert Park Expressway Park and Ride Lot and southbound loop ramp – design is ongoing with construction to begin in spring 2003.

Nino Cerruti, Caltrans Project Manager, gave an update on the following projects.

Marin/Sonoma Narrows – the environmental and engineering studies are ongoing. The next PAG meeting is April 19th in Petaluma. Discussion items include the environmental studies update and design studies update as well as the Hot Spots Forum.

Highway 101 Wilfred Ave. to Santa Rosa Ave.– environmental studies are continuing, and the wet season survey for the California Tiger Salamander is continuing. None have been found as of yet.

Highway 101 widening – Route 12 to Steele Lane – environmental studies and design are continuing. The writing of the administrative draft is continuing. Preliminary design work has begun. The draft environmental document is scheduled for release to the public in September of this year with the final approval in March 2003.

C. Status Report on the RFP for Highway 101 EIR/EIS

The RFP was released for the two EIR documents on Highway 101. There will be a preproposal meeting tomorrow at 1:30 p.m. and proposals are due April 9th. Interviews will be conducted on May 8th and work should begin on July 1st.

X. State Legislation Related to Transportation

AB2535 (Diaz)

This bill will require Caltrans to continue to compile data and publish an annual Highway Monitoring Report that documents the traffic performance of the freeway system in the Bay Area region. The report reflects the levels of congestion on the Bay Area freeways and is the only measure that provides continuity of data from county to county, particularly during peak commute times.

Director Wright made the motion to approve staff's recommendation to support AB2535.

Director Schaffner seconded and the motion passed unanimously.

SB1491 (Perata)

This bill will create a new regional entity called the San Francisco Bay Area Regional Transit Policy Board, which would provide advice to MTC on regional transit planning and expansion issues. The bill calls on agencies like the SCTA to participate and requires a financial contribution of \$12,500 and in kind contribution of staff time valued at \$15,000.

Director Fox made the motion to approve staff's recommendation to oppose SB1491.

Director Jehn seconded and the motion passed unanimously.

SB1262 (Torlakson)

This bill will alter the manner in which STIP funding can be used. Under SB45 counties control 75% of available STIP funds and the CTC controls 25%. Under this bill, the first 10% of STIP funds would be set aside for new development programs that reduce traffic congestion and are transit oriented. This bill would mandate a net reduction of 13% of Sonoma County's share of STIP funds and sets a precedent that SB45 can be altered.

Director Robinson supported the bill especially since the county would not be losing the funds.

Ms. Wilford stated that the Authority can adopt this kind of policy and designate specific funds for certain types of projects without having to put legislation in place. She had concerns about the implementation of the new development programs.

Directed Wright stated that the message MTC has always supported was to maintain flexibility in the program so that local decisions could be made at the local level. Once this flexibility is taken away it's hard to get it back.

Director Robinson requested that staff do some further analysis of the bill.

Chair Mackenzie directed staff to agendize this item for the May 13 meeting and provide further analysis.

SB1827 (Torlakson)

This bill will require that TFCA funds be awarded to a specific project in Alameda County. This would circumvent the local decision making process that currently exists and set a precedent that would enable the state to dictate the use of these local funds.

Director Jehn made the motion to approve staff's recommendation to oppose SB1827.

Director Costello seconded and the motion passed unanimously.

SCA5 (Torlakson)

This bill will reduce the vote requirement for transportation sales tax measures to a simple majority but will require at least 25% of the revenues derived from the tax to be used for smart growth planning and projects.

Staff will keep the Authority updated on the status of this bill.

Director Jehn noted that it would be useful in the future to know if CSAC and the League of Cities support or oppose these bills.

XI. Third Quarter SCTA Budget Report

A handout was distributed to the Authority showing the cash flow of the SCTA through the third quarter. Next month staff will present a draft of the FY02/03 SCTA budget. The SCTA will have to use \$88,000 in fund balance

this year to meet its expenditures because of STIP funding that will not be available until FY02/03. Some of the expenditures are under budget and some are over budget such as printing costs for the Countywide Transportation Plan and legal fees related to the project study reports.

XII. MTC Lawsuit

Staff received a call on April 5th from Alison Hightower of the Nossman, Gunther, Knox & Elliott law firm who represents Contra Costa County. She is coordinating an effort to provide information to the court from the congestion management agencies and transportation authorities in the form of declarations related to the impacts that may be felt if a lawsuit that has been filed against MTC is ruled in favor of the plaintiffs. The lawsuit has to do with TCM2, which is a measure from the 1980's that called for the region increase transit ridership by 15%. Several groups have sued MTC recently stating that they did not meet that requirement and need to meet it now or over the next five years. In order to do so MTC will need to reopen the Regional Transportation Plan (RTP) and add specific transit projects from the six major transit operators to the plan. The role of CMAs and agencies like the SCTA in this effort is primarily to provide information about what the impacts would be if the RTP were to be reopened. The judge has ruled initially in favor of the plaintiffs and directed MTC to work with the transit operators on achieving the 15% target. The concern is that if you add projects to the RTP other projects must be taken out. What those projects may be is yet to be determined but if a project is not in the RTP it cannot receive funding and will be delayed. The goal is to make this information to the court so that they understand that this ruling is not just to provide funding for transit operators but that it would impact projects throughout the entire bay region.

Ms. Wilford has indicated to her counterpart in Contra Costa that the SCTA cannot financially contribute to this effort.

Director Wright made the motion to authorize the Executive Director to provide the declaration and for SCTA to join the Amicus brief.

Director Healy seconded and the motion passed unanimously.

XIII. Other Business/Director Announcements

Chair Mackenzie stated that he will be attending the Circulation Sub-committee Workshop of the Sonoma County General Plan Citizen's Advisory Committee. The place is the Penngrove Community Clubhouse at 7 p.m.

XIV. Adjourn

The meeting was adjourned at approximately 5:05 p.m.

Respectfully submitted,

Jeanette Wood
Executive Assistant

SONOMA COUNTY TRANSPORTATION AUTHORITY STAFF REPORT

DATE: May 13, 2002
TO: Sonoma County Transportation Authority (SCTA)
FROM: Suzanne Wilford, Executive Director
SUBJECT: ITEM III: Reports

A. NCRA Report

See updated report at www.northcoastrailroad.org.

Attached are two documents from the NCRA: 1) a press release related to an RFP for a freight operator and 2) a draft of the report NCRA will be giving to the CTC related to their on-going operations.

B. Metropolitan Transportation Commission Report

Information will be provided at the SCTA meeting.

C. SCTA Staff Report

1. Bay Area Partnership Activities

Staff continued to work with MTC, the Partnership and CTC on the 2002 STIP. Staff attended a meeting with the Bay Area CMA Executive Directors and the Chair of the CTC, Dianne McKenna, on how to deal with future STIP amendments and the cash flow issues facing the State Highway Account. The CTC will host a workshop on May 16 in Sacramento on similar issues and staff will attend.

The Bay Area Partnership has been reorganized to consolidate committee meetings and improve communication between MTC, Caltrans, CMA's, transit operators and other regional entities on key transportation issues. The new structure calls for more regular meetings of the full Partnership and the consolidation of three standing committees into one that will examine financial, planning and legislative issues.

2. Joint Marin/Sonoma Activities

The Marin and Sonoma County Boards of Supervisors will hold a joint meeting on transportation issues on June 3 at 10AM in the Supervisors Chambers in San Rafael.

The Mineta Transportation Institute held a Transportation Hot Spot Forum on the Marin/Sonoma 101 Corridor on April 11.

The next SMART Commission meeting will be held May 15 in Petaluma at 2:00PM.

The next Narrows Policy Advisory Group meeting will be held on May 17 at 9:30 AM in Novato.

3. Committee Reports

The TAC did not meet in April. The next TAC meeting is scheduled for May 23.

The next CAC meeting is scheduled for June 24.

The next PCC meeting is scheduled for May 14 and July 9. As a follow up to the discussion at the last SCTA meeting related to Section 5310 funding for paratransit vehicles, please find attached a letter expressing concern about the scoring criteria used in the funding process.

The next CBAC meeting is June 3.

S C T A

SONOMA COUNTY TRANSPORTATION AUTHORITY

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May 14, 2002

Mr. Christopher Herre
Department of Transportation
Division of Mass Transportation, MS 39
P.O. Box 942874
Sacramento, CA 94274-0001

Re: FTA Section 5310 Scoring Criteria

Dear Mr. Herre:

Sonoma County has participated in the FTA Section 5310 Grant program with limited success over the years. Generally, organizations serving the disabled in this county have qualified for two or three vehicles a year overall. This has drastically fallen short of the need. Scoring criteria that favors high volume short trips is skewed toward densely populated areas and penalizes more rural counties like Sonoma.

Sonoma County has a tremendous need for increased paratransit service. This county has an existing population that is aging, and is also a destination for retiring seniors. The population of people in the 65 to 79 year age range is estimated to double by the year 2020.

The other part of the paratransit need is the size of this county. Sonoma County has over 2,300 lane miles of streets and roads. While an increasing number of senior facilities are being built in Santa Rosa, the largest city in the county, paratransit operators must serve the disabled population in every corner of the county. This necessarily results in long trips that may not have multiple riders.

The paratransit and transit operators are working together closely to make transportation for the disabled as efficient and seamless as possible, but the fact remains that the needs of the paratransit community here vary from those in more densely urbanized areas. The scoring criteria set forth by Caltrans reflects a statewide standard that penalizes counties such as Sonoma County.

We highly recommend that Caltrans revisit the Quantitative Criteria to make it more equitable to the less densely populated counties.

Sincerely,

Jake Mackenzie, Chair

cc: Jeff Morales
Randy Iwasaki
Steve Heminger



North Coast Railroad Authority Media Release

April 24, 2002

The North Coast Railroad Authority (NCRA) recently released a Request for Proposal (RFP) for an operator for the full length of their right of way. This covers the entire North Coast corridor from Humboldt County to its Schellville connection with the national railroad grid.

Respondents to the RFP are being asked to perform the following:

- Maintain the track and structures to all required Class standards, including those tracks upon which NCRA operates under the ownership of the Northwestern Pacific Railroad Authority, in compliance with Surface Transportation Board, Federal Railroad Administration, California Public Utilities Commission and all appropriate federal, state, and local agencies rules and regulations.
- Operate the railroad including the provision of service to all customers in compliance with Surface Transportation Board, Federal Railroad Administration, California Public Utilities Commission and all appropriate federal, state, and local agencies rules and regulations. Support for contract excursion passenger service providers will be required.

Full text of the RFP is posted on NCRA's web site www.northcoastrailroad.org

The proposed selection schedule contemplates a decision by December, 2002.

RFP's Available and Mailed	April 22, 2002
Pre-Submittal Conference	May 20, 2002
Proposal Submission	June 24, 2002
Short-List Selection	July 1, 2002
Notification of Short Listed Firms	July 1, 2002
Interview Short Listed Firms	July 15, 2002
Complete Negotiation with Selected Firm	August 16, 2002
Completion of Caltrans Pre-Award Audit (if required)	October 18, 2002
Commence Operations	December 1, 2002

There is speculation as to what sort of proposal might be forthcoming from Niemeyer and Associates. Ted Niemeyer, an Illinois developer, appeared before the board of the NCRA on March 20 and expressed an interest in buying all or portions of the North Coast corridor. Although it was unclear just what Niemeyer was interested in buying, he was informed of the pending RFP process, and invited to respond. "As a public agency," said NCRA Executive Director Max Bridges, "we are obligated to allow everyone equal opportunity to compete, and the RFP process does this."

For further information, please contact Leo Sears, (707) 442-4602, lsjb@humboldt1.com



A Report to the California Transportation Commission

On

The North Coast Railroad Authority

May 2002

Executive Summary

Administrative Funding

NCRA has identified unrestricted funding sufficient to provide for its projected administrative needs from fiscal year 2002-03 through the first half of fiscal year 2004-05 while still meeting its commitments with respect to liability obligations. The identified unrestricted funding sources provide NCRA a total of \$916,400 in the current (2001-02) fiscal year and an additional \$276,000 in fiscal year 2002-03 of unrestricted funds. There will be need for additional administrative support from mid-2004-05 through early 2008-09 when it is anticipated that sufficient revenue from operations will be available to fully support administrative needs.

Schedule A provides a detailed summary of the projected revenues and expenditures through fiscal year 2013-14. Schedule B provides NCRA's administrative expenditures for fiscal years 2000-01 through the current year and the recently adopted administrative budget for 2002-03.

NCRA intends to aggressively pursue additional revenue from its leases and other property revenues and ways to reduce administrative expenditures to lessen the need for further administrative subsidy.

Status of Debt

NCRA has potential liabilities that are characterized as annual, long-term, to be forgiven, not valid, and deferred. They are listed by category on Schedule C. Those identified as being legitimate obligations total \$14,220,675 of which \$12,000,000 is the Q-Fund loan obligation that will be paid in 2013 from the revenues generated by the funds held in trust by the State Treasurer's Office Local Agency Investment Fund pursuant to a MOU between the Commission and NCRA.

Schedule A provides NCRA's projected retirement of its liabilities utilizing identified revenues projected through fiscal year 2013-2014.

Background

The 2000 Traffic Congestion Relief Program (TCRP)

The Traffic Congestion Relief Program was established with the adoption of AB 2928 in 2000. It provided a total of \$60 million to NCRA to address various immediate, intermediate and long term needs related to administrative expenditures (\$1,000,000), repayment of the Q-Fund loan (\$5,500,000), environmental remediation (\$4,100,000), debt reduction (\$10,000,000), re-opening to Willits (\$600,000), re-opening Willits to Arcata (\$1,000,000), upgrading to FRA Class 2 and 3 (\$5,000,000), local match funds (\$1,800,000) and long-term slope stabilization (\$31,000,000).

These funds are under the direction of the California Transportation Commission (CTC) and are available for allocation as directed by the legislation. Thus far \$17.75 Million has been allocated by the CTC for the following items:

\$10.00 Million for Debt Relief

\$ 1.00 Million for Administrative Expenses (2000-01 and 2001-02 FY)

\$ 5.50 Million for repayment of the acquisition costs from FHWA (Q-Fund Loan)¹

\$ 0.60 Million for completion of rail line – Lombard to Willits (completed April 2002)

\$ 0.60 Million Capital Projects and Environmental Consent Assessments (due June 2002)

\$ 0.05 Million for Local Matching needed for use of ISTEA funding (still pending)

Pursuant to AB 2928 and subsequent action by the California Transportation Commission (CTC), future funding allocations to the NCRA were conditioned upon completion of a Strategic Plan and an assessment evaluating the capital needs of the entire line providing a clear scope of the costs associated with its rehabilitation. In May of 2001 the CTC accepted NCRA's *Strategic Plan for Resumption of Viable Rail Service to California's North Coast* and authorized the expenditure of TCR funds for the preparation of a comprehensive assessment of the railroad's capital project and environmental consent needs.

Purpose of Report

The California Transportation Commission (CTC) has requested that the North Coast Railroad Authority (NCRA) provide at the Commission's May 2002 meeting an evaluation of projected costs and identifiable funding sources available to fund the NCRA administrative and maintenance of way needs until such time as operational revenues fully support the railroad. *Schedule A* attached to this report provides, in support of the text, a detailed summary of the anticipated expenditures and revenue sources through fiscal year 2013-14.

This report also contains clarification, by the NCRA, on its existing debt and provides an explanation on when and how this debt will be repaid. Additionally, a discussion regarding the current status of the contract with the County of Sonoma [for accounting services] as well as a progress report on the Capital Projects and Environmental Consent Assessments are included.

¹ Caltrans audit exceptions require re-payment on the FHWA Q-Fund loan of \$1.3 million in fiscal year 2001-02. This obligation is to be paid from the trust fund currently generating interest in the State Treasury. The total remaining amount due is \$10.7 million which will be due in 2013 unless NCRA is successful in getting this debt forgiven.

A brief history of the North Coast Railroad Authority has been included with in this report. Although not a complete chronology of events, certain salient points are highlighted in an attempt to provide some background for Commission members in the context of the issues currently facing the Authority.

Mission of the NCRA

It has long been understood that the long-term viability of the former Northwestern Pacific Railroad (NWP) requires that the entire line, from Humboldt Bay in the north to the point of interchange at Lombard in the south be open to revenue generating freight and excursion passenger service. That has been the consistent mission of the NCRA since its formation in 1989.

The NCRA Board of Directors and staff are unconditionally committed to restoring service on the entire line. This will be accomplished through the completion of all the projects identified in the Strategic Plan and the Capital Projects Assessment. The Board takes seriously its responsibilities to both the communities it services as well as the people of the State of California who have entrusted the funding to make possible the return of the NWP to its former viability.

Recent improvements to the Port of Humboldt Bay coupled with the interest in development of new rail dependent industries along the corridor indicate that the re-establishment of rail service will be a major component in the overall economic recovery of the entire region.

NCRA is dedicated to working with the agencies and the commission to achieve the vision of the Governor's Administration in returning sustainable rail service to the North Coast region of California.

History of the North Coast Railroad Authority

Rail service on the North coast dates well back into the 19th century. Completion of the connection between Eureka and San Francisco was attained in 1914. Designated the Northwestern Pacific Railroad (NWP), it was jointly owned by Santa Fe and Southern Pacific Railroads and operated independently until 1929 when it became exclusively part of Southern Pacific Railroad.

The NWP was the only means of transportation within the corridor prior to completion of Highway 101 and remained the sole means of substantial freight movement for decades. It is worthy of note that the railroad has survived many natural disasters and was restored much sooner than State Highway 101 after the devastating and record setting storm of December 1964.

Southern Pacific sold the portion north of Willits in 1984. Called the Eureka Southern, it operated until December 1986 when it declared bankruptcy. A Federally appointed bankruptcy trustee managed the railroad until 1992. Southern Pacific maintained ownership and continued to operate the NWP, south of Willits, through an operating agreement with the California Northern Railroad.

In 1989 the California Legislature created the North Coast Railroad Authority (NCRA). Utilizing State provided funding (Proposition 116) this new authority acquired the former Eureka Southern out of bankruptcy in 1992 and in 1996 acquired the portion of the NWP between Willits and Healdsburg.

The remaining portions of the NWP south of Healdsburg were acquired from 1983 through 1996. The ownership of the Healdsburg to Lombard segment is under Northwestern Pacific Railroad Authority (NWPRA) ownership; a joint powers agency comprised of NCRA, the Golden Gate Bridge, Highway, and Transportation District, and the County of Marin. Other portions are owned by the Bridge District and the County of Marin separately from NWPRA. Part of the joint powers formation documents provided that NCRA was to receive approximately \$8.6 million in Intermodal Surface Transportation Efficiency Act (ISTEA) demonstration funds to be used for capital projects on the north portion of the line. In exchange for these funds, NCRA became obligated to repay the \$12.0 million FHWA revolving Q-Fund loan that was used to acquire this portion of the line. The total acquisition cost was just under \$45 million, including \$11 million in State funds (Transit Capital Improvement) and \$20 million from Federal transportation funding (HR 2 and ISTEA).

In 1997 the NCRA Board prepared a request for proposal (RFP) seeking a private sector operator to provide freight service and maintenance of the railroad. Proposals were received and Rail-Ways, Inc. of Elgin, IL was chosen to negotiate for the permanent operator. Rail-Ways, Inc. functioned as an interim operator and additionally provided repair services through its construction company, NORCARE. In December 1999, Rail-Ways, Inc sold its investments and interests in the NWP to the chosen permanent operator, Northwestern Pacific Railway Co., LLC (NWPY) and the common carrier freight operations and maintenance responsibilities were fully assumed by NWPY.

Within weeks of reaching an agreement, the El Nino storms of 1998 closed the railroad north of Willits with a series of major landslides. Decades of deferred maintenance, by former owners, left the railroad in a serious state of disrepair. A Federal disaster was declared and FEMA/OES began the task of accessing their applicable damage estimates to support an allocation of grant funds.

Thereafter, due to a number of administrative and accounting issues related to prior disaster relief, the 1998 storm damage funding from both State and Federal sources was delayed. Even some previously approved work was determined to be ineligible although the work had been both authorized and completed. The retroactive application of a policy prohibiting reimbursement for landslide stabilization activities resulted in work totaling in the many hundreds of thousands of dollars being disallowed for reimbursement after the work was completed pursuant to approved projects.

To complicate matters even more, a portion of these new 1998 funds were recaptured, by FEMA, to satisfy past obligations as noted in their audit. Without operating revenues and with the anticipated disaster relief funding significantly altered, NCRA was left with a growing accumulation of liabilities that exceeded \$8 million by the end of 1998. Rail-Ways managed to operate freight service south of Willits until Federal Railroad administration (FRA) Emergency Order 21 closed the entire railroad in November 1998.

In the summer of 1998, AB 2782 provided \$2 million in funding. This funding allowed NCRA to address the issue raised in audits; namely implement an accounting system that properly tracks project costs. A portion of this allocation provided for administration of the Authority, including the recruitment of an Executive Director. NCRA was able to begin addressing environmental concerns raised by several State agencies, satisfy employee claims for unpaid compensation, pay past claims for payroll tax deposits, and partially address general creditors. A portion of the funds were used to address FRA Emergency Order 21 repairs, and reimburse legal counsel for fees and expert

witness costs relating to FEMA appeals and the environmental litigation, that culminated in the Consent Decree agreed to by all parties in 1999.

Finally, an agreement was reached with FEMA and State OES in June of 1999 that allowed storm damage funding to proceed for the 1998 storms. Unfortunately the first allocations of these funds were recaptured by FEMA and OES to satisfy outstanding obligations from past disasters. That left the 1998 storm contractors without payment and increased NCRA's outstanding debt. Even though the initial work remained unpaid, these contractors continued to make repairs to the south end in spite of this debt. Although they did receive payment for subsequent activities, eventually NCRA's inability to provide payment forced a discontinuance of repair work in late 1999.

Serving its own interests, NWPY self-funded completion of the work necessary to reopen the railroad from Lombard to Mile Post 43 near Penngrove (North of Petaluma). NWPY has subsequently claimed reimbursement for their work and that claim was denied by NCRA. The motivation for NWPY to do this work, at its own expense, was their forecasted revenue generation for freight service from shippers along this portion of the line. The FRA approval to resume service was granted on February 1, 2001 for this 40.8 mile portion of the railroad. Freight service was resumed on this portion of the railroad February 14, 2001.

In early 2001 the Surface Transportation Board approved the transfer of the railroad's common carrier certificate of public convenience and necessity to the NWPY where it remains.

Current Status

NWPY ceased operation in September 2001. The lease and operating agreement is in dispute. However, NCRA and NWPY have had several meetings in an attempt to arrive at a mutually acceptable resolution of their differences to avoid the possibility of protracted litigation.

NCRA takes no delight in its chosen course of action. The Board of Directors' goal is to sever all relations with NWPY without incurring any additional cost.

Future Freight Operations

The NCRA has prepared a request for proposals (RFP) for a permanent freight operator replacement. NCRA anticipates completion and distribution of this RFP to all potential operators in April 2002. It is anticipated that proposals will be received by late June and negotiations completed with the selected firm by mid-August. Freight service will be resumed between Lombard and Willits as soon as the selected firm can begin its operation.

Capital Projects and Environmental Consent Decree Assessment

The NCRA expects the Capital Projects Assessment and the Environmental Consent Decree Assessment to be completed by the end of June 2002, and ready for CTC consideration at the August meeting. These assessments are critical for the NCRA because they will provide a clearer picture of what the scope, cost and schedule associated with the reopening, upgrading and long-term stabilization projects will likely be. These projects, when taken cumulatively, form the enduring strategy for the comprehensive rehabilitation of the NWP corridor. Thus, the

NCRA will have the necessary data to refine the 2001 Strategic Plan and provide a well-defined approach to complete the overall project.

With the completion of both assessments, NCRA will be well positioned to commence the appropriate environmental review documents. It is anticipated that the environmental review process on the south end will be less complex than on the north end. Consequently, funding approval for projects on the southern portion of the line, separate and apart from funding for projects on the north portion of the line will be a targeted goal upon completion of the assessments. This will enhance the ability to upgrade the southern portion of the line to Class 2 and Class 3 status sooner, thereby taking advantage of the increased utilization commensurate with the improvements made.

Administrative Funding Sources

Schedule A illustrates the potential sources of unrestricted funds for use to address the administrative budget and maintenance of way needs of the NCRA from fiscal year 2002-03 through 2013-14. The revenues sources are categorized as follows.

Property Easement/License Revenues

The NCRA's property revenues comprise the most reliable source of funds that have been identified. The current property revenue account balance is \$200,000. According to projections, this revenue source is expected to yield at least \$180,000 annually based on the revenues received during the current year from existing agreements for use of NCRA owned property. The amount of \$27,900 is committed annually for the next ten (10) years to fund the interest payments to the "debt relief" creditors that chose "payment in full" of all interest over time as identified in the TCR debt repayment process under Option B.

A one-time payment of \$18,000 – is due in this current fiscal year (2001-02) which will be taken from the \$200,000 beginning balance in the account. This amount is the NCRA contribution as the local match portion of State grant funds in the amount of \$150,000 to be provided through the Mendocino County Council of Governments (MCOG) for rehabilitation of the historic Ukiah Depot. The NCRA is working with the Ukiah City Manager's Office on this project. When completed NCRA will be able to utilize a portion of the building for the engineering consulting team, thus reducing the overall cost of the consultant agreement.

NCRA's Property Management Committee has agreed to take a more active part in oversight of property management and will be making sure that all available resources are utilized in aggressively pursuing additional revenue from leases and other uses of property. The NCRA Board recently approved revised fees and directed the Property Manager to bring all leases current.

FEMA/OES Retention

The NCRA is working with the State Office of Emergency Services (OES) on the release of the retention funds, from the completed south end re-opening project. OES is expected to release \$396,000 in fiscal year 2001-02 with an additional \$96,000 in fiscal year 2002-03. These funds are unrestricted.

Santa Rosa Effluent Agreement

An Easement has been granted to the City of Santa Rosa. The net revenue to the NCRA is \$338,400 and payment

has been received. These funds are unrestricted.

Freight and Excursion Passenger Revenues

The Strategic Plan (April 13, 2001) identifies revenue to NCRA in excess of \$500,000 per year from freight and \$100,000 from excursion passenger service by the second year of operations from the fully restored and upgraded infrastructure. Revenue is projected to increase to nearly \$2,000,000 by the fifth year. For the purposes of this report, NCRA takes a conservative approach and assumes operational revenues beginning the second year after re-opening the entire line and increasing modestly to attain the \$1,300,000 level over five years. That assumption will result in the following revenue stream:

2001-02 through 2007-08	\$ 0
2008-09	\$200,000
2009-10	\$450,000
2010-11	\$700,000
2011-12	\$1,000,000
2012-13	\$1,300,000
2013 and beyond	\$1,300,000

Note: There are no restrictions on the use of these above-stated funds.

Restricted/Allocated Funding Sources

The NCRA has identified the following restricted funding sources which will be used for capital projects, maintenance-of-way, and overall improvements on the line. The NCRA has also identified, where possible, legislation that can be used to redirect funds.

AB 2908 --Old Transit Capital Improvement (TCI)

The NCRA has identified \$497,000 of old TCI (AB 2908) funds. These funds are restricted to capital projects and legislation would be required to redirect these funds for either administration, debt reduction or maintenance-of-way.

Governor's Traffic Congestion Relief Program (TCR)

The NCRA has a remaining \$42.25 million of unallocated funds from the original \$60 million. These funds are very specific in their use.

Federal Funding

NCRA currently has \$8.6 million available for capital projects from the ISTEA demonstration funds. Additionally, NCRA will be working with its Federal representatives to secure funding through the re-authorization of the federal transportation funding legislation (TEA-21). This approach will be used to address potential forgiveness of the Q-Fund loan and funding for any shortfall identified in the capital project and environmental remediation assessments

currently underway.

Congressional forgiveness of the Q-fund obligation would allow redirection of some \$5.2 million in funds currently held in the State Treasury; \$5.5 million of which was allocated in the TCRP for repayment of the Q-fund loan and approximately \$900,000 from the TCI funding program, less the \$1.3 million audit exception that needs to be paid to Caltrans this fiscal year. Those funds, subject to required administrative and/or legislative action, could be reprogrammed to address NCRA's administrative, maintenance of way and/or capital project needs pursuant to the Strategic Plan.

Projecting the current Q-Fund balance forward at the average annual return of the past ten years (5.4942%) produces a potential shortfall of \$700,000 when the repayment is due in 2013. NCRA will need to plan for dealing with the potential shortfall. It should be noted, however, that an increase in the average annual return of only 0.5574% to 6.0516% would provide for full payoff on time.

The development of commuter rail in Sonoma and Marin Counties could trigger early repayment of the Q-Fund loan should the track be upgraded beyond the historic level of service. Should that happen, the commuter rail agency would be required to assume any additional cost generated by their activity through a negotiated agreement with NCRA for joint use of the track.

Signal Crossing Maintenance Funding

NCRA receives funds under the California Public Utilities Commission (CPUC) Crossing Maintenance Fund, currently established at \$122,000 per year. These funds are expressly reserved for maintenance of specific crossing protection in accordance with CPUC regulations. NCRA has been in contact with staff at CPUC regarding current and future allocations and uses of these funds.

Local Agency Funding

Humboldt and Mendocino Counties have both programmed portions (\$500,000 and \$1,170,000 respectively) of their 2002 STIP funds for rail/highway crossing improvements. These are funds that will allow for local improvements to streets and highways where there are railroad crossings. Total cost is unknown at this time. NCRA will also work with its local and regional partners in an attempt to generate additional local funding to address administration, maintenance of way, and capital project needs.

Administrative Issues

Fiscal Year 2002-03 Budget

NCRA's preliminary budget for FY 2002-03 is attached as Schedule B. It indicates a significant reduction (approximately \$81,000 or about 16%) from the current fiscal year's expenses. The administrative budget provides for the Authority's personnel costs, services, supplies, and contracted services for legal, accounting, and insurance. Although the reduction in both real dollars and percentage is aggressive, both the finance committee, in its recommendation to the board, and the board, in its initial review of the budget, recognize the importance of the commitment to reducing the overall costs, while providing for the necessary services and expenses required to operate the authority.

Maintenance of Way Funding

Until a functioning permanent freight operator is located, NCRA has no means to provide the on going maintenance effort that is required to protect the railroad from the normal degradation associated with lack of use. NCRA has no forces present or available to respond to problems that may occur causing an impact on the public and private road crossings, navigable waterways, and adjacent properties all with the possibility of creating potential safety hazards. Under not all to uncommon circumstances, where public safety concerns arise, certain local and/or state authorities may require an immediate response.

At the present time the maintenance of way functions are being deferred due to lack of available funding. Property revenues are utilized on a very limited basis for providing minimal response to emergency situations. Recognizing NCRA's financial situation, local agencies have been, to a point, willing to provide needed repairs to street and road crossings. Community public works departments have also responded to storm related emergencies. Even adjacent property owners have provided needed maintenance of drainage facilities for the benefit of both the railroad and their property.

The selected freight operator will be responsible for providing all maintenance of way requirements. The previously addressed RFP process will be utilized to determine the ability for future revenues to support this activity in addition to the costs of operation as evidenced by the proposals received. Information developed by the Long Range Marketing Study will be provided to prospective operators to assist in the preparation of their proposals and will, no doubt, be supplemented in great detail by the "due diligence" research conducted by each prospective operator.

The development of Capital Projects will be conducted in a manner intended to best meet the needs of the shipping community in order to minimize the operational and maintenance burden on the operator to the maximum extent possible.

The completion of the Capital Project Assessment and the Long Range Marketing Study coupled with the receipt of proposals for freight operator that are all due by the end of June, will allow NCRA to evaluate the short and long term operational and maintenance needs in conjunction with the development of the Capital Projects. In doing so NCRA will be in a position to make informed decisions regarding the restoration of full service, upgrade to improved status, and stabilize landslides to provide the long-term viability required to meet the needs of the shipping community on the North Coast.

Liability Reduction

When the TCRP funding was originally allocated, the amount of \$10 million was thought to be the total amount needed to provide complete debt relief. Soon after the debt schedule was completed and approved by the Commission, it became clear that additional debts, beyond those that had not been incorporated into the schedule, existed. Some of those debts required annual payments and some were in the form of long-term debts/promissory notes payable at a future date, or as the result of a specific event. NCRA has been focused on the best way to resolve this shortfall and provides the Commission with further details of the origin, amounts outstanding and the plan for repayment.

Annual Payment Liabilities

There are four (4) debts that require annual payments. The total of these annual payments is \$106,375. These debts have various termination dates after which, the funds that are currently dedicated to making the specific annual payment can be reallocated to other uses. The following details the annual payments required by the NCRA in accordance with existing agreements.

- A total of \$279,000 for creditors who chose (option B) to get complete interest payments spread out over the long-term instead of a one time pro-rata payment. This will be paid off in ten annual payments of \$27,900 per year. Audit exceptions relating to work performed by Herzog Contracting Company, one of the Option B interest recipients, have been noted by Caltrans. NCRA fully intends to address this matter with Herzog in the near future. NCRA anticipates that those discussions could result in a substantial reduction in the amount due Herzog. The net result could allow that the same annual installments retire the remaining interest sooner. That would have the effect of recapturing a portion, if not all, of these funds for use to defray administrative costs at an accelerated rate.
- A balance of \$107,000 is owed to the Redwood Region Economic Development Commission (RREDC) for a loan provided to NCRA in 1992. The terms of this loan requires an annual payment of \$21,400 through fiscal year 2006-07. This loan was secured by passenger equipment, the sale of which could result in early payoff. The NCRA is currently working through the process authorized by the Board of disposing of various pieces of its surplus equipment. The total revenue that could be realized from the sale of this surplus equipment is not currently known. In addition, NCRA is examining all possible restrictions that may preclude the use of revenues generated from the disposal of this surplus equipment for purposes other than repayment to the funding sources that were utilized in the original acquisition of this equipment.
- The NCRA has a balance of \$190,000 for a loan with North Western Pacific Railroad Authority (NWPRA). This loan requires an annual payment of \$50,000 through fiscal year 2006-07. Security for the loan is the Ukiah Depot property. The loan agreement stipulates that if the Depot property were to be sold, prior to payoff, proceeds sufficient to satisfy the remaining balance of the loan would be due the NWPRA upon consummation of the sale. However, there is no such plan under consideration by NCRA for the sale of the Ukiah Depot property. With the current legislation AB2224 pending in the Assembly, NCRA fully intends to work to restructure the easement agreements with NWPRA. Additionally, NCRA will be exploring the forgiveness of this loan since it amounts to costs incurred in making major infrastructure repairs to NWPRA owned property.
- The NCRA has a balance of \$63,675 for past locomotive rental from TXL Capital Corporation. This debt requires an annual payment of \$7075 through fiscal year 2010-11.

As indicated above NCRA is currently obligated to pay \$106,375 per year. In June 2006, the total annual payment will be reduced by \$21,400 with further reduction in June 2007 of \$50,000. This will leave a remaining annual payment on these debts of \$34,975 scheduled to conclude in June 2011.

Long Term Liabilities

These debts are comprised of promissory notes with specific due dates or payment is triggered by a specific event.

- The PALCO promissory notes totaling \$170,000 are due 2006. These notes represent loans made to the NCRA in 1995 and 1996. The loans made by a shipper were made during a time when NCRA had no other

source of funds sufficient to meet its operating expenses. NCRA intends to negotiate a longer term for payoff of this obligation.

- The Meecham loan totaling \$124,000 secured by specific passenger cars. The note requires payment in full upon the sale of this equipment. NCRA anticipates that the equipment will be sold in FY 2002-03. There are no restrictions on the use of any excess proceeds received from the sale of this specific equipment.

Other Liabilities

Liabilities to be forgiven

The Community Disaster Loan regulations provide for forgiveness, the paperwork has been filed, and final approval is expected. The applicable statute can be found in 42 U.S.C. 5184 and it states “Repayment of all or any part of such loan to the extent that revenues of the local government during the three full fiscal year period following a major disaster are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation shall be cancelled.” The current balance is approximately \$800,000. Recent correspondence from FEMA (March 11, 2002) acknowledges the current status as reported here.

Liabilities not considered valid

Boyle Engineering Invoice— Boyle Engineering has submitted invoicing for preparation of bid documents for the Windsor to Willits re-opening project. At the outset, Boyle agreed to provide the services free of charge. Consequently no agreement was approved by the board or entered in to covering this work. Since NCRA was not informed that the contractor would change their position and submit a future invoice it is not considered a valid obligation. The amount invoiced by Boyle is \$47,000.

Rail-Ways Bankruptcy— NCRA has rejected the claim and provided notice to the Claimant. A creditors committee has been formed in the Rail-Ways bankruptcy proceeding. The Committee has represented to the court that the Rail-Ways claim “appears to the Committee to lack merit”. The NCRA holds a release executed by Rail-Ways. Caltrans legal staff has reviewed this issue and determined that TCRP funds provided to NCRA are not at risk for capture by the bankruptcy proceedings. The amount claimed is \$2,000,000.

Rail-Ways/NWPY/Norcare-- NCRA has rejected the claim and provided notice to the Claimant. NCRA Legal Counsel has advised that this is not a valid claim. Identical claims were filed by three separate entities, Rail-Ways, Norcare, and NWP, in an apparent attempt to avoid an argument over which of the three companies, all controlled by the same individual, is the proper claimant. NCRA holds a valid release from Rail-Ways that extends to all of the claims. The amount claimed is \$3,546,826.

Mass Electric Claim-- NCRA has rejected the claim and provided notice to the Claimant. NCRA Legal Counsel has advised that this is not a valid claim. NCRA had no contractual relationship with Mass Electric, as they were a sub-contractor to Rail-Ways, Inc. for signal repairs. Rail-Ways, Inc. disputes the amount due Mass Electric. In addition, Mass Electric did not comply with the public agency claims procedure specified by state law. The amount of the claim is \$1,328,000.

Caltrans audit exceptions (\$500,000)—Caltrans has questioned payment for south end repair under Proposition 116 funding due to confusion surrounding the project description and its relationship with concurrent work funded

by FEMA and OES. NCRA is providing a history of events as the background for a technical review by Caltrans to resolve this issue.

Deferred Liabilities

The following is a list of liabilities that will be deferred, receiving no regular payments until such time as the NCRA has unrestricted funding sources that can be used to retire these debts.

- Christopher J. Neary, attorney at law—This amount (\$122,000) represents a greatly reduced reimbursement for past legal services as specified in the current agreement for legal services between NCRA and Chris Neary. Mr. Neary has indicated his willingness to wait for discretionary funds to retire this obligation. It was he that requested TCR Debt Reduction funds not be used.
- General Accident Insurance Company--Omitted from the TCR Debt Reduction list in error due to a very similar company name and amount to a debt that was reduced to a judgment—General Star Indemnity. Subsequently determined to be a valid and separate obligation. The amount is \$50,000.
- Union Pacific Railroad Car Hire-- This amount (\$371,000) represents a projection of prior billings from the UP. However, it is customary in the industry for carhire to be suspended when a rail line is embargoed, as is the case of the northern portion of the railroad where the cars are presently trapped. NCRA is exploring, with the cooperation of UP, a way to fund the purchase of the cars at their depreciated value that would eliminate the carhire claims. It grows at a rate of \$186,000 per year, but NCRA understands that it is capped at the depreciated value of the cars. NCRA has contracted with a car hire accountant and a mechanical car inspector to assist with identifying ways to reduce the obligation.
- Other Railroad Car Hire-- This potential debt (\$561,000) has never been invoiced past 12/31/99. It too will be the subject of negotiation for potential purchase of cars at adjusted depreciated values. The potential car hire grows at \$280,000 per year and is also capped at the depreciated value. The car hire accountant and car inspector are working on these cars as well. These cars belong to major railroads like Burlington Northern-Santa Fe, smaller railroads like Galveston, foreign railroads like Canadian Pacific, and companies that lease cars like TTX Corp.
- Troutman Sanders Law Firm-- Legal services (\$17,000) provided by this Washington, DC legal firm for a negotiated reduction in the car hire paid as part of the TCR Debt Reduction. The original Union Pacific car hire obligation was much higher and NCRA was able to reduce the amount with the assistance of the legal services provided by this firm. They specialize in railroad and interstate commerce litigation.
- Caltrans Audit Exceptions (\$166,000)—Items found to not be eligible in an audit of the south end Prop. 116 project. The source of re-payment is subject to further negotiations with the contractor that provided the services questioned. The amount is not in question, but the source of funding for repayment is.

County of Sonoma Accounting

NCRA has contracted with Sonoma County to provide accounting services. The County will also provide payroll services beginning July 1,2002. In the interim, payroll is being provided through the Eureka accounting firm of Aycock and Edgmon. NCRA has provided written procedures for implementation of the Sonoma County agreement and the interim situation.

Status of the Assessments

On March 20, 2002 the NCRA Board received a report from Willdan/HNTB project manager David Anderson. Both the capital project and consent decree assessments are well underway and on schedule. Enough work has been completed to indicate that the funding available will, indeed, be sufficient to provide the information needed from these documents.

Data collection and field investigation activities for the consent decree assessment are 75% complete and a rough draft for internal review is due to be provided to Mr. Anderson by March 27. The final draft will be provided to NCRA and the state agencies on April 4. Bradley Erskine from Kleinfelder is the team leader for this activity.

The capital project assessment team held a kick-off meeting on February 19. Data collection is complete and generated significant information that will be valuable to the assessment strategy. Team leader David Anderson and Doug Christy (NCRA Assistant Executive Director/Project Manager) have made numerous trips to identify accessibility and have produced a map for use by the assessment teams. The geotechnical assessment team began work on March 18, the track and signal assessment team began on March 21, and the bridge team began on March 25.

Long Range Marketing Study

The Port of Humboldt has solicited proposals for a harbor revitalization plan. A component of the Port's document is a long-range marketing study for the NCRA. Currently, the consultant selection process has screened the proposals submitted down to seven that were interviewed on March 25 and 29. NCRA's Assistant Executive Director/Project Manager Doug Christy is participating on both the interview team and rail technical advisory committee.

Spencer Clifton, Executive Director for the Humboldt County Association of Governments is also participating as the grantee representative. The Harbor District met on April 11 and awarded the consultant contract. The rail study is scheduled for completion in June.

Conclusion

NCRA has identified the funds available and the needs associated with providing for NCRA's administration and debt repayment. As depicted on the accompanying schedules A and B, the discretionary revenue available to NCRA will provide for the administrative needs through fiscal year 2003-04 and more than half of fiscal year 2004-05 while still addressing the debt obligated by existing agreements. Additional funding will be needed to complete 2004-05 and beyond until such time as revenue from operations is projected to become available. That projection is currently FY 2010-11 and will be further analyzed through the completion of the market study and assessments to be completed in June 2002. A total of \$1,219,925 will be required from other funds to supplement NCRA's administrative needs until operational revenues become sufficient to provide that need in FY 2009-10. Potential funding sources include additional proceeds from aggressive property management, the re-direction of State funds from forgiveness of the Q-Fund, Federal transportation funding, and local funding through regional agencies.

Needs for maintenance of way will be evaluated upon receipt of the proposals for operators that are expected by the end of June 2002.

Schedule A--Projected Revenue and Expenditure Summary--Does not include Capital Project Revenues or Expenditures

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Balance Forward	\$200,000	\$914,400	\$623,525	\$257,150	-\$109,225	-\$475,600	-\$841,975	-\$1,136,950	-\$1,231,925	-\$1,231,925	-\$1,231,925	-\$1,222,875	-\$182,875
Annual property revenue	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
FEMA/OES retention	\$396,000	\$96,000											
Santa Rosa easement	\$338,400												
Freight and excursion revenue								\$200,000	\$450,000	\$700,000	\$1,000,000	\$1,300,000	\$1,300,000
Sale of surplus equipment		\$124,000											
Signal crossing maintenance fund		\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000
TCR Admin	\$500,000												
Q-Fund	\$1,300,000												\$10,700,000
Total revenue available	\$2,914,400	\$1,436,400	\$925,525	\$559,150	\$192,775	-\$173,600	-\$539,975	-\$634,950	-\$479,925	-\$229,925	\$70,075	\$379,125	\$12,119,125
Annual Expenditures													
Property management	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
NWPRA loan	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000						
RREDC loan	\$21,400	\$21,400	\$21,400	\$21,400	\$21,400	\$21,400	\$21,400						
TXL capital	\$7,075	\$7,075	\$7,075	\$7,075	\$7,075	\$7,075	\$7,075	\$7,075	\$7,075	\$7,075			
Option B interest	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900			
Administration	\$513,845	\$430,500	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000
Crossing Maintenance	\$31,780	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000
One Time Payment													
Ukiah depot grant local match	\$18,000												
Long-Term Liabilities													
PALCO notes (\$170,000)											\$170,000		
Meecham Loan (\$124,000)		\$124,000											
Q-Fund (\$12,000,000) (1)	\$1,300,000												\$10,700,000
Deferred Liabilities													
Nearly (\$122,000)									\$122,000				
General accident (\$50,000)									\$16,025				
UP car hire (\$371,000) (2)										\$33,975			
Other car hire (\$561,000) (2)										\$171,050	\$199,950		
Troutman Sanders (\$17,000)										\$200,000	\$361,000		
Caltrans Audit Exceptions (\$166,000)										\$17,000			
Liability to be Forgiven													
Community disaster loan (\$800,000)													
Liabilities not Considered Valid													
Boyle engineering (\$47,000)													
Rail-Ways bankruptcy (\$2,000,000)													
Mass electric claim (\$1,328,000)													
Rail-Ways/NWPY/Norcare (\$3,546,826)													
Caltrans Audit Exceptions (\$500,000)													
Total expenditures	\$2,000,000	\$812,875	\$668,375	\$668,375	\$668,375	\$668,375	\$596,975	\$596,975	\$752,000	\$1,002,000	\$1,292,950	\$562,000	\$11,262,000
Ending Balance	\$914,400	\$623,525	\$257,150	-\$109,225	-\$475,600	-\$841,975	-\$1,136,950	-\$1,231,925	-\$1,231,925	-\$1,231,925	-\$1,222,875	-\$182,875	\$857,125

Notes: (1) There is potential for shortfall in the Q-Fund payoff depending on the annual rate of return received on the funds held in the Local Agency Investment Fund Shortfall of \$700,000 is projected at time of payoff. See page 9 of the text for additional information.

(2) Car hire liability is currently the focus of review by technical consultants. See text (page 13) for the potential annual growth NCRA intends to arrive at a negotiated settlement with the car owners and has had initial discussions with Union Pacific regarding this issue.

Schedule B

NCRA 2002-03 Preliminary Budget--adopted 3/20/02

DESCRIPTION	2000-01 BUDGET	2000-01 ACTUAL	ADOPTED 01-02	SPENT THRU 12/31	%	PROJ. THRU 6/30/02	%	PROPOSED 02-03	%Change
ADMINISTRATION									
Personnel									
Executive Director	112,000	111,594	117,600	55,797	47.4%	117,600	100.0%	117,600	100.0%
Accountant	25,000	28,662	56,700	18,228	32.1%	18,228	32.1%	0	0.0%
Administrative Assistant	33,000	27,783	29,200	14,586	50.0%	29,200	100.0%	29,200	100.0%
Project Manager	10,000	11,013	15,000	43,575	290.5%	74,000	493.3%	15,000	100.0%
Medical Insurance	13,000	2,204	13,000	3,254	25.0%	7,000	53.8%	6,000	46.2%
Employer payroll taxes (1)	6,000	0	0	0	0.0%	0	0.0%	0	0.0%
Retirement (PERS)	24,500	24,921	30,000	19,717	65.7%	30,000	100.0%	21,000	70.0%
subtotal	223,500	206,177	261,500	155,157	59.3%	276,028	105.6%	188,800	72.2%
Services and Supplies									
Telephone	15,000	8,971	12,000	7,184	59.9%	14,000	116.7%	14,000	116.7%
Rent and Utilities	600	2,522	1,200	2,876	239.7%	6,000	500.0%	6,000	500.0%
Supplies	17,400	11,062	7,000	5,332	76.2%	7,000	100.0%	7,000	100.0%
Office Furniture and Equipment	6,000	1,374	3,000	0	0.0%	0	0.0%	2,000	66.7%
Computer Software License	4,000	2,535	0	0	0.0%	0	0.0%	0	0.0%
Computer Support Svcs.	0	0	2,000	2,456	122.8%	3,000	150.0%	0	0.0%
Travel Reimbursement	12,000	14,300	20,000	8,266	41.3%	16,000	80.0%	16,000	80.0%
Fees and Assessments	5,000	1,865	5,000	2,609	52.2%	5,000	100.0%	5,000	100.0%
Other	3,000	9,000	0	0	n/a	0	n/a	0	0.0%
Business Plan	2,000	0	2,000	0	0.0%	0	0.0%	0	0.0%
Long Range Plan	20,000	0	20,000	0	0.0%	0	0.0%	20,000	100.0%
Janitorial services	2,000	2,007	3,000	1,221	40.7%	2,500	83.3%	2,500	83.3%
subtotal	87,000	53,636	75,200	29,944	39.8%	53,500	71.1%	72,500	96.4%
Professional Services									
Mustola Management	66,000	37,811	0	0	0.0%	16,000	0.0%	0	0.0%
Special accounting projects	26,500	26,238	0	2,869	n/a	36,000	n/a	45,200	n/a
Single year audit	25,000	11,331	25,000	5,513	22.1%	25,000	100.0%	25,000	100.0%
Legal Counsel	45,000	50,724	55,000	32,444	59.0%	65,000	118.2%	55,000	100.0%
Insurance	40,000	2,718	50,000	16,551	33.1%	20,000	40.0%	20,000	40.0%
Board stipend	0	0	12,000	5,100	42.5%	12,000	100.0%	12,000	100.0%
Maintenance of Equipment	0	0	0	0		0		3,000	n/a
subtotal	202,500	128,822	142,000	62,477	44.0%	174,000	122.5%	160,200	112.8%
Capital Expenditures									
Hyrail vehicle	0	30,013	0	5,678	n/a	5,678	n/a	0	0.0%
Computer copier	0	3,089	0	4,639	n/a	4,639	n/a	0	0.0%
subtotal	0	33,102	0	10,317	n/a	10,317	n/a	0	0.0%
Contingency	0	15,396	21,300	0	0.0%	0	0.0%	9,000	42.3%
TOTAL ADMINISTRATION	513,000	437,133	500,000	257,895	51.6%	513,845	102.8%	430,500	86.1%

See notes on Sheet 2

Schedule C--NCRA Liabilities

as of May 2002

	Annual	Long-Term	To be Forgiven	Not Valid	Deferred
Option B Interest	279,000				
Palco Notes		170,000			
RREDC	107,000				
Meecham Loan		124,000			
Neary					122,000
General Accident					50,000
UP Car Hire					371,000
Other car hire					561,000
Troutman Sanders					17,000
NWPRA Loan	190,000				
Boyle Engineering				47,000	
Caltrans Audit Exceptions				500,000	166,000
Rail-Ways Bankruptcy				2,000,000	
Mass Electric Claim				1,328,000	
Rail-Ways/NWPY/Norcare				3,546,826	
Community Disaster Loan			800,000		
TXL Capital	63,675				
Q-Fund		12,000,000			
Total	639,675	12,294,000	800,000	7,421,826	1,287,000

**SONOMA COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

DATE: May 13, 2002
TO: Sonoma County Transportation Authority (SCTA)
FROM: Suzanne Wilford, Executive Director
SUBJECT: ITEM IV: Caltrans Report

ISSUES

- 1) What is the status of previously programmed projects on Highway 101?

- 2) Shall the SCTA authorize the Executive Director to negotiate with the consultant team selected to conduct EIR/EIS work on Highway 101 in two locations?

BACKGROUND

- 1) Caltrans will provide a report on the active projects on Highway 101.

- 2) Three consulting teams will be interviewed on May 8 for the work related to two EIR/EIS documents for two projects on Highway 101 – from Steele Lane to Windsor River Road and from Old Redwood Highway in Petaluma to Rohnert Park Expressway. Once a consulting team is selected the SCTA must negotiate an “Agreement for Environmental Consultant Services.” If acceptable with the SCTA, staff will work with counsel and the Chair to negotiate the contract and bring it back to the full SCTA for approval in June.

REQUESTED ACTION

Provide direction to staff to enter into negotiations with the consultant selected to perform work related to the development of two EIR/EIS documents for two projects on Highway 101.

SONOMA COUNTY TRANSPORTATION AUTHORITY STAFF REPORT

DATE: May 13, 2002

TO: Sonoma County Transportation Authority (SCTA)

FROM: Suzanne Wilford, Executive Director

SUBJECT: ITEM V: SMART Report

ISSUES

- 1) What is the status of AB2224 (Nation)? Shall the SCTA adopt a resolution of support for AB2224?
- 2) What new reports have been released by the SMART Commission?
- 3) What is the status of the SMART corridor EIR/EIS?

BACKGROUND

- 1) Attached is the text of several amendments that were included in the bill by the Assembly Local Government Committee at a hearing on April 24. The amendment related to the appointment of city representatives to the District (page 10, lines 34-39) is intent language that was included until further negotiations lead to mutually acceptable language. Also attached, for consideration by the SCTA Board, is Resolution No. 2002-008 in support of AB2224. The bill will be heard on May 15 in the Assembly Appropriations Committee.
- 2) The SMART Commission has released two new reports. The first is an updated report on the costs of operating and maintaining the rail line. The second report is an update of ridership forecasts. Both reports can be found at the [SMART website](http://www.sonomamarintrain.org) (<http://www.sonomamarintrain.org>). Attached please find two news articles related to the SMART project.
- 3) The SMART Commission will review a Request for Proposals (RFP) for work related to environmental and preliminary engineering for the rail corridor at their meeting on May 15. Pending SMART approval, it is anticipated the RFP will be released that same week with work anticipated to begin in the fall.

AB 2224 can be found at [CA Bill Information](http://www.leginfo.ca.gov/bilinfo.html) (<http://www.leginfo.ca.gov/bilinfo.html>). See pages 10, 11, 17 and 18 of bill.

REQUESTED ACTION

Consider adoption of Resolution No. 2002-008.

Sonoma County Transportation Authority
Santa Rosa, California

May 13, 2002

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY
TRANSPORTATION AUTHORITY, COUNTY OF SONOMA, STATE OF CALIFORNIA,
ADOPTING A POSITION OF SUPPORT ON ASSEMBLY BILL 2224 BY ASSEMBLY
MEMBER JOE NATION RELATING TO THE CREATION OF THE SONOMA/MARIN
AREA RAIL TRANSIT DISTRICT**

WHEREAS, the Sonoma County Transportation Authority has historically supported the development of passenger rail service in Sonoma and Marin counties; and

WHEREAS, the Sonoma County Transportation Authority has included the SMART passenger rail project in the 2001 Countywide Transportation Plan for Sonoma County; and

WHEREAS, the creation of a single entity responsible for the ownership of the line and the planning and implementation of passenger rail service in Sonoma and Marin County will streamline the process; and

WHEREAS, AB2224 (Nation) provides the appropriate vehicle to create a new transit district that will consolidate the existing SMART Commission and the NWPRA.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sonoma County Transportation Authority does hereby adopt a position of support for Assembly Bill 2224.

THE FOREGOING RESOLUTION was introduced by Director _____, who moved its adoption, seconded by Director _____, and adopted by the following vote:

Director Allen	_____	Director Kerns	_____
Director Costello	_____	Director Mackenzie	_____
Director Fox	_____	Director Schaffner	_____
Director Healy	_____	Director Smith	_____
Director Jehn	_____	Director Spooner	_____
Director Kelley	_____	Director Wright	_____

Ayes: _____ Noes: _____ Absent: _____ Abstain: _____

SO ORDERED

I, the undersigned, certify that the foregoing resolution was duly adopted at a regular meeting of the Board of Directors of the Sonoma County Transportation Authority held on May 13, 2002.

Suzanne Wilford, Executive Director
Clerk, Sonoma County Transportation Authority



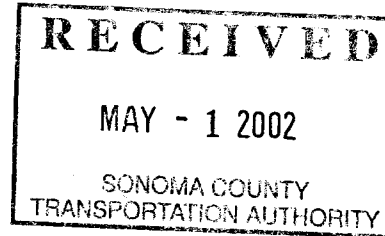
City of Sebastopol

CITY HALL
P.O. BOX 1776
SEBASTOPOL, CA 95473
(707) 823-1153
(707) 823-1135 FAX

Sam Spooner, Mayor
COUNCIL
Robert Anderson
Craig Litwin
Larry Robinson
William L. Roventini
David D. Brennan
CITY MANAGER

April 29, 2002

Assembly Member Joe Nation
State Capitol
Room 3126
Sacramento, CA 95814



RE: Re: AB 2224- Sonoma/Marin Area Rail Transit (SMART) Commission

Dear Assemblymember Nation,

The Sebastopol City Council urges an amendment to AB 2224 in manner of selection of jurisdictional representatives to the Joint Powers Authority.

Specifically, we believe that City representatives to the JPA should be selected by the Mayors and Councilmembers Association. The Cities's selection of their representatives should be made separate and apart from the County's selection of their representatives. This would not be the case if the SCTA board makes the selection.

Our proposed method of selection is commonly used for appointments to multi-jurisdictional boards, commissions and committees. As an example of various appointments currently made by the Association, I have enclosed a list of our current appointments to Boards, Commissions and Committees.

We respectfully request you to amend AB2224 to allow the cities their own direct appointment to the SMART Commission.

Sincerely,


Samuel Spooner, Mayor

Cc: Sebastopol City Council
Sonoma County Transportation Authority



FOR IMMEDIATE RELEASE
April 17, 2002

Contact: Lillian Hames
(415) 461-0630

SMART Announces:
New Commuter Rail Ridership
&
Operating Cost Estimates

(SONOMA/MARIN, CA) – The Sonoma Marin Rail Transit Commission (SMART) received two encouraging reports today on projected ridership and operating costs, Operating Cost Estimates for Commuter Rail Service and Commuter Rail Ridership and Revenue Forecast. These studies were commissioned to refine estimates of both operating costs and ridership numbers to reflect the experiences of currently operating commuter rail systems. The ridership report uses the same methodology that successfully forecasted ridership for other California commuter rail service lines, including the Altamont Commuter Express (ACE) and Metrolink in Southern California.

The findings cited in these reports include an increase in projected ridership of 75%, that is, 5,090 riders per day at the time of start-up. These numbers eventually could be significantly higher in that they are based on very conservative population growth projections. In addition, even with planned improvements to Highway 101, ongoing congestion will continue to drive a significant percentage of commuters to abandon their cars and choose the comforts of rail transit. John Kress, Marin County's Co-Chair of the SMART Commission noted, "I found these reports very encouraging".

Due to normal inflation and a significant increase in insurance costs in the aftermath of 9/11, operating costs are also projected to be higher than previously estimated. However, these costs are offset by a 60% increase in fare revenues as a result of the higher ridership numbers.

The SMART Commission will be using this information in the development of a comprehensive environmental impact review that will be kicked off this summer. "I want to commend the Commission for taking the time to reevaluate costs and ridership prior to undertaking the environmental review process", commented Lonnie Blaydes, Chair of the American Public Transit Association Commuter Rail Committee.

For more detailed information on these reports or any other information on SMART, go to the website: www.sonomamarintrain.org, or contact Lillian Hames, SMART Project Director at (415) 461-0630.

RAIL BACKERS PUSH FOR VOTE

BY: SPENCER SOPER

Once overshadowed by efforts to widen Highway 101, a proposed commuter rail system linking Sonoma and Marin counties is taking center stage in the region's long-running debate over raising taxes to improve transportation.

The planned 68-mile route from Cloverdale to San Rafael hinges on voters approving a sales tax to help pay for it, and supporters want to put a measure on the ballot in 2004.

Three sales tax initiatives that included money for rail have failed since 1990. In each case, rail was linked to or accompanied by a proposed tax to widen the highway.

Now transportation officials think they can widen 101 from Windsor to Novato without asking voters for a tax, which means a rail measure would stand as the lone transportation issue before voters.

But transportation initiatives in the county have a messy political history. Business groups wanting a wider freeway and environmentalists wanting commuter trains have formed, and just as often broken, fragile coalitions aimed at wooing Sonoma County voters.

"The only reason we supported the highway at all was to get the rail, not because we thought a wider highway was a good idea," said Joel Woodhull, chairman of the Sonoma County Transportation Land Use Coalition, which backs rail.

In 1990 and 1998, the two sides united on tax measures that would have paid for the highway widening, rail, bike lanes and road improvements. But in 2000, the two sides split and sponsored their own sales tax initiatives.

Highway backers said they were double-crossed by rail backers, who pumped money into an anti-highway tax campaign. Rail backers said it was the highway crowd that snubbed them, trying to go it alone without providing alternatives to the car.

Some of the hard feelings linger.

"I can't imagine businesses' raising any money for rail," said Keith Woods, executive director of the North Coast Builders Exchange, a lobbying group for the construction industry that donated more than \$50,000 to past highway measures.

The builders exchange has not taken a position on commuter trains, but Woods has a message for rail backers: "As soon as the freeway is complete, give me a call."

That's expected to be 2010 at the earliest.

VOTERS HAVE BACKED RAIL

Even if the highway were widened, rail backers say trains are needed to ease freeway congestion, reduce air pollution and give commuters an alternative to their cars. Past measures indicate a solid majority of voters supports commuter rail.

Some businesses, whose employees are tired of traffic or who want to make it easy for tourists to get here, are beginning to embrace rail.

But formidable obstacles stand in the way.

Winning two-thirds' voter approval for a new tax has been difficult with the local electorate. Highway backers may not support a rail initiative. And it could be difficult to gain cooperation from Marin County activists when most commuters using the train would be from Sonoma County.

DOOMSAYERS VOCAL

Some organizers of past transportation campaigns, who raised hundreds of thousands of dollars and built broad-based coalitions only to fail, think any transportation sales tax initiative is doomed.

"Based on my experience, I don't think any measure to increase the sales tax is going to pass," said Herb Dwight,

retired head of Optical Coating Laboratory Inc., who worked on the failed 1998 tax measure. "I think it's a dead end."

History lends credence to his prediction. In 1998, the county put an advisory measure on the ballot to see if voters supported plans to widen the highway, create a commuter rail system, build bike lanes, patch pot holes and expand bus service. Seventy-two percent of voters approved the advisory measure, but in the same election only 48 percent supported a half-cent sales tax needed to pay for the improvements.

Despite the history, rail backers are optimistic.

"I think it's got a fighting chance," said Rohnert Park Councilman Jake Mackenzie, chairman of the Sonoma County Transportation Authority. "You could argue that if people are not being asked to widen the freeway ... that rail could be quite palatable."

Transportation officials hope to start commuter rail service in 2007.

Trains would run along the existing, inactive rail line that parallels Highway 101, and would stop at 12 stations between Cloverdale and San Rafael. The ultimate goal is to extend the train to a ferry landing, but not immediately because extending the track that far would be too costly.

Most commuters would take trains south in the morning and north in the evening, according to projections. There would also be routes for reverse commuters, as well as midday service.

TICKET SALES NOT ENOUGH

A sales tax is needed to subsidize operations because ticket sales would cover only a fraction of the estimated \$10 million annual cost.

Even before train service begins, it is expected to cost \$100 million to upgrade the aging section of rail line in Sonoma County alone.

With the tax issue unresolved, rail advocates have been nudging their plan forward. This month they saw some reasons to be hopeful.

A study commissioned by the Sonoma-Marin Area Rail Transit Commission indicated train ridership would be higher than once projected, which transportation officials hope will buoy support for rail.

Also this month, legislation that local leaders say will make it easier to get voters in Marin and Sonoma counties to approve a rail tax was approved by two Assembly committees.

Despite rail's popularity with politicians, it's too early to determine if many business groups will join a broad coalition on the rail campaign.

But when the rail and highway advocates split two years ago, business made its position abundantly clear. Builders, banks, contractors, car dealers and high-tech companies contributed \$875,000 for the highway campaign, more than for any other countywide measure.

In comparison, rail supporters raised only about \$10,000.

Widening the highway has always been a top priority for business because it provides immediate congestion relief, while a new rail system takes time to attract riders, said Dan Condron, chairman of the Santa Rosa Chamber of Commerce Transportation Committee.

The business community likely will endorse rail in concept, but whether the big donations will flow in as they did for the highway is questionable.

ECONOMY TAKES TOLL

In addition to the past animosities between the two groups, the soft economy has put businesses in a weaker position to throw money at campaigns. So the rail camp's potential fund-raising problem could be as much about pocketbooks as it is about politics.

Still, some rail advocates think the lukewarm endorsement from businesses will heat up when they realize that pavement alone can't solve the region's traffic woes. And they hope the economy will turn around by 2004, freeing up money for their campaign.

"There is a growing number of people in the business community who realize rail service will be critical to their long-term survival," rail backer Rick Theis said. "Five years after the highway widening, the six lanes will be just as congested as the four lanes are today."

Some businesses, especially high-tech companies in what is called Telecom Valley along Highway 101 in Petaluma, see value in a rail line that could take their employees off the road.

Advanced Fibre Communications, a telecommunications equipment manufacturer in Petaluma and one of the region's largest employers, has done surveys that indicate employees want commuter trains, said Jane Hamilton, the company's communications manager.

SPEED, CONVENIENCE ISSUES

"Our employees would love to be able to get on a train and do some work on their way in and get some sleep on their way home," she said.

But that could depend on speed and convenience. Transportation officials have yet to determine which type of train they will use on the proposed line, so it is unknown whether taking a train will be comparable to driving.

Rail could also find some support in the tourist and convention industry. Besides moving commuters, the rail line could deliver travelers to Wine Country on excursion trains, especially if it hooks up with a ferry landing from San Francisco.

"We are thrilled about the possibility of people being able to bypass 101," said Mo Renfro, executive director of the Santa Rosa Convention & Visitors Bureau. "We're out there promoting the county, so let's make it easy for people to get here. If they're tired of traffic, they can get on a

train."

Some rail advocates say there is still time to get the historically pro-highway building industry energized for rail because commuter trains create the potential for development along the tracks.

Even if that happens, money and business support don't win elections in Sonoma County.

For all the consultants, signs and advertisements highway backers bought with their big-bucks campaign in 2000, the low-budget train tax measure garnered more support.

The highway tax measure received 58.5 percent, while the rail tax picked up 60.3 percent of the vote. Both measures needed two-thirds' approval.

But unlike the highway measure, the 2000 rail measure did not face any organized opposition. That could change in 2004 with the highway off the radar screen of anti-tax and anti-growth groups.

In 2000, the rail camp aligned with the anti-highway group Citizens Against Wasting Millions.

It was a dramatic shift in position from the 1998 campaign, when rail and highway backers united against the same opposition group.

FIGHT MAY BE LONELY

"The rail component is going to have to fight it out on its own, and historically, it's not been an easy fight," said Brian Sobel, a political consultant who worked on past transportation measures.

Transportation officials say their job is to ignore the past and focus on putting together a clear plan for commuter trains. More important than campaign contributions and political alliances is demonstrating to the public that rail can make it easier to travel the region, they say.

"I think people are willing to work together to make rail happen," said Cloverdale Mayor Bob Jehn, a transportation authority board member. "It's ludicrous to have this resource in public hands and just let it sit there and do nothing."

VOTING PAST

In 1998, the county put an advisory measure on the ballot to see if voters supported plans to widen the highway, create a commuter rail system, build bike lanes, patch pot holes and expand bus service. Seventy-two percent of voters approved the advisory measure, but in the same election only 48 percent supported a half-cent sales tax needed to pay for the improvements.

In 2000, a proposed quarter-cent sales tax to pay for commuter trains garnered 60 percent voter approval in Sonoma County, but fell shy of the two-thirds majority needed to pass.

VOTING FUTURE

A sales tax in both Marin and Sonoma counties is needed to subsidize the train system, and officials plan to put a measure on the ballot in 2004.

WHEN TRUE LOVE (OR SOMETHING) GOES BAD

By PETE GOLIS

For these reluctant and implausible suitors, it was always a marriage of convenience, held together by forced smiles and gritted teeth.

There were no candy and flowers, no hugs and kisses, only the pained faces of an arrangement.

"Do you, Sonoma County environmental leader, pledge your faith to highway improvements in return for money for a rail system?"

"(Gulp) I do."

"Do you, business leader, embrace this rail system in return for two more lanes on the freeway?"

"Yeah, I guess so."

After the ceremony, there was no honeymoon. The unhappy couple separated to return to family and friends, explaining, "This marriage may have been necessary, but there are some things I will not do."

Now, after a decade of failed elections and bitter separations, the marriage is on the rocks, and all the unspoken resentments, festering all these years, are bursting into the open.

"The only reason we supported the highway at all was to get the rail, not because we thought a wider highway was a good idea," Joel Woodhull, chairman of the Sonoma County Transportation Land Use Coalition, told reporter Spencer Soper.

"I can't imagine businesses raising any money for rail," said Keith Woods, executive director of the North Coast Builders Exchange (and former president of the Santa Rosa Chamber of Commerce).

Woods offered a parting shot. While the builders exchange has not taken a position on rail, he said, "As soon as the freeway is complete, give me a call."

What is with builders and cars?

This release of pent-up feelings emerges from the realization that these groups no longer need to pretend to care. When improvements on Highway 101 proceeded without the passage of a local transportation tax, each side lost its incentive to play footsy with the other.

As happens in failed relationships, one can hear the self-righteous declamations on both sides: See, I told you they couldn't be trusted. They were never sincere.

Yes, but political accommodations -- and love affairs, too -- sometimes require a certain discretion. It is not helpful to point out that your partner snores, or that you always thought the highway/train was a stupid idea.

And, while it may shock Messrs. Woodhull and Woods, not every environmentalist and business leader shares their black and white view of the world. Many people continue to believe that Sonoma County will need both highways and transit to serve future public needs.

This public breakup is especially ill-timed because aspirations for a North Bay transit system have suffered other setbacks in recent months. To summarize:

Plans to link Cloverdale in the north all the way the Golden Gate Bridge District's Larkspur ferry terminal in the south blew up when the city of Larkspur declared its opposition to a train connection. A proposal for a rail connection to another ferry terminal in south Marin -- perhaps at the current site of San Quentin State Prison -- can't be taken seriously until the state finds a new prison site in the Bay Area and builds a new prison. We should all live so long.

In a recent opinion survey, the mixed reviews for a transportation sales tax convinced Marin officials there to delay plans for a countywide election on rail transit until at least 2004. Sonoma County officials were left to postpone their own election plans for a simple reason: Without Marin's participation, there is no workable plan. (Well, Sonoma County voters could vote to pay for train service in Marin County, but what are the chances of that?)

Hopes for a sales tax election in 2004 are now banking on a measure to create a Sonoma-Marin transit district to propose the tax and manage the railroad.

But even that has become subject to the push and tug of local transportation politics.

For example, tentative plans for a Geyserville train station have existed since Berkeley architect and urban planner Peter Calthorpe drafted a Sonoma County transportation plan several years ago.

Last week, however, Assemblywoman Pat Wiggins, D-Santa Rosa, sought amendments to prohibit a station at Geyserville -- arguing that a station would promote subdivisions in the Alexander Valley.

Maybe, but a station at Geyserville also makes possible weekend excursions for visitors, reducing the numbers of cars on the road on Saturday and Sunday. From an environmental point of view, that doesn't seem like such a bad idea.

Decisions about station locations ought to be made locally after a public process -- not by back-channel, long-distance, micro-managing from Sacramento.

Rail advocates have opposed two of three measures that would have financed a rail system in Sonoma County because they always wanted more concessions. After a few more demands and a few more defeats and a spanking-new freeway, perhaps they will figure out what the goal is here.

Pete Golis is editorial director for The Press Democrat. E-mail him at pgolis@pressdemocrat.com.

SONOMA COUNTY TRANSPORTATION AUTHORITY STAFF REPORT

DATE: May 13, 2002

TO: Sonoma County Transportation Authority (SCTA)

FROM: Suzanne Wilford, Executive Director

SUBJECT: ITEM VI: LAFCO Resolution No. 2390

ISSUE

How shall the SCTA address its role as the “agency with primary responsibility for the coordination of regional traffic mitigation” as called out in Resolution No. 2390 of the Local Agency Formation Commission (LAFCO)? How does this relate to the regional transportation issues addressed in the Rohnert Park General Plan?

BACKGROUND

In March 2002 LAFCO adopted Resolution No. 2390 related to the Rohnert Park General Plan that included language pertaining to the SCTA. Specifically, the resolution identifies the SCTA “as the agency with primary responsibility for the coordination of regional traffic mitigation.” In addition the resolution identifies a City/County Agreement between Rohnert Park and Sonoma County which calls for a “mechanism for the City of Rohnert Park to share in the funding of a regional solution to the regional traffic problems.”

This item is before the SCTA for preliminary discussions as to how staff should proceed in addressing this issue.

See the LAFCO website for more information [Local Agency Formation Commission - Homepage](http://www.sonoma-county.org/lafco/index.htm) <http://www.sonoma-county.org/lafco/index.htm>.

REQUESTED ACTION

Provide direction to staff on how to proceed with the issues called out in LAFCO Resolution No. 2390.

SONOMA COUNTY TRANSPORTATION AUTHORITY STAFF REPORT

DATE: May 13, 2002
TO: Sonoma County Transportation Authority (SCTA)
FROM: Suzanne Wilford, Executive Director
SUBJECT: **ITEM VII:** State Legislation Related to Transportation

ISSUE

Shall the SCTA take a position on various pieces of state legislation related to transportation?

BACKGROUND

Several proposed pieces of legislation related to transportation planning and programming are still active in the Senate and Assembly. This agenda item reviews five bills that would: (1) impact region-wide transportation planning (SB 1243/Torlakson/MTC-ABAG Merger), (2) increase capital investment for ADA accessibility (AB 2369/Salinas Transportation Accessibility Act), (3) link transportation funds to General Housing Elements (SB 910/Dunn Road Funds and General Housing Element), (4) require transportation funds be used for housing incentive programs (SB 1262/Torlakson/STIP Smart Growth Incentive Program), and establish a new vote requirement for transportation measures (SCA5/Torlakson).

All State Assembly and Senate bills can be found at <http://www.leginfo.ca.gov/bilinfo.html>.

SB 1243 (Torlakson/MTC-ABAG Merger)

Summary: SB 1243 would create the "Bay Area Land Use and Transportation Commission. The Commission would be structured from the merging of the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). The new Bay Area Land Use and Transportation Commission would be required to prepare by January of 2005 a "Blueprint for combining regional functions".

The "Blueprint" would analyze any cost of combining the agencies, necessary policy changes, changes to governance (representation), and necessary statutory changes.

Analysis: MTC has not yet taken a position on the bill. ABAG has taken an oppose position. League of Cities are taking no position and CSAC has taken a watch position.

The legislation is based on a concept that growth and congestion problems are beyond the control of existing public agencies. The separation of regional planning between ABAG and MTC precludes political consensus about a desirable long-range vision for the Bay Area. AB 1243 would merge the two agencies in the hopes that the new configuration would better coordinate decision making among cities, counties, and transportation planning agencies.

Recommendation: That the Board continue to **monitor** the progress of AB 1243. Additional discussions are taking place among the bill's author, MTC, and ABAG. Modifications to the bill are likely.

AB 2369 (Salinas/Transportation Accessibility Bond Act)

Summary: AB 2369 would allow a statewide vote on the issuance and sale of Bonds (\$500M) to finance transportation improvements designed to improve access for disabled persons. Specifically the bonds would provide: (1) Caltrans with funds be used to retrofit highways, intercity rail and bus systems (\$100M), (2) Regional Transportation Planning Agencies (e.g. MTC) funds to establish or expand services for seniors and/or disabled (\$200M), and (3) cities and counties funds to retrofit local streets and roads systems including sidewalks and intersections (\$ 200M).

Analysis: With the State's ageing population and an increasing disabled population, there will be continuing need for funding transportation operational and capital improvements for their specific needs. Funding available for these types of improvements is limited and often must compete with a broad array of projects. CSAC's position is pending and the League of Cities have taken a watch position.

Recommendation: That the Board authorizes the Executive Director to send a letter of **support** for AB 2369. Under this legislation additional guidelines would need to be developed among the Regional Transportation Planning Agencies, the countywide transportation planning agencies, and transit operators for allocation of funding. Additional funding would benefit seniors and the disabled as they use the local transportation system as well as rail, bus, and street systems throughout the state.

SB 910 (Dunn/Road Funds and General Housing Elements)

Summary: SB 910 requires that local-street and road funding be reduced for any city or county that fails to have an approved housing element. Recently Senator Dunn indicated that he would modify the bill to eliminate the provision of withholding gas tax revenues from the cities and counties and replace that with a provision to withhold Vehicle License Fee (VLF) Revenue backfill provided through the State to local cities and counties.

Analysis: ABAG, CSAC, and the League of California Cities have taken an oppose position. As written this bill would require that the State Controller reduce by specified percentages the monthly allocation of funds disbursed under various fuel tax laws (or if modified VLF funds) to any city, or county whose third or subsequent revision of its housing element is not in compliance with state law.

Recommendation: That the Board authorizes the Executive Director to send a letter **opposing** the passage of SB 910. This legislation will increase the funding gap that exists between existing revenues and the ability to rehabilitate and maintain the existing road structure (or provide necessary services funded with VLF backfill revenues).

SB 1262 (Torlakson/STIP Smart Growth Incentive Program)

Summary: SB 1262 requires that 5% of State Transportation Improvement Program (STIP) funds be used for housing incentive programs that reduce traffic congestion and provide a better balance of housing located near employment and transit. This bill was discussed at the last SCTA meeting and has since been amended from 10% down to 5%.

Analysis: Under SB 45 (1997) transportation tax revenues are split 75% to regional agencies (e.g. MTC/NCTPA) and 25% to the State. This legislation would modify SB 45 by requiring that 5% of funding be taken off the top for housing incentive programs. The League of Cities has taken a watch position and CSAC's position is pending.

Recommendation: That the Board authorizes the Executive Director to send a letter **opposing** the passage of SB 1262. This legislation is modeled after a program that already exists in the Bay Area known as Transportation for Livable Communities / Housing Incentive Program (TLC/HIP). MTC has tripled the funding in this program over the next 25 years (\$9M to \$27M annually). This legislation would require STIP funds be used statewide to provide these housing incentives.

Staff recommends opposing the legislation for several reasons: (1) it would institutionalize a program that has not yet proven its effectiveness, (2) the legislation restricts SCTA flexibility that exists currently with the existing SB 45 allocation process, (3) it would reduce the already scarce revenues the NCTPA Board uses for Highways Streets and Roads and (4) the SCTA can choose to implement such a program under the existing STIP guidelines.

SCA5 (Torlakson/Sales Tax Requirement)

Summary: This bill will reduce the vote requirement for transportation sales tax measures to a simple majority but will require at least 25% of the revenues derived from the tax be used for smart growth planning and projects.

Analysis: SCA5 is similar to SCA3 (Burton) from the last legislative session. The SCTA discussed the bill at its last meeting and took a watch position. CSAC has taken a support position and the League of Cities have taken a watch position.

Recommendation: The Board authorizes the Executive Director to send a letter **supporting** the bill in concept and monitor for amendments. Staff will provide updates to the SCTA as they become available.

REQUESTED ACTION

Provide direction to staff on how to proceed with informing the Legislature about the SCTA's position on various pieces of legislation related to transportation.

Go to <http://www.leginfo.ca.gov/bilinfo.html> to see any State legislation.

SONOMA COUNTY TRANSPORTATION AUTHORITY STAFF REPORT

DATE: May 13, 2002

TO: Sonoma County Transportation Authority (SCTA)

FROM: Suzanne Wilford, Executive Director

SUBJECT: **ITEM VIII:** SCTA Preliminary Budget for FY02/03

ISSUE:

What is the proposed preliminary budget for the SCTA for FY2002/03?

BACKGROUND:

By June of each year, the SCTA must adopt a Preliminary Budget in order for operations to continue. As is customary, the budget includes all revenues from local, regional and state sources. A breakdown of the costs to each jurisdiction is provided. Additionally, all anticipated expenditures are listed. Prior year information is included with FY2001/02 estimates based on the actuals from the first three quarters of the year.

SCTA & TFCA BUDGET SUMMARY

A table summarizing all projected expenses and revenues for FY2002/03 is attached.

REVENUES IN THE SCTA FY2002/03 PRELIMINARY BUDGET INCLUDE:

- Interest on Pooled Cash
The SCTA directed staff to budget for interest by passing Resolution No. 98-002, on January 12, 1998. Interest revenues will be decreased by \$2,000 based on last year's performance.
- City and County Contributions
The City and County contributions to the SCTA are based on a population and centerline road mile formula. Population numbers were updated based on Department of Finance figures for 2001 however road miles have not been changed. The total contribution from local jurisdictions as shown in the Preliminary Budget is \$162,000. This is an increase to the local contribution amount from last year, which totaled \$150,000. A summary of each jurisdiction's contribution is attached.
- SMART Project
SCTA staff provides reimbursable services to the Sonoma/Marin Area Rail Transit Commission (i.e., accounting services, administrative support). This line item assumes \$7,000 in revenues from SMART for the SCTA.
- Transportation Fund for Clean Air (TFCA) Funds
The SCTA is eligible to receive 5% of the TFCA funds to serve as the Program Manager for the TFCA program of projects based on the hours spent managing the program. The SCTA anticipates receiving \$20,000 to administer the program for FY2002/03.
- MTC Contribution
The SCTA is eligible to receive federal Surface Transportation Program (STP) funds through MTC based on a population formula. Under TEA-21, MTC agreed to increase the minimum amount given to counties from \$100,000 annually to \$140,000. The SCTA remains eligible for the funds as long as it maintains a planning and programming function.
- State – 2000 STIP
The SCTA programmed \$235,000 for planning, programming and monitoring purposes in the 2000 STIP and had anticipated receiving them in the FY2001/02 budget. However, due to cash flow at the state level, we had to request the funds in the year they were programmed, FY2002/03. Staff has submitted the appropriate paperwork to Caltrans and anticipates receiving the funds in early FY2002/03.

EXPENDITURES IN THE SCTA FY2002/03 PRELIMINARY BUDGET INCLUDE:

- Staff Salaries/Benefits

The FY1999/2000 budget was the first not to include county staff support and formalized the three SCTA positions approved in the *SCTA Personnel Policies and Procedures Manual* (Executive Director, Transportation Planner, and Executive Assistant).

The FY2002/03 budget reflects the salary and benefits for each of the three positions. Benefits provided include health, dental, and retirement. These benefits are provided through the County of Sonoma and paid for by the SCTA.

- Audit/Accounting

The cost of the FY2001/02 Single Year Audit will be \$9,500.

- Fiscal Accounting Services

The Auditor-Controller's Office provides financial management for the Transportation Fund for Clean Air (TFCA) Program, the SMART Commission and processes all financial items affiliated with the SCTA operations. This includes payroll services.

- Consultant Services

This item has been used historically for contracting with consultants. For the FY2002/03 budget, this item will include work related to project management of the EIR/EIS work (\$70,000), project monitoring database implementation (\$10,000) and this item may also cover some future modeling expenses or Countywide Plan related activities.

- Legal Services

This item reflects an increase of \$7,500. Staff has seen a significant increase in the need for legal services for consultation on specific Caltrans projects as well as general operational items.

- Operational Expenses

Items considered operational expenses include computer hardware and software, office supplies, office lease, printing, postage, travel, and other related categories. The total amount requested for these items in the FY2002/03 budget is \$76,975. This is an increase of \$6,750 from last year. The increase is based primarily on the need to purchase insurance for the SCTA (\$5,000).

TRANSPORTATION FUND FOR CLEAN AIR (TFCA) BUDGET

The TFCA program budget, like the SCTA budget, is in its preliminary form for the May meeting and mirrors the TFCA program of projects adopted by the SCTA at the April meeting.

REQUESTED ACTION

In order to continue operation, the SCTA must adopt a Preliminary Budget for FY2002/03 by June 30, 2002. The SCTA should consider the proposed Preliminary Budget and, if it meets with their approval, adopt the Preliminary Budget. A final budget will be brought back to the SCTA for its approval at a public hearing in September.

Adoption of Resolution No. 2002-009 adopting the FY2002/03 Preliminary Budget requires a 2/3-majority vote. **Therefore, the budget MUST receive eight (8) affirmative votes to pass.**

Sonoma County Transportation Authority
Santa Rosa, California
May 13, 2002

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY
TRANSPORTATION AUTHORITY, COUNTY OF SONOMA, STATE OF
CALIFORNIA, ADOPTING A PRELIMINARY BUDGET FOR FISCAL YEAR
2002/2003**

WHEREAS, a Preliminary Budget for Fiscal Year 2002/03 has been prepared by the Executive Director and reviewed by the Sonoma County Transportation Authority.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Year 2002/03 Preliminary Budget for the Sonoma County Transportation Authority, attached hereto and marked Exhibit A, is hereby adopted.

BE IT FURTHER RESOLVED that the Sonoma County Transportation Authority shall adopt a final budget at a duly noticed public hearing at 3:15 PM, September 9, 2002 in accordance with the provisions of Section 180108 of the Public Utilities Code and Ordinance No. 1 of the Sonoma County Transportation Authority.

BE IT FURTHER RESOLVED that the Cities and County of Sonoma will contribute revenue as described in Exhibit B payable by the end of the first quarter of Fiscal Year 2002/03 to the Sonoma County Transportation Authority.

BE IT FURTHER RESOLVED that the Executive Director, acting as Clerk of the Authority, shall deliver a certified copy of this resolution to the Sonoma County Auditor-Controller.

THE FOREGOING RESOLUTION was moved by Director --, seconded by Director --, and approved by the following vote:

Director Allen	_____	Director Kerns	_____
Director Costello	_____	Director Mackenzie	_____
Director Fox	_____	Director Schaffner	_____
Director Healy	_____	Director Smith	_____
Director Jehn	_____	Director Spooner	_____
Director Kelley	_____	Director Wright	_____

Ayes: Noes: Absent: Abstain:

SO ORDERED

I, the undersigned, certify that the foregoing resolution was duly adopted at a regular meeting of the Board of Directors of the Sonoma County Transportation Authority held on May 13, 2002.

Suzanne Wilford, Executive Director
Clerk, Sonoma County Transportation Authority

Sonoma County Transportation Authority
FY 02-03
Budget Index # 798017

Sub-Object #		Actual 2000-01	Budgeted 2000-01	Estimated 2001-02	Budgeted 2001-02	Requested 2002-03	Amount of Change	Percent Change
Revenues								
1700	Interest	\$ 9,408	\$ 3,000	\$ 2,513	\$ 5,000	\$ 3,000	\$ (2,000)	-40.00%
2500	State - STIP 2000	\$ 4,000	\$ -	\$ 137,500	\$ 235,000	\$ 235,000	\$ -	N/A
2500	State - STIP 2002	-	-	-	200,000	-	(200,000)	N/A
2900	Other	14,590	-	5,000	5,000	-	(5,000)	N/A
2901	County	66,219	66,219	71,635	71,636	77,370	5,734	8.00%
2910	Cities	71,181	71,181	78,365	78,364	84,630	6,266	8.00%
2920	MTC Contribution	140,000	140,000	140,000	140,000	140,000	-	0.00%
3980	Prior Year Adjustment	-	-	30,623	-	-	-	100.00%
4040	Miscellaneous	-	-	520	-	-	-	100.00%
4109	Outdate / Cancel Warrant	-	-	-	-	-	-	0.00%
4620	TFCA	9,081	29,900	18,570	30,000	20,000	(10,000)	-33.33%
4620	SMART	-	-	-	-	7,000	7,000	0.00%
	TOTAL	\$ 314,479	\$ 310,300	\$ 484,726	\$ 765,000	\$ 567,000	\$ (198,000)	-25.88%
Expenses								
Salaries and Benefits								
5100	County Employee Salary	\$ 151,921	\$ 168,756	\$ 173,190	\$ 188,533	\$ 210,000	\$ 21,467	11.39%
5110-5400	County Employee Benefits	47,538	47,976	49,664	59,750	75,000	15,250	25.52%
5190	Agency Extra Help	-	-	-	-	-	-	0.00%
5900	Salary Savings	-	3,420	-	182	-	(182)	-100.00%
5904	MOU Balancing Adjustment	-	-	-	(1,465)	-	1,465	0.00%
	SUBTOTAL	\$ 199,459	\$ 220,152	\$ 222,854	\$ 247,000	\$ 285,000	\$ 38,000	15.38%
Outside Contracts/Services								
6521/6630	Audit/General Accounting	\$ 8,100	\$ 7,200	\$ 8,700	\$ 8,700	\$ 9,500	\$ 800	9.20%
6629	Fiscal Accounting Services	\$ 7,710	\$ 13,728	\$ 18,228	\$ 9,000	20,063	11,063	122.92%
6570	Consultant Services	24,401	39,000	278,038	475,000	140,000	(335,000)	-70.53%
6519/6540	Contract Services	27,717	10,000	600	-	-	-	N/A
6521	County Services Contract	-	18,500	153	-	-	-	N/A
6610/6642	Legal Services	6,961	5,000	12,024	7,500	15,000	7,500	N/A
	SUBTOTAL	\$ 74,889	\$ 93,428	\$ 317,743	\$ 500,200	\$ 184,563	\$ (315,637)	-63.10%
Operational Expenses								
6820/6889/6890/7402/7450	Computer Services & Hardware	\$ -	\$ 5,000	\$ 10,165	\$ 8,000	\$ 8,000	\$ -	0.00%
7400	Data Processing	16,448	-	7,339	5,000	5,000	-	N/A
6400	Office Supplies	3,430	4,000	2,456	4,000	5,000	1,000	25.00%
6410	Postage	4,936	6,000	4,315	6,000	6,000	-	0.00%
6430	Printing Services	9,817	8,000	13,593	10,000	10,000	-	0.00%
6800	Public/Legal Notices	293	750	176	500	500	-	0.00%
6840	Rents/Leases-Bldgs/Imp	18,497	-	19,101	19,500	20,475	-	N/A
6415	Subscriptions	690	500	677	750	1,000	250	33.33%
6103	Liability Insurance	-	-	-	-	5,000	5,000	N/A
6040/6049	Telephones	2,097	3,000	2,146	3,000	3,500	500	16.67%
7302/7303	Travel	11,267	12,500	13,027	12,500	12,500	-	0.00%
	SUBTOTAL	\$ 67,475	\$ 39,750	\$ 72,995	\$ 69,250	\$ 76,975	\$ 6,750	9.75%
	TOTAL	\$ 341,823	\$ 353,330	\$ 613,592	\$ 816,450	\$ 546,538	\$ (270,887)	-33.18%
	Total Revenue	\$314,479	\$310,300	\$484,726	\$765,000	\$567,000	(\$198,000)	-25.88%
	Total Expenses	\$341,823	\$353,330	\$613,592	\$816,450	\$546,538	(\$270,887)	-33.18%
	Change in Fund Balance	(\$27,344)	(\$43,030)	(\$128,866)	(\$51,450)	\$20,462	\$72,887	
	FUND BALANCE	162,232.00		33,365.64		53,827.64		

**50/50 Road Mile / Population Split
SCTA FY2002/03 Preliminary Budget Request**

Jurisdiction	2002/03 50% Road Miles 50% Population	2002/03 Contribution	2001/02 50% Road Miles 50% Population	2001/02 Contribution	Increase Amount	Increase Percent
Cloverdale	0.011296	\$ 1,830	0.010607	\$ 1,621	\$ 209	10.1%
Cotati	0.011434	1,852	0.012080	\$ 1,784	68	7.0%
Healdsburg	0.021571	3,495	0.020938	\$ 3,169	326	9.2%
Petaluma	0.089004	14,419	0.088419	\$ 13,237	1,182	8.2%
Rohnert Park	0.063285	10,252	0.063529	\$ 9,325	927	6.4%
Santa Rosa	0.259185	41,988	0.256622	\$ 39,376	2,612	10.5%
Sebastopol	0.013444	2,178	0.014092	\$ 2,098	80	7.7%
Sonoma	0.016298	2,640	0.016863	\$ 2,507	133	7.6%
Windsor	0.036889	5,976	0.034906	\$ 5,248	728	8.6%
County	0.477595	77,370	0.481944	\$ 71,636	5,734	7.6%
	1	\$ 162,000	1	\$ 150,001	\$ 11,999	8.4%

2002/03 amounts based on Department of Finance population estimates on January 1, 2001 and historic centerline miles.