



AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

Committee Members: Dev Davis (Chair), Ron Collins, Monique Zmuda

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to the [Governor's Executive Orders N-25-20 and N-29-20](#).

Directors, staff and the public may participate remotely via Zoom at <https://zoom.us/j/93388927360?pwd=SFJranR4KzVURGIZVW5VUXJMZGixQT09> for audio/visual capability or by calling 1-669-900-6833, Webinar ID: # **933 8892 7360**, for audio only. The video live stream will be available after the meeting at <http://www.caltrain.com/about/bod/video.html>

Public Comments: Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received after an agenda item is heard will be included into the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html.

Oral public comments will also be accepted during the meeting through *Zoom or via the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Use the Raise Hand feature to request to speak. For public participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise the Hand feature for public comment and press *6 to accept being unmuted when recognized to speak for two minutes or less. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

September 28, 2020

1:30 pm

1. Call to Order/Pledge of Allegiance
2. Roll Call

3. Public Comment on Items not on the Agenda

Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.

- | | |
|--|--------|
| 4. Approve Meeting Minutes of August 24, 2020 | MOTION |
| 5. Accept Statement of Revenues and Expenses for the Period Ended June 30, 2020 | MOTION |
| 6. Accept Statement of Revenues and Expenses for the Period Ended August 31, 2020 | MOTION |
| 7. Award of Contract for Delaware Street Storm Drain Relocation Project Construction | MOTION |
| 8. Adoption of Fiscal Year 2021 Second Quarter Operating Budget and Amendment of the Fiscal Year 2021 Capital Budget | MOTION |
| 9. Committee Member Requests | |
| 10. Date/Time of Next Regular Finance Committee Meeting:
Monday, October 26, 2020 at 1:30 pm via Zoom | |
| 11. Adjourn | |

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com. *Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Fourth Monday of the month, 1:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

Due to COVID-19, the meeting will only be via teleconference as per the information provided at the top of the agenda. The Public may not attend this meeting in person.

*Should Zoom not be operational, please check online at

[http://www.caltrain.com/about/bod/Board of Directors Meeting Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html) for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at [http://www.caltrain.com/about/bod/Board of Directors Meeting Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html). Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM and each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

Upon request, the JPB will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

**Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

DRAFT MINUTES OF AUGUST 24, 2020

MEMBERS PRESENT: D. Davis(Chair), R. Collins, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, M. Bouchard, J. Cassman, S. van Hoften, C. Mau, J. Funghi, C. Gayotin, C. Scarella, J. Sharma, L. Millard-Olmeda, L. Larano, D. Seamans, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 1:34 pm and Director Collins led the Pledge of Allegiance.

2. ROLL CALL

Chair Davis confirmed all Board Committee members were present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, recommended that Caltrain staff monitor and measure funding for Caltrain double tracking between South San Jose and Gilroy. He also commented on budget item organization and Wabtec replacing ARINC Inc.

4. APPROVE MEETING MINUTES OF JULY 27, 2020

Motion/Second: Collins/Davis

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

5. ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDED JULY 31, 2020 AND RIDERSHIP UPDATES – COVID-19

Derek Hansel, Chief Financial Officer, stated that there was no formal presentation and that he was available to answer any questions.

Director Zmuda noted that so early in the (fiscal) year with so many unknowns, the Committee would continue to review information on a monthly basis and ask questions accordingly.

Public comment

Roland Lebrun, San Jose, commented on increasing ridership production with baby bullets, and rebuilding bombardiers to increase capacity by 25 percent.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

6. AWARD CONTRACT FOR MAINTENANCE AND SUPPORT OF I-ETMS POSITIVE TRAIN CONTROL SYSTEM

Concepcion Gayotin, Manager of Contracts and Procurement, stated that this was a contract for Wabtec to complete Caltrain's Positive Train Control (PTC) system as the current software and hardware warranty were due to expire September 6, 2020. She said that this would be a three-year initial term with annual renewal terms. Ms. Gayotin noted that performance reviews would be reported to the Board and funding sources are from approved operating and PTC capital budgets.

Michelle Bouchard, Chief Operating Officer, provided a presentation; topics included the submitted safety plan, conditional approval from Federal Railroad Association (FRA), base term services under a fixed price, optional services under time and material, maintenance service contract duration, and support agreement annual costs.

Board members had a discussion and staff provided further clarification in response to Board comments and questions; topics included special projects in year 2, hardware repair in year 3, what annual PTC maintenance looks like, what annual costs will look like in the future, staffing requirements to maintain the system, Transit America Services, Inc. (TASI) staff duties, training of existing staff, assuming work of contractor over time, and sources of funding for this contract.

Public comment

Roland Lebrun, San Jose, commented on contracts to ARINC, Parson's Transportation Group, Wabtec, TASI, meeting deadlines, and awarding best service at the lowest cost.

Adrian Brandt, San Mateo County, commented on the cost of PTC, vendor lock in, and alternate sources for a fraction of the cost.

Motion/Second: Zmuda/Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

7. AWARD OF CONTRACT FOR ELECTRONIC BIKE LOCKERS FOR CALTRAIN

Ms. Gayotin stated that JPB Resolution 2017-56 included the provision for investing in e-lockers. She said staff conducted extensive research and found eLock Technologies, LLC to fulfill Caltrain requirements. Ms. Gayotin noted the benefits of working with the company. She said that it included a five-year maintenance contract and one-year option terms.

Dan Provence, CalMod Planning, provided a presentation; highlights included Caltrain bicycle statistics, bike parking options, future Caltrain plans, e-lockers, contract details, funding, and completion of 632 e-lockers by late 2023.

Board members had a discussion and staff provided further clarification in response to Board comments and questions regarding payment and inclement weather.

Public comment

Adrian Brandt, San Mateo County, requested the PowerPoint on the website, and expressed support for eLocker technology.

Motion/Second: Davis/Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

8. AUTHORIZATION TO ENTER INTO A FUNDING AGREEMENT WITH THE FEDERAL RAILROAD ADMINISTRATION FOR THE CALTRAIN RIGHT-OF-WAY TRESPASSING PROJECT

Peter Skinner, Director of Grants & Fund Programming, explained that this was a \$48,000 agreement to pay for law enforcement staff time associated with the mitigation of trespassers on the right-of-way.

Motion/Second: Zmuda/Davis

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

9. ADOPTION OF THE FY2021 JPB OPERATING AND CAPITAL BUDGETS, INCLUDING A SUSPENSION OF PREVIOUSLY ADOPTED FARE INCREASES (PRESENTATION TO THE FULL BOARD ON THIS)

Derek Hansel, Chief Financial Officer, provided a presentation; topics included goals, challenges, revenue measures, ridership recovery, cost mitigation measures, fiscal year 2021 proposed budget outlook, fiscal year 2021 revenue assumptions, proposed revenues, proposed expenses, expense assumptions, Positive Train Control (PTC), key expense assumptions, staff allocation for Caltrain, application of CARES Act, sensitivity of revenue to ridership, costs to operate Caltrain, what it means to shut down Caltrain, capital budget, overview of capital costs, and next steps.

Public comment

Roland Lebrun, San Jose, commented on putting the PowerPoint up earlier, public trust with three foot distancing, re-introducing baby bullets, PTC, TASI, Caltrain auditor, appointing an interim CEO, paying for Samtrans bus division, operating trains people are interested in riding, and higher level doors not listed in the PTC budget.

Director Zmuda left the meeting at 3:17pm.

Board members had a robust discussion and staff provided further clarification in response to Board comments and questions; topics included election costs, ridership numbers, plans if Measure RR does not pass, use of reserves, TASI employee raise reductions, suspended fare increases, unfunded Board authority, high level doors, EMUs in the FY21 budget, capital improvement plan rather than annual budget, planning and studies, and the timeline for revenue measures on fiber.

Motion/Second: Collins/Davis
Ayes: Collins, Davis
Noes: None
Absent: Zmuda

10. COMMITTEE MEMBER REQUESTS

There was none.

11. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, September 28, 2020 at 1:30 pm, via Zoom.

12. ADJOURN

The meeting adjourned at 3.35pm.

An audio/video recording of this meeting is available online at <https://www.caltrain.com/about/bod/video.html?>. Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@caltrain.com.

DRAFT

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee
THROUGH: Jim Hartnett
Executive Director
FROM: Derek Hansel
Chief Financial Officer
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
JUNE 30, 2020**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of June 2020.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through June 30, 2020. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of June year-to-date actual, the Total Revenue (page 1, line 18) is \$1.3 million lower than the prior year. This is primarily driven by decreases in Farebox Revenue (page 1, line 1) which were partially offset by increases in Operating Grant (page 1, line 11), JPB Member Agencies Contributions (page 1, line 12) and CARES ACT Fund (page 1, line 13).

Year to Date Expenses: As of June year-to-date actual, the Grand Total Expense (page 1, line 50) is \$6.6 million lower than the prior year-to-date actual. This is primarily due to decreases in Rail Operator Service (page 1, line 24), Fuel and Lubricants (page 1, line 28), Managing Agency Admin OH Cost (page 1, line 40), Professional Services (page 1, line 42) and Other Office Expenses and Services (page 1, line 44). The decreases are partially offset by increases in Positive Train Control (page 1, line 25), Wages and Benefits (page 1, line 39), and Long Term Debt Expense (page 1, line 48).

Other Information: Due to the impact of Covid-19 pandemic in the farebox revenues and other major line items in the financial statements, the forecast column was eliminated from the reports until more information are available for accurate revenue and expense forecast.

BUDGET IMPACT

There are no budget amendments for the month of June 2020.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By : Thwe Han, Accountant II

650-508-7912

Jennifer Ye, Manager, General Ledger

650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
Fiscal Year 2020
June 2020

UNAUDITED

% OF YEAR ELAPSED 100.0%

	YEAR TO DATE					ANNUAL
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	CURRENT YTD as a % OF BUDGET	APPROVED BUDGET
REVENUE						
OPERATIONS:						
1 Farebox Revenue	102,668,114	75,789,144	(26,878,970)	(26.2%)	71.5%	106,000,000
2 Parking Revenue	5,316,427	3,659,013	(1,657,414)	(31.2%)	68.6%	5,335,000
3 Shuttles	2,047,107	2,001,897	(45,210)	(2.2%)	80.0%	2,503,200
4 Rental Income	1,901,052	533,563	(1,367,489)	(71.9%)	25.9%	2,060,540
5 Other Income	2,829,996	3,049,908	219,912	7.8%	173.9%	1,753,450
6						
7 TOTAL OPERATING REVENUE	114,762,695	85,033,524	(29,729,171)	(25.9%)	72.3%	117,652,190
8						
CONTRIBUTIONS:						
10 AB434 Peninsula & TA Shuttle Funding	1,728,727	1,333,171	(395,556)	(22.9%)	76.7%	1,737,950
11 Operating Grants	3,700,607	6,816,688	3,116,081	84.2%	128.0%	5,327,497
12 JPB Member Agencies	25,448,000	28,035,055 *	2,587,055	10.2%	93.7%	29,921,971
13 CARES ACT Fund	-	23,127,798	23,127,798			-
14 Use of Reserves	-	-	-	0.0%	0.0%	1,064,614
15						
16 TOTAL CONTRIBUTED REVENUE	30,877,334	59,312,712	28,435,378	92.1%	155.9%	38,052,032
17						
18 GRAND TOTAL REVENUE	145,640,029	144,346,236	(1,293,793)	(.9%)	92.7%	155,704,222
19						
EXPENSE						
OPERATING EXPENSE:						
24 Rail Operator Service	86,230,812	83,915,012	(2,315,801)	(2.7%)	92.4%	90,817,696
25 Positive Train Control	63,394	1,669,554	1,606,160	2533.6%	69.6%	2,400,000
26 Security Services	5,816,573	5,913,164	96,591	1.7%	90.4%	6,544,183
27 Shuttle Services	4,043,565	4,356,669	313,105	7.7%	82.4%	5,290,100
28 Fuel and Lubricants	11,160,475	9,289,638	(1,870,837)	(16.8%)	84.4%	11,003,417
29 Timetables and Tickets	92,987	145,818	52,830	56.8%	101.6%	143,500
30 Insurance	4,193,739	4,331,946	138,207	3.3%	96.1%	4,506,064
31 Claims, Payments, and Reserves	(65,244)	(37,410)	27,834	(42.7%)	(3.9%)	951,794
32 Facilities and Equipment Maintenance	2,944,312	2,739,785	(204,527)	(6.9%)	82.0%	3,339,391
33 Utilities	2,040,714	2,026,493	(14,221)	(.7%)	96.3%	2,105,422
34 Maint & Services-Bldg & Other	1,377,376	1,542,912	165,536	12.0%	98.4%	1,567,930
35						
36 TOTAL OPERATING EXPENSE	117,898,703	115,893,580	(2,005,124)	(1.7%)	90.1%	128,669,496
37						
ADMINISTRATIVE EXPENSE						
39 Wages and Benefits	10,212,324	11,673,415	1,461,090	14.3%	96.9%	12,047,389
40 Managing Agency Admin OH Cost	6,503,882	4,406,537	(2,097,346)	(32.2%)	86.4%	5,098,065
41 Board of Directors	18,659	24,588	5,929	31.8%	168.4%	14,600
42 Professional Services	3,440,617	1,959,952	(1,480,665)	(43.0%)	45.8%	4,280,183
43 Communications and Marketing	272,596	293,830	21,234	7.8%	97.5%	301,500
44 Other Office Expenses and Services	5,324,257	1,789,476	(3,534,781)	(66.4%)	67.4%	2,653,216
45						
46 TOTAL ADMINISTRATIVE EXPENSE	25,772,336	20,147,798	(5,624,538)	(21.8%)	82.6%	24,394,953
47						
48 Long Term Debt Expense	1,602,163	2,635,046	1,032,882	64.5%	99.8%	2,639,773
49						
50 GRAND TOTAL EXPENSE	145,273,203	138,676,423	(6,596,779)	(4.5%)	89.1%	155,704,222
51						
52 NET SURPLUS / (DEFICIT)	366,827	5,669,813	5,302,986	14.5	-2017726847.5%	(0)

Adjustment of PTC Litigation Fees (5,362,421)

NET SURPLUS / (DEFICIT)- ADJUSTED **307,392**

*The total member agency contribution actuals were received in Member Agency Contributions (line 12) \$28.0M and Operating Grants (line 11) \$1.9M.



BOARD OF DIRECTORS 2020

DAVE PINE, CHAIR
DEVORA "DEV" DAVIS, VICE
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STEVE HEMINGER
JENNIE BRUINS
RON COLLINS
CINDY CHAVEZ
SHAMANN WALTON
CHARLES STONE
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PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF JUNE 30, 2020

JIM HARTNETT
EXECUTIVE DIRECTOR

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	1.217%	36,574	36,574
County Pool (Unrestricted)		Liquid Cash	1.390%	548,903	548,903
Other (Unrestricted)		Liquid Cash	0.050%	97,057,419	97,057,419
Other (Restricted)	**	Liquid Cash	0.050%	13,156,677	13,156,677
				\$ 110,799,573	\$ 110,799,573

Interest Earnings for June 20 \$ 4,404.20
Cumulative Earnings FY2020 \$ 364,465.10

* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment. The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
AUGUST 31, 2020**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of August 2020. This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through August 31, 2020. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for the first quarter of Fiscal Year 2021.

SIGNIFICANCE

Year to Date Revenues: As of August year-to-date actual, the Total Revenue (page 1, line 17) is \$5.2 million lower than the prior year. This is primarily driven by decreases in Farebox Revenue (page 1, line 1), Parking Revenue (page 1, line 2), Other Income (page 1, line 5), and JPB Member Agencies (page 1, line 12). The decreases are partially offset by CARES ACT Fund (page 1, line 13).

Year to Date Expenses: As of August year-to-date actual, the Grand Total Expense (page 1, line 49) is \$6.3 million lower than the prior year-to-date actual. This is primarily due to decreases in Rail Operator Service (page 1, line 24), Security Services (page 1, line 25), Fuel and Lubricants (Page 1, line 27) and Wages and Benefits (page 1, line 38). The decreases are partially offset by increases in Insurance (page 1, line 29) and Claims, Payments, and Reserves (page 1, line 30).

BUDGET IMPACT

There are no budget amendments for the month of August 2020.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
Fiscal Year 2021
August 2020

	% OF YEAR ELAPSED									16.7%
	YEAR TO DATE				CURRENT YTD as a % OF BUDGET	JULY-SEPTEMBER				
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE		APPROVED BUDGET	FORECAST	\$ VARIANCE	% BUDGET	
REVENUE										
OPERATIONS:										
1 Farebox Revenue	18,141,284	5,956,011	(12,185,274)	(67.2%)	74.3%	8,015,496	8,015,496	-	0.0%	1
2 Parking Revenue	908,015	77,392	(830,623)	(91.5%)	61.0%	126,782	126,782	-	0.0%	2
3 Shuttles	196,331	305,706	109,375	55.7%	83.1%	368,000	368,000	-	0.0%	3
4 Rental Income	342,146	167,092	(175,053)	(51.2%)	48.7%	343,026	343,026	-	0.0%	4
5 Other Income	459,854	236,982	(222,872)	(48.5%)	62.0%	382,137	382,137	-	0.0%	5
6										6
7 TOTAL OPERATING REVENUE	20,047,631	6,743,184	(13,304,447)	(66.4%)	73.0%	9,235,441	9,235,441	-	0.0%	7
8										8
9 CONTRIBUTIONS:										9
10 AB434 Peninsula & TA Shuttle Funding	317,787	453,114	135,327	42.6%	105.1%	431,300	431,300	-	0.0%	10
11 Operating Grants	863,704	757,701	(106,002)	(12.3%)	66.7%	1,135,439	1,135,439	-	0.0%	11
12 JPB Member Agencies	10,100,662	9,845,614	(255,048)	(2.5%)	81.9%	12,020,136	12,020,136	-	0.0%	12
13 CARES ACT Fund	-	8,307,182	8,307,182	0.0%	0.0%	-	-	-	0.0%	13
14										14
15 TOTAL CONTRIBUTED REVENUE	11,282,153	19,363,611	8,081,458	71.6%	142.5%	13,586,875	13,586,875	-	0.0%	15
16										16
17 GRAND TOTAL REVENUE	31,329,784	26,106,795	(5,222,989)	(16.7%)	114.4%	22,822,316	22,822,316	-	0.0%	17
18										18
19										19
20										20
21 EXPENSE										21
22										22
23 OPERATING EXPENSE:										23
24 Rail Operator Service	15,679,346	12,038,219	(3,641,127)	(23.2%)	48.4%	24,850,000	24,850,000	-	0.0%	24
25 Security Services	1,344,193	935,810	(408,383)	(30.4%)	54.9%	1,705,477	1,705,477	-	0.0%	25
26 Shuttle Services	503,768	424,712	(79,056)	(15.7%)	61.2%	694,000	694,000	-	0.0%	26
27 Fuel and Lubricants	1,626,183	636,930	(989,253)	(60.8%)	38.6%	1,650,270	1,650,270	-	0.0%	27
28 Timetables and Tickets	-	-	-	0.0%	0.0%	22,500	22,500	-	0.0%	28
29 Insurance	720,992	900,513	179,521	24.9%	17.7%	5,100,000	5,100,000	-	0.0%	29
30 Claims, Payments, and Reserves	(165,317)	41,050	206,368	(124.8%)	17.3%	237,948	237,948	-	0.0%	30
31 Facilities and Equipment Maintenance	142,180	272,008	129,828	91.3%	23.6%	1,153,630	1,153,630	-	0.0%	31
32 Utilities	275,563	204,806	(70,757)	(25.7%)	30.4%	673,675	673,675	-	0.0%	32
33 Maint & Services-Bldg & Other	57,242	3,616	(53,626)	(93.7%)	0.8%	430,873	430,873	-	0.0%	33
34										34
35 TOTAL OPERATING EXPENSE	20,184,149	15,457,665	(4,726,484)	(23.4%)	42.3%	36,518,373	36,518,373	-	0.0%	35
36										36
37 ADMINISTRATIVE EXPENSE										37
38 Wages and Benefits	3,555,196	2,473,880	(1,081,316)	(30.4%)	75.1%	3,296,146	3,296,146	-	0.0%	38
39 Managing Agency Admin OH Cost	786,463	693,182	(93,281)	(11.9%)	54.4%	1,274,516	1,274,516	-	0.0%	39
40 Board of Directors	2,102	1,556	(546)	(26.0%)	14.1%	11,025	11,025	-	0.0%	40
41 Professional Services	124,953	13,187	(111,766)	(89.4%)	2.0%	644,633	644,633	-	0.0%	41
42 Communications and Marketing	10,271	13,424	3,153	30.7%	17.8%	75,375	75,375	-	0.0%	42
43 Other Office Expenses and Services	269,697	52,896	(216,801)	(80.4%)	9.2%	573,761	573,761	-	0.0%	43
44										44
45 TOTAL ADMINISTRATIVE EXPENSE	4,748,683	3,248,125	(1,500,558)	(31.6%)	55.3%	5,875,456	5,875,456	-	0.0%	45
46										46
47 Long Term Debt Expense	482,966	447,141	(35,825)	(7.4%)	75.1%	595,438	595,438	-	0.0%	47
48										48
49 GRAND TOTAL EXPENSE	25,415,798	19,152,930	(6,262,868)	(24.6%)	44.6%	42,989,267	42,989,267	-	0.0%	49
50										50
51 NET SURPLUS / (DEFICIT)	5,913,986	6,953,865	1,039,879	17.6%	-34.5%	(20,166,951)	(20,166,951)	-	0.0%	51
52										52



BOARD OF DIRECTORS 2020

DAVE PINE, CHAIR
 DEVORA "DEV" DAVIS, VICE
 CHAIR
 STEVE HEMINGER
 JENNIE BRUINS
 RON COLLINS
 CINDY CHAVEZ
 SHAMANN WALTON
 CHARLES STONE
 MONIQUE ZMUDA

JIM HARTNETT
 EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF AUGUST 31, 2020

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.784%	36,687	36,687
County Pool (Unrestricted)		Liquid Cash	1.372%	551,171	551,171
Other (Unrestricted)		Liquid Cash	0.050%	71,638,560	71,638,560
Other (Restricted)	**	Liquid Cash	0.050%	15,336,600	15,336,600
				\$ 87,563,019	\$ 87,563,019

Interest Earnings for August 2020 \$ 2,137.92
 Cumulative Earnings FY2021 \$ 6,971.46

* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment. The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **AWARD OF CONTRACT FOR DELAWARE STREET STORM DRAIN RELOCATION PROJECT**

ACTION

Staff Coordinating Council recommends the Board:

1. Award a contract to the lowest, responsive and responsible bidder, Kingdom Pipelines, Inc., of San Francisco, California (Kingdom), for a total amount of \$586,340 for the Delaware Street Storm Drain Relocation Project (Project).
2. Authorize the Executive Director, or his designee, to execute a contract with Kingdom, in full conformity with the terms and conditions set forth in the solicitation documents, and in a form approved by legal counsel.

SIGNIFICANCE

The existing storm drain on Delaware Street in the City of San Mateo (City) needed to be capped off due to a new PG&E power feed that was relocated due to the 25th Avenue Grade Separation Project. The Project will install a new storm drain system that will connect at existing points and provide the City with adequate drainage during the rainy seasons.

The scope of work consists of furnishing all labor, equipment, and materials required for the Project, which includes:

- Installation of new storm drain system
- Removal and replacement of drain inlets
- Removal and replacement of concrete sidewalk
- Backfilling and repavement of portions of roadway
- Removal and replacement of curb ramps
- Installation of new detectable warning tactile surface at curb ramps

The Project is anticipated to be completed by the summer of 2021.

BUDGET IMPACT

The proposed contract is related to the completion of, and is included in the Peninsula Corridor Joint Powers Board's (JPB) approved \$180 million budget for, the 25th Avenue Grade Separation Project, with funding coming from California High Speed Rail Authority, Section 190 grant funds from the California Public Utilities Commission, the San Mateo County Transportation Authority and the City of San Mateo.

BACKGROUND

An Invitation for Bids (IFB) was advertised in a newspaper of general circulation and on the JPB's procurement website. A 15% Small Business Enterprise (SBE) goal was assigned to this Project. Prior to releasing the IFB, extensive outreach for SBEs was conducted. One potential bidder attended the pre-bid meeting and four bids were received as follows:

Company	Bid Amount	5% SBE Preference	Bid Amount with 5% SBE Preference applied
Engineer's Estimate	\$1,181,250	N/A	N/A
1. Kingdom Pipelines, San Francisco	\$586,340	\$29,317	\$557,023
2. Kerex Engineering, Pleasant Hill	\$591,440	\$29,317	\$562,123
3. CF Contracting, San Francisco	\$950,360	\$29,317	\$921,043
4. Shimmick/Disney JV, Burlingame	\$2,159,940	N/A	\$2,159,940

Kingdom submitted all required bid documentation. Staff has determined, and legal counsel concurred, that the bid submitted by Kingdom is responsive.

The bid from Kingdom was approximately 49 percent lower than the engineer's estimate. Staff believes the pricing difference is attributed to a competitive market for this type of work. The key discrepancies between the estimate and Kingdom's bid are for mobilization, excavation, and concrete activities that fluctuate based on the market conditions for construction materials and equipment.

All bidders, except Shimmick/Disney JV, Burlingame, are certified SBEs and were given a 5 percent SBE preference based on the lowest bid amount. Kingdom was the lowest bidder both before and after the SBE preference was applied.

Kingdom is an established contractor with more than 20 years of construction experience. Staff contacted Kingdom's references and confirmed its experience and competency. Kingdom has successfully completed projects for the City of San Mateo Public Works, the City of Brisbane Public Works, and the San Francisco International Airport. Based upon these findings, staff concludes that Kingdom is appropriately qualified and capable of meeting the requirements of the contract and is, therefore, the lowest, responsive, and responsible bidder.

Procurement Administrator II: Patrick Ng
Project Manager: Alvin Piano

650.622.8018
650.508.6447

RESOLUTION NO. 2020 –

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

* * *

**AWARDING A CONTRACT TO KINGDOM PIPELINES, INC. FOR THE
DELAWARE STREET STORM DRAIN RELOCATION PROJECT
FOR A TOTAL AMOUNT OF \$586,340**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) issued an Invitation for Bids (IFB) for the Delaware Street Storm Drain Relocation (Project) necessitated by the 25th Avenue Grade Separation Project in the City of San Mateo; and

WHEREAS, in response to the IFB, the JPB received four bids; and

WHEREAS, staff and legal counsel have reviewed the bids and determined that Kingdom Pipelines, Inc., of San Francisco, CA (Kingdom) is the lowest, responsive and responsible bidder; and

WHEREAS, Staff Coordinating Council recommends, and the Executive Director concurs, that a contract be awarded to Kingdom, whose bid meets the requirements of the solicitation documents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to Kingdom Pipelines, Inc. for the Delaware Street Storm Drain Relocation Project for a total amount of \$586,340; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is authorized to execute a contract on behalf of the JPB with Kingdom Pipelines, Inc., in full conformity with all the terms and conditions of the solicitation documents and in a form approved by legal counsel.

Regularly passed and adopted this 1st day of October 2020 by the following
vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

FROM: Jim Harnett Executive Director
Joan Cassman Legal Counsel
Michelle Bouchard Chief Operating Officer
Derek Hansel Chief Financial Officer

SUBJECT: **ADOPTION OF FISCAL YEAR 2021 SECOND QUARTER OPERATING BUDGET AND AMENDMENT OF THE FISCAL YEAR 2021 CAPITAL BUDGET**

ACTION

Staff requests the Board:

1. Adopt a Fiscal Year (FY) 2020-2021 Second Quarter (Q2) Operating Budget of \$35,072,975
2. Adopt an amendment to increase the FY2021 Capital Budget by \$65,035,293 for a new budget of \$84,152,772.

SIGNIFICANCE

In recognition of the uncertainties presented by COVID-19, on June 4, 2020 the Peninsula Corridor Joint Powers Board (JPB) adopted an Interim 1st Quarter Operating Budget and Capital Budget for FY2021, with the understanding that budgets for a full fiscal year would be presented in September. At the September Board of Directors meeting, staff presented an FY2021 Operating Budget of \$87,284,175, including a deficit of \$60,034,656, and an amended FY2021 Capital Budget of \$61,676,772. The Board chose not to adopt the proposed budgets because the proposed Operating Budget was not balanced and the Board was not prepared to place capital funding requirements on the JPB's member agencies at that time. In the Board's discussion, directors asked for and received brief guidance on the legality of the JPB adopting an imbalanced budget. The Board also requested that staff present a balanced 2nd Quarter budget for consideration and approval at the October Board meeting.

Budget Purpose and Balanced Budget Rules

As stated by legal counsel at the September Board meeting, the JPB is not required by "black-letter law" to adopt a balanced budget (e.g., with revenues/use of reserves equal to expenditures). Indeed, state law does not require cities or special districts to adopt balanced budgets or, in some cases, any budgets at all.

For joint powers authorities like the JPB, the enabling legislation allows public agencies to join together under a contract to exercise powers that the agencies share. The law requires that each joint powers agreement identify the member agency whose powers will govern the joint powers agency and establish the scope of and restrictions upon those powers. In Section 5 of the Joint Powers Agreement that formed the JPB, "SamTrans" is identified as that member agency.

As is the case for special districts, the San Mateo County Transit District's enabling legislation requires it to adopt an annual budget, but without any accompanying statutory requirement that such budget is balanced. (Public Utilities Code section 103140). Similarly for VTA, its enabling legislation calls for the adoption of an annual budget without any express requirement that the budget be balanced. (Public Utilities Code section 100071).¹

The JPB's Joint Powers Agreement also requires adoption of annual operating and capital budgets, but does not require the operating budget to be balanced, though any capital program funding gaps "shall be shared equally by the Member Agencies."

Although there is no explicit statutory requirement for the JPB to adopt a balanced budget, public agencies follow best and common policy practices to approve balanced budgets. As stated in Concepts Statement No. 1 of the Governmental Accounting Standards Board (GASB), a public agency's budget is an "expression of public policy and financial intent [that]... provides both authorizations of and limitations on amounts that may be spent for particular purposes." This GASB Statement further opines that balanced budget requirements are expressions of "a common perception that state and local governments need to 'live within their means.'"

Moreover, budgets are essential to address other laws and practical requirements. The following are taken from The California Local Government Finance Almanac²:

- A public agency may not spend public funds without the legal authorization to do so. Among other things, a budget appropriates public funds, thereby providing the legal authorization from the governing body to expend these funds. Appropriation authority can also be conferred by an ordinance or resolution.
- Cal. Government Code Sec 53901 requires each local agency to file its budget with the county auditor within 60 days after the beginning of its fiscal year. If an agency does not have a "formal budget" it must "file a listing of its anticipated

¹ For additional context, there are two examples of state law that specifically require a balanced budget. First, the state legislature is now required to adopt a balanced budget by reason of "The Balanced Budget Act" approved by California's voters as Proposition 58 in 2004. Second, counties are required by Section 29009 of the California Government Code to adopt balanced budgets. More curiously, the enabling statutes of some agencies, such as the Metropolitan Transportation Commission, include no budget requirements at all, leaving all budget policy-making to the local agencies' discretion. As a general rule though, state law is silent on a balanced budget requirement for most other political subdivisions of the state.

² "Are California Cities Required to Have Budgets? No. But...", April 2, 2013, available at <http://www.californiacityfinance.com/CityBudgets.pdf>.

revenues, together with its expenditures and expenses for the fiscal year in progress" which amounts to much the same thing as a budget.

- In order to qualify to receive federal funds, a local agency must comply with the federal Single Audit Act and must retain a Certified Public Accountant to prepare an annual audit of its financial records. Such an audit will require the agency to comply with Generally Accepted Accounting Principles and government accounting and audit standards. That compliance will be very difficult without an adopted budget.

In sum, it is not legally required for the JPB to have a balanced budget, but in light of the foregoing, the JPB should have annual operating and capital budgets.

JPB Budget Mitigation Strategies

COVID-19 has continued to have a challenging impact on the operations and finances of local governments and the public at large. Broadly speaking, the JPB has faced the uncertainties that came with the COVID-19 pandemic head-on, placing a new importance on considering the JPB's financial goals from the perspective of maintaining sufficient liquidity and financial support to maintain operations, even though at a reduced level.

In summary, the goals and challenges addressed through the Q2 budgets are:

- To obtain budget appropriation for the 2nd Quarter of FY2021;
- To add to the JPB's arsenal against COVID-19 an aggressive plan of action to focus on bringing passengers back on the trains by building a higher level of trust with the riding public that Caltrain is ensuring health safety on the trains;
- To continue to recognize that affordable public transportation is vital to equitably supporting economic recovery for the region;
- To maintain a Caltrain schedule that will meet the changing behavior of the riding public during the gradual lift of the State and local SIP orders.

The proposed FY2021 Q2 Operating Budget and amendment to the FY2021 Capital Budget promote Caltrain's ability to be nimble and adapt operations to changing conditions, meet its financial obligations, and set the stage to be ready to meet the challenges for the remainder of the fiscal year.

FY2021 Second Quarter (Q2) Operating Budget Overview

The FY2021 Q2 Operating Budget, outlined below and detailed in Attachment A, cautiously assumes that passengers will start riding again, albeit at a lower level and at a slower rate. Thus, the Q2 budget is built around the operation of a 70-train schedule for the balance of the quarter.

In June, the Board approved the 1st Quarter Interim Operating Budget. The FY2021 budget presented before the Board is a 2nd quarter budget.

On the revenue side, farebox revenue is relying heavily on the Go Pass fare. This budget assumes an increasing monthly recovery rate from pre-COVID-19 ridership levels up to 30% in the January 2021 to June 2021 timeframe. The ridership recovery rate assumptions will be adjusted based on actual monthly trends. For the Q2 budget, the ridership recovery rate was lowered from 10% to 5% based on actual Q1 ridership indicators. The Q2 budget also assumes an annualized reduction of \$0.9 million in the operating funding contributions from the JPB member agencies.

On the expense side, starting in FY2021, Positive Train Control (PTC) will move from a capital project to an operating and maintenance requirement. We will separately calculate the cost of complying with this unfunded federal mandate. Labor cost assumptions continue to include an administrative hiring freeze and no universal wage increase, among others. Furthermore, this budget includes an assumption of stability in fuel costs under the JPB's diesel fuel hedging program.

FY2021 Capital Budget Overview

This period in the evolution of Caltrain demonstrates the resiliency and perseverance of the agency to take important steps towards a future that enables Caltrain to continue to serve as a critical mobility asset for the Peninsula and the broader San Francisco Bay region.

During the FY2020 Shelter In Place (SIP) period, the 42-train schedule increased right of way access and allowed the JPB to perform some critical work relative to rolling stock "state-of-good-repair". In the first quarter of FY2021, with funding from various agencies in flux, the initial FY2021 Capital Budget focused only on projects that will be supported by redirecting available funds from other projects that have been completed under budget, or from other projects that can be postponed.

As the JPB looks ahead to the balance of the fiscal year, the Amendment to the Caltrain Capital Budget, described in this report and set forth in Attachment B, includes additional required capital projects that will be eligible for traditional annual federal, state and local funding.

BUDGET IMPACT

FY2021 Second Quarter Operating Budget Impact

The following narrative describes the FY2021 Q2 Operating Budget as compared to FY2021 Adopted Q1. Each section has a reference to a line item that corresponds to the Financial Statement as shown on attachment A.

Revenue Projections

Total revenues for the second quarter of FY2021 are projected at \$55.3 million, an increase of \$32.4 million or 142.0% higher than the adopted FY2021 Q1 budget.

Revenue from Operations in the second quarter of FY2021 are projected at \$9.7 million, an increase of \$0.5 million or 5.4% higher than the adopted FY2021 Q1 budget.

Revenue from Contributions for the second quarter of FY2021 are projected at \$45.5 million, an increase of \$31.9 million or 234.9% higher than the adopted FY2021 Q1 budget.

Operating Revenue

Line 1 **Farebox Revenue:** \$8.4 million, an increase of \$0.4 million or 4.8% higher than the FY2021 Q1 budget.

Farebox revenue includes fare receipts collected directly from rail passengers or through pass sales. Go Passes purchased generally are valid for a 12-month period and thus cuts across two fiscal years. Go Pass revenues average \$2.5 million a month.

At the June 2020 Board meeting, the Board approved the extension of the Go Pass for up to three months ending March 2021. The impact of this action reflects a loss of approximately \$7.5 million in FY2020 Farebox revenues. The proposed FY2021 Q2 budget assumes no further reductions in Calendar Year 2020 Go Pass revenues.

Based on the actual Q1 ridership indicators, the proposed FY2021 Q2 budget ridership recovery rate was lowered.

Line 2 **Parking Revenue:** \$126,782 reflects no changes over the FY2021 Q1 budget.

Parking revenue includes fees at parking lots at various passenger stations and from a parking lot located at the SAP Center adjacent to the San Jose Diridon station. Parking revenues directly follow the movements in ridership levels. The proposed FY2021 assumes same levels as the adopted Q1 budget.

Line 3 **Shuttle Revenue:** \$0.6 million, an increase of \$0.2 million or 50.7% higher than the FY2021 Q1 budget.

The Shuttle Program funding comes from participating employers, the San Mateo County Transportation Authority (TA), Bay Area Air Quality Management District (BAAQMD) and by JPB operating funds. This line item refers only to the revenue generated from participating local area employers who provide rail passengers the last-mile connections between Caltrain stations and work sites. In recent years, the traditional funding sources for the shuttle program have continued to decline, necessitating additional member and agency funding.

Line 4 **Rental Income:** \$220,426, a decrease of \$122,600 or 35.7% lower than the FY2021 Q1 budget.

Rental income generated from Caltrain right of way properties. In FY2021, the

estimate does not include rental from bike lockers. Staff is also monitoring and working with lessors on a month-to-month basis.

Line 5 **Other Income:** \$430,620, an increase of \$48,483 or 12.7% higher than the FY2021 Q1 budget.

Other Income consists of interest on invested funds, shared track usage maintenance fees, advertising income, parking citation fees, and permit fees. Advertising income includes income from train wraps, stations, ad cards, and digital displays. The FY2021 advertising income estimate is based on contractual minimum annual guarantees and additional sales albeit lower than the prior years. The income from shared track maintenance is based on an agreement with the Union Pacific Railroad (UPRR) which provides for a fixed annual fee and a variable fee based on track usage.

Operating Contributions

Line 9 **AB434 & TA Shuttle Funding:** \$435,549, an increase of \$4,249 or 1.0% higher than the FY2021 Q1 budget.

As addressed above, the JPB shuttle program has multiple funding streams. Contributions for the service come from State and local sources. In 1991, through Assembly Bill (A.B.) 434, the State Legislature authorized a \$4 surcharge on cars and trucks to fund projects that reduce on-road motor vehicle emissions. A.B. 434 revenues provide partial funding for the JPB shuttle program through a competitive grant process managed by BAAQMD. The TA also funds shuttle services with revenues of the Measure A San Mateo County-wide sales tax.

Line 10 **Operating Grants:** \$1.2 million, an increase of \$82,250 or 7.2% higher than the FY2021 Q1 budget.

This increase reflects the additional award from the Federal Railroad Administration received in Q2. This budget also reflects the agreement of Santa Clara Valley Transportation Authority (VTA) and the Metropolitan Transportation Commission (MTC) to allow the swap of VTA SOGR funds for preventive maintenance grant funds, for VTA to meet its member obligation.

State Transit Assistance (STA) revenue comes from the statewide sales tax on diesel fuel and is allocated to the region's transit operators by formula. The formula allocates funds based on population, the amount of passenger fares and local support revenues collected by transit operators. The State sends out projections assuming a growth rate and adjusts these throughout the year.

For FY2021, the MTC revised its STA estimates downwards as sales tax declined and as diesel fuel prices weakened. The MTC then further lowered the FY2021 estimates due to COVID-19. The FY2021 Q2 budget reflects the most recent MTC estimates.

STA funds are flexible for both operating and capital expenditures. Unlike prior years,

the FY2021 STA funds will support only the operating budget. The FY2021 Q2 budget also reflects the funding agreement with the Federal Railroad Administration (FRA) for \$48,500 in its Railroad Trespassing Enforcement Grant program.

Line 11 **JPB Member Agencies:** \$5.6 million, a decrease of \$6.4 million or 53.4% lower than the FY2021 Q1 budget.

The FY2021 Q1 budget included an annual lump sum insurance costs and a reduction in member agency contributions by \$0.9 million. In FY2020 member agency annual obligations were \$29.9 million. In FY2021, the members aggregate contributions are reduced to \$29.0 million.

The JPB has three member agencies: the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara Valley Transportation Authority. Contributions from the JPB's member agencies estimates are in accordance with an allocation methodology based on the average mid-weekday boarding data (including at Gilroy) and subsequently adjusted for FY2020 to reflect passenger data collected in FY202019. Furthermore, for FY2021, the member contribution from Santa Clara Valley Transportation Authority (VTA) will be partially covered by an operating grant for \$200,000; this is reflected in the Operating Grants budget starting in Q2.

Line 12 **CARES Act Funding:** \$38.3 million covers the projected cumulative deficit of FY2021 Q1 and Q2 budgets.

The CARES Act Funding is the Coronavirus Aid, Relief and Economic Security Act provided by the federal government to transit agencies to recoup some of the losses resulting from lower ridership. A total of \$41.5 million of this fund has been allocated in FY2021, of which \$38.3 million will be applied to recover the Q1 and Q2 budget deficits.

Expense Projections

Grand Total Expenses for the second quarter of FY2021 is projected at \$35.1 million, a decrease of \$7.9 million or 18.4% lower than the adopted FY2021 Q1 budget.

Operating Expenses for the second quarter of FY2021 is projected at \$28.4 million, a decrease of \$8.2 million or 22.3% lower than the adopted FY2021 Q1 budget.

Administrative Expense for the second quarter of FY2021 is projected at \$6.1 million, an increase of \$0.2 million or 4.1% higher than the adopted FY2021 Q1 budget.

Operating Expenses

Line 22 **Rail Operator Service:** \$21.5 million, a 13.6% decrease or \$3.4 million lower than the FY2021 Q1 budget

The JPB contracts out for rail operator service. The current operator contract is with TransitAmerica Services, Inc. (TASI). The TASI contract was awarded on September 1st, 2011, for a five-year term and was set to expire on June 30, 2017, with an option to extend for up to five additional years. On February 2nd, 2017, the Board approved an amendment to exercise the five one-year options and extend the contract through June 30th, 2022.

TASI provides rail operations, maintenance and support services in the following areas: Administration/Safety; Operations and Dispatch; Maintenance of Equipment, maintenance of Track, Communications, Signals and Stations; Capital Construction Support and State of Good Repair (SOGR) maintenance. TASI is paid on a cost plus performance fee contract structure.

As the pandemic unfolded in FY2020, JPB and TASI worked collaboratively to mitigate costs by performing the following:

- issuing a hiring freeze,
- shifting staff from traditional operations maintenance to support the State of Good Repair Program and the Capital Improvement Program,
- reducing overtime
- reducing labor overhead

The FY2021 Q1 budget assumes a 92 weekday train service schedule. At the time of adoption, the full annual budget for TASI was \$99.4 million, of which was \$24.9 million.

Since then, the annual budget for Rail Operations was reduced to \$89.3M, based on the revised reduction of weekday train service in FY2021. This \$10 million reduction are primarily due to several factors:

- Weekday train service was reduced from 92 weekday trains per day to 70 trains per day.
- Reduction in budgeted overtime due to revised weekday train service schedule.
- Elimination of Special Services for sporting and concert events.
- Reduction of maintenance services corresponding with a reduction of train service.

The FY2021 Q2 is based on the revised annual budget of \$89.3M. In accounting for the budget adopted in Q1 of \$24.9M, the projection for the remainder of FY2021 is \$64.4 million. Only \$21.5 million is proposed to be adopted at this time.

Line 23 **Security Services:** \$1.7 million, a decrease of \$25,000 or 1.5% lower than the FY2021 Q1 budget.

Security services are provided through a law enforcement contract and a communications services contract with the San Mateo County Sheriff's Office (SMCSO), and a security guard contract. The SMCSO contract supports Rail operations.

The FY2021 Q2 budget assumes savings for not holding special events such as the SF Giants, SF 49ers, SJ Sharks, among others.

Line 24 **Shuttles:** \$1.1 million, an increase of \$0.4 million or 61.5% higher than the FY2021 Q1 budget.

The Shuttle program provides last-mile connections for Caltrain passengers. The FY2021 Q2 budget assumes a minimum service schedule option. There were four routes eliminated in FY2020; this will continue in FY2021. In FY2021, the cost of the shuttle contract will likely increase as new rates will be negotiated.

Line 25 **Fuel and Lubricants:** \$1.4 million, a decrease of \$0.2 million or 13.5% lower than the FY2021 Q1 budget.

The Q1 budget was based on a fuel price of \$1.20 per gallon and a fuel usage based on a 92 train schedule. On the other hand, the Q2 budget assumes a higher \$1.30 per gallon price applied to a lower fuel usage based on a 70 train schedule. Net change is a lower Q2 budget.

The FY2021 Q2 budget covers the cost of a diesel fuel for JPB locomotive operations, including the associated taxes. Caltrain has entered into a diesel fuel-hedging program that will help manage the exposure to changes in diesel fuel prices.

Line 26 **Timetables and Tickets:** \$29,166, an increase of \$6,666 or 29.6% higher than the FY2021 Q1 budget.

Timetables and Tickets includes the cost of designing, updating and printing of time tables, schedules, maps and the Caltrain tickets.

Line 27 **Insurance:** \$0.1 million, a decrease of \$5.0 million or 98.0% lower than the FY2021 Q1 budget.

The Q1 budget includes the premiums that are required to be paid in July.

The Insurance budget includes premiums, deductibles, adjuster fees, broker fees and other insurance costs. Rates reflect costs for property, casualty, and liability insurance.

The FY2021 Q1 and Q2 budgets reflect the cost of the recently negotiated insurance contract adjusted with the impact of changes in ridership.

The market condition in the industry predates pre-COVID-19-19. This was a market hardened by huge losses, global events and a litigious environment in the rail industry. Liability insurance cost went up as fewer insurers opted to continue to operate in the

industry and existing carriers reduced their exposures.

Line 28 **Claims, Reserves and Payments:** \$240,687, an increase of \$2,739 or 1.2% higher than the FY2021 Q1 budget

This budget item covers the cost of claims, reserves and payments, and the associated legal fees.

Line 29 **Facilities and Equipment Maintenance:** \$1.2 million, an increase of \$66,348 or 5.8% higher than the FY2021 Q1 budget.

This budget item covers expenses related to Clipper Operator charges, revenue collection services, ticket vending machines, data line services and other contract services. The FY2021 Q1 and Q2 budget includes additional PTC maintenance cost of \$3.2 million and reflects a \$1.0 million decrease in Clipper usage charges.

Line 30 **Utilities:** \$685,904, an increase of \$12,229 or 1.8% higher than the FY2021 Q1 budget.

This line covers the cost of gas & electric, telephone, water, trash & sewer. The budget also includes utility costs of PTC maintenance such as circuits, radio license fees and spectrum lease.

Line 31 **Maintenance & Services – Building and Other:** \$383,618, a decrease of \$47,255 or 11.0% lower than the FY2021 Q1 budget.

This item covers the cost of building maintenance services, printing and information services, and repair and maintenance of computers and office equipment.

Administrative Expenses

Line 35 **Wages & Benefits:** \$2.5 million, a decrease of \$0.8 million or 22.9% lower than the FY2021 Q1 budget.

The Q1 budget was higher as it included the lump sum payment for CalPers and retiree medical contributions required to be paid in July.

The FY2021 Q2 budget includes existing positions, no new full time employee positions (also referred to herein as "FTEs"), an administrative staff hiring freeze, a lower benefits rate, no universal wage increase, and lower agency allocations to the retiree medical and OPEB plans.

Below are the FTEs for each division funded by operating funds and by capital funds.

FY2021 FTE - Operating	Finance	Planning	Executive	Comm	Admin	Bus	Rail	Calmod	Total
Represented	-	-	-	5.8	-	5.0	-	-	10.80
Non-Represented	6.2	2.8	0.5	12.6	7.1	4.9	34.2	0.1	68.25
New FTEs	-	-	-	-	-	-	-	-	-
Total Operating	6.2	2.8	0.5	18.4	7.1	9.9	34.2	0.1	79.1

FY2021 FTE - Capital	Finance	Planning	Executive	Comm	Admin	Bus	Rail	Calmod	Total
Represented	-	-	-	-	-	-	-	-	-
Non-Represented	12.7	5.3	0.5	-	1.8	-	51.1	8.9	80.30
New FTEs	-	-	-	-	-	-	-	-	-
Total Capital	12.7	5.3	0.5	-	1.8	-	51.1	8.9	80.3

Line 36 **Managing Agency Admin OH Cost:** \$1.3 million, an increase of \$20,644 or 1.6% higher than the FY2021 Q1 budget.

Managing Agency Administrative Overhead (OH) Cost reflects the cost of San Mateo County Transit District (District) personnel dedicated to the Caltrain business (as opposed to Caltrain operations). The Proposed budget assumes an increase of 1.2% over the FY2020 Forecast. This FY2021 estimate will be revised further pending results of the current study of the Internal Cost Allocation Plan (ICAP).

The ICAP calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects. The District procured the assistance of an outside consulting firm to develop a methodology that equitably allocates the costs incurred by the District for services and functions shared by the different agencies administered by District staff. The consultant team was selected for its experience and knowledge in developing allocation methodologies for governmental and public entities.

The ICAP is prepared in accordance with the principles and guidelines set forth in the Office of Management and Budget (OMB) Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments" and ASMB C-10 "Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government."

The ICAP calculates two components:

- Agency Indirect Administration (AIA) – a pool of costs that cannot be directly attributed to a specific agency.

This consists of labor and non-labor support functions that benefit each of the three agencies managed by the District as well as a fourth agency, the San Mateo County Express Lanes Joint Powers Agency (SMCELJPA) supported by the District beginning in FY 2020. Examples include the time charged by the Payroll Department to process the biweekly payroll or the time charged by the Human Resource Department to post recruitments on industry websites. Based on specific statistics, these costs distributed to each department are. For example, the payroll department costs are distributed to each department based on the number of FTEs. The District incurs all of the AIA costs and then recovers appropriate shares of the costs from the District's Operating and Capital budgets, the JPB Operating

and Capital budgets, the TA budget and the SMCELJPA budget.

- Capital Overhead – a pool of project support costs that cannot be directly attributed to a specific capital project.

A capital overhead rate is calculated for each agency. An example of a capital overhead cost would be the time charged by an administrative assistant who supports multiple capital project engineers. The capital overhead costs are tracked and included in the ICAP rate and is charged to each capital project.

Line 37 **Board of Directors:** \$0, a decrease of \$11,025 or 100.0% lower than the FY2021 Q1 budget.

The first quarter budget reflects the annual budget for this expense line.

This covers director compensation, seminars and training, and meetings for the Board of Directors. Cost decreases result from diminished conference attendance.

Line 38 **Professional Services:** \$1.6 million, an increase of \$0.9 million or 145.9% higher than the FY2021 Q1 budget.

The Q1 budget was extremely conservative. The Q2 budget reflects a more realistic estimate of needs for Q2.

This covers the cost of consultants for legal services, audit services, and legislative advocacy and technical services. The professional services also include additional operating maintenance of PTC related to rail friction, electronic recording, measuring, and communications systems and communications data security.

Line 39 **Communications and Marketing:** \$20,208, a decrease of \$55,167 or 73.2% lower than the FY2021 Q1 budget.

The FY2021 Q1 and Q2 budget reflects the suspension of special celebrations and promotional advertising for sporting events during the pandemic.

This covers the cost of promotional advertising for fares, schedule changes and the cost of providing the riding public with a mobile app.

Line 40 **Other Office Expense and Services:** \$673,201, an increase of \$103,122 or 18.1% higher than the FY2021 Q1 budget.

The Q1 budget included only the software maintenance costs that needed to be paid in July. The Q2 budget includes all other costs to be covered for the rest of the year.

This covers license renewal, bank fees, office vehicle maintenance, property taxes,

software maintenance, and leases for properties along the Right of Way (ROW) in support of commuter services. The ROW leases include critical facilities for radio transmission antennas and real estate for storage of train equipment and spare parts.

Line 43 **Long Term Debt Expense:** \$0.6 million reflects no change over the FY2021 Q1 budget

This covers the cost and principal retirement of debt incurred for the acquisition and rehabilitation of passenger rail cars, for the acquisition of real property, and for maintenance of a revolving line of credit.

In February 2019, the JPB refunded bonds issued in 2007 and 2015 to achieve interest savings and restructure debt, and issued additional bonds to purchase two pieces of real property previously leased by the JPB.

FY2021 Capital Budget Impact

The initial FY2021 Capital budget approved by the Board in June for a total of \$19.1 million included only those capital projects that had available funding, but required Board-approved budget authority to incur the expenditures.

The amendment to the FY2021 capital budget is an increase of \$65.0 million and includes urgent projects eligible for the anticipated annual FY2021 Federal, State and Member Agency funds. This brings the total FY2021 Capital budget to \$84.2 million.

The Projects included in the Amendment 1 as reflected in Attachment B, are as follows:

STATE OF GOOD REPAIR (SOGR – \$30,968,825

RIGHT OF WAY - \$11,205,000

1. Fencing – Request: \$585,000 (additional)
Continue to install vandal-resistant fencing at key locations along the PCJPB main line rail corridor to deter trespassing. This contract will terminate end of November 2020.
2. Guadalupe River Bridge Replacement – Request: \$2,100,000
Replace the Guadalupe River Bridge in San Jose, damaged by weather and arson.

3. San Francisquito Creek Bridge Replacement – Request: \$2,000,000
In FY2021, this project moves to the construction phase for the replacement of this 118-year-old bridge, with a modern railway bridge with a 100-year design life.

4. Structures Maintenance SOGR – Request: \$800,000
This includes minimum maintenance repair to restore the structural integrity to a fair condition, increase the safety, security, and the useful life of the assets.

The inspection rated structures in poor conditions, suffering from deterioration and corrosion as well as poor workmanship from the original construction. Structures Maintenance SOGR FY2021 will enhance operation safety, worker, and public safety.

5. System-wide Track Rehab SOGR FY202020-FY202024 – Request: \$5,720,000
Continue the work required to keep the Caltrain railroad in a state of good repair, including rehabilitation of track and other purchased services. Replace track components, wedging, surfacing and selected minor bridge repairs.

SIGNAL AND COMMUNICATION - \$5,000,000

6. Caltrain Communication System SOGR – Request: \$2,000,000
This is a yearly evaluation and implementation of projects for the overall railroad communications system to keep assets current. Evaluates replacements prior to end of life or vendor support. This includes all voice and data radio systems, microwave systems, leased landlines and the data communications system.

7. Rail Network SOGR – Request: \$500,000
Upgrade internet service and equipment as necessary to support secure vendor Virtual Private Network (VPN) access, remote monitoring of PTC environment, and communications with external clients such as 511.org. Furthermore, this upgrade will be able to handle higher bandwidth and current equipment including firewalls and routers have reached the end of their technology life cycle.

8. TVM Upgrade Phase 4 – Request: \$1,000,000
The project will continue the upgrade of the Ticket Vending Machines (TVMs) to include Clipper functionalities and upgrade old, obsolete parts in the TVMs. The new upgraded TVMs will be able to dispense new Clipper cards and add value or products to existing Clipper cards. The upgraded TVMs will also have a new touchscreen display screen, printer, bill acceptor and new software.

The previous phases upgraded 34 TVMs. Phase 4 will upgrade an additional 25 TVMs. After Phase 4, there will be 29 TVMs at the stations still needing an upgrade.

9. Clipper CID Installation & Relocation Plan & Construction – Request: \$1,000,000
This project will relocate and install new Clipper Card Interface Devices (CIDs) at key passenger stations at more accessible locations for passengers getting in and out of train stations. The improved flow will allow Caltrain to move more of its customers onto the Clipper system, and away from less-efficient and less-effective payment systems. This will also maximize touchless fare payments.

10. BCCF Buildout Assessment – Request: \$500,000
This project will evaluate the areas of the Backup Communications Control Facility (BCCF) that are partially developed and to assess build-out for occupancy as well as for inventory of the building materials on site from the previous contractor and to develop options and plans for additional working, meeting, and storage space.

ROLLING STOCK - \$12,663,825

11. Bombardier Cars FY2021 – Request: \$1,663,825
Implement scheduled maintenance for FY2021. These include mid-life overhauls, replacing cables, seats, batteries, cab refurbishment, and heating ventilation air condition (HVAC) system.

12. Upper Doors Installation – Request: \$11,000,000
This is a placeholder project for the future reinstallation of the upper level doors in the event that these are required in the Electrical Multiple Units, as requested by the funding partners of the electrification program's Change Management Board.

STATION AND INTER-MODAL ACCESS - \$2,100,000

13. Stations SOGR FY202020-FY202024 – Request: \$1,000,000
Repair and replace several passenger station amenities. These include Passenger Needing Assistance (PNA) shelters, Information Display Cases (IDC), benches and trashcans. The pedestrian tunnel in San Jose needs repainting since a fire three years ago, and epoxy coating applied on all of the ramps that feed into the San Jose pedestrian tunnel. These continued activities maintain these facilities to a state of good repair.

14. CCF Crew Quarters Roof Replacement & Trailer – Request: \$1,000,000
The Crew quarters are made up of a series of single and doublewide trailers in the parking lot of Centralized Control Facility (CCF) in San Jose across from Centralized Equipment Maintenance & Operations Facility (CEMOF). These include used trailers to support the crews that operate the passenger service. The roofs on these trailers are failing and will need replacements. The floorings and sidings of these trailers will need repairs to maintain these facilities to a state of good repair.
15. Menlo Park Facility 4000 Campbell Avenue HVAC – Request: \$100,000
This is a newly acquired property. The HVAC units on the roof are not functioning efficiently and needs to be replaced/upgraded.

LEGAL MANDATES AND REQUIRED ENHANCEMENTS - \$1,500,000

16. Clipper Next Gen Validators Site Prep – Request: \$1,500,000
Design and install 360 new Next Generation Clipper Validators at stations to prepare for the regional transition to the new Clipper system mandated by MTC. Compliance due date is June 20, 2021.

OPERATIONAL IMPROVEMENTS / ENHANCEMENTS - \$24,428,000

17. Wayside Bike Parking Improvements – Request: \$1,040,000 (additional)
The project will replace existing keyed bicycle lockers with new, on demand electronic lockers. The existing lockers, which are assigned to individual users, are nearing the end of their useful lives. These are being replaced with 520 first come, first served electronic lockers that will better serve Caltrain customers with bikes. Operations and maintenance responsibilities will shift from TASI to the vendor, saving the agency approximately \$100 per space annually. Lockers will be located throughout the corridor.
18. Grade Crossing Hazard Analysis Data Collection – Request: \$200,000
The project will collect data at the Caltrain grade crossings for the Grade Crossing Hazard Analysis. Video data will then determine the risks at each grade crossing. Data will include traffic counts, near misses and driver behavior. The last video data collection was in 2015 and new data is required to update the Grade Crossing Hazard Analysis Report.
19. Grade Crossing Safety Improvements Design FY2021 – Request: 500,000
Identify the highest priority grade crossings in a Grade Crossing Hazard Analysis Report. Subsequently a design developed for these grade crossings will improve safety as recommended by the Hazard Analysis Report. There are still

crossings that have safety risks such as having no median to prevent drivers from driving around a lowered gate arm.

20. EAM – Enterprise Asset Management Software – Request: \$750,000

Develop a Request for Proposals (RFP) to solicit and procure a base EAM system. Core capabilities include asset registry, asset condition and assessment, work request, work planning and management, warranty management, materials management, planning and budgeting, and management reporting.

Asset information is currently stored in various disparate systems and some by the Rail Contract Operator (TASI). The industry best practice is to centralize asset data within a single EAM system to maintain data consistency and analysis. Implementation of an EAM system is in accordance with Transit Asset Management (TAM) Plan of Caltrain.

The EAM system is required to enable Caltrain and the other agencies to maintain its assets in a database. This will allow responsible personnel to write work orders against assets for the performance of maintenance and the state of good repair projects; to maintain a parts inventory; to assign labor to perform maintenance activities, as well as to perform other asset management functions. The EAM will also be required to support Operations and Maintenance of the Electrification system.

21. Update and Upgrade GIS System – Request: \$500,000

The updated Geographic Information System (GIS) system will provide a graphical user interface for information and data stored in the Enterprise Asset Management system as well as AutoCAD. This system will facilitate capturing utility location information, asset locations, real estate easements and parcels; it will support operations.

Both the EAM and GIS systems are required for proper operations and maintenance, and for the organization to start moving towards an excellent model.

22. San Mateo Grade Crossing Improvements Design – Request: \$1,600,000

Design safety improvements at the 4th Ave and 5th Ave grade crossings in San Mateo to include quad gates to prevent drivers from driving around a down gate arm and over the tracks when a train is approaching. These needed safety improvements were jointly agreed upon during a field diagnostic meeting between JPB, the City of San Mateo, California Public Utility Commission, and Caltrans as part of the Section 130 Program.

23. **Broadway Burlingame Grade Separation – Request: \$19,838,000**
Complete the design phase of the grade separation of Broadway. This project will include the following:
- o environmental permitting process,
 - o the reconstruction of the Broadway Caltrain station to meet current standards,
 - o the relocation and reconfiguration of parking from the west to the east side of the track,
 - o a new pedestrian and bicycle access crossing in proximity to Carmelita Avenue and the grade separation of an existing at-grade pedestrian and bicycle access at Morrell Avenue that is within close proximity to the existing crossing.

This project will significantly improve safety, local mobility, and operational flexibility of the railroad. Project has highest rank in California Public Utility Commission Grade Separation Priority List. This project is primarily funded by the San Mateo County Transportation Authority and with \$1.5 million funded the City of Burlingame.

PLANNING/STUDIES - \$8,138,468

24. **Capital Planning (CIP) – Request: \$1,250,000,**
Further CIP development, infrastructure analysis to support the Caltrain Business Plan service vision and planning of station modifications, overtake tracks, site planning of facilities, planning support for ongoing grade separation projects and evolving engineering and construction guidelines.
25. **San Francisco Station and Terminal Planning – Request: \$1,000,000**
Study conceptual activities related to the layout and operation of the Caltrain terminal and station facilities between Salesforce Transit Center & 22nd Street, with particular focus on outcomes and connecting to the existing rail yard and station at 4th & King.
26. **Diridon and South Terminal Area – Request: \$1,000,000**
Continue work with agency partners and the California High Speed Rail Authority to further develop and refine the vision for a future Diridon Station. Undertake additional work in partnership with the City of San Jose to examine rail and storage needs and operations through the South Terminal Area.
27. **Rail Network and Operations Planning – Request: \$1,250,000**
Further near-term planning based on the Caltrain Business Plan service vision; selection and development of a long-term service vision operating plan; fleet planning; systems planning; level boarding analysis, and maintenance planning.

28. Redwood City Station Planning – Request: \$750,000
Develop a Memorandum of Understanding with City of Redwood City and other stakeholders to establish the broad terms of a collaborative planning process for the Redwood City area between Whipple and Redwood Junction. The goal is to develop a conceptual station plan to accommodate future Caltrain service levels, which will include grade separations/closures, private development of a Transit Oriented Development and a connection with Dumbarton rail service.

29. Caltrain Downtown Rail Extension (DTX) – Request: \$60,000
Continue to develop Downtown Rail Extension as part of the San Francisco Peninsula Rail Program Memorandum of Understanding. Caltrain has committed to actively participate in a wide range of activities to promote successful delivery of this project.

30. System-wide Planning, Policy & Org Design – Request: \$1,168,468
Include development of interagency agreements on planning and organizational design to support the Caltrain Business Plan findings, and updates to modeling and tools.

31. Capital Contingency Funds - Engineering – Request: \$330,000
Support unforeseen capital expenditures related to the delivery of capital projects/programs.

32. Capital Contingency Funds - Rail – Request: \$660,000
Support unforeseen capital needs related to rail operations.

33. Capital Program Development – Request: \$335,000
Support unforeseen capital planning needs.

34. Capital Project Development – Request: \$335,000
Implement planning and engineering study activities.

Prepared by:

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Melanie Hartanto	Senior Budget Analyst	
Cleo Liao	Senior Budget Analyst	

RESOLUTION NO. 2020-

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

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**ADOPTING FISCAL YEAR 2021 2nd QUARTER OPERATING BUDGET IN THE AMOUNT
OF \$35,072,975 AND AMENDING TO INCREASE THE FISCAL YEAR 2021 CAPITAL
BUDGET BY \$65,035,293 FOR A NEW TOTAL BUDGET OF \$84,154,772**

WHEREAS, the Joint Powers Agreement of the Peninsula Corridor Joint Powers Board (JPB) requires the Board of Directors (Board) to approve annual operating and capital budgets; and

WHEREAS, the adoption of an operating budget is necessary for obtaining both Federal and State funds to support the Peninsula Commute Service operation known as Caltrain; and

WHEREAS, the adoption of a capital budget complements the JPB's strategic planning process; and

WHEREAS, on June 4, 2020, pursuant to Resolution 2020-29 and in recognition of the economic instability created by the COVID-19 global pandemic, the Board adopted an Interim, First Quarter Fiscal Year 2021 (FY 2021) Operating Budget in the amount of \$42,989,267, and a FY2021 Capital Budget in the amount of \$19,119,479, with the understanding that budgets for the full year would be presented for future Board consideration and adoption; and

WHEREAS, the Executive Director and the Staff Coordinating Council recommend that the Board adopt the Fiscal Year (FY) 2021 2nd Quarter Operating Budget shown as Attachment A, and the Amended FY2021 Capital Budget shown as Attachment B; and

WHEREAS, the local match funding component of the FY2021 Capital Budget is \$18.0 million, requiring a capital investment of \$6.0 million from each of the JPB's three member agencies; and

WHEREAS, the City and County of San Francisco will provide its \$6.0 million FY2021 capital investment from Proposition K funds through the San Francisco County Transportation Authority; and

WHEREAS, San Mateo County will provide its \$6.0 million FY2021 capital investment through the San Mateo County Transportation Authority; and

WHEREAS, Santa Clara County Valley Transportation Authority will provide its \$6.0 million FY2021 capital investment itself, using local and Measure B funds; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the FY2021 2nd Quarter Operating Budget, a copy of which is attached hereto and incorporated herein as Attachment A, in the amount of \$35,072,975.

BE IT FURTHER RESOLVED that the Board amends to increase the FY2021 Capital Budget by \$65,035,293, for a new total budget of \$84,154,772, attached hereto and incorporated herein as Attachment B, with the understanding that the three JPB member agencies will each contribute \$6.0 million to meet their FY2021 capital investment commitments; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is requested to forward a copy of the FY2021 2nd Quarter Operating Budget and Amended FY2021 Capital Budget to the JPB member agencies at the earliest practicable date; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director, or his designee, to take such additional actions as may be necessary to give effect to this

resolution including executing funding agreements, amendments, and submitting required documents to granting agencies to receive the funding identified in the Capital Budget.

Regularly passed and adopted this 1st day of October, 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD
Proposed FY2021 2nd Quarter Budget

	FY21 Q1 Adopted	FY21 Q2 Proposed	\$ CHANGE FY21 Q2 vs FY21 Q1	% CHANGE FY21 Q2 vs FY21 Q1		
	A	B	C = B - A	D = C / A		
REVENUE						
OPERATIONS:						
1	Farebox Revenue	8,015,496	8,400,000	384,504	4.8%	1
2	Parking Revenue	126,782	126,782	-	0.0%	2
3	Shuttles	368,000	554,415	186,415	50.7%	3
4	Rental Income	343,026	220,426	(122,600)	-35.7%	4
5	Other Income	382,137	430,620	48,483	12.7%	5
6	TOTAL OPERATING REVENUE	9,235,441	9,732,243	496,802	5.4%	6
7						7
8	CONTRIBUTIONS:					8
9	AB434 & TA Shuttle Funding	431,300	435,549	4,249	1.0%	9
10	Operating Grants	1,135,439	1,217,689	82,250	7.2%	10
11	JPB Member Agencies	12,020,136	5,596,433	(6,423,703)	-53.4%	11
12	CARES Act Funding		38,258,012	38,258,012		12
13	TOTAL CONTRIBUTED REVENUE	13,586,875	45,507,683	31,920,808	234.9%	13
14						14
15						15
16	GRAND TOTAL REVENUE	22,822,316	55,239,926	32,417,610	142.0%	16
17						17
18						18
19	EXPENSE					19
20						20
21	OPERATING EXPENSE:					21
22	Rail Operator Service	24,850,000	21,469,462	(3,380,538)	-13.6%	22
23	Security Services	1,705,477	1,680,477	(25,000)	-1.5%	23
24	Shuttle Service	694,000	1,121,082	427,082	61.5%	24
25	Fuel and Lubricants	1,650,270	1,426,749	(223,521)	-13.5%	25
26	Timetables and Tickets	22,500	29,166	6,666	29.6%	26
27	Insurance	5,100,000	103,333	(4,996,667)	-98.0%	27
28	Claims, Reserves, and Payments	237,948	240,687	2,739	1.2%	28
29	Facilities and Equipment Maint	1,153,630	1,219,978	66,348	5.8%	29
30	Utilities	673,675	685,904	12,229	1.8%	30
31	Maint & Services-Bldg & Other	430,873	383,618	(47,255)	-11.0%	31
32	TOTAL OPERATING EXPENSE	36,518,373	28,360,456	(8,157,917)	-22.3%	32
33						33
34	ADMINISTRATIVE EXPENSE					34
35	Wages and Benefits	3,299,828	2,543,391	(756,437)	-22.9%	35
36	Managing Agency Admin OH Cost	1,274,516	1,295,160	20,644	1.6%	36
37	Board of Directors	11,025	-	(11,025)	-100.0%	37
38	Professional Services	644,633	1,585,122	940,489	145.9%	38
39	Communications and Marketing	75,375	20,208	(55,167)	-73.2%	39
40	Other Office Expense and Services	570,079	673,201	103,122	18.1%	40
41	TOTAL ADMINISTRATIVE EXPENSE	5,875,456	6,117,082	241,626	4.1%	41
42						42
43	Long-term Debt Expense	595,438	595,437	(1)	0.0%	43
44						44
45	GRAND TOTAL EXPENSE	42,989,267	35,072,975	(7,916,292)	-18.4%	45
46						46
47						47
48	PROJECTED SURPLUS / (DEFICIT)	(20,166,951)	20,166,951	40,333,902	-200.0%	48



FY2020-2021 CAPITAL BUDGET

Item #	PROJECT NAME	Project Sponsor	PRIOR YEARS APPROVED	FY21 ADOPTED JUNE BOARD	AMENDMENT #1	PROPOSED FY21 CAPITAL BUDGET	Federal Funds	State Funds	STA SOGR Funds	Members			Member Funds Total	Other						Other Funds Total	TOTAL PROPOSED FY21 CAPITAL BUDGET
										SF	SM	VTA		Project Savings	AB664	SF Prop K other	Regional Funds	San Mateo County Transportation Authority	Other		
i. SOGR																					
Right of Way																					
1	Marin Street and Napoleon Street Bridges ¹	J Sharma	6,704,000	9,696,000	-	9,696,000	4,965,021	-	1,350,915	-	-	-	-	2,740,064	640,000	-	-	-	-	3,380,064	9,696,000
2	Fencing - ROW	R Scarpino	-	915,000	585,000	1,500,000	-	915,000	-	250,000	335,000	585,000	-	-	-	-	-	-	-	-	1,500,000
8	Guadalupe River Bridge Replacement	P Kwan	10,300,000	-	2,100,000	2,100,000	1,680,000	-	-	227,500	192,500	420,000	-	-	-	-	-	-	-	-	2,100,000
9	San Francisco Creek Bridge Replacement	A Piana	600,000	-	2,000,000	2,000,000	1,600,000	-	-	227,500	172,500	400,000	-	-	-	-	-	-	-	-	2,000,000
10	Structures Maintenance SOGR	R Scarpino	800,000	-	800,000	800,000	640,000	-	-	160,000	-	160,000	-	-	-	-	-	-	-	-	800,000
11	System-wide Track Rehab- SOGR	E Stockmeir	5,500,000	-	5,720,000	5,720,000	4,576,000	-	-	1,144,000	-	1,144,000	-	-	-	-	-	-	-	-	5,720,000
				10,611,000	11,205,000	21,816,000	13,461,021	915,000	1,350,915	1,759,000	250,000	700,000	2,709,000	2,740,064	640,000	-	-	-	-	3,380,064	21,816,000
Signal & Communication																					
3	Fiber Optic Corrective Repair ²	M Scanlon	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	1,000,000
12	Caltrain Communication System SOGR	M Scanlon	-	-	2,000,000	2,000,000	1,600,000	-	-	-	400,000	400,000	-	-	-	-	-	-	-	-	2,000,000
13	Rail Network SOGR	M Scanlon	-	-	500,000	500,000	400,000	-	-	-	100,000	100,000	-	-	-	-	-	-	-	-	500,000
14	TVM Upgrade Phase 4	R Tam / J Navarro	1,795,000	-	1,000,000	1,000,000	800,000	-	-	-	200,000	200,000	-	-	-	-	-	-	-	-	1,000,000
15	Clipper CID installation and Relocation Plan and Construction	H Chan	500,000	-	1,000,000	1,000,000	800,000	-	-	-	200,000	200,000	-	-	-	-	-	-	-	-	1,000,000
20	BCCF Buildout Assessment	M Scanlon	-	-	500,000	500,000	-	-	-	500,000	-	500,000	-	-	-	-	-	-	-	-	500,000
				1,000,000	5,000,000	6,000,000	3,600,000	-	-	-	500,000	900,000	1,400,000	-	-	-	-	-	1,000,000	1,000,000	6,000,000
Rolling Stock																					
21	Bombardier	J Navarro	-	-	1,663,825	1,663,825	-	-	-	1,663,825	-	1,663,825	-	-	-	-	-	-	-	-	1,663,825
22	Upper Level Doors Installation ⁷	J Navarro	-	-	11,000,000	11,000,000	-	-	-	-	-	-	-	-	-	-	-	-	11,000,000	11,000,000	11,000,000
				-	12,663,825	12,663,825	-	-	-	1,663,825	-	1,663,825	-	-	-	-	-	-	11,000,000	11,000,000	12,663,825
Station & Intermodal Access																					
23	Stations SOGR	R Scarpino	500,000	-	1,000,000	1,000,000	-	-	-	400,000	600,000	1,000,000	-	-	-	-	-	-	-	-	1,000,000
24	CCF Crew Quarters Roof Replacement & Trailer Repairs	R Scarpino	-	-	1,000,000	1,000,000	-	-	-	-	1,000,000	1,000,000	-	-	-	-	-	-	-	-	1,000,000
25	Menlo Park Facility 4000 Campbell Avenue HVAC	R Scarpino	-	-	100,000	100,000	-	-	-	100,000	-	100,000	-	-	-	-	-	-	-	-	100,000
				-	2,100,000	2,100,000	-	-	-	400,000	100,000	1,600,000	2,100,000	-	-	-	-	-	-	-	2,100,000
Total SOGR				11,611,000	30,968,825	42,579,825	17,061,021	915,000	1,350,915	3,822,825	850,000	3,200,000	7,872,825	2,740,064	640,000	-	-	-	12,000,000	15,380,064	42,579,825
ii. LEGAL MANDATES AND REQUIRED ENHANCEMENTS																					
26	Clipper Next Gen Validators Site Prep	J Navarro / H Chan	-	-	1,500,000	1,500,000	1,200,000	-	-	-	-	300,000	300,000	-	-	-	-	-	-	-	1,500,000
				-	1,500,000	1,500,000	1,200,000	-	-	-	-	300,000	300,000	-	-	-	-	-	-	-	1,500,000
iii. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS																					
4	Positive Train Control Litigation ³	S Bullock	-	6,600,000	-	6,600,000	-	-	-	-	-	-	-	-	-	-	-	-	6,600,000	6,600,000	6,600,000
5	Wayside Bike Parking Improvements ⁴	M Reggiardo	4,000,000	349,322	1,040,000	1,389,322	-	-	-	-	-	-	-	-	1,240,000	-	-	-	149,322	1,389,322	1,389,322
27	Grade Crossing Hazard Analysis Data Collection	G Fleming	-	-	200,000	200,000	-	-	-	200,000	-	200,000	-	-	-	-	-	-	-	-	200,000
28	FY21 Grade Crossing Safety Improvements Design	R Tam	-	-	500,000	500,000	-	-	-	500,000	-	500,000	-	-	-	-	-	-	-	-	500,000
29	EAM - Enterprise Asset Management software system	S Chao	-	-	750,000	750,000	-	-	-	750,000	-	750,000	-	-	-	-	-	-	-	-	750,000
30	Update and Upgrade GIS system	G Fleming	-	-	500,000	500,000	-	-	-	477,175	22,825	500,000	-	-	-	-	-	-	-	-	500,000
31	San Mateo Grade Crossing Improvements Design ⁸	R Tam	-	-	1,600,000	1,600,000	-	1,600,000	-	-	-	-	-	-	-	-	-	-	-	-	1,600,000
32	Broadway Burlingame Grade Separation ⁹	J Sharma	4,550,000	-	19,838,000	19,838,000	-	-	-	-	-	-	-	-	-	-	-	18,338,000	1,500,000	19,838,000	19,838,000
				6,949,322	24,428,000	31,377,322	-	1,600,000	-	1,177,175	772,825	-	1,950,000	-	-	-	1,240,000	18,338,000	8,249,322	27,827,322	31,377,322



FY2020-2021 CAPITAL BUDGET

Item #	PROJECT NAME	Project Sponsor	PRIOR YEARS APPROVED	FY21 ADOPTED JUNE BOARD	AMENDMENT #1	PROPOSED FY21 CAPITAL BUDGET	Federal Funds	State Funds	STA SOGR Funds	Members			Member Funds Total	Other					Other Funds Total	TOTAL PROPOSED FY21 CAPITAL BUDGET
										SF	SM	VTA		Project Savings	AB664	SF Prop K other	Regional Funds	San Mateo County Transportation Authority		
iv. PLANNING/STUDIES																				
6	22nd St. ADA Feasibility Study ⁵	M Reggiardo	300,000	50,000	-	50,000	-	-	-	-	-	-	50,000	-	-	-	-	-	50,000	50,000
7	Business Plan ⁶	S Petty	5,537,118	509,157	-	509,157	-	-	-	-	-	-	-	-	-	-	-	-	509,157	509,157
33	Capital Planning (CIP)	M Reggiardo	750,000	-	1,250,000	1,250,000	-	-	-	-	500,000	750,000 *	1,250,000	-	-	-	-	-	-	1,250,000
34	San Francisco Station and Terminal Planning	M Reggiardo	-	-	1,000,000	1,000,000	-	-	-	1,000,000	-	-	1,000,000	-	-	-	-	-	-	1,000,000
35	Diridon and South Terminal Area	M Reggiardo	-	-	1,000,000	1,000,000	-	-	-	-	-	1,000,000 *	1,000,000	-	-	-	-	-	-	1,000,000
36	Rail Network and Operations Planning	M Reggiardo	-	-	1,250,000	1,250,000	-	-	-	-	1,250,000	-	1,250,000	-	-	-	-	-	-	1,250,000
37	Redwood City Station Planning	M Reggiardo	-	-	750,000	750,000	-	-	-	750,000	-	-	750,000	-	-	-	-	-	-	750,000
38	Caltrain Downtown Rail Extension (DTX)	A Simmons	-	-	60,000	60,000	-	-	-	-	-	-	-	-	-	60,000	-	-	60,000	60,000
39	System-wide Planning and Policy & Org Design	M Reggiardo	-	-	1,168,468	1,168,468	-	-	-	217,175	750,000 *	967,175	-	-	201,293	-	-	-	201,293	1,168,468
40	Capital Contingency Funds - Engineering		-	-	330,000	330,000	-	-	-	330,000	-	-	330,000	-	-	-	-	-	-	330,000
41	Capital Contingency Funds - Rail		-	-	660,000	660,000	-	-	-	660,000	-	-	660,000	-	-	-	-	-	-	660,000
42	Capital Program Management		-	-	335,000	335,000	-	-	-	335,000	-	-	335,000	-	-	-	-	-	-	335,000
43	Capital Project Development		-	-	335,000	335,000	-	-	-	335,000	-	-	335,000	-	-	-	-	-	-	335,000
			559,157	8,138,468	8,697,625				1,000,000	4,377,175	2,500,000	7,877,175	50,000	-	261,293	-	-	509,157	820,450	8,697,625
TOTAL			19,119,479	65,035,293	84,154,772	18,261,021	2,515,000	1,350,915	6,000,000	6,000,000	6,000,000	18,000,000	2,790,064	640,000	261,293	1,240,000	18,338,000	20,758,479	44,027,836	84,154,772

¹ Other funds includes project savings from the Los Gatos Bridge Replacement project (\$2,102,558) and from the San Mateo Bridge Replacement project (\$456,881) made up of Federal Section 5337 funds (\$1,421,946), prior years VTA funds (\$901,073) and SM funds (\$236,402) and deobligated Prop K funds (\$180,624)

² Insurance proceeds and/or Operating funds

³ Litigation costs funded by operating funds

⁴ San Carlos Transit Village LLC (\$149,322) and Bay Area Air Quality Management District (BAAQMD \$1,240,000)

⁵ Prior year SF member funds

⁶ Unspent funds from Project 100337 Mega Regional Rail Planning (FY19 \$75k) and from Project 100458 Service & Access Planning (FY20 \$434,157)

⁷ Request only for board authority; funding will begin upon commencement of the electrified service from designated operational savings

⁸ Section 130

⁹ SMCTA and City of Burlingame(\$1.5 million)

* Identifies the projects that will be funded by VTA Measure B funds of \$2.5 million