

**Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070
MINUTES OF MAY 26, 2020**

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

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, M. Bouchard, J. Cassman, S. van Hoften, J. Funghi, L. Larano, L. Leung, C. Gayotin, D. Seamans, J. Brook, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 2:31 pm and led the Pledge of Allegiance.

2. ROLL CALL

District Secretary Dora Seamans called the roll and confirmed all Members were present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

None.

4. APPROVAL OF MEETING MINUTES OF APRIL 27, 2020

Motion/Second: Zmuda/Davis

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

5. FINANCE AND RIDERSHIP UPDATES – COVID-19

Michelle Bouchard, Chief Rail Officer, provided an update on operations, noting that Caltrain has been in essential service mode for over a month now with hourly service on the weekdays and 90-minute service on the weekends. Ms. Bouchard pointed out a slight increase in the number of one-way tickets purchased. She stated that staff has been working on an initial re-opening plan with an increased level of service of nearly three trains per hour per direction, striking a balance between trains used and physically distancing customers. Ms. Bouchard said they have also considered transfers at major nodes, such as Millbrae, and adjusting the supply level to meet returning ridership demands. She stated that single-tracking has seen huge benefits, particularly with the 25th Avenue Grade Separation project.

Derek Hansel, Chief Financial Officer, followed with a financial update, noting that they have been effective at managing cash and the first tranche of Federal funds have covered revenue losses for March and April. He stated that this week and next week would be periods of addressing Go Pass losses, first with customers, then through the Board, and then with Federal funds. Mr. Hansel indicated that there were limits to financial adjustments in staffing, but they have implemented a hiring freeze for all but the most essential positions, and deferred wage increases.

Public comment

Roland Lebrun, San Jose, provided suggestions on ridership decreases, physical distancing, and hiring freezes.

Adina Levin, Friends of Caltrain, commented on working with other agencies and international experts for a comprehensive approach for safety, communication, and mitigation issues regarding re-opening.

Aleta Dupree, Oakland, commented on three trains per hour and Go Pass.

The Board members had a discussion and staff provided further clarification in response to Board comments and questions. Topics included bench marks for increasing the number of trains per hour, the ability to increase the length of the trains to accommodate distancing, capacity of trains for social distancing, self-policing, communication with riders regarding new requirements, three trains per hour during commute times, types of trains used, methods for maintaining distance, physical barriers, regional coordination, use of Twitter for immediate updates, managing non-compliant riders, and use of CARES Act funding.

6. ACCEPT STATEMENT OF REVENUES AND EXPENDITURES APRIL 2020

Mr. Hansel noted that there was no staff presentation and was available for questions.

Public Comment:

Roland Lebrun, San Jose, commented on fare box revenues, wages and benefits, and Caltrain savings.

There were no Board questions or comments on the item.

Motion/Second: Zmuda/Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

7. ADOPTION OF FISCAL YEAR 2021 INTERIM OPERATING BUDGET AND FISCAL YEAR 2021 CAPITAL BUDGET

Mr. Hansel introduced the interim operating and capital budgets covering the first quarter of fiscal year 2021. He explained the budget challenges, mitigating measures, proposed actions, obtaining Board authority for remainder of the fiscal year, the capital budget, key assumptions, interim revenues, interim expenses, interim funding sources, and next steps.

Public Comment:

Roland Lebrun, San Jose, commented on posting the presentation, positive train control (PTC) deadlines, hiring freeze, over time, Transit America Services, Inc. (TASI) wage increases, and refunds.

Adina Levin, Friends of Caltrain, commented on voter federal funding advocacy efforts, and had questions on electrification and member agency funding.

Board members had a robust discussion and staff provided further clarification in response to Board comments and questions, which included the following: TASI salary increase schedules, cost of living adjustments for operators, status of labor negotiations, Positive Train Control (PTC) cost estimates, 92 train schedule cost savings possibilities, expenses for the first tranche, the need for additional capital projects (in regard to the state of good repair), State Transit Assistance Act (STA) funds, CARES Act funding flexibility, FEMA funding options, member agency contribution increases due to insurance increases, necessary cost increase due to Positive Train Control (PTC), 70 trains timetable, data line services, electrification funding, line fiber optics, and cellular equipment for poles.

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

8. PROVIDE AN EXTENSION OF CURRENT GO PASS TERM FOR ALL CURRENT PARTICIPANTS IMPACTED BY COVID-19 SHELTER IN PLACE ORDER

Mr. Hansel stated that there was no presentation and that he was available for inquiries. He said most Go Pass customers stayed, with the exception of a single cancellation notice given for July.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding CARES funding covering Go Pass revenues, scheduled increases for Go Pass pricing, participant notification, and which County's orders would extend Go Pass terms.

Public Comment:

Adina Levin, Friends of Caltrain, commented on Menlo Park potentially cancelling Go Passes as a cost saving measure.

Motion/Second: **Davis/Collins moved to approve with the amendment to include the May 31, 2020 as the resolution term date unless staff returns to the full Board with a different date.**

Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

9. AWARD OF CONTRACT FOR LAW ENFORCEMENT SERVICES

Concepcion Gayotin, Procurement Manager, reported that this project underwent a formal solicitation through request for proposal (RFP) process and staff recommended that the contract be awarded to the San Mateo County Sheriff's Office to provide Law Enforcement Services; these services included patrol services, coordination of all requests for police service, collision investigations, police reports, crime scene investigation, criminal forensics, coroner services, and special events coverage. She stated that the contract is for a five-year base term with one five-year option term and the total cost is shared with the Joint Powers Board (JPB) at 78 percent, and the San Mateo Transit District at 22 percent.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding when the negotiations occurred and the not-to-exceed amounts versus the expected amounts.

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

10. AWARD OF CONTRACTS FOR PROVISION OF INVESTMENT MANAGEMENT AND CUSTODY AND SAFEKEEPING SERVICES

Ms. Gayotin explained that this award went through a formal solicitation through RFP (request for proposals), eight proposals were evaluated, an award was recommended to PFM for investment management services and US Bank to provide custody and safekeeping services. She stated that the contracts are for a five-year base term with a not-to-exceed amount of \$425,000 for PFM and \$50,000 for US Bank, fees come into effect when funds become available.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding the definition of custody and safekeeping services.

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

11. EXECUTION OF CONTRACTS FOR INFORMATION TECHNOLOGY LICENSES, MAINTENANCE SERVICES, AND PROFESSIONAL SERVICES

Ms. Gayotin explained that this authorizes the execution of contracts greater than \$150,000 with original equipment manufacturers or product licensors and their distributors when no cooperating purchasing agreements are available nor competitive solicitations make sense.

Chair Davis thanked staff for including a quarterly report in the resolution and requested it be included on the consent calendar agenda for the Finance Committee.

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

12. EXECUTION OF CONTRACTS FOR TECHNOLOGY-RELATED PRODUCTS AND SERVICES THROUGH PIGGYBACKING CONTRACTS AND COOPERATIVE PURCHASING PROGRAMS

Ms. Gayotin explained that this authorizes the execution of contracts greater than \$150,000 with vendors through piggybacking contracts and cooperative purchasing agreements as necessary for the purchase, lease, and rental of the computer and telecommunications equipment, maintenance agreements, hardware and software,

configuration of equipment, computer peripherals, temporary technology consultants, and purchases not exceed \$1.31 million.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions on contracts requiring Board approval with the threshold of \$150,000, the total aggregate amount of the contract, and how this quarterly report would be distributed.

Motion/Second: Zmuda/Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

13. AUTHORIZE AMENDMENTS TO CONTRACTS FOR ON-CALL RAILROAD BUSINESS OPERATIONS AND SYSTEMS SUPPORT SERVICES

Lawrence Leung, Manager of Rail Contracts & Budget, explained that this was a ten-year contract, a six-year base with two two-year options. He stated that they were currently in the fourth year with the base term ending in April 2022, this contract has four categories (operations, business, system, and safety) and six vendors (HDR, Stantec, WSP, CDM Smith, LTK, and B&G). Mr. Leung requested base increase capacity for category one and four (operations and safety), \$1.26 million and \$2.26 million increase respectively. He explained that the major factors for these increases are due to seeking a Director of Rail Integration, for numerous capital projects that was not anticipated four years ago, and for an independent review of the 2019 derailment.

Public Comment:

Roland Lebrun, San Jose, commented on expenses for the Director of Rail Integration.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding outsourcing the funding for the Director of Rail Integration.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

14. AUTHORIZE AMENDMENT TO ON-CALL ELECTRIFICATION SUPPORT SERVICES CONTRACT FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP)

John Funghi, CalMod Chief Officer, with the Board's consent, provided updates on agenda items 14 and 15 together. He informed the Board that the program's day-to-day management is handled by engineering consultants and they have recently been evaluating the consultant agreements, the remaining contract capacity, the time needed for program completion, and the estimated close out of the project at the end of 2022. Mr. Funghi explained that this resolution supplies construction management services, and the second contract provided project control support for the program. He stated that both contracts are requesting contract authority increases with varied impacts to the PCEP budget. He stated that this contract requires a \$7.5 million increase in contract authority to their contract. Mr. Funghi stated that Item #15

asks for an increase of \$7.35 million in contract authority that is already budgeted in the PCEP program, and hence, there is no contingency impact. He stated that the resolutions ask for a two-year extension to both contracts.

Public Comment:

Roland Lebrun, San Jose, commented on Gannett Fleming and URS Corporation Americas, Inc. extensions.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding Gannett Fleming extension dates, contingency amounts drawn, and the project completion date versus contract extension date.

Motion/Second: Davis/Collins moved approval of both Items 14 and 15 together

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

15. AUTHORIZE AMENDMENT TO ON-CALL PROGRAM MANAGEMENT SUPPORT SERVICES CONTRACT FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP)

Mr. Funghi explained Items 14 and 15 together with the consent of the Board.

Motion/Second: Davis/Collins moved approval of both Items 14 and 15 together

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

16. COMMITTEE MEMBER REQUESTS

Director Zmuda requested more details on the TASI labor negotiations at the full Board meeting.

Director Collins requested the amount of STA funds be provided in regard to percentage of Caltrain revenues.

Chair Davis requests were as follows: discuss increased member contribution due to increased insurance rates with the member agencies; remove the increases in staff for security services from the interim budget; provide additional information regarding data line services dependent on the acceptance schedule of the Peninsula Corridor Electrification Program (PCEP); clarify in the resolution as to which counties would extend Go Pass terms; and, she also requested a second resolution if there will be a second shelter-in-place order given.

17. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, June 22, 2020 at 2:30 pm, via Zoom or at San Mateo County Transit District Administrative Building, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA

18. ADJOURN

The meeting adjourned at 4:55 pm.

Finance Committee Meeting
Minutes of May 26, 2020

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.