



BOARD OF DIRECTORS 2022

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# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

### Finance Committee Meeting

Committee Members: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

**Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to [Assembly Bill 361](#) (Gov. Code section 54953).**

Directors, staff, and the public may participate remotely via Zoom at <https://zoom.us/j/93388927360?pwd=SFJranR4KzVURGIZVW5VUXJMZGlxQT09> or by entering Webinar ID: # **933 8892 7360**, Passcode: **790810**, in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) 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](mailto: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 in 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 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.

**April 25, 2022 - Monday**

**2:30 pm**

1. Call to Order/Pledge of Allegiance

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

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 to reply.
4. Consent Calendar  
Members of the Board may request that an item under the Consent Calendar be considered separately.
  - 4.a. Approve Meeting Minutes of March 28, 2022 Motion
5. Preliminary Operating and Capital Budgets Informational
6. Report of the Chief Financial Officer (CFO) Informational
7. Accept Statement of Revenues and Expenses for the Period Ending March 31, 2022 Motion
8. Postponement of Approved Fare Increases / 2023 Go Pass Pricing Motion
9. Downtown Extension Project Update Informational
10. Fuel Hedge Update Informational
11. Committee Member Requests
12. Date/Time of Next Regular Finance Committee Meeting: Monday, May 23, 2022 at 2:30 pm via Zoom (additional location, if any, to be determined)
13. Adjourn

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

## 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](http://www.caltrain.com). Communications to the Board of Directors can be e-mailed to [board@caltrain.com](mailto: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: Two Mondays before the Board Meeting, 2:30 pm. The 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\*

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[http://www.caltrain.com/about/bod/Board\\_of\\_Directors\\_Meeting\\_Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html).

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### Accessible Public Meetings/Translation

Upon request, the JPB will provide 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 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](mailto: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 is 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 March 28, 2022**

**Members Present:** Monique Zmuda (Chair), Glenn Hendricks, Jeff Gee

**Members Absent:** None

**Staff Present:** M. Bouchard, G. Martinez, D. Santoro, J. Harrison, K. Yin, P. Shrestha, P. Ng, A. Piano, L. Millard-Olmeda, P. Skinner, L. Mai, A. Simmons, L. Leung, L. Guan, L. Mai, J. Ye, D. Seamans, S. Wong

**1. Call to Order/Pledge Of Allegiance**

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

**2. Roll Call**

District Secretary Dora Seamans confirmed the presence of a board quorum.

**3. Public Comment For Items Not On The Agenda**

Aleta Dupree, Oakland, commented on using Clipper START, vending machines, and reduced fares.

Adrian Brandt, San Mateo County, commented on the Special Finance Meeting, the current financial outlook, electric cars, and cutting down operational costs.

**4. Consent Calendar**

**4a. Approve Meeting Minutes of February 21, 2022**

**4b. Award of Contract for Bayshore Station Painting Project and Authorization to Receive Funding and Amend the Project Budget from \$2,300,000 to \$6,870,000**

**4c. Amend and Increase the Fiscal Year 2022 Caltrain Capital Budget to \$156,862,394**

**4d. Award of Contract for On-Call Executive Recruitment Services**

**4e. Authorize the Filing of Applications with the Metropolitan Transportation Commission for Programming of Federal Transit Administration Formula Funds for Caltrain Capital Projects**

**4f. Authorize the Application For and Receipt of Annual Cap and Trade Funding for the Peninsula Corridor Electrification Enhancement Project (PCEE)**

**4g. Accept On-Call Transportation Planning and Consultant Support Services Update**

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions on Item 4b, which included the following:

- Why project costs increased and were over budget and what was done to reduce costs
- Why Caltrain is using gallery car rolling stock to pay for stations for Item 4b
- Future project cost increases and providing earlier notification for that will be over budget
- Taking items such as 4b off consent in the future
- What is being done in a cost containment perspective

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions on Item 4c, which included the following:

- Why the costs increased two to three times after cost estimates
- Whether the Diridon Station project require cash infusions at every single stage of the project and whether the scope of work changed
- Clearly show where it is at in the planning process and note that it is an ongoing process that may require an additional estimate before it is done
- Support for the three agencies funding capital projects and ensuring there are formal annual requests for participation and for understanding of how those funds will be spent
- Include pictures within PowerPoints that show the project status concerns, such as pictures of the peeling paint

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions on Item 4d, which included the following:

- The types of positions for these services
- Whether the firm is only used for specific positions

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

#### Public comment

Aleta Dupree, Oakland, commented on the price used for painting instead of electrical items.

Adrian Brandt, San Mateo County, commented on creating maintenance issues, building a pedestrian tunnel, and implications for future costs.

### **5. Authorize Execution of Change Orders for Caltrain Centralized Equipment Maintenance and Operations Facility (CEMOF) Modification Contract and Tunnel Modification Contract Statement of revenues and expenses for the period ended January 31, 2021**

Lin Guan, Project Delivery Deputy Director, said the report included the first forecast for the fiscal year and provided a presentation, which included the following:

- Staff recommendation to settle with Proven Management Inc. (PMI) for a contract total of \$6.5 million
- Background on the scope of work and original contract for CEMOF and tunnel modifications
- Final CMEOF and Tunnel settlements

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions, which included the following:

- Have a budget line in the staff report to explain how this is a part of prior macro budget decision
- Having a process where the Board can approve changed orders and changes to the contract
- Include pictures with the PowerPoints

#### Public comment

Aleta Dupree, Oakland, commented on contact wire theft.

Adrian Brandt, San Mateo County, commented on the wire and copper theft epidemic, the Bayshore Project, and having a pedestrian underpass.

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

Items 6 and 7 were taken together.

#### **6. Accept Report of the Chief Financial Officer (CFO)**

Grace Martinez, Acting Chief Financial Officer, said the report included the first forecast for the fiscal year, which is done twice each year. She provided a presentation, which included the following:

- Measure RR update, net proceeds, and planning for the audit of Measure RR funds
- Preparing for the interim financial audit starting mid-May
- Revenues by tickets reports

#### **7. Statement of revenues and expenses for the period ended February 28, 2022**

The Board had a discussion and staff provided further clarification in response to the Board members comments and questions, which included the following:

- The preliminary budget presentation
- Formally make a request to member agencies for contributions to the capital budget

- Whether \$80 million would replenish reserves
- The amount of reserves would be on the operating side for the end of the fiscal year

Motion/Second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

Public comment

Aleta Dupree, Oakland, commented posting the requested information on the website.

**8. Committee Member Requests**

Director Hendricks requested a list of all future projects 200-300 percent over budgeted costs.

Director Hendricks requested the summary section (Item 4b) detail what is being done

Director Hendricks requested having a budget line explanation in the staff report to explain how this is a part of prior macro budget decision (Item 5).

Director Gee requested having a process where the Board approves change orders and changes to the contract for items such as Item 5

Director Gee requested including pictures with PowerPoints for items such as 4b.

Chair Zmuda requested a formal request to member agencies for contributions to the capital budget

Chair Zmuda requested the amount of reserves available on the operating side for the rest of the fiscal year at next month's Finance Committee meeting

**9. Date/time of next regular finance committee meeting**

Monday, April 25, 2022, at 2:30 pm via zoom (additional location, if any, to be determined)

**10. Adjourn**

The meeting adjourned at 3:41 pm.

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](mailto:board@caltrain.com).

**Peninsula Corridor Joint Powers Board  
Staff Report**

TO: Finance Committee

THROUGH: Michelle Bouchard, Acting Executive Director

FROM: Grace Martinez, Acting Chief Financial Officer

SUBJECT: **Fiscal Year 2023 Preliminary Operating and Capital Budgets**

Finance Committee Recommendation     Work Program-Legislative-Planning Committee Recommendation     Staff Coordinating Council Reviewed     Staff Coordinating Council Recommendation

**ACTION**

This report is submitted for informational purposes only. A presentation will be made during the Finance Committee and Board of Directors (Board) meetings on April 25 and May 5, respectively. Based on Board feedback, final discussions with funding partners and member agencies, and further refinements, the Peninsula Corridor Joint Powers Board (JPB) Staff will present a final budget proposal to the Finance Committee and Board of Director for consideration and adoption at the June 2022 Board meeting.

**SIGNIFICANCE**

After more than two years, the COVID-19 pandemic and its aftermath continue to have profound consequences for Caltrain. While ridership has steadily recovered through the spring of 2022, overall usage (and fare revenues) are still a fraction of pre-COVID levels. Caltrain was fortunate to receive substantial federal relief funding supporting operations in FY21 and FY22, however these funds will no longer be available for FY23 and the railroad must balance its budget with other sources.

Caltrain (and rail in general) is a capital intensive, high fixed cost business. This means that rail is very cost efficient at scale- when the high costs of operating and maintaining a corridor can be spread across many trains and riders. Conversely running fewer trains will result in savings- but at the expense of disproportionately large impacts to service. Running fewer trains would also result in service levels dropping substantially at many stations and could deter users from returning to the system at a time when Caltrain is focused on rebuilding ridership and working to encourage the use of its service across many different markets.

At the recent Peninsula Corridor Joint Powers Board workshop held in March, Caltrain staff laid out a post-COVID business strategy focused on:

- Sustaining a competitive and attractive level of weekday service that;
  - Provides good value to existing individual and institutional (GoPass)



- customers throughout the corridor
  - Standardizes train times and enhances connections with other operators
  - Continues improved off-peak and weekend services to address equity needs and build markets outside of standard commute hours
- Maintaining a commitment to equity and building ridership by holding fares constant
- Advancing organizational changes including reducing vacancies and completing the governance process
- Completing electrification while strengthening the overall capital program and advancing other projects and initiatives at the corridor and regional scale

Funding this strategy is challenging. While Caltrain is fortunate to have access to Measure RR funds, federal relief funding has been fully utilized in FY22 and fare revenues are still greatly reduced from pre-COVID levels. The preliminary FY23 operating and capital budgets described below rely on fully using anticipated Measure RR receipts to fund the operating budget. The preliminary capital budget includes a significantly reduced set of projects and requires Board input on how to source a needed \$33.7 million in local funding.

*FY2023 Preliminary Operating Budget Overview:*

- The FY2023 Preliminary Operating Budget is one that reflects economic recovery and gradual emergence out of the pandemic.
- The budget reflects the consolidation of shuttle contracts under SamTrans, thereby zeroing out Shuttle Revenues and Expenses.
- There is a \$4.8M State Transit Assistance (STA) carryforward funds that is helping balance the budget.
- Measure RR revenues amount to \$114.3M, accounting for 65 of Total Revenues.
- There are no American Rescue Plan Act (ARPA) Funds for FY2023 as they will be claimed in FY2022.
- Fuel is going to be one of our most volatile expenses based on the current political climate.

*FY2023 Preliminary Capital Budget Overview:*

- The FY2023 Preliminary Capital Budget is a constrained budget and full funding sources will be identified for all projects included in the Proposed Capital Budget presented to the Board in June.
- The FY2023 Preliminary Capital Budget requires the identification of \$33.7 million in local funding to support the constrained project list and match anticipated federal funding. Staff recommends that this funding be sourced as follows;

- Use of \$18M from previously collected Measure RR funds that were transferred to a capital reserve account in fall of 2022
- An additional \$15.7M in member funding to the capital budget. This represents an obligation of \$5.3M from each of the three member agencies.

*Overview of available “Reserve” funding:*

- *As noted above, Caltrain has funding available in reserve that can be utilized as part of the FY23 budget. This funding is as follows;*
  - *\$20 million dollars of remaining in a ‘capital reserve’ account that was established by the Board in FY22 using Measure RR funding*
  - *\$42.9 million in unrestricted operating reserves*
- *The Financial Reserve Policy adopted by the Board in 2017 directs the agency to maintain between 10 and 15% of its annual operating budget in reserves (or approximately \$18 to \$27 million for FY23).*
- *Currently Caltrain does not have a formal policy for capital reserve. Staff will come back to the board with a draft to establish a capital reserve policy.*

**FY2023 PRELIMINARY OPERATING BUDGET**

*Please refer to Attachment A – FY2023 Preliminary JPB Financial Statement- Preliminary Budget for a comparative schedule of the FY2023 Preliminary Operating Budget which shows the FY2021 Actual, FY2022 Forecast and the FY2023 Preliminary Operating Budget. The line numbers for each revenue and expense item detailed below refer to the corresponding line numbers on Attachment A.*

**Revenue Projections**

Total revenues for FY2023 are projected at \$176.2 million, a decrease of \$81.2 million or 31.6% less than the FY2022 Forecast:

- Revenue from Operations for FY2023 is projected at \$50.5 million, an increase of \$12.4 million or 32.6% over the FY2022 Forecast.
- Revenue from Contributions for FY2023 is projected at \$125.6 million, a decrease of \$93.6 million or 42.7% lower than the FY2022 Forecast.

**OPERATING REVENUE**

Line 1 **Farebox Revenue:** \$46.5 million, an increase of \$13.8 million or 42.4% higher than the FY2022 forecast.

Farebox revenue includes fare receipts collected directly from rail passengers or through Go Pass sales. Generally, Go Pass has been sold on a calendar year basis.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Caltrain Fares	6,702,382	25,039,000	17,639,000	30,219,000	12,580,000	71.3%
GoPass	25,737,533	9,600,000	15,000,000	16,260,000	1,260,000	8.4%
Farebox Revenue	32,439,915	34,639,000	32,639,000	46,479,000	13,840,000	42.4%

The farebox revenue assumes that ridership recovery will continue to be slow due to remote work and potential COVID variants. Caltrain Fares assumes a 36% recovery of Pre-COVID levels. Go Pass reflects current customers signed up for calendar year 2022 amounting to approximately \$15.3 million plus an assumed 6% growth with continued signups and renewals.

Line 2 **Parking Revenue:** \$1.9 million, an increase of \$0.6 million or 47.4% higher than the FY2022 forecast.

Parking revenue includes fees at parking lots located in various passenger stations, with the largest being at the SAP Center adjacent to the San Jose Diridon station.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Parking Revenue	385,304	1,536,000	1,286,000	1,896,000	610,000	47.4%

Parking revenue estimates follow Caltrain Fares revenue trend projections.

Line 3 **Shuttle Revenue:** \$0, a decrease of \$1.3 million or 100% lower than the FY2022 forecast.

Shuttle Program funding comes from participating employers, the San Mateo County Transportation Authority (TA), Bay Area Air Quality Management District (BAAQMD). This line item refers only to the revenue generated from participating local employers who provide rail passengers the last-mile connections between Caltrain stations and work sites.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Employer Share - SamTrans / JPB Shuttle Programs	1,022,510	1,603,900	1,315,667	-	(1,315,667)	-100.0%

For FY2023, shuttle service contracts will be consolidated under San Mateo County Transit District (SamTrans). Therefore, there will be no employer revenue for JPB as it will no longer provide contracted shuttle services.

Line 4 **Rental Income:** \$0.9 million, a decrease of \$0.3 million or 21.6% lower than the

FY2022 forecast.

Rental income is derived from contract arrangements and lease negotiations for third-party use of properties owned by the JPB along the Caltrain right of way (ROW).

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Rental Revenue	1,124,691	1,192,466	1,192,466	935,357	(257,109)	-21.6%

Rental revenues are decreasing due to rent relief and cancellations.

Line 5 **Other Income:** \$1.2 million, a decrease of \$0.4 million or 26.5% lower than the FY2022 forecast.

Other Income consists shared track usage maintenance fees, permit fees, advertising income, interest on invested funds, and parking citation fees. Shared Track Maintenance Revenue is generated from the annual contract with UnionPacific Railroad (UPRR). Advertising Income includes income from train wraps, station ad cards, and digital displays. Construction permit fees from 3<sup>rd</sup> party contractors belong to the Other Non-Transit Revenue.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Parking Citation Program Revenue	138,890	-	197,821	-	(197,821)	0.0%
Misc. Operating Revenue	264,469	156,000	249,191	295,921	46,730	100.0%
Shared Track Maintenance Revenue	445,095	409,000	314,996	409,000	94,004	29.8%
Other Non-Transit Revenues	441,398	300,000	572,605	300,000	(272,605)	100.0%
Insurance Reimbursements	-	-	66,595	-	(66,595)	0.0%
Advertising Income	114,225	509,608	236,689	116,290	(120,399)	-50.9%
Other Interest Income	14,844	100,000	23,608	50,000	26,392	111.8%
Interest Income - LAIF	48,458	110,000	3,110	55,000	51,890	1668.6%
Interest Income - County Pool	6,659	-	3,736	-	(3,736)	-100.0%
Other Income	1,474,039	1,584,608	1,668,351	1,226,211	(442,140)	-26.5%

The decrease in Other Income is driven by the reduction in Parking Citation, Other Non-Transit Revenues, and Advertising Income. FY2022 forecast for Parking Citation and Other Non-Transit Revenues was increased based on actuals while FY2023 budget retained prior levels. For Advertising Income, FY2022 projected actuals are lower than projections and FY2023 budget reflects the corresponding adjustment to this line item.

## CONTRIBUTIONS

Line 9 **AB434 & TA Shuttle Funding:** \$0.04 million, a decrease of \$1.1 million or 96.4% lower than the FY2022 forecast.

Contributions for the service come from state and local sources. In 1991, through Assembly

Bill (AB) 434, the State Legislature authorized a \$4.00 surcharge on cars and trucks to fund projects that reduce on-road motor vehicle emissions. AB434 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 from the Measure A San Mateo County-wide sales tax.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
AB434 - California Clean Air A	167,083	80,000	80,000	40,000	(40,000)	-50.0%
TA Contr-SM Cnty Caltrain Shut	977,598	1,039,300	1,039,300	-	(1,039,300)	-100.0%
<b>AB434 &amp; TA Shuttle Funding</b>	<b>1,144,681</b>	<b>1,119,300</b>	<b>1,119,300</b>	<b>40,000</b>	<b>(1,079,300)</b>	<b>-96.4%</b>

For FY2023, shuttle service contracts will be consolidated under SamTrans and grant administration will be done by commute.org. This budget reflects the reassignment of grants to commute.org.

Line 10 **Operating Grants:** \$11.3 million, an increase of \$4.8 million or 73% higher than the FY2022 forecast.

State Transit Assistance (STA) revenue generated from the statewide sales tax on diesel fuel 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.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Operating Grants	13,325,611	6,525,471	6,525,471	11,288,161	4,762,690	73.0%

This budget is based on MTC estimates as of February 2022 which includes a carryforward from prior years in the amount of \$4.8 million..

Line 11 **JPB Member Agencies:** \$0, no change from FY2022 forecast.

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 member agencies were previously calculated in accordance with an allocation methodology based on the average mid-weekday boarding data including Gilroy.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
JPB Member Agencies	27,940,231	-	-	-	-	0.0%

This budget assumes that there will be no member agency contributions for operations in FY2023. Operating obligations are expected to be met through Measure RR, Farebox Revenue, and Operating Grants.

Line 12 **Measure RR**: \$114.3 million, an increase of \$18.7 million or 19.5% higher than the FY2022 forecast.

Measure RR is a 1/8 cent sales tax approved in November 2020 that provides Caltrain’s first source of dedicated non-fare revenues.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Measure RR	-	86,576,919	95,621,811	114,300,000	18,678,189	19.5%

Measure RR is trending up primarily due to improvements seen in tax-generating groups such as autos/transportation, fuel/service stations, and restaurants/hotels. There is a strong demand for new and used cars despite inventory concerns. Improvements in the fuel service stations and restaurants/hotels are driven by rising prices and pent-up demand for travel.

Line 13 **CARES Act Funding**: No budget for FY2023.

Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding was provided by the federal government to transit agencies to supplement operating funds that were lost due to decreased ridership, tax revenue and other factors. It was also intended to address increased costs associated with pandemic related operations.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
CARES Act	41,509,536	-	-	-	-	0.0%

The CARES Act federal relief fund was fully utilized in FY2021.

Line 14 **CRRSAA Funding**: \$0, no change from FY2022 forecast.

Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) funding is being provided by the federal government to transit agencies to address the issues identified above.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
CRRSAA	46,692,029	27,115,922	-	-	-	0.0%

A portion of the CRRSAA funding amounting to \$ \$27.1 million was assumed for FY2022. When the CRRSAA funding was received in late FY2021, the entire amount of \$46.7 million was reported as revenue, leaving zero for FY2022. Given this, the updated FY2022 forecast has zeroed out this line item.

Line 15 **ARPA Funding:** \$0, a decrease of \$1160 million or 100% lower than the FY2022 forecast.

American Rescue Plan Act (ARPA) funding is being provided by the federal government to transit agencies to help resolve recovery.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
ARPA	-	14,849,883	115,995,904	-	(115,995,904)	-100.0%

The total amount of ARPA funds is \$116.0 million, received as two separate awards: \$77.2 million and \$38.8 million. No ARPA funds will be budgeted for FY2023 since the entire amount will be used for FY2022.

### Expense Projections

Grand Total Expense for FY2023 projected at \$180.4 million, an increase of \$7.7 million or 4.5% over the FY2022 Forecast:

- Operating Expense for FY2023 projected at \$147.1 million, an increase of \$11.0 million or 8.1% over the FY2022 Forecast.
- Administrative Expense for FY2023 projected at \$30.0 million, an increase of \$3.2 million or 12.0% over the FY2022 Forecast.
- Long-term Debt Expense for FY2023 projected at \$2.6 million.

### OPERATING EXPENSE

Line 23 **Rail Operator Service:** \$102.6 million, an increase of \$9.0 million or 9.6% higher than the FY2022 forecast.

The JPB contracts out for rail operator service with TransitAmerica Services, Inc. (TASI). 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.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Rail Operator Service	85,108,192	97,353,730	93,573,730	102,583,389	9,009,659	9.6%

In FY2022, the budget included an increase in the scheduled train service from 68 trains per weekday to 104 trains per weekday at the end of August, 2021. For FY2023, the budget of \$102.6 million assumes 104 trains per weekday service for the full fiscal year. In addition, the budget includes provisions for increases in labor burden and rates, restoration of the annual passenger count service and maintenance support for fiber. The FY2023 budget also includes funding to support the maintenance of 2 new stations at Hillsdale and South San Francisco.

Line 24 **Security Services:** \$7.9 million, an increase of \$0.4 million or 6.0% higher than the FY2022 forecast.

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

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Security Services	6,752,598	7,486,512	7,486,512	7,935,381	448,869	6.0%

FY2023 Security Services budget reflects the projected annual contractual increases and overtime estimates.

Line 25 **Shuttles:** \$0.1 million, a decrease of \$2.0 million or 94.4% lower than the FY2022 forecast.

The Shuttle program provides last-mile connections for Caltrain passengers.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Shuttle Service	1,899,021	2,723,200	2,157,353	120,400	(2,036,953)	-94.4%

This budget reflects the consolidation of shuttle contracts under SamTrans.

Line 26 **Fuel and Lubricants:** \$17.5 million, an increase of \$4.5 million or 34.9% higher than the FY2022 forecast.

This line item covers the cost of diesel fuel for JPB locomotive operations, including the



associated taxes. Starting in FY2021, Caltrain entered into a diesel fuel hedging program that helps manage exposure to changes in diesel fuel prices.

Description	FY2021 ACTUAL	FY2022 BUDGET	FY2022 FORECAST	FY2023 PRELIMINARY BUDGET	\$ Change FY23 Preliminary to FY22 Forecast	% Change FY23 Preliminary to FY22 Forecast
Fuel and Lubricants	7,205,280	10,434,846	13,000,000	17,539,232	4,539,232	34.9%

	FY22 Adopted Budget	FY23 Preliminary Budget
Hedged %	64%	65%
Price Per Gallon	\$1.71	\$2.96
Unhedged %	36%	35%
Price Per Gallon	\$2.40	\$3.41
Fuel Consumption (No. of Gallons)	3,962,405	4,551,803
Fuel Cost	\$7,759,974	\$14,183,476
Taxes	\$2,674,872	\$3,855,756
<b>Subtotal</b>	<b>\$10,434,846</b>	<b>\$18,039,232</b>
Fuel Hedge Realized Savings	-	(\$500,000)
<b>Total</b>	<b>\$10,434,846</b>	<b>\$17,539,232</b>

The FY2023 fuel budget assumes a 104-train service per weekday with a fuel consumption of 4.5 million gallons. It also assumes that 65.0% of the fuel portfolio is hedged at \$2.96/gallon and 35.0% is unhedged at \$3.41/gallon. This budget includes fuel savings of \$500K derived from the fuel hedge program.

Line 27 **Timetables and Tickets**: \$0.1 million, an increase of \$0.08 million or 146.1% higher than the FY2022 forecast.

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

Description	FY2021 ACTUAL	FY2022 BUDGET	FY2022 FORECAST	FY2023 PRELIMINARY BUDGET	\$ Change FY23 Preliminary to FY22 Forecast	% Change FY23 Preliminary to FY22 Forecast
Timetables and Tickets	15,932	55,000	55,000	135,350	80,350	146.1%

Line 28 **Insurance**: \$6.3 million, an increase of \$0.4 million or 7.6% higher than the FY2022 forecast.

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

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Insurance	5,406,266	5,857,210	5,857,210	6,299,730	442,520	7.6%

FY2023 Insurance budget reflects the preliminary estimates provided by the insurance broker. Adjustments will be made as final insurance premium amounts are determined.

Line 29 **Claims, Payments, and Reserves:** \$0.8 million, a decrease of \$2.5 million or 75.3% lower than FY2022 forecast.

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

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Claims Reserves & Payments	3,067,164	820,000	3,320,000	820,000	(2,500,000)	-75.3%

FY2022 forecast was adjusted to reflect potential claims for incidents that transpired in said fiscal year. FY2023 budget retained the usual level of reserves.

Line 30 **Facilities and Equipment Maintenance:** \$7.3 million, an increase of \$0.8 million or 13.3% higher than the FY2022 forecast.

This budget item covers expenses related to Clipper Operator charges, revenue collection services, ticket vending machines, data line services and other contract services.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Facilities and Equipment Maintenance	4,260,435	7,734,353	6,409,353	7,258,788	849,435	13.3%

This budget reflects increases in Other Contract Services relating to the rail systems maintenance and marketing support to increase ridership. Clipper Operator Charges also increased to reflect the assumed ridership recovery.

Line 31 **Utilities:** \$2.6 million, an increase of \$0.1 million or 2.5% higher than the FY2022 forecast.

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

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Utilities	2,009,538	2,552,600	2,552,600	2,617,600	65,000	2.5%

The increase is due to an uptrend in water & sewer utility cost.

Line 32 **Maintenance & Services – Building & Other:** \$1.8 million, an increase of \$0.1 million or 4.8% higher than the FY2022 forecast.

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

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Maintenance & Services - Bldg & Other	1,385,569	1,674,250	1,674,250	1,754,100	79,850	4.8%

The budget reflects an increase in the building maintenance service cost for certain stations.

### ADMINISTRATIVE EXPENSE

Line 36 **Wages & Benefits:** \$14.1 million, an increase of \$1.8 million or 14.4% higher than the FY2022 forecast.

The San Mateo County Transit District (District) serves as the managing agency for the JPB. Wages & Benefits reflects staffing costs for an anticipated 73.7 FTEs for the operating budget which includes 69.2 existing FTEs and 4.5 new FTEs.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Wages & Benefits	9,550,977	12,301,799	12,301,799	14,075,511	1,773,712	14.4%

#### Operating

FY2023 FTE	Admin	Bus	CalMod	Comm	Exec	Finance	Planning	Rail	Total
Non-Represented	4.5	1.1	-	18.7	0.5	8.0	3.0	33.5	69.2
New FTEs	1.0	-	-	0.8	2.1	-	0.6	-	4.5
Total Operating	5.5	1.1	-	19.5	2.6	8.0	3.6	33.5	73.7

Fringe benefit costs are applied to actual staff wages as a calculated rate. The District aggregates all estimated annual fringe benefit costs of employees associated with a particular agency (payroll taxes, pension, medical, dental and vision premiums, life insurance, long-term disability, unemployment, and paid time-off). This total is then divided by the total projected wages for that agency for the upcoming year to arrive at a fringe benefit rate that is charged on a periodic basis against payroll costs. Variances are trued up annually.

The FY2023 budget assumes a universal wage increase, a \$1.0K lumpsum payment aligned

with SamTrans Amalgamated Transit Union Collective Bargaining Agreement, and a fringe benefit rate of 36.32% compared to the FY2022 fringe benefit rate of 44.44%. There are 4.5 new FTEs included in the budget, and vacancy savings have been assumed based on hiring dates and attrition. The budget also reflects an increase in JPB’s share of the total CalPERS ER Funded Cost and the Total Retiree Medical.

Line 37 **Managing Agency Admin OH Cost:** \$3.6 million, an increase of \$0.1 million or 2.7% higher than the FY2022 forecast.

Managing Agency Administrative Overhead (OH) Cost reflects the cost of District personnel dedicated to the Caltrain business (as opposed to Caltrain operations).

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Managing Agency Admin OH Cost	3,510,418	3,470,871	3,470,871	3,565,453	94,582	2.7%

The Indirect Cost Allocation Plan (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 is 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 four agencies managed or supported by the District. 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 are distributed to each department. 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.

In mid-FY2021, the ICAP methodology was changed to more appropriately allocate these costs across the range of projects served – staff anticipates that this approach will continue. In prior years, the ICAP rate was applied to pre-defined labor costs. The new methodology applies the ICAP rate to all labor and non-labor costs. The methodology does not change how much ICAP in total is paid, but rather how the total ICAP is allocated to different projects.

Line 38 **Board of Directors:** \$57.3 thousand, an increase of \$9.0 thousand or 18.6% higher than the FY2022 forecast.

This covers director compensation, seminars and training, and meetings for the Board of Directors.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Board of Directors	26,998	48,275	48,275	57,275	9,000	18.6%

Line 39 **Professional Services:** \$9.2 million, an increase of \$0.8 million or 10.0% higher than the FY2022 forecast.

This covers the cost of consultants for legal services, audit services, legislative advocacy and technical services.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Legal Services	1,813,687	2,814,850	2,814,850	2,600,000	(214,850)	-7.6%
Annual Audit Services	65,460	78,000	78,000	68,000	(10,000)	-12.8%
Legislative Advocate	152,344	169,200	169,200	175,200	6,000	3.5%
Consultants	3,136,773	5,809,251	5,309,251	6,362,555	1,053,304	19.8%
Professional Services	5,168,264	8,871,301	8,371,301	9,205,755	834,454	10.0%

The increase in FY2023 budget for consultants reflects the cost for a pilot trash reduction project which is part of the state regulatory requirement to reduce trash in storm drains and executive and finance consulting services. This is also impacted by increase in rates. Legal Services decreased as \$200K has been reallocated to Governance.

Line 40 **Communications and Marketing:** \$0.4 million, an increase of \$0.1 million or 25.1% higher than the FY2022 forecast.

This covers the cost of promotional advertising for fares, schedule changes, and the mobile app.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Communications and Marketing	234,816	322,750	322,750	403,730	80,980	25.1%

FY2023 budget reflects an increase in marketing support for ongoing special events, electrification, and branding projects. It also includes the cost for the ambassador program, in addition to outreach and public hearings.

Line 41 **Other Office Expense and Services:** \$2.7 million, an increase of \$0.4 million or 18.2% higher than the FY2022 forecast.

This covers bank and transaction fees, software maintenance and licenses, recruitment costs, seminar and training, business travel, dues and subscriptions, and leases on properties along Caltrain's right of way in support of commuter services. The ROW leases include facilities for radio transmission antennas and real estate for storage of train equipment and spare parts.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Other Office Expense and Services	1,487,493	3,655,020	2,305,020	2,724,996	419,976	18.2%

The increase in FY2023 budget is due to bank fees that are aligned with the assumed ridership recovery and the recurring software monthly service fee for Wabtec.

Line 44 **Measure RR Ballot Costs:** \$0, a decrease of \$5.3 million or 100% lower than the FY2022 forecast.

Description	FY2021	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	FY23 Preliminary to FY22 Forecast
Measure RR Ballot Costs	-	7,000,000	5,357,846	-	(5,357,846)	100.0%

The Measure RR Ballot Costs was a one-time activity in FY2022 to cover costs incurred by the counties of San Francisco, San Mateo, and Santa Clara to put the Measure RR ballot up for a vote in FY2021 elections. Since this activity is completed, no budget is expected for FY2023.

Line 45 **Governance:** \$0.7 million, a decrease of \$1.3 million or 65% lower than the FY2022 forecast.

Description	FY2021 ACTUAL	FY2022 BUDGET	FY2022 FORECAST	FY2023 PRELIMINARY BUDGET	\$ Change FY23 Preliminary to FY22 Forecast	% Change FY23 Preliminary to FY22 Forecast
Governance	-	2,000,000	2,000,000	700,000	(1,300,000)	-65.0%

This item covers ongoing Governance related costs that include staff costs, consultant support, legal consultation, and specialized financial analysis.

Line 47 **Debt Service Expense:** \$2.6 million, an increase of \$0.2 million or 8.4% higher than the FY2022 forecast.

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.

Description	FY2021 ACTUAL	FY2022 BUDGET	FY2022 FORECAST	FY2023 PRELIMINARY BUDGET	\$ Change FY23 Preliminary to FY22 Forecast	% Change FY23 Preliminary to FY22 Forecast
Long-term Debt Expense	2,882,955	2,381,752	2,381,752	2,581,752	200,000	8.4%

The increase is due to the Letters of Credit obtained from Wells Fargo to fund working capital.

#### LINES 57-59 Reserve:

The financial reserve policy adopted by the board effective September 1, 2017, stated “the JPB will maintain *an Operating Reserve of at least 10 percent of the annual operating budget, and that the JPB shall strive to reserve up to 15 percent of the annual operating budget when possible*”. The opening balance of the reserve is \$16 million. Staff is proposing to set \$11 million for an ending balance of \$27 million (15% of operating budget of \$180 million).

#### PRELIMINARY FY2023 CAPITAL BUDGET - \$48,886,285

##### i. STATE OF GOOD REPAIR (SOGR) - \$27,087,366

###### BRIDGES - \$9,702,066

###### 1. Guadalupe Bridge - \$9,642,066

Replace the Guadalupe River Bridge in San Jose, damaged by weather and arson. The project will remove the MT1 Guadalupe River Bridge, including piers and abutments, and replace it with a new railroad bridge. The track structure will be reconstructed at

the existing alignment and profile. Construction of the new railroad bridge may require protection or relocation of the underground utilities in the right-of-way and/or attached to the existing bridge.

2. San Francisquito Creek Bridge Replacement - \$60,000  
Rehabilitate the San Francisquito Bridge and replace with highly reliable structures to improve track alignment and operational safety and minimize future costly maintenance repairs. The project entails a preliminary design feasibility report to be used for environmental scoping and assessment tasks. It will also require public outreach to affected communities.

RIGHT OF WAY - \$9,800,000

3. SOGR Track - \$7,000,000  
The System Wide Track Rehabilitation Program covers the work required to keep the Caltrain railroad in a state of good repair. The type and scope of work scheduled for each fiscal year is based on the condition of the railroad and on the inspections and the tests performed throughout the year.
4. Track Tie Replacement - \$500,000  
The Track Tie Replacement Project aims to do a major tie replacement program along the entire railroad by using concrete ties throughout the alignment.
5. SOGR Right of Way - \$800,000  
The intent of this project is to maintain the ROW in a state of good repair. As the dynamics change surrounding JPB property, the agency needs to adjust as necessary to address issues. In some instances, the JPB needs to provide better access for the Contract Operator; in others, the JPB must restrict access to other areas to eliminate continual problems.
6. Right of Way Fencing - \$1,500,000  
The project will continue to install vandal-resistant fencing at key locations along the JPB main line rail corridor to deter trespassing. This work plan is intended to span four years, picking up where the last three-year contract was successfully completed.

SIGNALS & COMMUNICATIONS - \$5,585,300

7. SOGR Signal & Communications - \$3,000,000  
This project is part of an annual request to maintain the Caltrain communication and signal and crossing systems in a state of good repair. Projects typically repair and replace communication systems that beyond their useful life and/or vandalized. Typical scopes of work include, but are not limited to, new Base Stations, new Visual Message Signs, station network cables, repair of microwave dishes, etc. For signal and crossing systems, the type and scope of work scheduled for each fiscal year are based on the condition of the signal systems, the inspections, and the tests performed throughout the year.



**8. SOGR Fiber Optic - \$2,585,300**

The System Wide Fiber Optics State of Good Repair Project covers the work required to maintain the reliability and consistency of the fiber optics infrastructure. The type and scope of work scheduled for each fiscal year are based on the condition of the system, the inspections, and the tests performed throughout the year.

STATION AND INTERMODAL ACCESS - \$2,000,000

**9. SOGR Facilities - \$1,000,000**

The SOGR Facilities project covers the work required to maintain the reliability and safety of Caltrain's stations, facilities, and related assets. The type and scope of work scheduled for each fiscal year are based on the condition of the facilities, the inspections, and maintenance performed throughout the year. Typical scope of work includes replacement of outdated facilities such as, but not limited to, wheelchair lifts and station shelters.

**10. SOGR Historical Stations - \$1,000,000**

This project will be part of an annual request for work towards the preservation of the six Caltrain historic stations to keep them in a state of good repair. This project will typically restore station amenities that are beyond their useful life and/or vandalized. Typical scopes of work include, but are not limited to, new restrooms, roofs, windows, lighting, doors, interior and exterior walls made of brick, stone, stucco, wood and other surfaces. HVAC, plumbing and electrical upgrades are included as well.

**ii. LEGAL MANDATES AND REQUIRED ENHANCEMENTS - \$75,000**

**11. CCTV End of Life Equipment - \$75,000**

This project will replace and install CCTV equipment and provide ongoing maintenance.

**iii. OPERATIONAL IMPROVEMENTS / ENHANCEMENTS - \$15,248,919**

**12. PADS Replacement - \$1,060,000**

Development and implementation of a new real-time passenger information system at the Central Control Facility (CCF), the Backup Central Control Facility (BCCF) and at the stations.

**13. Next Generation Visual Messaging Sign - \$2,700,000**

Research, design and acquisition of Visual Messaging Signs to replace the current ones that have reached end of life and are no longer supported by the manufacturer.

**14. BCCF Virtualization Project - \$1,200,000**

To migrate the datacenters supporting rail operations to a single virtual platform. This project will design and build virtualized private cloud infrastructure and server farm to support Caltrain operational systems and provide an efficient and scalable architecture with enhance redundant capabilities.

**15. Broadband Communication - \$5,193,586**

Design a broadband wireless communication system along the Caltrain corridor for the wayside train maintenance diagnostics and passenger Wi-Fi service. The project will entail assessment of existing infrastructure and the construction of the broadband system.

**16. Caltrain VoIP - \$222,000**

Migration to digital radio system for a state-of-the-art train/wayside communication system to improve performance and reliability.

**17. Technology Refresh Assessment - \$325,000**

The purpose of this project is to analyze, scope, and plan software upgrade projects that are early in the development cycle and do not have defined funding. This funding will allow IT department to conduct detailed analysis of existing systems and develop requirements for replacement systems.

**18. GIS System - Update & Upgrade - \$2,000,333**

Implement a Geographic Information Software (GIS) that will centralize, modernize, map, and integrate existing tools and resources. This powerful digital mapping tool will enable delivery of a comprehensive and accurate data about Caltrain's assets and right of way.

**19. Enterprise Asset Management Software System - \$1,048,000**

Procure a base EAM system with the following core capabilities: 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 which promotes seamless data collection, analysis, and reporting. 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.

**20. Backup Central Control Facility (BCCF) Office Remodel - \$1,000,000**

This is the office remodel of the Backup Central Control Facility including dry wall, electrical circuit, plumbing, flooring, HVAC, lighting, insulation, fire sprinkler system, and lighting. Also included is the purchase of computers and office furniture and fixtures.

**21. Support for Property Mapping - \$500,000**

The funds for this project will be used for developing a more accurate record of agency-owned property. Specific tasks will include field survey work, resolution of property boundaries, and creation of maps and legal descriptions.

iv. PLANNING/STUDIES - \$3,650,000

**22. DTX Support - \$500,000**

Provides support, engagement, and coordination with San Francisco partners for the continued development of the Downtown Extension (DTX) project. Activities include, but are not limited to, engineering design review and coordination, financial planning, ridership modelling, and support for activities required to DTX to successfully move through FTA Capital Investment Grant (CIG) program.

**23. Redwood City Corridor Planning - \$1,000,000**

This project advances work in Redwood City and integrates grade separation and station planning. Scope of work includes building on and integrating work initiated through the Whipple Avenue Grade Separation and Redwood City Transit Hub Planning.

**24. Rail Network and Operations Planning - \$200,000**

This project will fund continued research that will guide the development of efficient train schedules that match supply of service with current and anticipated demand. Contrary to pre-pandemic years when ridership levels were consistent, numerous factors have created uncertainty regarding future travel patterns. Research is needed to tailor service during the post-pandemic recovery phase, as well as to enable planning for a mixed fleet service after electrification project is completed.

**25. Transit-Oriented Development Studies - \$750,000**

This project will provide technical support to advance TOD projects and exploration of corridor-wide TOD strategies designed to maximize ridership and revenue potential from real estate assets and station areas. Technical studies include environmental assessment, hazmat testing, traffic studies, title research, and market and feasibility analysis. This project will also facilitate other activities include TOD planning, land use approvals, and other real estate efforts at locations having TOD potential.

**26. Electric Multiple Unit (EMU) Hybridization - \$350,000**

Supports Caltrain's emerging partnership with Stadler and the State of California around the development of a hybridized EMU capable of off-wire operation. A dedicated project manager and engineering support will lead Caltrain's participation in R&D efforts. Substantial additional funding is expected to come from the state but Caltrain will incur initial costs to advance this work.

**27. San Francisco Corridor and Stations Planning - \$250,000**

This project includes Caltrain support, engagement, and coordination with San Francisco partners for the continued development of key projects in San Francisco such as Pennsylvania Avenue Extension and South East Rail Station Study.

**28. SF Railyards Preliminary Business Case - \$250,000**

Staff and consultant support in developing the preliminary business case where key elements specific to transportation needs at the railyards will be investigated to ensure Caltrain's requirements are met.

**29. Caltrain Access Policy Update - \$100,000**

Scope includes a review of the existing access policy, investigation of national and international best practices, stakeholder engagement, and policy development focused on pedestrian, cyclist, and parking access to and along the corridor.

**30. Capital Planning Technical Support - \$250,000**

Rail program development support to assist with a variety of capital planning projects, as needed and determined by the Capital Improvement Program development process.

v. DTX Funding - \$1,500,000

**31. DTX Funding - \$1,500,000**

This is a funding contribution to be requested of Caltrain as part of the local match for federal FTA funding toward the DTX project. Caltrain's contribution will be matched with contributions from other DTX partners, including the San Francisco County Transportation Authority, Metropolitan Transportation Commission, and California High Speed Rail Authority.

vi. Capital Contingency Funds - \$1,325,000

**32. Capital Contingency Funds - Engineering - \$330,000**

This contingency supports unforeseen capital expenditure related to the delivery of capital projects/programs.

**33. Capital Contingency Funds - Rail - \$660,000**

This contingency supports unforeseen capital expenditure related to rail operations.

**34. Capital Project Development - \$335,000**

This contingency supports planning and engineering study activities.

Prepared By: Claudette Valbuena Budget Analyst III  
Ladi Millard-Olmeda Director, Budgets

650-508 6237  
650-508 7755

PENINSULA CORRIDOR JOINT POWERS BOARD  
STATEMENT OF REVENUE AND EXPENSE  
PRELIMINARY BUDGET  
FY2023

	FY2021 ACTUAL A	FY2022 BUDGET B	FY2022 FORECAST C	FY2023 PRELIMINARY BUDGET D	FY2023 Preliminary to FY2022 Forecast \$ variance E = D - C	FY2023 Preliminary to FY2022 Forecast % variance F = E / C		
<b>REVENUE</b>								
<b>OPERATIONS:</b>								
1	Farebox Revenue	32,439,915	34,639,000	32,639,000	46,479,000	13,840,000	42.4%	1
2	Parking Revenue	385,304	1,536,000	1,286,000	1,896,000	610,000	47.4%	2
3	Shuttles	1,022,510	1,603,900	1,315,667	-	(1,315,667)	-100.0%	3
4	Rental Income	1,124,691	1,192,466	1,192,466	935,357	(257,109)	-21.6%	4
5	Other Income	1,474,039	1,584,608	1,668,351	1,226,211	(442,140)	-26.5%	5
6	<b>TOTAL OPERATING REVENUE</b>	<b>36,446,459</b>	<b>40,555,974</b>	<b>38,101,484</b>	<b>50,536,568</b>	<b>12,435,084</b>	<b>32.6%</b>	6
7								7
8	<b>CONTRIBUTIONS:</b>							
9	AB434 Peninsula & TA Shuttle Funding	1,144,681	1,119,300	1,119,300	40,000	(1,079,300)	-96.4%	9
10	Operating Grants	13,325,611	6,525,471	6,525,471	11,288,161	4,762,690	73.0%	10
11	JPB Member Agencies	27,940,231	-	-	-	-	0.0%	11
12	Measure RR	-	86,576,919	95,621,811	114,300,000	18,678,189	19.5%	12
13	CARES	41,509,536	-	-	-	-	0.0%	13
14	CRRSAA	46,692,029	27,115,922	-	-	-	0.0%	14
15	ARPA	-	14,849,883	115,995,904	-	(115,995,904)	-100.0%	15
16	<b>TOTAL CONTRIBUTED REVENUE</b>	<b>130,612,088</b>	<b>136,187,495</b>	<b>219,262,486</b>	<b>125,628,161</b>	<b>(93,634,325)</b>	<b>-42.7%</b>	16
17								17
18	<b>GRAND TOTAL REVENUE</b>	<b>167,058,547</b>	<b>176,743,469</b>	<b>257,363,970</b>	<b>176,164,729</b>	<b>(81,199,241)</b>	<b>-31.6%</b>	18
19								19
20	<b>EXPENSE</b>							
21	<b>OPERATING EXPENSE:</b>							
22	Rail Operator Service	85,108,192	97,353,730	93,573,730	102,583,389	9,009,659	9.6%	23
24	Security Services	6,752,598	7,486,512	7,486,512	7,935,381	448,869	6.0%	24
25	Shuttle Services	1,899,021	2,723,200	2,157,353	120,400	(2,036,953)	-94.4%	25
26	Fuel and Lubricants	7,205,280	10,434,846	13,000,000	17,539,232	4,539,232	34.9%	26
27	Timetables and Tickets	15,932	55,000	55,000	135,350	80,350	146.1%	27
28	Insurance	5,406,266	5,857,210	5,857,210	6,299,730	442,520	7.6%	28
29	Claims, Payments, and Reserves	3,067,164	820,000	3,320,000	820,000	(2,500,000)	-75.3%	29
30	Facilities and Equipment Maintenance	4,260,435	7,734,353	6,409,353	7,258,788	849,435	13.3%	30
31	Utilities	2,009,538	2,552,600	2,552,600	2,617,600	65,000	2.5%	31
32	Maint & Services-Bldg & Other	1,385,569	1,674,250	1,674,250	1,754,100	79,850	4.8%	32
33	<b>TOTAL OPERATING EXPENSE</b>	<b>117,109,995</b>	<b>136,691,701</b>	<b>136,086,008</b>	<b>147,063,970</b>	<b>10,977,963</b>	<b>8.1%</b>	33
34								34
35	<b>ADMINISTRATIVE EXPENSE</b>							
36	Wages and Benefits	9,550,977	12,301,799	12,301,799	14,075,511	1,773,712	14.4%	36
37	Managing Agency Admin OH Cost	3,510,418	3,470,871	3,470,871	3,565,453	94,582	2.7%	37
38	Board of Directors	26,998	48,275	48,275	57,275	9,000	18.6%	38
39	Professional Services	5,168,264	8,871,301	8,371,301	9,205,755	834,454	10.0%	39
40	Communications and Marketing	234,816	322,750	322,750	403,730	80,980	25.1%	40
41	Other Office Expenses and Services	1,487,493	3,655,020	2,305,020	2,724,996	419,976	18.2%	41
42	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>19,978,967</b>	<b>28,670,016</b>	<b>26,820,016</b>	<b>30,032,720</b>	<b>3,212,704</b>	<b>12.0%</b>	42
43								43
44	Measure RR Ballot Costs	-	7,000,000	5,357,846	-	(5,357,846)	-100.0%	44
45	Governance	-	2,000,000	2,000,000	700,000	(1,300,000)	-65.0%	45
46								46
47	Debt Service Expense	2,882,955	2,381,752	2,381,752	2,581,752	200,000	8.4%	47
48								48
49	<b>GRAND TOTAL EXPENSE</b>	<b>139,971,917</b>	<b>176,743,469</b>	<b>172,645,622</b>	<b>180,378,442</b>	<b>7,732,820</b>	<b>4.5%</b>	49
50								50
51								51
52	<b>PROJECTED SURPLUS/(DEFICIT)</b>	27,086,630	-	84,718,348	(4,213,713)			52
53	Measure RR for Capital Reserve			80,000,000				53
54	Draw from FY2022 surplus			-	4,213,713			54
55	<b>ADJUSTED PROJECTED SURPLUS/(DEFICIT)</b>			4,718,348	(0)			55
56								56
57	Reserve, Beginning Balance				16,115,624			57
58	FY23 set aside				10,941,142			58
59	Reserve, Ending Balance				27,056,766			59



**Attachment B  
FY2023 UNCONSTRAINED CAPITAL BUDGET**

Item #	PROJECT NAME	Unconstrained FY2023 Capital Budget	Preliminary FY2023 Capital Budget Request
<b>i. SOGR</b>			
<b>Bridges</b>			
1	Guadalupe Bridges Replacement (002113)	11,000	9,642
2	San Francisquito Creek Bridge Replacement (100427)	4,403	60
<b>Total Bridges</b>		<b>15,403</b>	<b>9,702</b>
<b>Right of Way</b>			
3	SOGR Track	10,000	7,000
4	Track Tie Replacement	1,500	500
5	SOGR ROW	800	800
6	ROW Fencing	1,500	1,500
<b>Total Right of Way</b>		<b>13,800</b>	<b>9,800</b>
<b>Signal &amp; Communications</b>			
7	SOGR Signal & Communications	3,000	3,000
8	SOGR Communication System (100572)	1,700	-
9	SOGR Fiber Optic	2,585	2,585
<b>Total Signal &amp; Communications</b>		<b>7,285</b>	<b>5,585</b>
<b>Station &amp; Intermodal Access</b>			
10	SOGR Facilities	2,000	1,000
11	SOGR Historical Stations	2,000	1,000
<b>Total Station &amp; Intermodal Access</b>		<b>4,000</b>	<b>2,000</b>
<b>Total SOGR</b>		<b>40,488</b>	<b>27,087</b>
<b>ii. LEGAL MANDATES AND ELECTRIFIED SERVICE RAIL PROGRAM INTEGRATION</b>			
12	CCTV end of life equipment	75	75
<b>Total</b>		<b>75</b>	<b>75</b>
<b>iii. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS</b>			
13	PADS Replacement	1,960	1,060
14	Next Generation Visual Messaging Sign (VMS) (100449)	2,700	2,700
15	BCCF Virtualization Project	1,200	1,200
16	Broadband Communication (100403)	8,311	5,194
17	Caltrain VoIP	222	222
18	22nd Street ADA Improvements	200	-
19	Technology Refresh Assessment	325	325
20	GIS System - Update & Upgrade (100565)	2,824	2,000
21	Enterprise Asset Management Software System (100564)	1,048	1,048
22	Backup Central Control Facility (BCCF) Office Remodel	1,400	1,000
23	Project Management Information System	450	-
24	Support for Property Mapping	500	500
<b>Total</b>		<b>21,140</b>	<b>15,249</b>
<b>iv. PLANNING/STUDIES</b>			
25	DTX Support	500	500
26	Security CCTV Assessment	100	-
27	Redwood City Corridor Planning	1,000	1,000
28	Rail Network and Operations Planning	500	200
29	Transit-Oriented Development Studies	750	750
30	Electric Multiple-Unit (EMU) Hybridization	350	350
31	San Francisco Corridor and Stations Planning	500	250
32	SF Railyards Preliminary Business Case	250	250
33	Caltrain Access Policy Update	250	100

34	Capital Planning Technical Support	250	250
<b>Total</b>		<b>4,450</b>	<b>3,650</b>

<b>v. DTX FUNDING</b>			
35	DTX Funding	1,500	1,500
<b>Total</b>		<b>1,500</b>	<b>1,500</b>

<b>vi. CAPITAL/CONTINGENCY FUNDS</b>			
36	Capital Contingency Funds - Engineering	330	330
37	Capital Contingency Funds - Rail	660	660
38	Capital Project Development	335	335
<b>Total</b>		<b>1,325</b>	<b>1,325</b>

<b>Total (Excludes Externally Funded Projects)</b>		<b>68,978</b>	<b>48,886</b>
--	--	---------------	---------------

<b>Project Category</b>	<b>Project Requests Fully Funded by Requesting Local Agencies</b>	<b>Requested Amount</b>	<b>Requested Amount</b>
Operational Improvements/Enhancements	South Linden & Scott Grade Separation (002152)	4,960	4,960
	Mary Ave/Sunnyvale Ave Grade Separation	18,898	18,898
	Rengstorff Grade Separation (100482)	8,715	8,715
	Middle Ave Undercrossing	400	400
	Bernardo Ave Undercrossing	4,990	4,990
	San Mateo Grade Crossing Improvements (100566)	2,067	2,067
	<b>Total Externally Funded Projects</b>	<b>40,030</b>	<b>40,030</b>



FY2023 Caltrain Capital Budget Summary (000s)\*

Project	Reduced Capital Budget Request	Federal Funding	Measure RR (allocated to Capital in FY22)	STA SOGR	Total	Deficit
<b>SOGR Projects - Federal Eligible</b>	<b>23.59</b>	<b>13.67</b>	<b>1.92</b>	<b>1.50</b>	<b>17.09</b>	<b>(6.50)</b>
<b>SOGR Projects - Other</b>	<b>3.5</b>				<b>-</b>	<b>(3.50)</b>
Legal Mandates	0.08					
Operational Improvements	15.25					
Planning/Studies	3.65					
DTX Funding	1.50					
Capital Contingency	1.33					
<b>Non-SOGR Projects Total</b>	<b>21.80</b>	<b>-</b>	<b>16.08</b>	<b>-</b>	<b>16.08</b>	<b>(5.72)</b>
						<b>-</b>
<b>Total</b>	<b>48.89</b>	<b>13.67</b>	<b>18.00</b>	<b>1.50</b>	<b>33.17</b>	<b>(15.72)</b>

**(5.30)** *Per Partner Obligation*

\*Does not include Externally funded capital projects in the amount of \$40M.

**Peninsula Corridor Joint Powers Board  
Staff Report**

DATE: April 17, 2022

TO: Finance Committee

THROUGH: Michelle Bouchard  
Acting Executive Director

FROM: Grace Martinez  
Acting Chief Financial Officer

SUBJECT: **April 25, 2022 Finance Committee Report of the Acting Chief Financial Officer**

**HIGHLIGHTS**

- The proposed preliminary operating budget shows a deficit of \$4.3M to be closed from anticipated surplus from Fiscal 2022.
- The proposed preliminary capital budget shows a deficit of \$14.5M with anticipation that member agencies will provide additional contributions to close the gap.
- The forecast for the JPB's Fiscal 2022 Operating Results is provided in the monthly financial report. This forecast is based upon results through March of the current fiscal year.
- Revenues by Tickets Report is provided as a supplemental information.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Finance Committee  
Through: Michelle Bouchard, Acting Executive Director  
From: Grace Martinez, Acting Chief Financial Officer  
Subject: **Accept Statement of Revenues and Expenses for the Period Ending March 31, 2022**

Finance Committee  
Recommendation

Work Program-  
Legislative-Planning  
Committee  
Recommendation

Staff Coordinating  
Council Reviewed

Staff Coordinating Council  
Recommendation

**Action**

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the month of March 2022.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through March 31, 2022. The statement has been designed to follow the Agency-wide line item rollup as included in the approved budget. The columns have been designed to provide easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

**Significance**

**Annual Forecast:** The annual forecast was updated based on actual revenue and expense trends through March 2022. The forecast was derived by analyzing trends and reviewing details with cost center managers.

**Forecast Revenues:** Total revenue (page 1, line 19) is forecast \$80.6 million higher than budget. This is driven primarily by \$101.1 million more allocation from the American Rescue Plan Act (ARPA) than budgeted. Measure RR (page 1, line 13), is \$9.0 million higher than budget reflecting updated estimates that continue to show recovery from the pandemic. The revenue increase is partially offset by Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) (page 1, line 14) which is \$27.1 million lower than budget as funding was previously received in FY21. Farebox Revenue (page 1, line 1) is \$2.0 million lower than budget as ridership levels continue to be depressed due to Omicron and continued delay of return to office, Parking revenue (page 1, line 2) is \$0.3 million lower than budget and Shuttles Revenue (page 1, line 3) is \$0.3 million lower than budget due to lower shuttle service as routes have been reduced or suspended due to low ridership.

**Forecast Expenses:** Total Expense (page 2, line 54) is \$4.1 million lower than budget. The variance is primarily due to lower expense trends. Rail Operator Service (page 2, line 24) is \$3.8 million lower than budget due to resource constraints and vacancies. Shuttles Services (page 2, line 26) is \$0.6 million lower than budget due to reduction or suspended service as result of low ridership. Facilities & Equipment Maintenance (page 2, line 31) is lower than budget by \$1.3 million due to lower Clipper Operator Charges as a result of lower ridership and under-runs in other contract services. Professional Services (page 2, line 41) is lower than budget by \$0.5 million as a result of under-runs in consultant services. Other Office Expenses and Services (page 2, line 43) is lower than budget by \$1.4 million due to reduction in Bank Fees and other services. Measure RR ballot Costs (page 2, line 49) is lower than budget by \$1.6 million. This is partially offset by Fuel and Lubricants (page 2, line 27) which is higher than budget by \$2.6 million reflecting the updated service to 104 weekday trains and the rising fuel prices due to supply concerns arising from the conflict abroad, and Claims, Payments, and Reserves (page 1, line 30) which is higher than budget by \$2.5M reflecting updates for recent claims. The forecast also includes an \$80 million reserve of Measure RR funds to address significant capital requirements for the Electrification Program and position the JPB to effectively compete for funds through a federal discretionary grant program that is intended to address the very kinds of revenue losses experienced by the JPB related to the COVID-19 pandemic. The reserve was approved at the November 2021 board meeting.

**Year to Date Revenues:** As of March year-to-date actual, the Grand Total Revenue (page 1, line 19) is \$48.9 million more than the approved budget. This is primarily driven by Measure RR (page 1, line13) and ARPA fund (page 1, line 15), partially offset by CRRSAA fund (page 1, line14). CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22.

**Year to Date Expenses:** As of March year-to-date actual, the Grand Total Expense (page 2, line 54) is \$18.4 million lower than the approved budget. This is primarily driven by Rail Operator Service (page 2, line 24), Facilities and Equipment Maintenance (page 2, line 31), Wages and Benefits (page 2, line 38), Professional Services (page 2, line 41), Other Office Expenses and Services (page 2, line 43), and Measure RR Ballot Costs (page 2, line 49).

**Other Information:** The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year actual and the budget may show noticeable variances due to the timing of expenditures.

### **Budget Impact**

There are no budget amendments for the month of March 2022.

Prepared By: Thwe Han, Accountant II	650.508.7912
Jennifer Ye, Director, Accounting	650.622.7890

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>								
<b>STATEMENT OF REVENUE AND EXPENSE</b>								
<b>Fiscal Year 2022</b>								
<b>March 2022</b>								
<b>% OF YEAR ELAPSED</b>							<b>75.0%</b>	
	<b>JULY TO MARCH</b>				<b>ANNUAL</b>			
	<b>CURRENT ACTUAL</b>	<b>APPROVED BUDGET</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	<b>APPROVED BUDGET</b>	<b>FORECAST</b>	<b>\$ VARIANCE</b>	
<b>REVENUE</b>								
<b>OPERATIONS:</b>								
1 Farebox Revenue	23,451,751	23,320,000	131,751	.6%	34,639,000	32,639,000	(2,000,000)	1
2 Parking Revenue	832,137	1,152,000	(319,864)	(27.8%)	1,536,000	1,286,000	(250,000)	2
3 Shuttles	916,896	1,202,922	(286,026)	(23.8%)	1,603,900	1,315,667	(288,233)	3
4 Rental Income	727,861	894,348	(166,487)	(18.6%)	1,192,466	1,192,466	-	4
5 Other Income	1,668,351	1,188,450	479,901	40.4%	1,584,608	1,668,351	83,743	5
6								6
7 <b>TOTAL OPERATING REVENUE</b>	<b>27,596,995</b>	<b>27,757,720</b>	<b>(160,725)</b>	<b>(.6%)</b>	<b>40,555,974</b>	<b>38,101,484</b>	<b>(2,454,490)</b>	7
8								8
<b>CONTRIBUTIONS:</b>								
9								9
10 AB434 Peninsula & TA Shuttle Funding	398,475	839,475	(441,000)	(52.5%)	1,119,300	1,119,300	-	10
11 Operating Grants	4,817,448	4,919,104	(101,656)	(2.1%)	6,525,471	6,525,471	-	11
12 JPB Member Agencies	-	-	-	.0%	-	-	-	12
13 Measure RR	79,322,323	64,932,689	14,389,634	22.2%	86,576,919	95,621,811	9,044,892	13
14 CRRSAA*	-	27,115,922	(27,115,922)	(100.0%)	27,115,922	-	(27,115,922)	14
15 ARPA	77,164,334	14,849,883	62,314,451	419.6%	14,849,883	115,995,904	101,146,021	15
16								16
17 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>161,702,580</b>	<b>112,657,073</b>	<b>49,045,507</b>	<b>43.5%</b>	<b>136,187,495</b>	<b>219,262,486</b>	<b>83,074,991</b>	17
18								18
19 <b>GRAND TOTAL REVENUE</b>	<b>189,299,575</b>	<b>140,414,793</b>	<b>48,884,782</b>	<b>34.8%</b>	<b>176,743,469</b>	<b>257,363,970</b>	<b>80,620,501</b>	19
20								20
*CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22. A future FY22 budget action will be brought to the Board to clarify funding sources for the FY22 budget, including reserved funds from the FY21 actual results and/or additional funding made available from ARPA distributions.								

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>									
<b>STATEMENT OF REVENUE AND EXPENSE</b>									
<b>Fiscal Year 2022</b>									
<b>March 2022</b>									
						% OF YEAR ELAPSED	75.0%		
		JULY TO MARCH				ANNUAL			
		CURRENT	APPROVED	\$	%	APPROVED	\$		
		ACTUAL	BUDGET	VARIANCE	VARIANCE	BUDGET	FORECAST		
				VARIANCE			VARIANCE		
21	<b>EXPENSE</b>							21	
22								22	
23	<b>DIRECT EXPENSE:</b>							23	
24	Rail Operator Service	66,076,398	72,103,180	(6,026,782)	(8.4%)	97,353,730	93,573,730	(3,780,000)	24
25	Security Services	5,102,130	5,614,887	(512,757)	(9.1%)	7,486,512	7,486,512	-	25
26	Shuttle Services	1,351,544	1,804,572	(453,028)	(25.1%)	2,723,200	2,157,353	(565,848)	26
27	Fuel and Lubricants*	7,256,519	7,826,139	(569,620)	(7.3%)	10,434,846	13,000,000	2,565,154	27
28	Timetables and Tickets	17,140	41,247	(24,108)	(58.4%)	55,000	55,000	-	28
29	Insurance	5,515,844	5,857,210	(341,366)	(5.8%)	5,857,210	5,857,210	-	29
30	Claims, Payments, and Reserves	565,660	615,006	(49,346)	(8.0%)	820,000	3,320,000	2,500,000	30
31	Facilities and Equipment Maintenance	3,943,703	5,817,279	(1,873,576)	(32.2%)	7,734,353	6,409,353	(1,325,000)	31
32	Utilities	1,701,681	1,914,453	(212,772)	(11.1%)	2,552,600	2,552,600	-	32
33	Maint & Services-Bldg & Other	950,916	1,262,655	(311,739)	(24.7%)	1,674,250	1,674,250	-	33
34									34
35	<b>TOTAL DIRECT EXPENSE</b>	<b>92,481,534</b>	<b>102,856,628</b>	<b>(10,375,094)</b>	<b>(10.1%)</b>	<b>136,691,701</b>	<b>136,086,008</b>	<b>(605,694)</b>	35
36									36
37	<b>ADMINISTRATIVE EXPENSE</b>								37
38	Wages and Benefits	8,056,991	9,551,631	(1,494,640)	(15.6%)	12,301,799	12,301,799	-	38
39	Managing Agency Admin OH Cost	2,819,014	2,603,746	215,268	8.3%	3,470,871	3,470,871	-	39
40	Board of Directors	17,208	36,198	(18,990)	(52.5%)	48,275	48,275	-	40
41	Professional Services	3,802,045	6,613,676	(2,811,631)	(42.5%)	8,871,301	8,371,301	(500,000)	41
42	Communications and Marketing	176,349	244,244	(67,895)	(27.8%)	322,750	322,750	-	42
43	Other Office Expenses and Services	1,164,174	2,734,057	(1,569,883)	(57.4%)	3,655,020	2,305,020	(1,350,000)	43
44									44
45	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>16,035,781</b>	<b>21,783,552</b>	<b>(5,747,771)</b>	<b>(26.4%)</b>	<b>28,670,016</b>	<b>26,820,016</b>	<b>(1,850,000)</b>	45
46									46
47	<b>TOTAL OPERATING EXPENSE</b>	<b>108,517,314</b>	<b>124,640,180</b>	<b>(16,122,866)</b>	<b>(12.9%)</b>	<b>165,361,717</b>	<b>162,906,024</b>	<b>(2,455,694)</b>	47
48									48
49	Measure RR Ballot Costs	5,357,846	7,000,000	(1,642,154)	(23.5%)	7,000,000	5,357,846	(1,642,154)	48
50	Governance	752,039	1,500,003	(747,964)	(49.9%)	2,000,000	2,000,000	-	49
51									51
52	Debt Service Expense	1,916,247	1,786,311	129,936	7.3%	2,381,752	2,381,752	-	52
53									53
54	<b>GRAND TOTAL EXPENSE</b>	<b>116,543,447</b>	<b>134,926,494</b>	<b>(18,383,047)</b>	<b>(13.6%)</b>	<b>176,743,469</b>	<b>172,645,622</b>	<b>(4,097,847)</b>	54
55									55
56	<b>NET SURPLUS / (DEFICIT)</b>	<b>72,756,128</b>	<b>5,488,299</b>	<b>67,267,829</b>	<b>1,225.7%</b>	<b>-</b>	<b>84,718,348</b>	<b>84,718,348</b>	56
57									57
58	Measure RR for Capital Reserve**					-	<b>80,000,000</b>		58
59	<b>ADJUSTED NET SURPLUS / (DEFICIT)</b>					-	<b>4,718,348</b>		59

\* Fuel and Lubricants costs were reduced by a realized gain of \$1,457,614 from the fuel hedge program.

\*\* The \$80M capital reserve using Measure RR funds was used to address capital needs for the Electrification Program and approved at the November 2021 board meeting.



BOARD OF DIRECTORS 2022

STEVE HEMINGER, CHAIR  
CHARLES STONE, VICE CHAIR  
DEVORA "DEV" DAVIS  
CINDY CHAVEZ  
JEFF GEE  
GLENN HENDRICKS  
DAVE PINE  
SHAMANN WALTON  
MONIQUE ZMUDA

MICHELLE BOUCHARD  
ACTING EXECUTIVE DIRECTOR

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**INVESTMENT PORTFOLIO**

**AS OF MARCH 31, 2022**

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.365%	88,191	88,191
County Pool (Unrestricted)		Liquid Cash	0.904%	560,437	560,437
Other (Unrestricted)		Liquid Cash	0.050%	160,126,177	160,126,177
Other (Restricted)	**	Liquid Cash	0.050%	9,300,562	9,300,562
				<b>\$ 170,075,367</b>	<b>\$ 170,075,367</b>

Interest Earnings for March 2022                   \$ 5,448.46  
Cumulative Earnings FY2022                   \$ 35,259.81

\* 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: Joint Powers Board

THROUGH: Michelle Bouchard

FROM: Grace Martinez  
Acting Chief Financial Officer

SUBJECT: **Postponement of Approved Fare Increases / 2023 Go Pass Pricing**

<input type="checkbox"/>	Finance Committee Recommendation	<input type="checkbox"/>	Work Program-Legislative- Planning Committee Recommendation	<input checked="" type="checkbox"/>	Staff Coordinating Council Reviewed	<input checked="" type="checkbox"/>	Staff Coordinating Council Recommendation
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**Action**

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) postpone fare increases as described below. The Board previously approved the fare increases at the September 2019 Board meeting and subsequently postponed the increases due to the COVID-19 pandemic at the June 2021 Board meeting.

The proposed changes to the current schedule of increases are as follows:

- A.** Go Pass – Postpone the 5% price increases by one year from January 1, 2023 to January 1, 2024, and again from January 1, 2025 to January 1, 2026
- B.** Clipper® - Discount – Postpone the April 1, 2022 reduction of the Clipper discount from \$0.55 to \$0.25 per one-way adult fare with corresponding changes to all Clipper Products except the Eligible Discount one-way fare to July 1, 2028
- C.** Periodic Fare Increases – Delay scheduled increases to the full price one-way base fare and zone charge (with corresponding increases to related products), as follows:
  - Base Fare increase of \$0.50: Postpone from July 1, 2022 to July 1, 2023
  - Zone Charge increase of \$0.25: Postpone from July 1, 2024 to July 1, 2025
  - Base Fare increase of \$0.50: Postpone from July 1, 2026, to July 1, 2027



2. Adopt a resolution establishing new Go Pass pricing and terms for 2023 as follows:

- A. Customers that are enrolled for the last 6 months of 2022 (i.e. an effective date no later than July 1, 2022) receive a 20% discount off the 2023 Go Pass price of \$342 per year (discounted to \$287).
- B. Maintain the current adopted incentive structure which allows for distribution to on-site contracted staff, part-time employees, and graduate and post-doctoral students as well as donation of the Go Pass to qualified and not-for-profit organizations

### **Significance**

Caltrain has experienced significant declines in ridership because of COVID-19 and the related Shelter-in-Place orders. Postponing previously-approved periodic fare and Go Pass increases will help incentivize increased ridership and potentially increase overall fare revenue as a result. Each of the proposed fare changes would delay the fare increases by one year, with the exception of the reduction of the Clipper discount, which would be delayed for six years.

Delaying previously approved fare changes will provide additional time for ridership recovery and allow staff to better assess how the planned fare changes align with the changing environment. Caltrain's fare strategy is an area of focus for fiscal year (FY) 2023, and staff will assess:

- A. Considerations of equity and connectivity aspects of fares
- B. Pricing strategy at both individual and regional levels
- C. Regional coordination efforts
- D. Caltrain's financial position
- E. Ridership trends

Delaying the Clipper change is proposed as the part of an ongoing assessment of the overall Caltrain Clipper strategy. Additionally, ticket sales have recovered better for both ticket vending machine paper tickets and mobile purchases, compared to Clipper. The Acting Executive Director authorized a temporary promotional fare reduction which extended the fare reductions beyond April 1, 2022; this proposal will extend the fare reduction as described above.

Providing a discount and flexibility options for the Go Pass in 2023 for companies previously enrolled will assist in retaining these companies, incentive ridership, and potentially increase overall revenue as a result. Caltrain has been heavily reliant on Go Pass revenue during the pandemic and offering continued incentives to participate in the program will help provide value for loyal customers.

### **Budget Impact**

The proposed fare changes, if approved, would not impact the proposed budget for FY 2023

because they have already been assumed in the proposed budget.

### **Background**

In 2019, the Board of Directors approved a series of fare changes and the accompanying Title VI Analysis, to address the JPB's anticipated budget shortfalls. At that time, the JPB did not have a dedicated source of funding to support operating, maintenance, and capital costs. Since that time, COVID -19 has severely impacted Caltrain ridership levels and reduced fare revenues, but the agency has been able to obtain federal economic relief funds. In addition, in November 2020, the voters approved Measure RR, creating the JPB's first non-fare dedicated source of revenue, reducing the agency's reliance on fares to fund operations.

### **Fare Increases**

The postponement in fare increases was subject to considerable public outreach and feedback beginning in April 2021 until May 24, 2021. The Finance Committee called a Public Hearing on May 24, 2021, for consideration of changes to the Fare Structure. In June 2021, the Board of Directors approved the postponement of these fare increases until after FY 2021- 2022 to incentivize ridership to return and potentially increase overall fare revenue as a result.

At its June 2021 meeting, the Board agreed to postpone fare increases approved at the September 2019 Board meeting due to the pandemic. Pursuant to Resolution 2020-20, the Caltrain Fare Structure as adopted in Resolution 2019-32, and FTA Circular 4702.1B, which grants the authority to implement special and promotional fare discounts lasting up to six months, the Acting Executive Director authorized a promotional fare reduction that postpones the same previously approved fare increases mentioned above to alleviate the economic effects of the COVID-19 pandemic on riders, incentivize Caltrain ridership, and potentially increase overall fare revenue.

The proposed delay in implementing previously-approved fare changes will continue to support the Fare Policy adopted by the Board in December 2018, support those in need of transportation in these challenging times, and incentivize the use of the public transit.

### **Go Pass Pricing**

At its January 2021 meeting, the Board approved an incentive for current customers to renew, and for new customers to participate in, the 2022 Go Pass program, including a 25% discount for customers that had participated in the last 6 months of 2021 Go Pass program (with an effective date of no later than July 1, 2021). In addition to this discount, the Board approved options that provided flexibility to Go Pass institutions by enabling distribution to on-site contracted staff, part-time employees, and graduate and post-doctoral students as well as donation to qualified and not-for-profit organizations

Prepared by: Bruce Thompson, Acting Manager Fare Operations

**Resolution No. 2022 –**

**Board Of Directors, Peninsula Corridor Joint Powers Board  
State Of California**

\* \* \*

**Postponing Approved Fare Increases and Adopting 2023 Go Pass Pricing**

**Whereas**, on May 6, 1992, by Resolution No. 1992-31, the Board of the Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB”) adopted a Codified Tariff, setting forth the rate structure for the Caltrain service; and

**Whereas**, the JPB has previously amended the Codified Tariff to modify fares in order to implement policy and administrative changes in the Caltrain service; and

**Whereas**, the JPB is committed to the principles underlying its Caltrain Fare Policy, adopted on December 6, 2018, by Resolution 2018-49, including financial sustainability, equity, customer experience, and ridership; and

**Whereas**, the JPB revised the Fare Structure (which replaced the Codified Tariff) on September 5, 2019, by adopting Resolution No. 2019-32, in order to increase Go Pass prices every other year, reduce the Clipper® Discount, increase base and zone fares (alternating every other year), and participate in the regional means-based fare pilot program (Clipper START); and

**Whereas**, in light of the Covid-19 pandemic, on September 3, 2020, the JPB adopted Resolution 2020-47, postponing the previously-approved fare increases, which were to take effect on April 1 and July 1, 2020, until after Fiscal Year 2020-2021; and

**Whereas**, on June 4, 2020, by Resolution No. 2020-21, the JPB extended the duration of the 2020 Go Pass participant agreements through March 2021 to compensate for their users' loss of use of Caltrain for the duration of state and local shelter-in-place orders; and

**Whereas**, on June 4, 2020, by adopting Resolution 2020-30, the JPB increased the Caltrain discount associated with Clipper START from 20 percent to 50 percent off single-ride, adult Clipper fares; and

**Whereas**, on January 7, 2021, the JPB adopted Resolution 2021-01 to reduce the 2021 Go Pass pricing to reflect the shortened program year and continued commute pattern changes caused by COVID-19; to give added flexibility to Go Pass program participants by permitting them to offer otherwise unused 2021 Go Passes to on-site contractors, part-time employees, and graduate and post-doctoral students and to donate unused passes to qualified not-for-profit organizations, and to decrease the 2022 Go Pass price for the Go Pass program participants purchasing passes for at least the last six months of 2021; and

**Whereas**, in April and May 2021, the JPB engaged in public outreach, including published notices and virtual community meetings to afford members of the public an opportunity to comment on fare change proposals and held a duly-noticed public hearing at the May 24, 2021 meeting of the Finance Committee on the extension of the Caltrain Monthly Pass discount and accepted comments on fare changes; and

**Whereas**, on June 3, 2021, by adopting Resolution 2021-33, the JPB, based on the public comment it had received, extended the temporary 20 percent discount on Monthly Pass products, postponed two scheduled 5 percent increases in the Go Pass price, postponed a

reduction of the Clipper discount, delayed scheduled increases to the full-price base fare and zone charge, and extended Clipper START; and

**Whereas**, Staff recommends that the Board adopt the following changes to the current schedule of fare increases:

- A. Go Pass – Postpone two scheduled 5 percent price increases by one year from January 1, 2023, to January 1, 2024, and again from January 1, 2025, to January 1, 2026
- B. Clipper Discount – Postpone the April 1, 2022 reduction of the Clipper discount from \$0.55 to \$0.25 per one-way adult fare and corresponding changes to all Clipper Products except the Eligible Discount one-way fare to July 1, 2028
- C. Periodic Fare Increases – Delay scheduled increases to the full price one-way base fare and zone charge (and corresponding increases to related products), as follows:
  - Base Fare increase of \$0.50: Postpone from July 1, 2022, to July 1, 2023
  - Zone Charge increase of \$0.25: Postpone from July 1, 2024, to July 1, 2025
  - Base Fare increase of \$0.50: Postpone from July 1, 2026, to July 1, 2027

**Whereas**, Staff recommends that the Board adopt new Go Pass pricing and terms for 2023 as follows:

- A. Customers that are enrolled for the last 6 months of 2022 (i.e., an effective date no later than July 1, 2022) receive a 20 percent discount off the 2023 Go Pass price of \$342 per year (discounted to \$287)

- B. Maintain the current adopted incentive structure that allows for distribution to on-site contracted staff, part-time employees, and graduate and post-doctoral students as well as donation of the Go Pass to qualified not-for-profit organizations; and

**Whereas**, under Title VI of the Civil Rights Act of 1964 and implementing regulations, including Federal Transit Administration Circular C 4702.1B, the JPB is required to perform a Title VI Equity Analysis in conjunction with most fare changes to assess whether they will result in disparate impacts or disproportionate burdens on minority or low-income populations, respectively, and on April 4, 2013, the Board adopted Resolution No. 2013-21, which established Disparate Impact and Disproportionate Burden Policies to set thresholds for when fare or major service changes are deemed to have disproportionate effects on minority or low-income populations; and

**Whereas**, Staff has previously prepared, and the Board has previously adopted Title VI equity analyses on September 5, 2019 (Resolution No. 2019-32) related to the postponement of the previously-adopted fare changes that are the subject this action; and

**Whereas** on May 24, 2021, the Finance Committee held a duly-noticed public hearing regarding changes to the Fare Structure.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Finds pursuant to Title VI of the Civil Rights Act of 1964 that the fare changes enacted hereby will not have a disparate impact on minority populations or a disproportionate burden on low-income populations;
2. Approves the following fare changes:

- a. Go Pass – Postpone a 5 percent price increase scheduled for January 1, 2023, to January 1, 2024, and postpone a second 5 percent price increase scheduled for January 1, 2025, to January 1, 2026
  - b. Clipper Discount – Postpone the April 1, 2022 reduction of the Clipper discount from \$0.55 to \$0.25 for a one-way adult fare and corresponding changes to all Clipper Products except the Eligible Discount one-way fare to July 1, 2028
  - c. Periodic Fare Increases – Delay scheduled increases to the full price one-way base fare and zone charge (and corresponding increases to related products), as follows:
    - i. Base Fare increase of \$0.50: Postpone from July 1, 2022, to July 1, 2023
    - ii. Zone Charge increase of \$0.25: Postpone from July 1, 2024, to July 1, 2025
    - iii. Base Fare increase of \$0.50: Postpone from July 1, 2026, to July 1, 2027; and
3. Approves the Go Pass pricing and terms for 2023 as follows:
- a. Customers that are enrolled for the last 6 months of 2022 (i.e., an effective date no later than July 1, 2022) receive a 20 percent discount off the 2023 Go Pass price of \$342 per year (discounted to \$287)
  - b. Maintain the current adopted incentive structure that allows for distribution to on-site contracted staff, part-time employees, and graduate and post-

doctoral students as well as donation of the Go Pass to qualified not-for-profit organizations; and

**Be It Further Resolved That** the Board of Directors directs the Acting Executive Director, or designee, to sign any agreements or other documents, or take any other actions required, to give effect to this resolution.

Regularly passed and adopted this 5<sup>th</sup> day of May 2022 by the following vote:

Ayes:

Noes:

Absent:

---

Chair, Peninsula Corridor Joint Powers Board

Attest:

---

JPB Secretary



**Peninsula Corridor Joint Powers Board  
Staff Report**

TO: Joint Powers Board

THROUGH: Michelle Bouchard  
Acting Executive Director

FROM: Anthony Simmons  
Director, Systemwide, Stations, and Capital Planning

SUBJECT: **Downtown Extension Project Update**

Finance Committee  
Recommendation

Work Program-  
Legislative-Planning

Staff Coordinating  
Council Reviewed

Staff Coordinating Council  
Recommendation

**ACTION**

This report is for information only. No Board action is required.

**SIGNIFICANCE**

Caltrain has been closely involved in the ongoing planning and development of the San Francisco Downtown Rail Extension project (DTX). The DTX will have major impacts on Caltrain and is a key component of Caltrain's 2040 Service Vision (Vision) and is projected to significantly increase Caltrain ridership throughout the corridor. This report provides an overview and update of DTX project progress and status, and most importantly, provides details to the Board of Caltrain's current and future engagement in the project. The report includes a discussion of a Master Cooperative Agreement (MCA) which is currently being negotiated between Caltrain and the Transbay Joint Powers Authority (TJPA) to formally define both parties' roles and responsibilities in advancing this project, as well as Caltrain's future engagement as it continues toward construction and delivery. Approval of the MCA by the Board will be requested later this year.

**BUDGET IMPACT**

There is no current impact on the budget.

**BACKGROUND**

The completion of the DTX will have a major impact on Caltrain service and ridership. It completes the final element of the Transbay Program, which includes the Salesforce Transit Center, completed in 2018, and the creation of a transit-oriented neighborhood around the multi-modal transit hub. A regional priority since 1988, the DTX project will deliver the vision of the program by bringing Caltrain and California High Speed Rail into downtown San

Francisco. The environmentally-cleared DTX will extend Caltrain's alignment from the Fourth and King station by approximately 1.6 miles and will provide significantly improved access for Peninsula riders to the North and East Bays, with a nearby connection to BART and San Francisco Municipal Transportation Agency rail services.

In April 2020, Caltrain entered into a Memorandum of Understanding (MOU) with the TJPA, Metropolitan Transportation Commission (MTC), California High Speed Rail Authority (CHSRA), City and County of San Francisco (CCSF), and the San Francisco County Transportation Authority (SFCTA). Under the MOU, these six agencies have agreed to take part in a multi-year effort to ready the DTX for procurement, including activities related to governance, oversight, management, funding, and project delivery. The MOU also established a new organizational structure to support the efforts of the TJPA. An Integrated Program Management Team (IPMT), and an Executive Steering Committee (ESC), both composed of representatives from each of the partnering agencies, meet regularly to advise the TJPA Board on technical and policy matters. Specifically, Acting Executive Director Bouchard currently serves as the Chair of the DTX ESC, and Caltrain staff are members of the IPMT.

In 2021, the project executed an accelerated master schedule to support a potential 2023 Full Funding Grant Agreement (FFGA) request through the Federal Transit Administration's (FTA's) Capital Improvement Grant (CIG) process. The project was accepted into the FTA's initial Project Development Phase in December 2021. This year, the DTX project will pursue major milestones on project development, funding, and public outreach and engagement.

To support and formalize Caltrain's role in the project, Caltrain and TJPA have commenced negotiating an MCA that outlines and confirms each party's responsibility for planning, designing, procuring, constructing, operating, and maintaining DTX. This agreement is critical to progress the project in an efficient and expeditious manner. Later this year, Caltrain staff will request Board approval for the MCA in two stages. The first request will be for a term sheet agreed upon between Caltrain and the TJPA. Subsequently, a final MCA that includes and reflect Board feedback on the term sheet will be presented for Board consideration and action.

Prepared By: Anthony Simmons  
Director, Systemwide, Stations, and Capital Planning

650.868.9925

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Acting Executive Director  
From: Grace Martinez, Acting Chief Financial Officer  
Subject: **Fuel Hedge Update**

Finance Committee Recommendation     Work Program-Legislative-Planning Committee Recommendation     Staff Coordinating Council Reviewed     Staff Coordinating Council Recommendation

**Action**

Staff proposes the Board to review, accept, and enter into the record the report providing an update on the implementation of the Peninsula Corridor Joint Powers Board (JPB) Fuel Hedge Program (Program) and strategy.

**Significance**

The Board adopted JPB's current Diesel Fuel Hedging Program and a related Statement of Policy & Strategy on April 1, 2020. The program is managed in cooperation with consultant Linwood Capital, LLC.

JPB invested \$250,000 into the Program at the end of the Fiscal Year (FY) 2020, allowing the JPB to pre-purchase contextually appropriate anticipated diesel fuel in advance, with precise amounts determined by anticipated consumption and fuel market fluctuations. Based on the current parameters of the Program, hedging has produced:

- Realized net gains of \$1,236,769, which includes a \$700,000 cash out for the reduction of fuel costs, for the time-period June 2020 through March 25, 2022.
- Unrealized gains of \$2,690,549 for the time-period June 2020 through March 25, 2022.
- Combined unrealized gains and cumulative realized gains total \$3,927,318 through March 25, 2022.

Moving forward, the JPB and Linwood Capital will work to:

- Accumulate new fuel hedge contracts for the upcoming fiscal year as market conditions allow; and
- Maintain the size of the hedge in order to protect the JPB's fuel budget against volatile price movements in the diesel fuel market.

As a result, the Program is expected to help the JPB:

- Avoid \$2,169,915 in potential additional fuel costs (representing 51% fuel cost savings versus without hedging) over the next 10 months if fuel prices average 1 standard deviation higher than the current fuel market pricing; and
- Result in unrealized gains representing a fuel cost savings of approximately .50 cents per gallon through December 2022.

**Budget Impact**

There is no impact on the budget associated with the receipt of this report.

**Background**

The Program is designed to minimize large budget variances due to the volatility of diesel fuel prices, increase budget certainty, and facilitate a more effective utilization of budgetary resources. The purpose of the Program is not to speculate on the price of fuel but to manage risk, particularly as it relates to the JPB's annual budget, with realized gains or losses considered to be an element of fuel costs.

Prepared By:	Ashok Deshmukh	Acting Manager, Treasury	650-508-6405
	Connie Mobley-Ritter	Director, Treasury	650-508-7765