



BOARD OF DIRECTORS 2022

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ACTING EXECUTIVE DIRECTOR

# 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=SFJranR4KzVURGIzVW5VUXJMZGIxQT09> 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 <https://live-smctd-2021.pantheonsite.io/caltrain/video-board-directors>

**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 <https://live-smctd-2021.pantheonsite.io/caltrain/about-caltrain/meetings>

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.

**May 23, 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 April 25, 2022 Motion
  - 4.b. Accept Quarterly Fuel Hedge Update Informational
  - 4.c. Authorize Execution of Agreement to Accept Funding and Act as Project Lead Motion  
for the South Linden Avenue and Scott Street Grade Separation Project
  - 4.d. Update on Regional Fare Coordination and Integration Study Informational
5. Authorize Execution of Change Order to Wabtec Railway Electronics for Crossing Optimization Work Under Contract No 18-J-T-49 and Completion of Crossing Optimization Project Motion
6. Execute Contracts for Technology-Related Products and Services through Piggybacking Contracts and Cooperative Purchasing Programs Motion
7. Execute Contracts for Information Technology Licenses, Maintenance Services, and Professional Services Motion
8. Report of the Acting Chief Financial Officer (CFO) Informational
9. Accept Statement of Revenues and Expenses for the Period Ending April 30, 2022 Motion
10. Adopt Fiscal Year 2023 Proposed Operating and Capital Budgets Motion
11. Committee Member Requests
12. Date/Time of Next Regular Finance Committee Meeting: June 27, 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 <https://live-smctd-2021.pantheonsite.io/caltrain/about-caltrain/meetings> any updates or further instruction.

### Public Comment\*

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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 April 25, 2022**

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

**Members Absent:** Monique Zmuda

**Staff Present:** M. Bouchard, G. Martinez, S. Petty, D. Santoro, J. Harrison, L. Millard-Olmeda, C. Mobley-Ritter, A. Simmons, A. Rodriguez, R. Barnard, B. Thompson, C. Valbuena, A. Van de Water, J. LeMuyon, D. Seamans, S. Wong, K. Scribner

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

Acting Chair Jeff Gee called the meeting to order at 2:30 pm and Director Glenn Hendricks 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**

Adrian Brandt, San Mateo County, commented on reduced fares increasing ridership of non-drivers, and changing service to align with speed and location needs.

Allan, San Jose, commented on an increase of homeless people living near the train tracks.

**4. Consent Calendar**

**4a. Approve Meeting Minutes of March 28, 2022**

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks

Noes: None

Absent: Zmuda

**5. Preliminary Operating and Capital Budgets**

Michelle Bouchard, Acting Executive Director, noted this item was to get feedback from this Committee to present to the full board next week. She noted that Caltrain would exhaust its federal relief funds this year, with farebox recovery in 2023 expected to be below Pre-COVID levels, they would need \$23 million in local funds to match federal and state funding.

Ms. Bouchard stated they met with member agency finance staff and will return with a draft balanced budget for approval in June.

Grace Martinez, Acting Chief Financial Officer, provided the presentation, which included the following:

- Fiscal Year (FY) 2023 Preliminary Operating and Capital Budgets with staff recommendations, risks and needs and request for Board guidance on next steps
- Assumed ridership recovery levels and \$4.8 million State Transit Assistance (STA) funds
- Surplus of \$4.7 million in FY22 used to address issues in FY23
- Primary reason for the FY23 deficit is the lack of federal funding and increased rail operation and fuel costs
- Preliminary revenues and expenditures assumptions
- Administration costs and fuel costs taking up the most expenditures
- Risk Areas included ridership recovery, Go pass, Measure RR receipts, and fuel costs
- Capital funding and member contributions with proposed \$5.3 million from each member agency
- FY23 Budgets & reserves - increase operating reserve to \$180 million
- Alternative approaches, including deferring projects, the risks of deferring, and next steps

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

- Having detailed options for how to ask staff to do less
- Increasing California Public Employees' Retirement System (CalPERS) contributions
- Preserving or possibly decreasing operating reserves and deferring office remodels
- Presenting fare increases to the Board as an option
- Deferred maintenance and Member State of Good Repair (SOGR) contributions
- Coming back to the Board with service reduction scenario with specific numbers

#### Public comment

Adrian Brandt, San Mateo County, commented on cutting costs, incremental cost savings for train cutting, running service and thinking twice before cutting service.

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:

- Budget forecast and deficits showing in this report is different from those shown in Item 5
- Preparing for the interim financial audit starting mid-May
- Revenues by tickets reports

Items 6 and 7 were taken together.

### **7. Statement of revenues and expenses for the period ended March 31, 2022**

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

- Formally making a request to Member Agencies for contributions to the capital budget
- Whether \$80 million would replenish reserves
- The amount of reserves on the operating side for the end of the fiscal year

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks

Noes: None

Absent: Zmuda

### **8. Postponement of Approved Fare Increases / 2023 Go Pass Pricing**

Bruce Thompson, Acting Manager Fare Operations, provided a presentation which included the following:

- Proposed fare change postponement and Title VI equity analysis
- Timeline, Go Pass Pricing, and incentive background

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

- Fare postponement costing \$2 million a year
- Monthly ridership count and ridership projection chart
- Deferring fare increases for essential workers
- Providing separate presentations for fares and Go Pass

#### Public comment

Jeff Carter, Millbrae, commented on ridership assumptions and zone changes to increase ridership.

Adrian Brandt, San Mateo County, commented on consequences of cutting service, saving in other areas, and driving ridership.

Motion/Second: Hendricks/Gee moved to accept the staff report but have the item heard by the full Board.

Ayes: Gee

Noes: Hendricks

Absent: Zmuda

Motion failed 1 to 1 and 1 absent with the intention of allowing the Board to consider and discuss these items at the upcoming full Board meeting.

## 9. Downtown Extension Project Update

Michelle Bouchard, Acting Executive Director, commented on the project needing funding. She spoke about the momentum behind the project, peer review, acceleration of the program, and the benefit to the corridor.

Adam Van de Water, Transbay Joint Powers Authority Executive Director, provided a presentation that included the following:

- This will provide a direct connection to downtown San Francisco and beyond
- Project elements - 2.4 miles of construction and 1.5 miles of tunnel from Fourth & Townsend to Salesforce Transit center
- Current funding plan and activities including ridership analysis and benefits
- Phasing study was completed in 2021, construction in 2025, and ready for service in 2031
- Downtown Extension (DTX) project costs between \$4.4 and \$5 billion
- Funding milestones and timeline

Ms. Bouchard's presentation included the following:

- Caltrain's DTX engagement
- Master Cooperative Agreement (MCA) that formalized Caltrain and Transbay Joint Powers Authority's (TJPA) roles
- Points of negotiation and next steps included returning to the Board with an authorized MCA for execution in the fourth quarter of 2022

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

- Federal Transit Administration (FTA) process
- Detailed documents regarding this multi-agency effort
- The number of trains per hour the extension can handle

Motion/Second: Hendricks/Gee

Ayes: Gee, Hendricks

Noes: None

Absent: Zmuda

### Public comment

Jeff Carter, Millbrae, commented on how many trains per hour the DTX can handle, time between the Transbay terminal and Fourth and Townsend, and sharp curves affecting speed through the extension tunnel.

Adrian Brandt, San Mateo County, commented the history of the project, 16th Avenue grade separation engineering, saving money, and not affecting the tunnel at 22<sup>nd</sup> Avenue station.

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks  
Noes: None  
Absent: Zmuda

### **10. Fuel Hedge Update**

Connie Mobley Ritter, Treasury Director, stated the purpose of the hedge was to provide a stable future set of fuel costs.

Jeff LeMunyon, Chartered Financial Analyst (CFA) Linwood Capital, provided a presentation which included the following:

- Program performance
- Projected JPB Cost variability and Cash Flow at Risk (CFaR)

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

- Continue the hedge going forward
- Realized versus unrealized gain and how much saved in the budget
- Upcoming fuel hedge from Fiscal Year 2022 to 2023
- Have consistency and reduce risk

### **11. Committee Member Requests**

There were none.

Director Hendricks commended staff for an excellent job

### **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**

The meeting adjourned at 4:46 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: **Accept Quarterly 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 presentation providing an update on the implementation of a fuel hedging strategy for Caltrain.

**Significance**

The purpose of this presentation is to provide an update on the implementation and performance status of the Fuel Hedging Program (Program) established for Caltrain.

Under this program, the staff will continue to work with Linwood Capital, LLC in order to:

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

**Budget Impact**

There is no impact on the budget.

**Background**

The Program implemented for Caltrain is designed to minimize large budget variances resulting from the volatility of diesel fuel prices. An effective hedging strategy can 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 that relates to Caltrain's annual budget.

- As of March 31<sup>st</sup>, the hedge program realized net gains of \$1,456,803.22 for the time period July 2021 through March 2022 – the first three quarters of FY 2022.
- Additionally, the hedge currently reflects unrealized gains of \$2,218,381.20 (+0.72/gallon on all gallons through December 2022). This assumes projected consumption of 266,666 gallons per month through June 2022 and 379,317 gallons per month from July 2022 through December 2022.
- Approximately 57% (52% after tax) of the anticipated fuel usage through December 2022 is hedged at an average price of \$1.89/gallon, excluding taxes and fees (\$2.66 with tax and fees) (versus a currently planned budget estimate of \$1.95/gallon, excluding taxes and fees) based on a 104 train/day schedule.
- The remaining un-hedged gallons through December 2022 have a projected cost of \$3.08/gallon as of 3/31/2022 excluding taxes and fees (\$3.96 with tax and fees).
- Weighted average projected cost of all gallons through December 2022 net of hedging excluding taxes and fees is \$2.43/gallon and including taxes and fees is \$3.24/gallon as of 3/31/2022.

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

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Joint Powers Board

Through: Michelle Bouchard  
Acting Executive Director

From: Rob Barnard  
Deputy Chief, Rail Development

Subject: **Authorize Execution of Agreement to Accept Funding and Act as Project Lead for the South Linden Avenue and Scott Street Grade Separation Project**



Finance Committee  
Recommendation



Work Program-  
Legislative-Planning



Staff Coordinating  
Council Reviewed



Staff Coordinating Council  
Recommendation

**Action**

Staff recommends that the Board of Directors (Board):

1. Authorize the Executive Director or designee to execute agreements with the San Mateo County Transportation Authority, the City of South San Francisco and the City of San Bruno to accept funding and to act as project lead agency for the South Linden Avenue and Scott Grade Separation project.
2. Authorize the Acting Executive Director or designee to execute any necessary agreements or amendments and take any additional actions necessary to give effect to this resolution.

**Significance**

In the City of South San Francisco, the only remaining at-grade railroad crossing is located on South Linden Avenue. This crossing is at the epicenter of economic growth and, while today's traffic volume is moderate, it is forecasted to represent a major traffic bottleneck in the future.

In the City of San Bruno, the only remaining at-grade railroad crossing is located on Scott Street. East of the crossing are residential and light commercial/industrial uses. Immediately west are single- and multi-family residential homes, and further west, the Tanforan Shopping Center, anticipated to undergo redevelopment and revitalization. This crossing was also the site of a recent fatal collision between a train and bicyclist.

Having completed the Project Study Report (PSR) and 15% design in April 2021, the Cities of South San Francisco and San Bruno requested funds from the San Mateo County Transportation Authority (TA) and approached the JPB to act as the project lead agency to design, environmentally clear and eventually construct grade separations at these locations. In March 2022, the TA allocated \$4.95 million in Measure A funding for the preliminary engineering and environmental clearance of a grade separation at this location. The Cities of South San Francisco and San Bruno have also committed \$386,650 and \$163,350, respectively, (total \$550,000) as their local match to the Measure A funds.

For the JPB staff to proceed with the preliminary design and environmental clearance work, the JPB Board will need to consider authorizing the Executive Director to enter into an agreement with the TA and the Cities of South San Francisco and San Bruno to accept funding from the respective agencies and act as the project lead agency.

### **Budget Impact**

There is no budget impact associated with this item. The funding to be provided by the TA and the two Cities are included in the proposed Fiscal Year 2023 Capital Budget. No JPB member agency funds are budgeted for this work

### **Background**

In 2016, the TA approved a \$650,000 Measure A grant for planning and development of a Project Study Report (PSR) and 15% plans for the proposed Caltrain grade separations at South Linden Avenue and Scott Street in the Cities of South San Francisco and San Bruno, respectively. Additionally, the City of South San Francisco committed to a contribution of \$150,000 to pay for city staff time and the Peninsula Corridor Joint Powers Board's (JPB) consultant costs. The City of San Bruno contributed \$60,000 for the preparation of a traffic study. This process included extensive public outreach that led to the selection of a preferred alternative.

Of the four alternatives considered in the PSR, the Cities and their respective City Councils selected Alternative 1: Hybrid (Track Raised, South Linden Ave Lowered and Track Raised, Pedestrian/Bicycle Undercrossing at Scott Street). This alternative minimized property impacts, had the lowest cost and, the shortest construction period (two-three years). The recommendation for the Scott Street crossing results in the closure of the street to motor vehicles and the construction of a pedestrian and bicycle undercrossing.

**Resolution No. 2022 –**

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

\* \* \*

**Authorizing Execution of Agreements to Receive Funding and  
Act as Project Lead for the  
South Linden Avenue and Scott Street Grade Separation Project**

**WHEREAS**, the City of South San Francisco and the City of San Bruno (together, “Cities”) desire to grade separate the at-grade crossings at South Linden Avenue in South San Francisco and Scott Street in San Bruno to improve safety and reduce traffic congestion (together, “Project”); and

**WHEREAS**, the Cities have requested Measure A Grade Separation Program category funding from the San Mateo County Transportation Authority (TA) to help fund the Preliminary Engineering and Environmental Clearance of the Project; and

**WHEREAS**, the total cost of the Preliminary Engineering and Environmental Clearance work is estimated to be \$5.5 million; and

**WHEREAS**, the TA has programmed and allocated \$4.95 million for the Preliminary Engineering and Environmental Clearance of the Project; and

**WHEREAS**, the City of South San Francisco and the City of San Bruno have budgeted \$386,650 and \$163,350, respectively, (total \$555,000) as their local match to the Measure A funds; and

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB) and the Cities desire that the JPB serve as the lead implementing agency for the Project; and

**WHEREAS**, all Project-related costs incurred by the JPB will be paid for by the TA and the two Cities.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Authorizes the Acting Executive Director or designee to execute agreements with the San Mateo County Transportation Authority, the City of South San Francisco and the City of San Bruno for the JPB to receive funding and act as lead implementing agency for the Project; and
2. Authorizes the Executive Director or designee to file any other required documentation and to take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 2<sup>nd</sup> day of June, 2022 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Joint Powers Board

Through: Michelle Bouchard  
Acting Executive Director

From: Grace Martinez  
Acting Chief Financial Officer

Subject: **Update on Regional Fare Coordination and Integration Study**



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 at this time.

**Significance**

The Regional Fare Coordination and Integration Study (FCIS) was launched by the Bay Area's transit operators and the Metropolitan Transportation Commission (MTC) in 2020, with oversight from the Bay Area Fare Integration Task Force (FITF), to identify changes to the Bay Area's transit fare policies as a way to improve the passenger experience and grow transit ridership. In November 2021, the FITF adopted a Policy Vision Statement for fare integration that stems from the recommendations of the FCIS and serves as a policy roadmap to improved fare integration in the Bay Area. The first action in the statement is the deployment of an all-transit agency institutional/employer pass demonstration pilot in 2022 with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources.

Each of the Bay Area's public transit agencies are being asked to confirm their intent to participate in the pilot by June 30, 2022. Staff plans to confirm the JPB's intent to participate in the pilot, pending Board ratification at the July meeting. Based on Board input, staff will return to the Board at the July meeting to request approval to modify the Fare Structure so that this new institutional pass fare product is accepted as valid fare media on the Caltrain system during the pilot period, which is slated to begin in August 2022 and last at least 12 months. Caltrain currently has funding for the pilot to last 12-24 months, and Staff recommends that the pilot continue for the period approved by the FTA as long as funds are available. Due to the scale and significance of this pilot, the project team is actively seeking a waiver from the Federal Transit Administration (FTA) to allow this fare pilot to last more than 6-months. If the pilot is

considered successful, the Board will need to approve a Title VI analysis, based on data from the pilot before approving a permanent successor program.

### **Budget Impact**

There is no budget impact associated with receiving this report. Caltrain's revenue statistics associated with the pilot program are presented in the Background section of this staff report.

### **Background**

The Clipper Executive Board established a Fare Integration Task Force (FITF) to oversee and manage all aspects of the Fare Coordination and Integration Study (FCIS). After an 18-month effort, the recommendations from the FCIS were finalized and compiled in a report, which was adopted in the form of a policy vision statement by the FITF in fall 2021. The first action identified in the policy vision statement is to advance the development of a pilot, all-agency, institutional pass.

The objective of the pilot is to evaluate the degree to which an institutional transit pass covering the fare of all operators may increase transit ridership and better meet the needs of users and institutions, as compared to their current passes. The pilot is therefore focused on institutions already participating in a transit pass program and is designed to evaluate the benefits of expanding access to all agencies and to collect data that could be used as the basis of a revenue model for a potential permanent program.

The pilot is proposed to be structured in two phases:

- Pilot Phase 1 (Target of 8/2022): Public educational institutions and affordable housing properties, including San Francisco State University, San Jose State University, UC Berkeley, Santa Rosa JC, and MidPen Housing (three San Mateo properties)
- Pilot Phase 2 (2023): Employers in transit-rich locations such as downtown San Francisco, Oakland, and San Jose

During phase 1 of the pilot, up to 50,000 all-agency passes would be layered on top of each participating institution's existing transit pass at no additional cost to the institution. The existing business relationship between each participating institution and the current transit agencies they hold passes for will remain unchanged. None of the proposed Pilot Phase 1 institutions are current Caltrain GoPass customers (Caltrain's institutional pass product) but several are located within the broader Caltrain service area.

The MTC has identified up to \$85M of regional funds for Transit Transformation Action Plan near-term priorities, including \$28M for fare integration activities. Of this amount, approximately \$6M is targeted toward this institutional/employer pilot project. This funding will be used to backfill any foregone revenue associated with newly generated trips taken on transit as a result of this pilot. Based on 2019 Clipper data from users of existing institutional



fare projects at partner institutions, potential foregone revenue associated with the pilot is \$1.9M per year or \$3.8M over 2 years across all Bay Area transit agencies. To offset these potential impacts, \$4.5M is budgeted to make all transit operators whole for any adverse revenue impacts associated with phase 1. These funds would be distributed in two steps:

- MTC will distribute \$2.2M of funding among operators up-front based on their share of regional fare revenue in FY 2018-19 (minimum of \$5,000 to each transit operator)
- MTC will hold an additional \$2.2M in reserve as a “top up” to distribute in year 2 of the pilot based on actual year 1 results and estimated year 2 results

Caltrain is expected to receive \$230,000 in the first distribution of funds.

MTC will serve as lead agency for the Title VI process for the pilot program. The pilot project will operate as a “pilot” under Title VI, which requires that the Board of Directors approve Title VI analyses before any permanent successor program is launched. As noted earlier in the staff report, MTC and BART are working with FTA now to request permission for an initial pilot period lasting a minimum of 12 months for all participating agencies. Data from the pilot will inform Title VI analysis of any extension beyond 12 months and/or permanent program.

Prepared by:

Bruce Thompson	Manager, Fare Program Operations	650-551-6106
Sebastian Petty	Director of Special Projects	650-790 8858

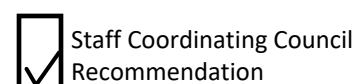
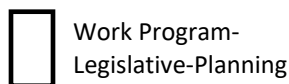
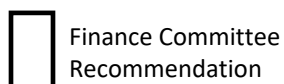
**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Joint Powers Board

Through: Michelle Bouchard  
Acting Executive Director

From: Sherry Bullock  
Program Integration Director

Subject: **Authorize Execution of Change Order to Wabtec Railway Electronics for Crossing Optimization Work Under Contract No 18-J-T-49 and Completion of Crossing Optimization Project**



**Action**

Staff and the Caltrain Modernization Program Change Management Board (“CMB”) recommend that the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB”):

1. Approve an increase to the original Contract No. 18-J-T-49 with Wabtec Railway Electronics, Inc. (“Wabtec”), in an amount not to exceed \$4,903,222 for completion of Crossing Optimization work.
2. Establish additional contract contingency of 10% in the amount of \$490,322 and authorize the Acting Executive Director or designee to approve change orders up to the contingency amount.
3. Authorize the Acting Executive Director or designee to execute the contract amendment in a form approved by legal counsel, with full implementation of the agreed upon Funding Partners’ Oversight Protocol including monthly reports to the Board.

**Significance**

Contract No. 18-J-T-49 was executed with Wabtec on March 1, 2018 to allow the JPB to complete the Positive Train Control (“PTC”) project in a manner that is the most financially and technologically advantageous, and to comply with the federal PTC mandate for implementation of PTC. Wabtec has since obtained Federal Railroad Administration (“FRA”) PTC Revenue Service Demonstration (“RSD”) approval and Safety Certification in December 2020.

When executed in 2018, the Wabtec PTC Contract No. 18-J-T-49 included wireless crossing (aka Crossing Optimization) elements. However, these elements were temporarily put on-hold in early 2019 due to concerns regarding wireless crossing technology raised by the FRA in connection with another project (Denver Eagle Project). Wabtec addressed the concerns

raised by the FRA in 2019 and the product has been further developed since then. In February 2021, Staff worked with Wabtec and performed rail capacity, schedule management, and communication studies to further define the Concept of Operations of Crossing Optimization, which is reviewed by the FRA and is intended to improve grade crossing warning time performance by reducing crossing warning system activations and the amount of gate downtime at grade crossings resulting from Through Move and scheduled Station Stop trains. Implementing these improvements requires additional work and a corresponding increase in the contract amount.

Staff and Wabtec also conducted technical working sessions to determine the scope of new work to be added to the original scope of work described in Contract No. 18-J-T-49. Staff also developed a project implementation plan and schedule which is aligned with Caltrain Peninsular Corridor Electrification Project ("PCEP") signal and 2 speed check (2SC) crossing cutovers schedules. Once crossing optimization work is completed for all highway grade crossings, the 2SC system will become the backup system.

Staff and Wabtec negotiated the cost and schedule for the additional work to be performed from February 2021 through March 2024. Staff has analyzed Wabtec's price proposal and finds it to be fair and reasonable as compared to the Independent Cost Estimate prepared by the Staff for the same scope of work.

### **Budget Impact**

There is no Budget Impact for the change order to complete the Crossing Optimization. The Crossing Optimization Project will be funded through remaining funds in the existing Caltrain PTC program budget.

### **Background**

On March 1, 2018, the JPB approved a contract (18-J-T-49) with Wabtec, in an amount not to exceed \$45,012,123, to complete the JPB's PTC System including a shared risk pool of \$1,907,224. The contract included wireless crossing (aka Crossing Optimization) elements in the amount of \$ 2,976,840 within the Contract budget of \$45,012,123. Caltrain PTC entered Revenue Service Demonstration in September of 2019 and received FTA Safety Certification in December 2020. Caltrain has performed the PTC portion of Contract closeout. Due to proactive risk mitigation efforts undertaken during PTC implementation, no funds were drawn from the risk pool. WABTEC and Caltrain each received 50 percent of the Shared Risk amount of \$1,907,224 upon JPB's final acceptance of Wabtec's Interoperable Electronic Train Management (I-ETMS) PTC system.

The Board’s March 1, 2018 resolution approving the execution of the contract with Wabtec included a \$4,500,000 contingency, which allowed Staff to issue three contract amendments for a total of \$2,021,269 from the contingency. The current contract value breakdown is listed below:

Base Fee	\$41,104,899
Performance Incentive 1-3	\$2,000,000
Shared Risk	\$1,907,224
Total Original Contract Value	\$45,012,123
Amendment #1-3	\$2,021,269
<b>Total Current Contract Amount</b>	<b>\$47,033,392</b>

The change order for the additional work for Crossing Optimization is proposed for \$4,903,222 and includes the following work:

- Radio Frequency Study and PTC220 LLC Application Support
- Changes to Wayside Application logs and Plans for 43 crossings.
- Phased deployment to accommodate PCEP 2SC cutover schedule
- Dynamic Scheduling
- Overhead time extension from the original contract completion date of 06/30/2021 to 03/31/2024 for new added scope.

Staff has determined that the change order proposal is comprehensive, and the scope of work described therein is necessary to complete the Caltrain Crossing Optimization Project. Furthermore, Staff finds that that the price proposal is reasonable. Staff believes that it is in best interest of the JPB, and in the public interest, that the JPB approve a contract change order to Wabtec to complete the Caltrain Crossing Optimization Project.

Prepared By: Sherry Bullock, Director Rail Program Integration 650.622.7866

**Resolution No. 2022-**

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

\* \* \*

**Authorizing Execution of Change Order to Wabtec Railway Electronics for  
Crossing Optimization Work Under Contract No 18-J-T-49 And Completion of  
Crossing Optimization Project**

**Whereas**, Contract No. 18-J-T-49 was executed with Wabtec Railway Electronics Inc. (“Wabtec”) on March 1, 2018 to allow the Peninsula Corridor Joint Powers Board (“JPB”) to complete the Positive Train Control (“PTC”) project in a manner that is the most financially and technologically advantageous, and to comply with the federal PTC mandate. Wabtec has since obtained Federal Railroad Administration (“FRA”) PTC Revenue Service Demonstration (“RSD”) approval and Safety Certification in December 2020; and

**Whereas**, in February 2021, Staff worked with Wabtec and performed rail capacity, schedule management, and communication studies to further define the Concept of Operations of Crossing Optimization which is reviewed by the FRA and is intended to improve grade crossing warning time performance by reducing crossing warning system activations and the amount of gate downtime at grade crossings resulting from Through Move and scheduled Station Stop trains; and

**Whereas**, Staff and Wabtec also conducted technical working sessions to determine the scope of new work to be added to the original scope of work described in Contract No. 18-J-T-49 in order to implement Crossing Optimization. Staff also developed a project implementation plan and schedule which is aligned with Caltrain Peninsular Corridor Electrification Project (PCEP) signal and 2 speed check (2SC) crossing cutovers schedules. Once crossing optimization

work is completed for all highway grade crossings, the 2SC system will become the backup system; and

**Whereas**, the additional work for Crossing Optimization is budgeted for \$4,903,222 and includes the following:

- Radio Frequency Study and PTC220 LLC Application Support
- Changes to Wayside Application logs and plans for 43 crossings.
- Phased deployment to accommodate PCEP 2SC cutover schedule
- Dynamic Scheduling
- Overhead time extension from the original contract completion date of 06/30/2021 to 03/31/2024 for new added scope.

Staff has determined that the change order proposal is comprehensive, and the price proposal is reasonable. Staff believes that it is in best interest of the JPB, and in the public interest, that the JPB approve a contract change order to Wabtec to complete the Caltrain Crossing Optimization Project; and

**Whereas**, Staff and the Caltrain Modernization Program Change Management Board (CMB) recommend that the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board:

1. Approve an increase to the original Contract No. 18-J-T-49 with Wabtec in an amount not to exceed \$4,903,222 for completion of Crossing Optimization work.
2. Establish an additional contract contingency of 10% in the amount of \$490,322 and authorize the Acting Executive Director or designee to approve change orders up to the contingency amount.

3. Authorize the Acting Executive Director or designee to execute the change order in a form approved by legal counsel, with full implementation of the agreed upon Funding Partners' Oversight Protocol including monthly reports to the Board.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby approve an increase to the original Contract No. 18-J-T-49 with Wabtec Railway Electronics, Inc. (Wabtec), in an amount not to exceed \$4,903,222 for completion of Optimization work; establish an additional contract contingency of 10% in the amount of \$490,322; and authorize the Executive Director or designee to approve change orders up to the contingency amount; and

**Be It Further Resolved** that the Acting Executive Director is authorized to take any actions necessary to give effect this resolution.

Regularly passed and adopted this 2<sup>nd</sup> day of June, 2022 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard  
Acting Executive Director  
From: Mehul Kumar  
Executive Officer, IT  
Subject: **Execute Contracts for Technology-Related Products and Services through Piggybacking Contracts and Cooperative Purchasing Programs**

Finance Committee Recommendation

Work Program-Legislative-Planning Committee Recommendation

Staff Coordinating Council Reviewed

Staff Coordinating Council Recommendation

**Action**

Staff recommends the Board authorize the Acting Executive Director, or her designee, to enter into contracts greater than \$150,000 with vendors through piggybacking contracts and cooperative purchasing agreements, as required, for the purchase, lease and/or rental of computer and telecommunications equipment and related services, digital reprographic equipment, hardware, software, subscriptions, licensing, installation and configuration of telecommunications equipment, maintenance agreements, computer peripherals, and temporary technology consultants. Expenditures with vendors under these programs will not exceed the budgeted amount of \$1.5 million throughout Fiscal Year (FY) 2023. Cooperative agreements used may include, but are not limited to:

- California Integrated Information Network (CALNET)
- Sourcewell
- State of California Department of General Services (DGS)/California Multiple Award Schedule (CMAS)
- National Association of State Procurement Officials (NASPO) Valuepoint
- National Cooperative Procurement Partners (NCPP)
- Federal General Services Administration (GSA)
- OMNIA Partners
- National Cooperative Purchasing Alliance (NCPA)
- The Interlocal Purchasing System (TIPS Purchasing Cooperative)

**Significance**

Approval of this contracting authority will provide the Peninsula Corridor Joint Powers Board (JPB) with a cost-effective means to support its standardization policy and provide the latest



technology and related services through cooperative intergovernmental purchasing programs. Contracts issued under this authority will address the JPB's requirements for equipment, hardware, software, services, licensing, maintenance agreements, and programmed replacement of equipment that has reached the end of its useful life or has become unsuited to address the JPB's future needs. A quarterly report indicating contracts awarded during the prior quarter will be submitted to the Board.

### **Budget Impact**

Funds for these purchases are programmed in the proposed FY 2023 Operating and Capital Budgets.

### **Background**

Given the rapidly changing technology of information system hardware, software, and related services, various cooperative purchasing programs and piggyback purchasing are available to provide these products and services. The JPB's procurement policy allows for the use of cooperative purchasing programs and piggyback purchasing. Special districts are given statutory permission to procure competitively-priced goods and services arising out of these vendor agreements. The Federal Government's own General Services Administration Schedules (also referred to as Multiple Award Schedules and Federal Supply Schedules) also can be utilized. By utilizing such cooperative purchasing programs and piggyback purchasing, the JPB saves considerable time and expense associated with independent procurements, which would be unlikely to yield more favorable pricing or service.

All vendors selected will hold valid agreements under the corresponding cooperative purchasing programs. Contracts will be executed only with vendors whose contracts were awarded under a cooperative buying agreement on a basis that complies with the JPB's procurement authority and policy, and will include the JPB's terms and conditions, as appropriate. Other cooperative purchasing consortia may be added to this program and utilized for the acquisition of technology items during FY 2023, but only to the extent each fully complies with the JPB's procurement authority and policy.

Contracts issued by individual governmental entities that allow other jurisdictions to use the contract they establish are called piggybacking contracts because they allow the agency to "piggyback" on the other governmental entities' solicitation process, contract terms and pricing. Contracts will be executed only with vendors whose contracts include piggybacking language on a basis that complies with the JPB's procurement authority and policy.

**Resolution No. 2022-**

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

\* \* \*

**Authorizing Execution of Contracts for Technology-Related Products and Services Through Piggyback Contracts and Cooperative Purchasing Programs for an Aggregate Not-To-Exceed Amount of \$1.5 Million for Fiscal Year 2023**

**Whereas**, the Peninsula Corridor Joint Powers Board (JPB) will require new computer and telecommunications equipment, as well as software licenses, subscriptions, maintenance contracts, and services including but not limited to personal computers, networking devices, servers, digital reprographic equipment, computer peripherals and temporary technology consultants throughout Fiscal Year (FY) 2023, to fulfill new technology requirements, to support the JPB's standardization policy, and to replace technology equipment that has reached the end of its useful life; and

**Whereas**, in light of the need to standardize and purchase the aforementioned equipment and services in the most cost-effective manner, the JPB has determined that an independent JPB-initiated solicitation process for the procurements described above is unlikely to be in the JPB's best interest; and

**Whereas**, piggybacking on other agencies' procurements as well as participating in cooperative purchasing consortia including, but not limited to, the California Integrated Information Network (CALNET), the State of California Department of General Services (DGS)/California Multiple Award Schedule (CMAS), Sourcewell, the National Association of State Procurement Officials (NASPO) Valuepoint, the National Cooperative Procurement Partners (NCPP), the Federal General Services Administration (GSA), OMNIA Partners, and the Interlocal

Purchasing System (TIPS Purchasing Cooperative), allows the JPB to procure favorably-priced technology systems equipment and related services; and

**Whereas**, Staff recommends, and the Acting Executive Director concurs, that the JPB participate in the above-mentioned programs, as well as additional cooperative purchasing programs and piggyback purchasing, to the extent such programs fully comply with the JPB's procurement authority and policy; and

**Whereas**, staff recommends that the Acting Executive Director, or her designee, be authorized to enter into contracts greater than \$150,000 with vendors under JPB-approved cooperative purchasing programs and piggyback purchasing to meet its personal computer, telecommunications equipment, and other related technology equipment and services requirements for FY 2023, pursuant to the terms and conditions of each program's vendor agreements, up to an aggregate not-to-exceed amount of \$1.5 million.

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

1. Determines that an independent JPB-initiated solicitation process for each purchase, lease and/or rental of new personal computers, computer and telecommunications equipment and services, digital reprographic equipment, hardware, software, licensing and maintenance agreements, computer peripherals and temporary technology consultants is unlikely to be in the JPB's best interest; and

2. Authorizes the procurement of technology systems equipment and related services through JPB-approved cooperative purchasing programs and piggyback contracts to meet its technology equipment and services requirements for FY 2023 pursuant to the terms and conditions of each vendor agreement and to the extent that each cooperative purchasing

program and each vendor agreement fully complies with the JPB's procurement authority and policy; and

3. Authorizes the Acting Executive Director or her designee to enter into contracts greater than \$150,000 with vendors under the JPB-approved cooperative purchasing programs and piggyback purchasing up to an aggregate, not-to-exceed, amount of \$1.5 million for FY 2023; and

4. Authorizes the Acting Executive Director, or her designee, to execute all necessary purchase orders, contracts and other documents to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing these purchases; and

5. Requests the Acting Executive Director, or her designee, to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this resolution.

Regularly passed and adopted this 2nd day of June 2022 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee  
Through: Michelle Bouchard  
Acting Executive Director  
From: Mehul Kumar  
Executive Officer, IT  
Subject: **Execute Contracts for Information Technology Licenses, Maintenance Services,  
and Professional Services**

Finance Committee  
Recommendation

Work Program-  
Legislative-Planning  
Committee  
Recommendation

Staff Coordinating  
Council Reviewed

Staff Coordinating Council  
Recommendation

**Action**

Staff recommends the Board authorize the Acting Executive Director, or her designee, to enter into contracts greater than \$150,000 with original equipment manufacturers, product licensors and their distributors or consultants, directly and without the utilization of cooperative purchasing agreements, if not available, or competitive solicitations, if not applicable, to procure new software licenses, maintenance, and support services, recurring maintenance services, subscriptions and license renewals necessary to permit continued effective use and upkeep of Peninsula Corridor Joint Powers Board (JPB) information technology hardware and software used for the management and oversight of Caltrain. The proposed action also will apply to contracts for the provision of single/sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services. Expenditures with manufacturers, vendors, and consultants under this authority will not exceed the budgeted amount of \$1.5 million throughout Fiscal Year (FY) 2023.

**Significance**

Approval of this contracting authority will allow the JPB to pay for new software licenses, maintenance and support services, recurring maintenance services, additional licenses, license renewal fees, and professional services for proprietary software greater than \$150,000 without bringing individual actions before the Board for approval. This delegation would not eliminate the requirement that other procurement policies and procedures be followed. A quarterly report indicating contracts awarded during the prior quarter will be submitted to the Board.

Recurring support and license agreements are, by their nature, repetitive and routine, and are required to ensure the continued and effective operation of information technology assets owned by the JPB. The sole source purchase of additional modules to existing software or

professional services to modify existing proprietary software will allow the JPB's changing business needs to be met in a timely manner.

Delegating this authority expedites the JPB's ability to continue needed operations and services in the management of Caltrain and reduces the time and resources otherwise required to obtain individual approval of such support and license agreements.

### **Budget Impact**

Funds for these purchases are programmed in the proposed FY 2023 Operating and Capital Budgets.

### **Background**

Software and hardware are typically sold with licenses and maintenance agreements that require periodic renewal. Failing to renew maintenance support means loss of software updates, and problems obtaining resolution assistance and repair services typically needed to keep a product in good operating order. In some cases, the product may not be legally used if maintenance and license renewals have not been obtained.

It is not always possible to find cooperative purchasing agreements with contracts for the necessary maintenance support and license renewals. This is particularly true for transit industry-specific information technology products. The types of licensing and maintenance agreements contemplated are generally unobtainable under any other method because they are proprietary to the manufacturers of the software. Similarly, many manufacturers do not allow third parties to access source code or provide services. As a result, professional services to upgrade, modify, or add to existing software must be performed by the original manufacturer.

JPB assets requiring payment of recurring annual or multi-year maintenance services, support and license fees over \$150,000 that may need to be accommodated in FY 2023 outside of cooperative purchase agreements or other pre-existing contracts include, but are not necessarily limited to, documentation management and collaboration software for construction and engineering management, such as:

- ARINC
- Penta
- Ventek (Caltrain TVM upgrade)
- Carahsoft-Oracle Aconex

Prepared By: Michael Salazar

IT Operations Manager

650-551-6196

**Resolution No. 2022-**

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

\* \* \*

**Authorizing Execution of Contracts for Information Technology Licenses, Maintenance Services and Professional Services for an Aggregate Not-To-Exceed Amount of \$1.5 Million for Fiscal Year 2023**

**Whereas**, the Peninsula Corridor Joint Powers Board (JPB) will require continuing product licensing, support and maintenance services for information technology hardware and software throughout Fiscal Year (FY) 2023 to permit the continued effective use and upkeep of information technology assets owned by the JPB; and

**Whereas**, maintenance support and software license agreements for the information technology assets in use are, by their nature, repetitive and routine; and

**Whereas**, the JPB will also require professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services; and

**Whereas**, Staff recommends that the Acting Executive Director, or her designee, be authorized to execute contracts greater than \$150,000 with original equipment manufacturers, product licensors, and their authorized distributors and consultants to meet the JPB's technology requirements for FY 2023, pursuant to the JPB's procurement authority and policy, up to an aggregate not-to-exceed amount of \$1.5 million.

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

1. Authorizes the procurement of new software licenses, maintenance, and support services agreements for information technology, pursuant to the JPB's procurement authority and policy, in an aggregate not-to-exceed amount of \$1.5 million for Fiscal Year 2023; and

2. Authorizes the Acting Executive Director, or her designee, to enter into contracts exceeding \$150,000 with original equipment manufacturers, product licensors, or their authorized distributors for recurring product support and additional licenses, and license renewals necessary to permit continued effective use and upkeep of JPB-owned information technology hardware and software; and

3. Authorizes the Acting Executive Director, or her designee, to enter into contracts greater than \$150,000 with original equipment manufacturers, product licensors, or their authorized consultants for the provision of single/sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services; and

4. Authorizes the Acting Executive Director or her designee to execute all necessary purchase orders, contracts, and other documents and to take such other actions as may be necessary to give effect to this Resolution; and

5. Requests the Acting Executive Director, or her designee, to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this Resolution.



Regularly passed and adopted this 2nd day of June 2022 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

Date: May 18, 2022

To: Finance Committee

Through: Michelle Bouchard  
Acting Executive Director

From: Grace Martinez  
Acting Chief Financial Officer

Subject: **May 23, 2022 Finance Committee Report of the Acting Chief Financial Officer**

**Highlights**

- The proposed preliminary operating budget shows a deficit (\$2.6M) but is proposed to be closed with anticipated surplus from Fiscal 2022. This is a reduction of \$1.6M from the deficit (\$4.2M) in the preliminary proposed budget presented to the Board in May. The decrease was mainly due to reduction in insurance (\$825k) resulting from moving the worker's comp insurance program from TASI to JPB. In addition, the governance costs were reduced by \$350k and other income, primarily parking citation was increased by 450k.
- The proposed preliminary capital budget shows a deficit of \$5.8M with anticipation that member agencies will provide additional contributions to close the gap. JPB Staff continues to have conversations with staff of each member agency to balance the capital budget for Fiscal 2023.
- The Staff Report on the Statement of Revenue and Expenses for the period ending April 30, 2022 follows. Insurance reserve was increased by \$2.5M for anticipated claims due to the fire incident on the railroads in March.
- The forecast for the JPB's Fiscal 2022 Operating Results is provided in the monthly financial report. The forecast is projecting to end the fiscal year with a surplus of \$8.4M.

**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 April 30, 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 April 2022.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through April 30, 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 April 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 \$81.0 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. Other Income (page 1, line 5) is \$0.4 million higher than budget driven primarily by parking citation revenue. 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 recovery has been slower than anticipated, 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 \$7.4 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 \$0.7 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 \$1.5 million due to lower Clipper Operator Charges as a result of lower ridership and under-runs in other contract services. Wages & Benefits (page 2, line 38) is lower than budget by \$1.5M due primarily to vacancies. Professional Services (page 2, line 41) is lower than budget by \$1.0 million as a result of under-runs in consultant and legal 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. Governance costs (page 2, line 50) is lower than budget by \$1.0 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 rising fuel prices due to supply concerns arising from the conflict abroad, and Claims, Payments, and Reserves (page 2, 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 to 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 April year-to-date actual, the Grand Total Revenue (page 1, line 19) is \$49.6 million more than the approved budget. This is primarily driven by Measure RR (page 1, line 13) and ARPA fund (page 1, line 15), partially offset by CRRSAA fund (page 1, line 14). 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 April year-to-date actual, the Grand Total Expense (page 2, line 54) is \$16.4 million lower than the approved budget. This is primarily due to decreases in 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). The decreases are partially offset by an increase in Claims, Payments, and Reserves (page 2, line 30).

**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 April 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>April 2022</b>									
<b>% OF YEAR ELAPSED</b>							<b>83.3%</b>		
	<b>JULY TO APRIL</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	25,964,370	26,953,000	(988,630)	(3.7%)	34,639,000	32,639,000	(2,000,000)	1
2	Parking Revenue	957,428	1,280,000	(322,572)	(25.2%)	1,536,000	1,286,000	(250,000)	2
3	Shuttles	1,020,905	1,336,580	(315,675)	(23.6%)	1,603,900	1,315,667	(288,233)	3
4	Rental Income	1,340,561	993,720	346,841	34.9%	1,192,466	1,192,466	-	4
5	Other Income	1,812,957	1,320,500	492,457	37.3%	1,584,608	2,000,000	415,392	5
6									6
7	<b>TOTAL OPERATING REVENUE</b>	<b>31,096,221</b>	<b>31,883,800</b>	<b>(787,579)</b>	<b>(2.5%)</b>	<b>40,555,974</b>	<b>38,433,133</b>	<b>(2,122,841)</b>	7
8									8
9	<b>CONTRIBUTIONS:</b>								
10	AB434 Peninsula & TA Shuttle Funding	414,308	932,750	(518,442)	(55.6%)	1,119,300	1,119,300	-	10
11	Operating Grants	5,353,779	5,454,560	(100,781)	(1.8%)	6,525,471	6,525,471	-	11
12	JPB Member Agencies	-	-	-	.0%	-	-	-	12
13	Measure RR	87,953,219	72,147,433	15,805,786	21.9%	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>170,885,639</b>	<b>120,500,548</b>	<b>50,385,091</b>	<b>41.8%</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>201,981,860</b>	<b>152,384,348</b>	<b>49,597,512</b>	<b>32.5%</b>	<b>176,743,469</b>	<b>257,695,619</b>	<b>80,952,150</b>	19
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>April 2022</b>									
<b>% OF YEAR ELAPSED</b>							<b>83.3%</b>		
	<b>JULY TO APRIL</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>		
21	<b>EXPENSE</b>							21	
22								22	
23	<b>DIRECT EXPENSE:</b>							23	
24	Rail Operator Service	74,464,814	80,498,327	(6,033,513)	(7.5%)	97,353,730	93,573,730	(3,780,000)	24
25	Security Services	5,658,557	5,760,362	(101,805)	(1.8%)	7,486,512	7,486,512	-	25
26	Shuttle Services	1,525,560	1,952,230	(426,670)	(21.9%)	2,723,200	2,067,849	(655,351)	26
27	Fuel and Lubricants*	8,078,633	8,695,710	(617,077)	(7.1%)	10,434,846	13,000,000	2,565,154	27
28	Timetables and Tickets	17,140	45,830	(28,691)	(62.6%)	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	3,020,551	683,340	2,337,211	342.0%	820,000	3,320,000	2,500,000	30
31	Facilities and Equipment Maintenance	4,310,751	6,457,060	(2,146,309)	(33.2%)	7,734,353	6,209,353	(1,525,000)	31
32	Utilities	1,898,941	2,127,170	(228,229)	(10.7%)	2,552,600	2,552,600	-	32
33	Maint & Services-Bldg & Other	978,367	1,400,295	(421,928)	(30.1%)	1,674,250	1,674,250	-	33
34								34	
35	<b>TOTAL DIRECT EXPENSE</b>	<b>105,469,157</b>	<b>113,477,534</b>	<b>(8,008,377)</b>	<b>(7.1%)</b>	<b>136,691,701</b>	<b>135,796,504</b>	<b>(895,197)</b>	35
36								36	
37	<b>ADMINISTRATIVE EXPENSE</b>							37	
38	Wages and Benefits	8,821,745	10,468,365	(1,646,620)	(15.7%)	12,301,799	10,801,799	(1,500,000)	38
39	Managing Agency Admin OH Cost	3,225,828	2,892,790	333,038	11.5%	3,470,871	3,470,871	-	39
40	Board of Directors	18,889	40,220	(21,331)	(53.0%)	48,275	48,275	-	40
41	Professional Services	4,346,035	7,366,210	(3,020,175)	(41.0%)	8,871,301	7,871,301	(1,000,000)	41
42	Communications and Marketing	251,694	270,410	(18,716)	(6.9%)	322,750	322,750	-	42
43	Other Office Expenses and Services	1,401,698	3,035,742	(1,634,044)	(53.8%)	3,655,020	2,305,020	(1,350,000)	43
44								44	
45	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>18,065,889</b>	<b>24,073,737</b>	<b>(6,007,848)</b>	<b>(25.0%)</b>	<b>28,670,016</b>	<b>24,820,016</b>	<b>(3,850,000)</b>	45
46								46	
47	<b>TOTAL OPERATING EXPENSE</b>	<b>123,535,045</b>	<b>137,551,271</b>	<b>(14,016,226)</b>	<b>(10.2%)</b>	<b>165,361,717</b>	<b>160,616,520</b>	<b>(4,745,197)</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	811,010	1,666,670	(855,660)	(51.3%)	2,000,000	1,000,000	(1,000,000)	49
51								51	
52	Debt Service Expense	2,119,693	1,984,790	134,903	6.8%	2,381,752	2,381,752	-	52
53								53	
54	<b>GRAND TOTAL EXPENSE</b>	<b>131,823,594</b>	<b>148,202,731</b>	<b>(16,379,137)</b>	<b>(11.1%)</b>	<b>176,743,469</b>	<b>169,356,118</b>	<b>(7,387,351)</b>	54
55								55	
56	<b>NET SURPLUS / (DEFICIT)</b>	<b>70,158,266</b>	<b>4,181,617</b>	<b>65,976,649</b>	<b>1,577.8%</b>	<b>-</b>	<b>88,339,501</b>	<b>88,339,501</b>	56
57								57	
58	Measure RR for Capital Reserve**					-	80,000,000		58
59	<b>ADJUSTED NET SURPLUS / (DEFICIT)</b>					<b>-</b>	<b>8,339,501</b>		59

\* Fuel and Lubricants costs were reduced by a realized gain of \$1,822,964 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 APRIL 30, 2022**

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted) *	Liquid Cash	0.523%	88,261	88,261 561,643
County Pool (Unrestricted)	Liquid Cash Liquid	0.925%	561,643	156,769,037
Other (Unrestricted)	Cash	0.050%	156,769,037	7,417,414
Other (Restricted)	** Liquid Cash	0.050%	7,417,414	
			<b>\$ 164,836,355</b>	<b>\$ 164,836,355</b>

Interest Earnings for April 2022 \$ 7,918.45  
Cumulative Earnings FY2022 \$ 41,984.95

\* 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.



FY 2022

PENINSULA CORRIDOR JOINT POWERS BOARD											
<i>Farebox Revenues by Ticket Type</i>	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Total
<b>REVENUE</b>											
OPERATIONS:											
401400 (TVM)	609,407	694,301	297,963	634,662	514,945	503,829	402,001	425,090	518,694	426,130	5,027,021
401410 (Clipper)	466,207	507,976	320,066	628,888	773,248	690,398	418,215	564,410	811,782	451,071	5,632,260
401420 (Central)	545	-	5,108	19,817	-	-	(8)	2,475	303	535	28,774
401430 (Mobile App)	203,051	217,349	138,764	249,286	239,150	220,698	148,995	181,828	270,431	179,642	2,049,193
401500 (Gilroy)	28,850	21,257	28,301	20,933	43,585	46,782	35,746	31,111	32,723	49,067	338,355
401700 (Go-Pass)	1,110,030	1,247,311	1,176,248	1,199,282	1,434,953	1,280,454	1,332,357	1,337,351	1,364,606	1,406,171	12,888,764
total Farebox Revenue	2,418,089	2,688,193	1,966,449	2,752,867	3,005,881	2,742,162	2,337,305	2,542,265	2,998,539	2,512,617	25,964,368
Less: Go-Pass											
401700 (Go-Pass)	1,110,030	1,247,311	1,176,248	1,199,282	1,434,953	1,280,454	1,332,357	1,337,351	1,364,606	1,406,171	12,888,764
Revenues without Go-Pass	1,308,059	1,440,882	790,201	1,553,585	1,570,928	1,461,707	1,004,949	1,204,914	1,633,933	1,106,445	13,075,604
<b>Tickets Sold</b>											
TVM	66,225	57,800	65,068	65,036	55,514	50,809	40,552	43,646	58,771	79,927	583,348
Clipper	75,041	77,163	94,859	99,959	96,607	83,449	68,589	82,124	115,540	132,301	925,632
Central	33	-	698	1,876	-	-	-	150	100	124	2,981
Mobile	27,060	25,610	31,175	33,226	29,105	24,778	19,520	23,974	33,935	45,168	293,551
# of tickets sold (without go-pass)	168,359	160,573	191,800	200,097	181,226	159,036	128,661	149,894	208,346	257,520	1,805,512
<b>AVG Revenue Per Ticket</b>											
TVM	\$ 9.20	\$ 12.01	\$ 4.58	\$ 9.76	\$ 9.28	\$ 9.92	\$ 9.91	\$ 9.74	\$ 8.83	\$ 5.33	\$ 8.62
Clipper	\$ 6.21	\$ 6.58	\$ 3.37	\$ 6.29	\$ 8.00	\$ 8.27	\$ 6.10	\$ 6.87	\$ 7.03	\$ 3.41	\$ 6.08
Central	\$ 16.50	\$ -	\$ 7.32	\$ 10.56	\$ -	\$ -	\$ -	\$ 16.50	\$ 3.03	\$ 4.31	\$ 9.65
Mobile	\$ 7.50	\$ 8.49	\$ 4.45	\$ 7.50	\$ 8.22	\$ 8.91	\$ 7.63	\$ 7.58	\$ 7.97	\$ 3.98	\$ 6.98
Total	\$ 7.77	\$ 8.97	\$ 4.12	\$ 7.76	\$ 8.67	\$ 9.19	\$ 7.81	\$ 8.04	\$ 7.84	\$ 4.30	\$ 7.24

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Finance Committee

Through: Michelle Bouchard  
Acting Executive Director

From: Grace Martinez  
Acting Chief Financial Officer

Subject: **Adopt Fiscal Year 2023 Proposed Operating and Capital Budgets**

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

**Action**

Staff proposes the Finance Committee recommend the Board of Directors (Board):

1. Adopt the Peninsula Corridor Joint Powers Board's (JPB) Fiscal Year 2023 (FY2023) Operating Budget in the amount of \$179,192,330, a copy of which is attached as Attachment A;
2. Adopt the JPB's FY2023 Capital Budget in the amount of \$90,956,662, a copy of which is attached as Attachment B;
3. Direct the Acting Executive Director, or designee, to forward the budgets to the JPB member agencies and the Metropolitan Transportation Commission (MTC); and
4. Direct the Acting Executive Director, or designee, to take all actions necessary to apply for and receive Senate Bill 1 State of Good Repair, Local Partnership Program funds and other grants included in the proposed FY2023 Capital Budget, and take any other actions necessary to give effect to the above actions.

**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 FY2021 and FY2022, however these funds will no longer be available for FY2023 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 and revenue. 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 (Go Pass) 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 FY2022 and fare revenues are still greatly reduced from pre-COVID levels.

The preliminary FY2023 operating and capital budgets were presented to the Board at its May 2022 meeting. They relied on fully using anticipated Measure RR receipts to fund the operating budget. Also, the preliminary capital budget included a significantly reduced set of projects. Since that meeting and considering Board discussion, staff now presents this final budget based on the following additional steps:

- Reviewed and revised FY2022 operating budget line by line forecasts to determine FY2022 surplus amount to be carried forward
- Scrubbed FY2023 preliminary operating budget for additional savings
- Reviewed available capital funds from all sources for application to the capital budget
- Conducted meetings for a second time with member agencies to discuss and refine capital financial commitments

This final operating and capital budget also relies on the full use of anticipated Measure RR receipts to fund the operating budget and requires Board input on how to source a needed \$28.7 million which represents a reduction from the \$33.7 million in the preliminary capital budget. The subsequent sections highlight changes from the Preliminary to the Proposed budgets currently under consideration.

***Changes from the FY2023 Preliminary Operating Budget to the FY2023 Proposed Operating Budget:***

FY2022 Surplus increased from \$4.7 million to \$8.3 million resulting from the following changes in forecast:

- Other Income: increased by \$332K coming from Parking Citation, Miscellaneous Operating, and Non-Transit Revenues
- Shuttle Services Expense: reduced by \$90K
- Facilities and Equipment Maintenance: decreased by \$200K driven by Other Contract Services
- Wages and Benefits: reduced by \$1.5 million due to vacancies
- Professional Services: decreased by \$500K driven by Consultants
- Governance: lowered by \$1.0 million based on actuals

FY2023 Revenue increased by \$450K due to an upward adjustment in Other Income specifically coming from Parking Citation, Miscellaneous Operating, and Non-Transit Revenues.

On the expense side, TASI's Federal Employers Liability Act (FELA) Insurance will be combined with JPB's existing liability insurance reducing the Rail Operator Services by \$4.3 million while increasing the Insurance and Claims, Payments, and Reserves by \$3.0 million and \$500K, respectively. Combining the FELA insurance with JPB's existing liability insurance will yield a savings of \$826K.

FTEs equivalent to 0.6 were added for FY2023. This was offset by the additional vacancy savings applied in view of vacancies that may potentially persist in FY2023 and the later hiring dates projected for the Governance positions, resulting in a reduction on the Wages and Benefits by \$112K.

Professional Services increased by \$100K coming from the Environmental Management System Gap Analysis. Governance was reduced by \$350K based on updated projections for FY2023.

***FY2023 Proposed 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.

***Changes from the FY2023 Preliminary Capital Budget to the FY2023 Proposed Capital Budget:***

- Advancement of \$3.3 million Local Partnership Program (LPP) Funding for the Guadalupe Bridges Replacement project
- Addition of \$3.2 million in available FY22 Federal Funds that couldn't be leveraged in FY22 capital budget due to lack of member agency capital funding
- Increase in the externally funded South Linden & Scott Grade Separation project in the amount of \$540,000
- Addition of SOGR Locomotive Project in the amount of \$1.5 million

***FY2023 Proposed Capital Budget Overview:***

The FY2023 Proposed Capital Budget now requires the identification of \$28.7 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 \$21.7 million in projected unaudited unrestricted funds
- An additional \$7.0 million in member funding to the capital budget. This represents an obligation of \$2.3 million 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:*
  - *\$20.0 million dollars of remaining in a 'capital reserve' account that was established by the Board in FY22 using Measure RR funding*
  - *\$48.7 million in FY22 projected unaudited unrestricted ending fund balance*
  - *It should be noted that as a matter of best practice, the Agency should maintain a healthy level of unrestricted fund balance in its financial book of records.*
- *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). Funding this reserve amount out of the projected unrestricted \$48.7 million funds would leave the remaining projected unaudited unrestricted fund balance at \$21.7 million.*

- *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 Proposed 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 \$176.6 million, a decrease of \$81.1 million or 31.5% less than the FY2022 Forecast:

- Revenue from Operations for FY2023 is projected at \$51.0 million, an increase of \$12.6 million or 32.7% 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 **Caltrain Fares:** \$30.2 million, an increase of \$12.6 million or 71.3% higher than the FY2022 forecast.

Farebox revenue includes fare receipts collected directly from rail passengers.

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%

Caltrain Fares assumes a 36% recovery of Pre-COVID levels. Ridership recovery is assumed to continue to be slow due to remote work and potential COVID variants.

Line 2 **Go Pass:** \$16.3 million, an increase of \$1.3 million or 8.4% higher than the FY2022 forecast.

Caltrain Go Pass program allows companies, educational institutions, and residential complexes (Participants) to purchase annual unlimited ride passes for eligible employees, students, or residents (Users). Go Pass is not available for purchase by individuals and does not cover parking at Caltrain stations or travel on other transit systems. 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
Go Pass	25,737,533	9,600,000	15,000,000	16,260,000	1,260,000	8.4%

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 3 **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 4 **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), and 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 5 **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 6 **Other Income:** \$1.7 million, a decrease of \$0.3 million or 16.2% 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 Union Pacific 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	-	247,665	255,100	7,435	0.0%
Misc. Operating Revenue	264,469	156,000	366,867	341,900	(24,967)	100.0%
Shared Track Maintenance Revenue	445,095	409,000	344,163	409,000	64,837	18.8%
Other Non-Transit Revenues	441,398	300,000	691,613	437,400	(254,213)	100.0%
Insurance Reimbursements	-	-	66,595	-	(66,595)	0.0%
Advertising Income	114,225	509,608	246,189	127,919	(118,270)	-48.0%
Other Interest Income	14,844	100,000	29,613	50,000	20,387	68.8%
Interest Income - LAIF	48,458	110,000	3,142	55,000	51,858	1650.4%
Interest Income - County Pool	6,659	-	4,153	-	(4,153)	-100.0%
<b>Other Income</b>	<b>1,474,039</b>	<b>1,584,608</b>	<b>2,000,000</b>	<b>1,676,319</b>	<b>(323,681)</b>	<b>-16.2%</b>

The decrease in Other Income is driven by the reduction in Other Non-Transit Revenues, and Advertising Income. FY2022 forecast for Other Non-Transit Revenues and Advertising Income increased based on actuals while FY2023 budget was retained at modest levels.

### Contributions

Line 10 **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%
AB434 & TA Shuttle Funding	1,144,681	1,119,300	1,119,300	40,000	(1,079,300)	-96.4%

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 11 **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 12 **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 13 **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 14 **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 15 **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 16 **ARPA Funding:** \$0, a decrease of \$116.0 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 \$179.2 million, an increase of \$9.8 million or 5.8% over the FY2022 Forecast:

- Operating Expense for FY2023 projected at \$146.2 million, an increase of \$10.4 million or 7.7% over the FY2022 Forecast.
- Administrative Expense for FY2023 projected at \$30.0 million, an increase of \$5.2 million or 21.0% over the FY2022 Forecast.
- Long-term Debt Expense for FY2023 projected at \$2.6 million.

### OPERATING EXPENSE

Line 24 **Rail Operator Service:** \$98.3 million, an increase of \$4.7 million or 5.0% 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	98,257,758	4,684,028	5.0%

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 \$98.3

million assumes 104 trains per weekday service for the full fiscal year, includes provisions for increases in labor burden and rates, restoration of the annual passenger count service and maintenance support for fiber, and funding to support the maintenance of 2 new stations at Hillsdale and South San Francisco.

This budget also reflects the effort of combining TASI’s Federal Employers Liability Act (FELA) insurance with JPB’s existing liability insurance. The initial budget of \$102.6 million is reduced by \$4.3 million as a result of said consolidation.

Line 25 **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 26 **Shuttles:** \$0.1 million, a decrease of \$2.0 million or 94.1% 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	2,067,849	121,600	(1,946,249)	-94.1%

This budget reflects the consolidation of shuttle contracts under SamTrans.

Line 27 **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 28 **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 29 **Insurance:** \$9.3 million, an increase of \$3.4 million or 58.8% 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 ACTUAL	FY2022 BUDGET	FY2022 FORECAST	FY2023 PRELIMINARY BUDGET	\$ Change FY23 Preliminary to FY22 Forecast	% Change FY23 Preliminary to FY22 Forecast
Insurance	5,406,266	5,857,210	5,857,210	9,299,730	3,442,520	58.8%

In addition to JPB’s existing liability insurance of \$6.3 million, the FY2023 Insurance budget now includes TASI’s Federal Employer Liability Act (FELA) insurance of \$3.0 million. Note that TASI’s FELA (insurance premium and claims) was previously budgeted under the Rail Operator Service for \$4.3 million.

Adjustments will be made as final insurance premium amounts are determined.

**Line 30 Claims, Payments, and Reserves:** \$1.3 million, a decrease of \$2.0 million or 60.2% 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	1,320,000	(2,000,000)	-60.2%

FY2022 forecast was adjusted upwards to reflect potential claims for incidents that transpired during said fiscal year. While FY2023 budget includes a combined level of reserves for JPB at \$820K and TASI’s Federal Employers Liability Act (FELA) at \$500K. Note that TASI’s FELA (insurance premium and claims) was previously budgeted under Rail Operator Service for \$4.3 million.

**Line 31 Facilities and Equipment Maintenance:** \$7.3 million, an increase of \$1.0 million or 16.9% 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	6,209,353	7,258,788	1,049,435	16.9%

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 32 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 & electricity, telephone, water & sewer, and trash. The budget also includes maintenance costs of 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 33 **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 37 **Wages & Benefits:** \$14.0 million, an increase of \$3.2 million or 29.3% 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 74.3 FTEs for the operating budget which includes 69.2 existing FTEs and 5.1 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	10,801,799	13,963,830	3,162,031	29.3%

#### 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	1.7	-	0.6	1.1	5.1
Total Operating	5.5	1.1	-	19.5	2.1	8.0	3.6	34.5	74.3

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.

FY2022 forecast was decreased due to vacancies. 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 5.1 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 38 **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 39 **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 40 **Professional Services:** \$9.3 million, an increase of \$1.4 million or 18.2% 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	4,809,251	6,462,555	1,653,304	34.4%
Professional Services	5,168,264	8,871,301	7,871,301	9,305,755	1,434,454	18.2%

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, environmental management system gap analysis, 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 41 **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 42 **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 45 **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 46 **Governance**: \$0.4 million, a decrease of \$0.7 million or 65% 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
Governance	-	2,000,000	1,000,000	350,000	(650,000)	-65.0%

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

Line 48 **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	FY2022	FY2022	FY2023	\$ Change	% Change
	ACTUAL	BUDGET	FORECAST	PRELIMINARY BUDGET	FY23 Preliminary to FY22 Forecast	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 58-60 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 add \$11 million to the FY23 Operating Reserve to have an ending balance of \$27 million (15% of operating budget of \$180 million).

**FY2023 Proposed Capital Budget - \$90,956,662**

\*includes Externally Funded Projects (EFP) of \$40,570,377

**i. STATE OF GOOD REPAIR (SOGR) - \$28,587,366**

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.

ROLLING STOCK - \$1,500,000

**9. SOGR Locomotive FY23 - \$1,500,000**

Implement urgent repairs including: in-frame overhaul, cab refurbishment, toilet, HVAC, batteries, contactor, controller, SEP-HEP replacement, and F40 Dynamic Brake System upgrade/refurbishment.

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

**10. 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.

**11. 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**

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

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

**iii. OPERATIONAL IMPROVEMENTS / ENHANCEMENTS - \$55,819,296**

**13. 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.

**14. 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.

**15. 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.

**16. 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.

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

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

**18. 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.

**19. 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.

**20. 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.

**21. 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.

**22. 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.

**23. South Linden & Scott Grade Separation - \$5,500,000 (Externally Funded Project)**

This project will cover the Preliminary Engineering and Environmental Clearance for a grade separation at the South Linden Avenue in South San Francisco and Scott Street in San Bruno. The grade separation will enhance operational reliability, improve safety, and decrease future traffic delays due to growth in vehicular traffic, increased frequency of Caltrain service, and upcoming High Speed Rail service. It will also

**24. Mary Ave/Sunnyvale Ave Grade Separation - \$18,898,000 (Externally Funded Project)**

This grade separation project will improve connectivity and safety for vehicular traffic and pedestrians at Mary and Sunnyvale Avenues. It will also reduce noise impacts associated with at-grade crossings by providing grade separated traffic pathways.

**25. Rengstorff Grade Separation - \$8,715,436 (Externally Funded Project)**

The project proposes to replace existing at-grade train crossing at Rengstorff Avenue with a grade separated crossing in the City of Mountain View. In 2014, the City of Mountain View completed a Final Report for Rengstorff Avenue Grade Separation Design Concepts. Of the three design concepts that were presented, the City was in favor of the Complete Street Concept which includes a Rengstorff Avenue Underpass and the construction of a new elevated pedestrian walkway parallel to the Caltrain tracks connecting Crisanto Avenue to the commercial area east of Rengstorff Avenue. The grade separation will require the lowering of approximately 1,200 feet of Rengstorff Avenue and connecting roadways, including Central Expressway.

**26. Middle Ave Undercrossing - \$400,000 (Externally Funded Project)**

Middle Ave Undercrossing project is a proposed bicycle and pedestrian undercrossing that would improve safety and connectivity in the area around Middle Avenue in Menlo Park. The project would serve a new Stanford development, which is adjacent to Middle Avenue, as well as middle school children in the area.

**27. Bernardo Ave Undercrossing - \$4,990,000 (Externally Funded Project)**

This project will provide a separated pedestrian and bicycle pathway that connects the North and South Bernardo Avenue, improving connectivity and safety for pedestrians and cyclists. It will expand on the uncrossing feasibility study completed in 2004. It is in

the initial stages of conceptual design, with multiple design alternatives in development and under consideration.

**28. San Mateo Grade Crossing Improvements - \$2,066,941 (Externally Funded Project)**

This project will design and implement quad gates or exit gates at the 4<sup>th</sup> and 5<sup>th</sup> Avenue grade crossings in San Mateo, improving safety for train commuters, motorists, and pedestrians.

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

**29. 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.

**30. 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.

**31. 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.

**32. 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.

**33. 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.



**34. 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.

**35. 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.

**36. 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.

**37. 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

**38. 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

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

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

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

This contingency supports unforeseen capital expenditure related to rail operations.

**41. 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  
PROPOSED BUDGET  
FY2023

	FY2021 ACTUAL	FY2022 BUDGET	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2023 Proposed to FY2022 Forecast \$ variance	FY2023 Proposed to FY2022 Forecast % variance		
	A	B	C	D	E = D - C	F = E / C		
<b>REVENUE</b>								
<b>OPERATIONS:</b>								
1	Caltrain Fares	6,702,382	25,039,000	17,639,000	30,219,000	12,580,000	71.3%	1
2	Go Pass	25,737,533	9,600,000	15,000,000	16,260,000	1,260,000	8.4%	2
3	Parking Revenue	385,304	1,536,000	1,286,000	1,896,000	610,000	47.4%	3
4	Shuttles	1,022,510	1,603,900	1,315,667	-	(1,315,667)	-100.0%	4
5	Rental Income	1,124,691	1,192,466	1,192,466	935,357	(257,109)	-21.6%	5
6	Other Income	1,474,039	1,584,608	2,000,000	1,676,319	(323,681)	-16.2%	6
7	<b>TOTAL OPERATING REVENUE</b>	<b>36,446,459</b>	<b>40,555,974</b>	<b>38,433,133</b>	<b>50,986,676</b>	<b>12,553,543</b>	<b>32.7%</b>	7
8								8
9	<b>CONTRIBUTIONS:</b>							
10	AB434 Peninsula & TA Shuttle Funding	1,144,681	1,119,300	1,119,300	40,000	(1,079,300)	-96.4%	10
11	Operating Grants	13,325,611	6,525,471	6,525,471	11,288,161	4,762,690	73.0%	11
12	JPB Member Agencies	27,940,231	-	-	-	-	0.0%	12
13	Measure RR	-	86,576,919	95,621,811	114,300,000	18,678,189	19.5%	13
14	CARES	41,509,536	-	-	-	-	0.0%	14
15	CRRSAA	46,692,029	27,115,922	-	-	-	0.0%	15
16	ARPA	-	14,849,883	115,995,904	-	(115,995,904)	-100.0%	16
17	<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>	17
18								18
19	<b>GRAND TOTAL REVENUE</b>	<b>167,058,547</b>	<b>176,743,469</b>	<b>257,695,619</b>	<b>176,614,837</b>	<b>(81,080,782)</b>	<b>-31.5%</b>	19
20								20
21	<b>EXPENSE</b>							
22								22
23	<b>OPERATING EXPENSE:</b>							
24	Rail Operator Service	85,108,192	97,353,730	93,573,730	98,257,758	4,684,028	5.0%	24
25	Security Services	6,752,598	7,486,512	7,486,512	7,935,381	448,869	6.0%	25
26	Shuttle Services	1,899,021	2,723,200	2,067,849	121,600	(1,946,249)	-94.1%	26
27	Fuel and Lubricants	7,205,280	10,434,846	13,000,000	17,539,232	4,539,232	34.9%	27
28	Timetables and Tickets	15,932	55,000	55,000	135,350	80,350	146.1%	28
29	Insurance	5,406,266	5,857,210	5,857,210	9,299,730	3,442,520	58.8%	29
30	Claims, Payments, and Reserves	3,067,164	820,000	3,320,000	1,320,000	(2,000,000)	-60.2%	30
31	Facilities and Equipment Maintenance	4,260,435	7,734,353	6,209,353	7,258,788	1,049,435	16.9%	31
32	Utilities	2,009,538	2,552,600	2,552,600	2,617,600	65,000	2.5%	32
33	Maint & Services-Bldg & Other	1,385,569	1,674,250	1,674,250	1,754,100	79,850	4.8%	33
34	<b>TOTAL OPERATING EXPENSE</b>	<b>117,109,995</b>	<b>136,691,701</b>	<b>135,796,504</b>	<b>146,239,539</b>	<b>10,443,035</b>	<b>7.7%</b>	34
35								35
36	<b>ADMINISTRATIVE EXPENSE</b>							
37	Wages and Benefits	9,550,977	12,301,799	10,801,799	13,963,830	3,162,031	29.3%	37
38	Managing Agency Admin OH Cost	3,510,418	3,470,871	3,470,871	3,565,453	94,582	2.7%	38
39	Board of Directors	26,998	48,275	48,275	57,275	9,000	18.6%	39
40	Professional Services	5,168,264	8,871,301	7,871,301	9,305,755	1,434,454	18.2%	40
41	Communications and Marketing	234,816	322,750	322,750	403,730	80,980	25.1%	41
42	Other Office Expenses and Services	1,487,493	3,655,020	2,305,020	2,724,996	419,976	18.2%	42
43	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>19,978,967</b>	<b>28,670,016</b>	<b>24,820,016</b>	<b>30,021,039</b>	<b>5,201,023</b>	<b>21.0%</b>	43
44								44
45	Measure RR Ballot Costs	-	7,000,000	5,357,846	-	(5,357,846)	-100.0%	45
46	Governance	-	2,000,000	1,000,000	350,000	(650,000)	-65.0%	46
47								47
48	Debt Service Expense	2,882,955	2,381,752	2,381,752	2,581,752	200,000	8.4%	48
49								49
50	<b>GRAND TOTAL EXPENSE</b>	<b>139,971,917</b>	<b>176,743,469</b>	<b>169,356,118</b>	<b>179,192,330</b>	<b>9,836,212</b>	<b>5.8%</b>	50
51								51
52								52
53	<b>PROJECTED SURPLUS/(DEFICIT)</b>	27,086,630	-	88,339,501	(2,577,493)			53
54	<b>Measure RR for Capital Reserve</b>			80,000,000				54
55	<b>Draw from FY2022 surplus</b>			-	2,577,493			55
56	<b>ADJUSTED PROJECTED SURPLUS/(DEFICIT)</b>			8,339,501	-			56
57								57
58	Reserve, Beginning Balance				16,115,624			58
59	FY23 set aside				10,763,226			59
60	Reserve, Ending Balance				26,878,850			60



FY2023 PROPOSED CAPITAL BUDGET

Attachment B

Item #	PROJECT NAME	FY2023 PROPOSED CAPITAL BUDGET
<b>i. SOGR</b>		
<b>Bridges</b>		
1	Guadalupe Bridges Replacement	9,642,066
2	San Francisquito Creek Bridge Replacement	60,000
<b>Total Bridges</b>		<b>9,702,066</b>
<b>Right of Way</b>		
3	SOGR Track	7,000,000
4	Track Tie Replacement	500,000
5	SOGR ROW	800,000
6	ROW Fencing	1,500,000
<b>Total Right of Way</b>		<b>9,800,000</b>
<b>Signal &amp; Communications</b>		
7	SOGR Signal & Communications	3,000,000
8	SOGR Fiber Optic	2,585,300
<b>Total Signal &amp; Communications</b>		<b>5,585,300</b>
<b>Rolling Stock</b>		
9	SOGR Locomotive FY23	1,500,000
<b>Total Rolling Stock</b>		<b>1,500,000</b>
<b>Station &amp; Intermodal Access</b>		
10	SOGR Facilities	1,000,000
11	SOGR Historical Stations	1,000,000
<b>Total Station &amp; Intermodal Access</b>		<b>2,000,000</b>
<b>Total SOGR</b>		<b>28,587,366</b>
<b>ii. LEGAL MANDATES AND ELECTRIFIED SERVICE RAIL PROGRAM INTEGRATION</b>		
12	CCTV End of Life Equipment	75,000
<b>Total</b>		<b>75,000</b>
<b>iii. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS</b>		
13	PADS Replacement	1,060,000
14	Next Generation Visual Messaging Sign (VMS)	2,700,000
15	BCCF Virtualization Project	1,200,000
16	Broadband Communication (100403)	5,193,586
17	Caltrain VoIP	222,000



FY2023 PROPOSED CAPITAL BUDGET

Attachment B

Item #	PROJECT NAME	FY2023 PROPOSED CAPITAL BUDGET
18	Technology Refresh Assessment	325,000
19	GIS System - Update & Upgrade	2,000,333
20	Enterprise Asset Management Software System	1,048,000
21	Backup Central Control Facility (BCCF) Office Remodel	1,000,000
22	Support for Property Mapping	500,000
23	South Linden & Scott Grade Separation*	5,500,000
24	Mary Ave/Sunnyvale Ave Grade Separation*	18,898,000
25	Rengstorff Grade Separation*	8,715,436
26	Middle Ave Undercrossing*	400,000
27	Bernardo Ave Undercrossing*	4,990,000
28	San Mateo Grade Crossing Improvements*	2,066,941
<b>Total</b>		<b>55,819,296</b>

iv. PLANNING/STUDIES		
29	DTX Support	500,000
30	Redwood City Corridor Planning	1,000,000
31	Rail Network and Operations Planning	200,000
32	Transit-Oriented Development Studies	750,000
33	Electric Multiple-Unit (EMU) Hybridization	350,000
34	San Francisco Corridor and Stations Planning	250,000
35	SF Railyards Preliminary Business Case	250,000
36	Caltrain Access Policy Update	100,000
37	Capital Planning Technical Support	250,000
<b>Total</b>		<b>3,650,000</b>

v. DTX FUNDING		
38	DTX Funding	1,500,000
<b>Total</b>		<b>1,500,000</b>

vi. CAPITAL/CONTINGENCY FUNDS		
39	Capital Contingency Funds - Engineering	330,000
40	Capital Contingency Funds - Rail	660,000
41	Capital Project Development	335,000
<b>Total</b>		<b>1,325,000</b>

<b>Total</b>		<b>90,956,662</b>
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\* Project is externally funded and relies on separate, project-specific funding plan.

FY2023 Caltrain Capital Budget Summary (000s)\*

Project	Reduced Capital Budget Request	Federal Funding	Unrestricted Funds	STA SOGR	LPP	Total	Deficit
<b>SOGR Projects - Federal Eligible</b>	<b>23.59</b>	<b>16.87</b>	<b>0.62</b>	<b>1.54</b>	<b>3.29</b>	<b>22.32</b>	<b>(1.27)</b>
<b>SOGR Projects - Other</b>	<b>5.00</b>	-	<b>3.50</b>	-	-	<b>3.50</b>	<b>(1.50)</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>17.58</b>	-	-	<b>17.58</b>	<b>(4.22)</b>
							-
<b>Total</b>	<b>50.39</b>	<b>16.87</b>	<b>21.70</b>	<b>1.54</b>	<b>3.29</b>	<b>43.40</b>	<b>(6.99)</b>

**(2.33)** Per Partner Obligation

\*Does not include Externally funded capital projects in the amount of \$40.6M.

**Resolution No. 2021-**

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

\* \* \*

**Adoption Of The Fiscal Year 2023 Operating Budget In The Amount Of \$179,192,330  
And The Fiscal Year 2023 Capital Budget In The Amount Of \$90,956,662**

**Whereas**, the Joint Powers Agreement of the Peninsula Corridor Joint Powers Board (JPB) requires the Board of Directors (Board) to approve annual Operating and Capital Budgets; and

**Whereas**, the adoption of an Operating Budget is necessary for obtaining both Federal and State funds to support the Peninsula Commute Service operation known as Caltrain; and

**Whereas**, the adoption of a Capital Budget complements the JPB's strategic planning process; and

**Whereas**, the Staff recommends that the Board adopt the Fiscal Year 2023 (FY2023) Operating Budget shown as Attachment A, and the FY2023 Capital Budget shown as Attachment B; and

**Whereas**, the local match funding component of the FY2023 Capital Budget, as proposed, includes funds from the JPB's three member agencies (the City and County of San Francisco, the San Mateo County Transit District and Santa Clara Valley Transportation Authority); and

**Whereas**, the FY2023 Capital Budget includes funds from the Senate Bill 1 State of Good Repair Program and the Local Partnership Program; and

**Whereas**, the amount of anticipated funding from the Senate Bill 1 State of Good Repair Program for the FY2023 Capital Budget is estimated to be \$1,536,744.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the Fiscal Year 2023 Operating Budget, a copy of which is attached hereto and incorporated herein as Attachment A, in the amount of \$179,192,330; and

**Be It Further Resolved** that the Board adopts the FY2023 Capital Budget in the amount of \$90,956,662, attached hereto and incorporated herein as Attachment B, with the understanding that the three JPB member agencies will allocate funds for the FY2023 Capital Budget; and

**Be It Further Resolved** that the Acting Executive Director, or designee, is requested to forward a copy of the FY2023 Operating Budget and Capital Budget to the JPB member agencies at the earliest practicable date; and

**Be It Further Resolved** that the Acting Executive Director, or designee, is directed to submit these budgets to the Metropolitan Transportation Commission, together with a copy of this resolution, at the earliest practical date; and

**Be It Further Resolved** that the Board of Directors approves the Senate Bill 1 (S.B. 1) State of Good Repair Program projects included in the FY2023 Capital Budget as shown in Attachment B; and

**Be It Further Resolved** that the Board of Directors (1) authorizes the Acting Executive Director, or designee, to submit a request for S.B. 1 State of Good Repair and Local Partnership Program funds and to execute any related grant applications, forms, and agreements and (2) agrees to comply with all conditions and requirements set forth in the Certification and Assurances and applicable statutes, regulations, and guidelines for all State of Good Repair and Local Partnership Program-funded transit capital projects; and

**Be It Further Resolved** that the Board authorizes the Acting Executive Director, or designee, to take such additional actions as may be necessary to give effect to this resolution, including executing funding agreements and amendments, and submitting required documents to granting agencies to receive the funding identified in the Capital Budget.

Regularly passed and adopted this 2nd day of June 2022 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary