



BOARD OF DIRECTORS 2019

GILLIAN GILLET, CHAIR
DAVE PINE, VICE CHAIR
CHERYL BRINKMAN
JEANNIE BRUINS
CINDY CHAVEZ
RON COLLINS
DEVORA "DEV" DAVIS
CHARLES STONE
SHAMANN WALTON

JIM HARTNETT
EXECUTIVE DIRECTOR

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

San Mateo County Transit District Administrative Building
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

Revised 9-20-2019

September 23, 2019 – Monday

2:30 p.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Public Comment on Items not on the Agenda
Comments by each individual speaker shall be limited to three (3) minutes. Items raised that require a response will be deferred for staff reply.
4. Approve Meeting Minutes of August 26, 2019 MOTION
5. Accept Statement of Revenues and Expenditures for June and August MOTION
6. Award of Contracts for On-Call Financial Consulting Services MOTION
7. Award of Contracts for On-Call Environmental Planning, Permitting and Support Services MOTION
8. Award of Contract to Xenconsult, Inc. DBA Xentrans for Broadband Wireless Communications Design and Support Services MOTION
9. Reaffirm the Peninsula Corridor Joint Powers Board Investment Policy and Reauthorize Investment of Monies with the Local Agency Investment Fund MOTION
10. Committee Member Requests
11. Date/Time of Next Regular Finance Committee Meeting: Monday, October 28, 2019 at 2:30 p.m. San Mateo County Transit District Administrative Building, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070
12. Adjourn

Committee Members: Dev Davis (Chair), Ron Collins, Shamann Walton

INFORMATION FOR THE PUBLIC

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

If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Avenue, San Carlos, one block west of the San Carlos Caltrain Station on El Camino Real, accessible by SamTrans bus Routes ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1.800.660.4287 or 511.

The JPB meets regularly on the first Thursday of the month at 9:00 a.m. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 5:40 p.m. at the same location. Date, time and place may change as necessary.

Public Comment

If you wish to address the Committee, please fill out a speaker's card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Committee members and staff.

Members of the public may address the Committee on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to three minutes and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the JPB will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the JPB Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@caltrain.com; or by phone at 650.508.6242, or TDD 650.508.6448.

Availability of Public Records

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

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

MINUTES OF AUGUST 26, 2019

MEMBERS PRESENT: D. Davis (Chair), R. Collins, S. Walton (arrived 2:39 p.m.)

MEMBERS ABSENT: None

STAFF PRESENT: M. Bouchard, C. Gayotin, C. Gumpal, D. Hansel, M. Jones, J. Le, C. Mau, M. Reggiardo, D. Seamans, S. van Hoften

CALL TO ORDER

Chair Dev Davis called the meeting to order at 2:30 p.m. Director Ron Collins led the Pledge of Allegiance.

ROLL CALL

District Secretary Dora Seamans called the roll and confirmed all present with the exception of Director Walton who was delayed.

APPROVAL OF MEETING MINUTES

On motion to approve the minutes of July 26, 2019: unanimously approved (Walton – absent).

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There was no public comment.

Director Shamann Walton arrived at 2:39 p.m.

APPROVAL OF EXTENSION AND ADDITION OF CONTRACT CAPACITY TO THE TRANSPORTATION PLANNING ON CALL CONTRACT.

Melissa Reggiardo, provided a report and included the projects supporting this planning effort are part of the Caltrain Business Plan Phase 2, network planning, station access and bike parking planning, bike parking and micromobility policy, grant applications and communication, and outreach program to support the Peninsula Corridor Electrification project.

Staff provided further clarification in response to the Committee comments and questions. The presentation can be found on the Caltrain website link provided here: http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2019/2019-08-26+Finance+committee+-+On+Call+Contract+PPT.pdf

Public Comment

Roland Lebrun, San Jose, commented on the statement of revenue and expenditures, Go Pass, San Francisco Municipal Transportation Agency and structural deficit.

AWARD OF CONTRACT TO ARINC, INC. FOR MAINTENANCE AND SUPPORT OF TRAIN CONTROL SYSTEM

Matt Scanlon, Deputy Director, Railroad Systems Engineering, provided a report; highlights include ARINC to provide support for three major systems that support the rail operations: Rail Operations Control System, Caltrain Predictive Train Arrival/Departure System and Train Voice Radio Dispatch System; the contract expires June 30, 2025.

Staff provided further clarification in response to the Committee comments and questions. The presentation can be found on the Caltrain website link provided here: http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2019/2019-08-26+Finance+committee+-+ARINC+ppt.pdf

Public Comment

Roland Lebrun, San Jose, expressed concern on ARINC's proprietary system.

AUTHORIZE AMENDMENT TO THE CONTRACT WITH TURBO DATA SYSTEMS, INC. FOR FARE EVASION CITATION PROCESSING SERVICES

Jenny Le, Management Analyst, Transit Police, provided a report on the amendment to contract with Turbo Data Systems, Inc.; highlights of the report include the services would include citation processing, citation payment collection, lease of handheld ticket writer units and data reporting. Ms. Le also noted the benefits would be uninterrupted service for Fare Evasion citation processing and adjudication, increase ticket writer units to enhance enforcement and reduce lease cost per month for handled ticket writer units.

Staff provided further clarification in response to the Committee comments and questions. The presentation can be found on the Caltrain website link provided here: http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2019/2019-08-26+Finance+committee+-+Turbo+Data+ppt.pdf

Public comment

Roland Lebrun, San Jose, commented that there should be more staff recognition.

ADOPTION OF THE CALTRAIN FARE STRUCTURE (FORMERLY THE CODIFIED TARIFF), ADOPTION OF FINDINGS FOR A STATUTORY EXEMPTION UNDER CEQA AND APPROVAL OF ASSOCIATED TITLE VI EQUITY ANALYSIS

Derek Hansel, Chief Financial Officer, reported on proposed fare changes; highlights of the report include the public comment process/outreach, the final proposed changes, timeline and the Means-Based Fare Pilot Program.

The Committee requested that staff to follow up on the data of riders on the means based; find out if the fare product discounted monthly pass would be something within their reach and prefer to purchase.

Staff provided further clarification in response to the Committee comments and questions. The presentation can be found on the Caltrain website link provided here: http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2019/2019-08-26+Finance+committee+-+Proposed+Fare+Change.pdf

Public comment

Roland Lebrun, San Jose, commented on the sample fares amount, equity and Go Pass.

COMMITTEE MEMBER REQUEST

Chair Davis requested and item on the next agenda that includes information on the electrification timeline and contract status update. Mr. Hansel responded and said there are additional conversations through the Chair and depending on the outcome this item can be included on the next agenda or it may be another process.

Mr. Hansel noted that the statement of revenue and expenditures will be included as a monthly item on the agenda.

DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING: MONDAY, SEPTEMBER 23, 2019 AT 2:30 P.M. SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING, 2nd FLOOR, 1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070

Chair Davis announced that the next meeting would be held on Monday, September 23, 2019 at 2:30 p.m.

ADJOURN

The meeting was adjourned at 3:28 p.m.

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

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Finance Committee and Joint Powers Board
THROUGH: Jim Hartnett
Executive Director
FROM: Derek Hansel
Chief Financial Officer
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
JUNE 30, 2019**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of June, 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through June 30, 2019. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2019.

SIGNIFICANCE

Annual Forecast: The annual forecast was updated based on actual revenue and expense trends through March 2019.

Year to Date Revenues: As of June year-to-date actual, the Total Revenue (page 1, line 17) is \$12.9 million higher than the prior year-to-date actual. This is primarily driven by higher Farebox Revenue (page 1, line 1), and JPB Member Agencies' contributions (page 1, line 12).

Year to Date Expenses: As of June year-to-date actual, the Total Expense (page 1, line 48) is \$10.8 million higher than the prior year-to-date actual. This is primarily due to Rail Operator Services (page 1, line 23), Insurance Cost (page 1, line 29), Wages and Benefits (page 1, line 37) and Other Office Expenses and Services (page 1, line 42).

BUDGET IMPACT

There are no budget amendments for the month of June 2019.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By: Thwe T. Han, Accountant II 650-508-7912
Jennifer Ye, Manager, General Ledger 650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
Fiscal Year 2019
June 2019

	% OF YEAR ELAPSED								100.0%
	YEAR TO DATE				ANNUAL				
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE	% BUDGET	
REVENUE									
OPERATIONS:									
1 Farebox Revenue	97,050,195	105,439,861	8,389,665	8.6%	107,795,329	103,500,000	(4,295,329)	(4.0%)	1
2 Parking Revenue	5,603,407	5,847,162	243,756	4.4%	5,845,900	5,500,000	(345,900)	(5.9%)	2
3 Shuttles	2,186,561	2,066,090	(120,471)	(5.5%)	2,683,400	2,000,000	(683,400)	(25.5%)	3
4 Rental Income	2,070,135	1,895,763	(174,372)	(8.4%)	1,873,000	2,100,000	227,000	12.1%	4
5 Other Income	2,228,119	2,316,847	88,728	4.0%	1,192,000	2,200,000	1,008,000	84.6%	5
6									6
7 TOTAL OPERATING REVENUE	109,138,417	117,565,723	8,427,306	7.7%	119,389,629	115,300,000	(4,089,629)	(3.4%)	7
8									8
CONTRIBUTIONS:									9
10 AB434 Peninsula & TA Shuttle Funding	1,723,254	1,728,727	5,474	0.3%	1,767,700	1,767,700	-	0.0%	10
11 Operating Grants	4,265,650	3,700,607	(565,043)	(13.2%)	3,700,607	3,700,607	-	0.0%	11
12 JPB Member Agencies	20,448,014	25,448,000	4,999,986	24.5%	25,448,014	25,448,014	-	0.0%	12
13 Use of Reserves	-	-	-	0.0%	1,208,871	900,395	(308,476)	(25.5%)	13
14									14
15 TOTAL CONTRIBUTED REVENUE	26,436,918	30,877,334	4,440,417	16.8%	32,125,192	31,816,716	(308,476)	(1.0%)	15
16									16
17 GRAND TOTAL REVENUE	135,575,334	148,443,057	12,867,723	9.5%	151,514,821	147,116,716	(4,398,105)	(2.9%)	17
18									18
19									19
EXPENSE									20
21									21
OPERATING EXPENSE:									22
23 Rail Operator Service	83,193,402	86,230,812	3,037,410	3.7%	87,385,577	87,385,577	-	0.0%	23
24 Positive Train Control	169,619	63,394	(106,225)	(62.6%)	90,481	572,481	482,000	532.7%	24
25 Security Services	5,850,526	5,816,573	(33,953)	(.6%)	6,068,346	6,172,151	103,805	1.7%	25
26 Shuttles Services	4,713,180	4,062,548	(650,633)	(13.8%)	5,444,500	4,287,506	(1,156,994)	(21.3%)	26
27 Fuel and Lubricants	10,301,806	11,160,475	858,668	8.3%	11,065,356	10,765,356	(300,000)	(2.7%)	27
28 Timetables and Tickets	76,752	92,987	16,236	21.2%	143,500	143,500	-	0.0%	28
29 Insurance	1,187,905	4,128,561	2,940,656	247.5%	5,750,000	5,750,000	-	0.0%	29
30 Facilities and Equipment Maint	2,626,683	2,944,312	317,629	12.1%	3,301,895	2,700,000	(601,895)	(18.2%)	30
31 Utilities	1,899,260	2,040,714	141,454	7.4%	2,265,720	1,900,000	(365,720)	(16.1%)	31
32 Maint & Services-Bldg & Other	1,336,698	1,377,376	40,678	3.0%	1,529,098	1,267,708	(261,390)	(17.1%)	32
33									33
34 TOTAL OPERATING EXPENSE	111,355,832	117,917,752	6,561,921	5.9%	123,044,473	120,944,279	(2,100,194)	(1.7%)	34
35									35
ADMINISTRATIVE EXPENSE									36
37 Wages and Benefits	8,058,146	10,212,324	2,154,178	26.7%	11,448,471	10,171,262	(1,277,210)	(11.2%)	37
38 Managing Agency Admin OH Cost	5,886,046	6,503,882	617,837	10.5%	5,899,231	6,300,000	400,769	6.8%	38
39 Board of Directors	14,057	18,659	4,603	32.7%	14,600	14,600	-	0.0%	39
40 Professional Services	5,073,344	3,440,617	(1,632,728)	(32.2%)	4,934,233	5,125,000	190,767	3.9%	40
41 Communications and Marketing	194,390	272,596	78,206	40.2%	316,500	316,500	-	0.0%	41
42 Other Office Expenses and Services	2,375,124	5,324,257	2,949,134	124.2%	4,558,639	2,625,900	(1,932,739)	(42.4%)	42
43									43
44 TOTAL ADMINISTRATIVE EXPENSE	21,601,107	25,772,336	4,171,229	19.3%	27,171,674	24,553,262	(2,618,412)	(9.6%)	44
45									45
46 Long Term Debt Expense	1,500,522	1,602,163	101,642	6.8%	1,298,675	1,619,175	320,500	24.7%	46
47									47
48 GRAND TOTAL EXPENSE	134,457,460	145,292,251	10,834,791	8.1%	151,514,821	147,116,716	(4,398,106)	(2.9%)	48
49									49
50 NET SURPLUS / (DEFICIT)	1,117,874	3,150,806	2,032,931	181.9%	(0)	-	0	(100.0%)	50
51									51
52 Adjustment to Net Surplus*	-	955,551	955,551	0.0%	-	-	-	0.0%	52
53									53
54 NET SURPLUS - ADJUSTED	1,117,874	2,195,255	1,077,380	96.4%	(0)	-	0	(100.0%)	54

* \$955,9551 SOGR expenses originally funded by the Operating Budget were capitalized as capital assets. Therefore, the expenses were not reported as operating expenses on the line 23 "Rail Operator Service".



PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF JUNE 30, 2019

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
-----		-----	-----	-----	-----
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	2.428%	-	-
County Pool (Restricted)	**	Liquid Cash	2.381%	1,000,000	1,000,000
County Pool (Unrestricted)	**	Liquid Cash	2.381%	43,450	43,450
Other (Unrestricted)		Liquid Cash	0.000%	39,512,399	39,512,399
Other (Restricted)	***	Liquid Cash	0.850%	27,011,345	27,011,345
-----		-----	-----	-----	-----
				\$ 67,567,194	\$ 67,567,194

Cumulative Earnings FY2019 \$ 553,326.80

* 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.

** As of June 2019, per San Mateo County Treasurer's Office, the total cost of securities held by the County Pool was \$5,526,153 and the fair market value was \$5,556,557

*** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment.

The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995).

The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Finance Committee and Joint Powers Board
THROUGH: Jim Hartnett
Executive Director
FROM: Derek Hansel
Chief Financial Officer
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
AUGUST 31, 2019**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of August 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through August 31, 2019. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

SIGNIFICANCE

Annual Forecast: The annual forecast is currently the same as the budget and will be updated twice a year and presented at the February and April board meetings.

Year to Date Revenues: As of August year-to-date actual, the Total Revenue (page 1, line 17) is \$1,134,311 higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page1, line 5), and JPB Member Agencies Contributions (page 1, line12).

Year to Date Expenses: As of August year-to-date actual, the Total Expense (page 1, line 49) is \$1,706,799 higher than the prior year-to-date actual. This is primarily due to increases in Rail Operator Service (page 1, line 23) and in Wages & Benefits (Page 1 line 38). The increases are partially offset by the lower expenses in Shuttle Services (page1, line26), Claims, Payments and Reserves (page1, line 30), Facilities & Equipment Maintenance (page 1, line 31),Managing Agency Admin OH cost (page 1, line 39), and Professional Services (page 1, line 41).

Other Information: Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show noticeable variances for some line items on the financial statements.

BUDGET IMPACT

There are no budget amendments for the month of August 2019.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By : Thwe T. Han, Accountant II
Jennifer Ye, Manager, General Ledger

650-508-7912
650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
Fiscal Year 2020
August 2019

	% OF YEAR ELAPSED								16.7%
	YEAR TO DATE				ANNUAL				
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE	% BUDGET	
REVENUE									
OPERATIONS:									
1 Farebox Revenue	18,024,136	18,141,284	117,148	0.6%	106,000,000	106,000,000	-	0.0%	1
2 Parking Revenue	873,911	908,015	34,104	3.9%	5,335,000	5,335,000	-	0.0%	2
3 Shuttles	347,611	196,331	(151,279)	(43.5%)	2,503,200	2,503,200	-	0.0%	3
4 Rental Income	305,420	342,146	36,726	12.0%	2,060,540	2,060,540	-	0.0%	4
5 Other Income	209,132	459,854	250,723	119.9%	1,753,450	1,753,450	-	0.0%	5
6									6
7 TOTAL OPERATING REVENUE	19,760,209	20,047,631	287,422	1.5%	117,652,190	117,652,190	-	0.0%	7
8									8
CONTRIBUTIONS:									
9 AB434 Peninsula & TA Shuttle Funding	307,163	317,787	10,625	3.5%	1,737,950	1,737,950	-	0.0%	9
10 Operating Grants	1,095,101	863,704	(231,398)	(21.1%)	5,327,497	5,327,497	-	0.0%	10
11 JPB Member Agencies	9,033,000	10,100,662	1,067,662	11.8%	29,921,971	29,921,971	-	0.0%	11
12 Use of Reserves	-	-	-	0.0%	1,064,614	1,064,614	-	0.0%	12
13									13
14									14
15 TOTAL CONTRIBUTED REVENUE	10,435,264	11,282,153	846,889	8.1%	38,052,032	38,052,032	-	0.0%	15
16									16
17 GRAND TOTAL REVENUE	30,195,473	31,329,784	1,134,311	3.8%	155,704,222	155,704,222	-	0.0%	17
18									18
19									19
EXPENSE									
OPERATING EXPENSE:									
22 Rail Operator Service	13,184,307	15,679,346	2,495,039	18.9%	90,817,696	90,817,696	-	0.0%	22
23 Positive Train Control	20,481	-	(20,481)	(100.0%)	2,400,000	2,400,000	-	0.0%	23
24 Security Services	981,377	1,344,193	362,816	37.0%	6,544,183	6,544,183	-	0.0%	24
25 Shuttles Services	774,158	503,768	(270,391)	(34.9%)	5,290,100	5,290,100	-	0.0%	25
26 Fuel and Lubricants	1,773,799	1,626,183	(147,616)	(8.3%)	11,003,417	11,003,417	-	0.0%	26
27 Timetables and Tickets	-	-	-	0.0%	143,500	143,500	-	0.0%	27
28 Insurance	709,206	720,992	11,786	1.7%	4,506,064	4,506,064	-	0.0%	28
29 Claims, Payments, and Reserves	102,963	(165,317)	(268,280)	(260.6%)	951,794	951,794	-	0.0%	29
30 Facilities and Equipment Maint	446,413	142,180	(304,233)	(68.2%)	3,339,391	3,339,391	-	0.0%	30
31 Utilities	329,795	210,987	(118,808)	(36.0%)	2,105,422	2,105,422	-	0.0%	31
32 Maint & Services-Bldg & Other	208,696	57,242	(151,455)	(72.6%)	1,567,930	1,567,930	-	0.0%	32
33									33
34									34
35 TOTAL OPERATING EXPENSE	18,531,195	20,119,573	1,588,378	8.6%	128,669,496	128,669,496	-	0.0%	35
36									36
ADMINISTRATIVE EXPENSE									
37 Wages and Benefits	2,768,567	3,554,513	785,946	28.4%	12,084,610	12,084,610	-	0.0%	37
38 Managing Agency Admin OH Cost	1,098,519	785,178	(313,341)	(28.5%)	5,098,065	5,098,065	-	0.0%	38
39 Board of Directors	1,100	2,102	1,002	91.1%	14,600	14,600	-	0.0%	39
40 Professional Services	633,012	124,953	(508,059)	(80.3%)	4,275,583	4,275,583	-	0.0%	40
41 Communications and Marketing	35,020	10,271	(24,749)	(70.7%)	301,500	301,500	-	0.0%	41
42 Other Office Expenses and Services	353,766	269,451	(84,315)	(23.8%)	2,620,595	2,620,595	-	0.0%	42
43									43
44									44
45 TOTAL ADMINISTRATIVE EXPENSE	4,889,985	4,746,469	(143,516)	(2.9%)	24,394,953	24,394,953	-	0.0%	45
46									46
47 Long Term Debt Expense	221,029	482,966	261,937	118.5%	2,639,773	2,639,773	-	0.0%	47
48									48
49 GRAND TOTAL EXPENSE	23,642,209	25,349,007	1,706,799	7.2%	155,704,222	155,704,222	-	0.0%	49
50									50
51 NET SURPLUS / (DEFICIT)	6,553,264	5,980,777	(572,487)	(8.7%)	(0)	(0)	-	0.0%	51



PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF AUGUST 31, 2019

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	2.379%	39	39
County Pool (Restricted)	**	Liquid Cash	2.241%	919,622	919,622
Other (Unrestricted)		Liquid Cash	0.000%	27,601,079	27,601,079
Other (Restricted)	***	Liquid Cash	0.200%	25,540,006	25,540,006
				\$ 54,060,746	\$ 54,060,746
Interest Earnings for August 2019			\$ 17,730.50		
Cumulative Earnings FY2019			\$ 17,730.50		

* 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.

** As of August 2019, the total cost of the County was \$5,181,944 and the fair market value per San Mateo County Treasurer's Office was \$5,207,526.

*** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment.

The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995).

The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Finance Committee and Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AWARD OF CONTRACTS FOR ON-CALL FINANCIAL CONSULTING SERVICES**

ACTION

Staff Coordinating Council (SCC) recommends the Board:

1. Award on-call contracts to the firms listed below for the provision of various financial consulting services for a five-year term, for an aggregate, not-to-exceed amount of \$970,000 to be shared as a pool for authorized tasks.

Financial Advisory Services

- Fieldman, Rolapp & Associates, Inc.
- PFM Financial Advisors LLC
- Ross Financial
- Sperry Capital Inc.

Financial Planning & Analysis Services

- Fieldman, Rolapp & Associates, Inc.
- PFM Financial Advisors LLC
- Ross Financial
- Sperry Capital Inc.

Financial and Operational Review & Technical Analysis Services

- KPMG LLP
- Macias Gini & O'Connell LLP

Performance Audit Services

- KPMG LLP
- Macias Gini & O'Connell LLP

Budgeting Services

- Macias Gini & O'Connell LLP

2. Authorize the Executive Director or his designee to execute contracts with the above firms, in full conformity with the terms and conditions of the solicitation documents and negotiated agreements, and in a form approved by legal counsel.

SIGNIFICANCE

Award of these contracts will provide the Peninsula Corridor Joint Powers Board (JPB) with the expertise of diverse financial services firms that possess in-depth knowledge of the specialized discipline of transportation finance. The JPB’s complex financial services requirements and strategic financial goals will benefit from the support of a broad array of firms, each with a long and successful track record of delivering creative solutions for complex financial transactions.

The JPB will engage the firms through Work Directives on a project-by-project and as-needed basis. Award of these contracts will not obligate the JPB to purchase any specific level of service from any of the firms.

BUDGET IMPACT

Funding for these services will be available under approved and projected operating budgets.

BACKGROUND

The JPB issued a joint Request for Proposals with the San Mateo County Transit District and the San Mateo County Transportation Authority (Authority) (collectively, the Agencies). The solicitation was advertised on the Agencies' procurement websites. A pre-proposal conference was held and six firms attended. Seven firms submitted proposals, four of which are certified Small Business Enterprises (SBE) and received preference points during proposal evaluation.

Proposers were invited to respond to one or more of the following seven categories of financial consulting services: financial advisory, financial planning and analysis, financial and operational review and technical analysis, performance audit, treasury consulting, budgeting, and treasury managed lanes. With the exception of the treasury managed lanes services, which only the Authority required, all three Agencies required all categories of services advertised. The Agencies did not receive any proposals for treasury consulting services. Due to the small amount of treasury consulting services anticipated, the Agencies plan to issue an independent procurement for such services, if necessary.

A Selection Committee (Committee) comprised of qualified staff from the Agencies' Treasury, Accounting, and Budget departments reviewed, evaluated and scored the proposals in accordance with the following weighted criteria:

- Approach to Scope of Services 15 points
- Qualifications and Experience of Firm 30 points
- Qualifications and Experience of Management Team and Key Personnel 30 points
- Cost Proposal 25 points
- SBE Preference 5 points

After initial scoring of proposals, six proposers were found to be in the competitive range. The firms are qualified and established consultants with extensive experience working for one or more of the three Agencies. Therefore, the Committee determined oral interviews would not be necessary and completed its final evaluation and consensus ranking.

The firms will collaborate with the JPB in developing processes, procedures and controls that help establish internal financial standards and control in areas such as:

- fare collection;
- wire transfer and banking processes; and
- accounting and financial reporting processes.

In July 2014, the Board approved on-call contracts with the following financial services consultants:

- Public Financial Management, Inc.;
- Ross Financial Consulting;
- Nancy Whelan Consulting, LLC;
- Ernst & Young Infrastructure Advisors, LLC;
- KPMG LLP;
- Williams, Adley & Company-CA, LLP; and
- Macias Consulting Group, Inc.

These contracts are for an aggregate not-to-exceed amount of \$3,200,000 and expire in September 2019. The JPB anticipates a decreased need for services, which is reflected in the decreased amount of the replacement contract.

Prepared By: Jillian Ragia, Procurement Administrator III
Chief Financial Officer: Derek Hansel

650.508.7767
650.508.6466

RESOLUTION NO. 2019-

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

* * *

AWARDING CONTRACTS TO FIELDMAN, ROLAPP & ASSOCIATES, INC., PFM FINANCIAL ADVISORS LLC, ROSS FINANCIAL, SPERRY CAPITAL INC., KPMG LLP AND MACIAS GINI & O'CONNELL LLP TO PROVIDE ON-CALL FINANCIAL CONSULTING SERVICES FOR AN AGGREGATE, NOT-TO-EXCEED AMOUNT OF \$970,000 FOR A FIVE-YEAR TERM

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB), jointly with the San Mateo County Transit District and the San Mateo County Transportation Authority, solicited competitive proposals to provide on-call financial consulting services; and

WHEREAS, proposers were invited to respond to one or more of the seven financial services functions described in the Request for Proposals (RFP): financial advisory, financial planning and analysis, financial and operational review and technical analysis, performance audit, treasury consulting, budgeting and treasury managed lanes services; and

WHEREAS, in response to the joint RFP, staff received proposals from seven firms, four of which were Small Business Enterprise firms; and

WHEREAS, a Selection Committee (Committee) composed of qualified staff reviewed and ranked proposals for each financial services category according to the weighted criteria set forth in the RFP, and determined six firms to be in the competitive range; and

WHEREAS, the Committee completed its final evaluation and consensus ranking, as summarized below:

Financial Advisory Services

- Fieldman, Rolapp & Associates, Inc., Irvine, California
- PFM Financial Advisors LLC, San Francisco, California
- Ross Financial, San Francisco, California
- Sperry Capital Inc., Sausalito, California

Financial Planning & Analysis Services

- Fieldman, Rolapp & Associates, Inc.
- PFM Financial Advisors LLC
- Ross Financial
- Sperry Capital Inc.

Financial and Operational Review & Technical Analysis Services

- KPMG LLP, San Francisco, California
- Macias Gini & O'Connell LLP, Walnut Creek, California

Performance Audit Services

- KPMG LLP
- Macias Gini & O'Connell LLP

Budgeting Services

- Macias Gini & O'Connell LLP; and

WHEREAS, the Committee determined that these six firms have the requisite depth of knowledge and experience in the five financial services categories to successfully support the JPB's goals for financial system development, requirements, processes, procedures and controls; and

WHEREAS, staff and legal counsel have reviewed the proposals and determined that they comply with the requirements of the RFP; and

WHEREAS, the Staff Coordinating Council recommends, and the Executive Director concurs, that a five-year contract for on-call financial consulting services be awarded to each firm for an aggregate, not-to-exceed amount of \$970,000.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards six on-call contracts, each for a five-year term, for an aggregate, not-to-exceed amount of \$970,000, to the following firms for work in the listed categories of services:

1. Fieldman, Rolapp & Associates, Inc.:
 - financial advisory services
 - financial planning and analysis services;

2. PFM Financial Advisors LLC:
 - financial advisory services
 - financial planning and analysis services;
3. Ross Financial:
 - financial advisory services
 - financial planning and analysis services;
4. Sperry Capital Inc.:
 - financial advisory services
 - financial planning and analysis services;
5. KPMG LLP:
 - financial and operational review, and technical analysis services
 - performance audit services;
6. Macias Gini & O'Connell LLP:
 - financial and operational review, and technical analysis services
 - performance audit services
 - budgeting services; and

BE IT FURTHER RESOLVED the Board authorizes the Executive Director or his designee to execute contracts on behalf of the JPB with the above named firms in full conformity with all of the terms and conditions of the RFP and negotiated agreements, and in forms approved by legal counsel.

Regularly passed and adopted this 3rd day of October, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Finance Committee and Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

April Chan
Chief Officer, Planning, Grants, &
Transportation Authority

SUBJECT: **AWARD OF CONTRACTS FOR ON-CALL ENVIRONMENTAL PLANNING,
PERMITTING AND SUPPORT SERVICES**

ACTION

Staff proposes the Committee recommend the Board:

1. Award contracts for on-call environmental planning, permitting and support services for an aggregate not-to-exceed total amount of \$7 million for a five-year term to:
 - HDR Engineering, Inc., Walnut Creek, California;
 - ICF Jones & Stokes, Inc., San Francisco, California; and
 - Louis Berger U.S., Inc., New York, New York
2. Authorize the Executive Director, or his designee, to execute a contract with each of the above firms in full conformity with the terms and conditions of the solicitation documents and negotiated agreements and in a form approved by legal counsel.
3. Authorize the Executive Director, or his designee, to exercise up to two additional one-year option terms with the above firms for up to \$1,750,000 for each option term, to be shared in the aggregate among the three firms, if deemed in the best interest of the Peninsula Corridor Joint Powers Board (JPB).

SIGNIFICANCE

Award of these contracts will provide the JPB with a pool of qualified firms to support the required and anticipated volume of services for planning and construction projects. The JPB will engage the firms through Work Directives on a project-by-project and as-needed basis. Award of this contract will not obligate the JPB to purchase any specific level of service from any of the firms.

BUDGET IMPACT

Work Directives will be funded with a mix of federal, state, regional, and/or local revenues and grants from approved and future JPB operating and capital budgets.

BACKGROUND

The JPB issued a joint Request for Proposals with the San Mateo County Transit District and the San Mateo County Transportation Authority (Agencies). The solicitation was advertised on the JPB’s procurement website. A pre-proposal conference was held and 14 firms (a mix of prime and sub-consultants) attended. Three firms submitted proposals. Each firm included Small Business Enterprises (SBE) or Disadvantaged Business Enterprises as part of their proposed team and received preference points in accordance with their level of SBE utilization.

A Selection Committee (Committee) composed of qualified staff from the Agencies representing the Planning, Project Management, and Facilities Maintenance departments reviewed, evaluated and scored the proposals in accordance with the following weighted criteria:

- Qualifications and Experience of Firm 0-30 Points
- Qualifications and Experience of Key Personnel 0-35 Points
- Understanding of and approach to Service Requirements 0-20 Points
- Cost Proposal (Labor Rates) 0-15 Points
- Small Business Enterprise Preference 0 - 5 Points

After initial scoring of proposals, all three proposers were found to be in the competitive range and were interviewed. After interviews, the Committee reached a consensus ranking based on each firm’s proposal, experience and qualifications. All three firms are incumbents in good standing with the Agencies. The firms submitted updated labor rate information to address the Committee’s questions regarding proposed staff and sub-consultants’ direct hourly rates, overhead rates and fees. Staff evaluated the updated rates, successfully negotiated favorable fees in line with prices currently paid by the JPB for similar services, and determined them to be fair and reasonable.

These firms will provide the JPB with a pool of experienced consultants and sub-consultants who possess the necessary qualifications and requisite depth of experience to perform the services successfully.

HDR Engineering, Inc., ICF Jones & Stokes, Inc., and Louis Berger U.S., Inc., currently provide services to the JPB under contracts awarded in 2013 for an aggregate, not-to-exceed six-year amount of \$8.5 million, which includes exercised option terms, a one-year extension, contingency, and a Board-authorized increase in contract authority. The firms’ performance to-date has been acceptable and in conformance with contract requirements and terms. The current contracts expire in November 2019.

Contract Administrator: Linn Latt	650.295.6866
Project Manager: Hilda Lafebre, Manager, Capital Projects and Environmental Planning	650.622.7842

RESOLUTION NO. 2019-

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

* * *

**AWARDING CONTRACTS TO HDR ENGINEERING, INC., ICF JONES & STOKES, INC., AND
LOUIS BERGER U.S., INC., FOR PROVISION OF ON-CALL ENVIRONMENTAL PLANNING,
PERMITTING AND SUPPORT SERVICES FOR AN AGGREGATE NOT-TO-EXCEED
TOTAL AMOUNT OF \$7 MILLION FOR A FIVE-YEAR TERM**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) issued a Request for Proposals (RFP) for on-call environmental planning, permitting and support services; and

WHEREAS, in response to the RFP, the JPB received three proposals; and

WHEREAS, a Selection Committee (Committee) reviewed, evaluated, scored, and ranked the proposals according to the evaluation criteria set forth in the RFP and determined all three firms were in the competitive range; and

WHEREAS, the Committee completed its evaluation process, including negotiation of costs, and determined that HDR Engineering, Inc. of Walnut Creek, California (HDR), ICF Jones & Stokes, Inc. of San Francisco, California (ICF), and Louis Berger U.S., Inc. of New York, New York (LB) possess the necessary qualifications and requisite experience to successfully perform the scope of services defined in the solicitation documents, and have agreed to perform the specified services at fair and reasonable prices; and

WHEREAS, staff and legal counsel have reviewed the proposals and determined that the proposals comply with the requirements of the solicitation documents; and

WHEREAS, the Executive Director recommends, and the Finance Committee concurs, that the Board of Directors award contracts to HDR, ICF, and LB for on-call environmental planning, permitting and support services for an aggregate not-to-exceed total amount of \$7 million for a five-year term and authorize the Executive

Director, or his designee, to exercise up to two additional, one-year option terms with HDR, ICF, and LB, in an aggregate not-to-exceed total amount of \$1,750,000 for each option year provided that exercising such options is in the best interest of the JPB.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Joint Powers Board hereby awards contracts for on-call environmental planning, permitting and support services to HDR Engineering, Inc., ICF Jones & Stokes, Inc., and Louis Berger U.S., Inc. for a five-year term for an aggregate not-to-exceed total amount of \$7 million; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is authorized to execute contracts with HDR, ICF, and LB, in full conformity with all of the terms and conditions of the RFP and negotiated agreements, and in a form approved by legal counsel; and

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is authorized to exercise up to two additional, one-year option terms with HDR, ICF, and LB, in an aggregate not-to-exceed total amount of \$1,750,000 for each option year provided that exercising such options is in the best interest of the JPB.

Regularly passed and adopted this 3rd day of October, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Finance Committee and Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **AWARD OF CONTRACT FOR BROADBAND WIRELESS COMMUNICATIONS
DESIGN AND SUPPORT SERVICES**

ACTION

Staff Coordinating Council recommends the Board:

1. Award a contract to Xenconsult, Inc. DBA Xentrans of Corte Madera, California (Xentrans) for a total not-to-exceed amount of \$404,753 to provide broadband wireless communications design and support services (Services) for a three-year term at the negotiated fixed price and hourly rates specified in the proposal.
2. Authorize the Executive Director, or his designee, to execute a contract with the above firm in full conformity with the terms and conditions of the solicitation documents and in a form approved by legal counsel.

SIGNIFICANCE

Award of this contract will provide the Peninsula Corridor Joint Powers Board (JPB) with a consultant to design a broadband wireless communications system for use onboard moving trains and on the track wayside. The wireless communications system will be able to be used for remote, real-time train diagnostics and passenger WiFi service on the trains.

BUDGET IMPACT

The budget for the Services was included in the amended Fiscal Year 2019 capital budget. The funding for this contract will come from the Transit and Intercity Rail Capital Program funds.

BACKGROUND

In 2007, the JPB issued a Request for Proposals for Wireless Network Services. Two proposals were received, but were rejected by the Board of Directors as the proposals either contained limitations that would interfere with fully meeting the project goals, including a substantial financial investment by the JPB, or did not provide a level of service that was as robust as desired. In addition, staff was concerned that the proposed solutions would place additional demands on the right of way infrastructure and Rail staff resources at a time when the JPB was undertaking significant and substantial capital projects that were fundamental to the future of the railroad. In addition, the technology was not yet as mature as desired by the JPB. Staff determined

it would be most appropriate to implement onboard wifi, which is an amenity regularly requested by customers, in coordination with the Caltrain Modernization Program (CalMod) and implementation of Positive Train Control (PTC).

CalMod includes electrifying the railroad and purchasing Electric Multiple Unit (EMU) trains. The PTC project installed a fiber optic network for the JPB along the tracks, connected to the Caltrain Central Control Facility (CCF) and the Backup Central Control Facility to communicate to the wayside equipment for PTC.

The broadband wireless communications system design will leverage these two projects, install equipment on the EMU trains and connect the wireless communication system to the JPB's fiber network.

The JPB issued a new Request for Proposals (RFP) and advertised it on the procurement website. A pre-proposal conference was held and five potential proposers attended. Two firms submitted proposals as follows:

1. Gannett Fleming, Inc. of San Francisco, California
2. Xenconsult, Inc. DBA Xentrans of Corte Madera, California

In accordance with federal and state law governing the procurement of architecture and engineering services, proposals were evaluated, scored and ranked solely on qualifications, with price being negotiated only with the highest-ranked firm. A Selection Committee (Committee), composed of qualified staff from JPB Capital Program Delivery, Rail Operations, and Engineering Support departments, reviewed and scored the proposals in accordance with the following weighted criteria:

- Qualifications and Experience of Key Personnel 25 points
- Qualifications and Experience of Firm 25 points
- Project Understanding and Management Plan 50 points
- Small Business Enterprise Preference 5 points

After initial scoring of the technical proposals, both firms were found to be in the competitive range and were invited to interviews. Subsequently, the Committee completed its final evaluation and consensus ranking. The Committee determined Xentrans to be the highest-ranked firm. The firm possesses the requisite experience and qualifications required for successful performance of the Services, as further defined in the solicitation documents. Xentrans has experience designing wireless communications system for trains including the BART Trackside Network, Capitol Corridor Intercity Passenger WiFi, and Amtrak Next Generation Networks Program for the Northeast Corridor. Staff successfully negotiated price with Xentrans and determined the prices to be fair, reasonable, and consistent with those paid by other public agencies in the Bay Area for similar services.

Staff assessed Small Business Enterprise (SBE) preference points to Xentrans, which committed to utilizing a certified Disadvantaged Business Enterprise subconsultant for 14.9% of the total contract value. Xentrans received 5 points out of the 5 preference points in accordance with its level of SBE utilization.

This contract will provide the JPB with a system design, estimated construction costs and

a construction schedule. Staff will provide project updates to the Board at future meetings and any contract awarded for construction as the result of a competitive solicitation will be presented for Board approval.

Procurement Administrator II: Patrick Ng
Project Manager: Robert Tam

650.622.8018
650.508.7969

RESOLUTION NO. 2019-

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

* * *

AWARDING A CONTRACT TO XENCONSULT, INC. DBA XENTRANS FOR
BROADBAND WIRELESS COMMUNICATIONS DESIGN AND
SUPPORT SERVICES FOR A TOTAL
NOT-TO-EXCEED AMOUNT OF \$404,753 FOR A THREE-YEAR TERM

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) issued a Request for Proposals (RFP) for broadband wireless communications design and support services; and

WHEREAS, in response to the RFP, the JPB received two proposals; and

WHEREAS, a Selection Committee (Committee) scored and ranked the proposals according to the qualifications-based evaluation criteria set forth in the RFP and determined both firms were in the competitive range; and

WHEREAS, the Committee completed its evaluation process, including interviews, and determined that Xenconsult, Inc. DBA Xentrans of Corte Madera, California (Xentrans) was the highest-ranked proposer and possesses the necessary qualifications and requisite experience to successfully perform the scope of services defined in the solicitation documents; and

WHEREAS, staff has completed cost negotiations with Xentrans, which has agreed to perform the specified services at fair and reasonable prices; and

WHEREAS, staff and legal counsel have reviewed Xentrans' proposal and have determined that it complies with the requirements of the solicitation documents; and

WHEREAS, Staff Coordinating Council recommends, and the Executive Director concurs, that the Board of Directors award a contract to Xentrans for broadband

wireless communications design and support services for a total not-to-exceed amount of \$404,753 for a three-year term.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract for broadband wireless communications design and support services to Xenconsult, Inc. DBA Xentrans of Corte Madera, California (Xentrans) for a total not-to-exceed amount of \$404,753 for a three-year term; and

BE IT FURTHER RESOLVED the Board authorizes the Executive Director, or his designee, to execute a contract with Xentrans in full conformity with all of the terms and conditions of the RFP and in a form approved by legal counsel.

Regularly passed and adopted this 3rd day of October, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary



Broadband Wireless Communications Design

JPB Finance Committee
September 23, 2019
Agenda Item #8

The slide features a red background with a white and grey border. The Caltrain logo is in the top left. The title is centered in large black font. The date and agenda item are in the bottom right. A faint image of a train is visible in the background.



Objective

Design a communication system for

1. Remote, real-time train diagnostics and other operational needs.
2. Provide on-board passenger WiFi service.

The slide features a white background with a red and grey border. The Caltrain logo is in the top left. The title 'Objective' is in large black font. Below it is the text 'Design a communication system for' followed by a numbered list of two items. A faint image of a train is visible in the background.



Background

- Several attempts to deliver WiFi service to passengers on-board Caltrain in the past.
- Technical solutions were either too expensive or did not meet all of JPB's requirements.
- Leverage off the PTC fiber and EMU vehicles.



Contract Scope of Work

1. Define requirements for the wireless communications system.
2. Develop a design to meet all the requirements.
3. Develop a construction cost and schedule estimate.

Final Deliverable:

Comprehensive technical specifications and design to be included in a Request For Proposal to implement the Broadband Wireless Communication System.



Future Steps

1. Have a design package ready for a Request For Proposal by the end of June 2020.
2. Select a contractor to install the on-board equipment and wayside equipment in 2021.



Questions?

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: ~~REAFFIRMATION OF~~ THE PENINSULA CORRIDOR JOINT POWERS BOARD
INVESTMENT POLICY AND ~~REAUTHORIZING~~ INVESTMENT OF MONIES WITH
THE LOCAL AGENCY INVESTMENT FUND

ACTION

Staff Coordinating Council recommends the Board reaffirm the Statement of Investment Policy (Investment Policy) and the delegation of authority as stated therein and [adopt and updated resolution reauthorizing the investment of Peninsula Corridor Joint Powers Board \(JPB\) monies to be invested](#) in the Local Agency Investment Fund (LAIF).

SIGNIFICANCE

The Executive Director or his designee serves as the JPB's trustee for purposes of placing investments pursuant to the Investment Policies. The Board of Directors, in accordance with California Government Code Section 53646(a), may review the Investment Policy and also reauthorize the included delegations of authority on an annual basis at a public meeting.

~~The Board of Directors, in compliance with LAIF requirements, must also adopt a separate resolution authorizing monies to be invested in LAIF.~~

Staff, in conjunction with legal counsel, has reviewed the attached Investment Policy and recommends the reaffirmation of said policy.

BUDGET IMPACT

[The reaffirmation of the Investment Policy and reauthorization of investment in LAIF will have no impact on the JPB budgets.](#)

BACKGROUND

The JPB's investments have always been in accordance with sound treasury management practices and comply with the objectives of safety, liquidity, and yield in that order of priority.

Continued investments through LAIF are consistent with these objectives.

Prepared by: Jayden Treasury Manager

650-508-6405

RESOLUTION NO. 2019 –

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

* * *

**REAFFIRMING THE STATEMENT OF INVESTMENT POLICY
FOR THE PENINSULA CORRIDOR JOINT POWERS BOARD**

WHEREAS, as encouraged by applicable State law and in accordance with best practices, the Peninsula Corridor Joint Powers Board (JPB) adopted a Statement of Investment Policy in August 1999; and

WHEREAS, the JPB may ~~annually~~periodically render a statement of said Investment Policy to the Board of Directors for review and approval pursuant to Section 53646 of the State of California Government Code; and

WHEREAS, the JPB has amended its Statement of Investment Policy over the years, most recently in ~~August~~September 2016~~7~~, to align with descriptions of investments contained in the California state codes and to more clearly reflect the JPB's strategy for the investment of its funds~~to clarify an allowable investment provision and to update two citations~~; and

WHEREAS, in presenting the Statement of Investment Policy to the Board of Directors for this year, staff recommends reaffirmation as presented; and

WHEREAS, staff further recommends reappointment of the Executive Director, or his designee, as trustee for purposes of placing investments pursuant to the aforementioned policy.

NOW, THEREFORE BE IT RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board (1) Reaffirms the Statement of Investment Policy attached hereto as Exhibit A; and (2) ~~Rea~~Appoints its Executive Director, ~~or his designee,~~ as the trustee for purposes of placing investments pursuant to said policy.

Regularly passed and adopted this 3rd day of October, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers
Board

ATTEST:

JPB Secretary

RESOLUTION NO. 2019 –

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

**REAUTHORIZING INVESTMENT OF PENINSULA CORRIDOR JOINT POWERS BOARD MONIES IN
LOCAL AGENCY INVESTMENT FUND**

WHEREAS, pursuant to Government Code Section 16429.1, a Local Agency Investment Fund (LAIF) was created in the State Treasury for the deposit of local agency monies for purposes of investment by the State Treasurer; and

WHEREAS, staff recommends that the deposit and withdrawal of money in the LAIF in accordance with the provisions of Government Code Section 1-6429.1 is in the best interests of the Peninsula Corridor Joint Powers Board (JPB).

NOW THEREFORE, BE IT RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board does hereby authorize the deposit and withdrawal of JPB monies in Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code Section 16429.1, for the purpose of investment; and

BE IT FURTHER RESOLVED the Executive Director, or his designee, shall be authorized to order the deposit or withdrawal of JPB monies in the LAIF.

Regularly passed and adopted this 3rd day of October, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers
Board

ATTEST:

JPB Secretary

August 5, 1999
Reaffirmed August 3, 2000
Amended August 2, 2001
Reaffirmed September 2002
Amended October 2003

Reaffirmed September 2004
Reaffirmed October 2005
Reaffirmed November 2006
Amended November 2007
Amended December 2008

Reaffirmed December 2009
Amended November 2010
Reaffirmed November 2011
Amended November 2012
Reaffirmed November 2013

Reaffirmed November 2014
Amended August 2016
Amended September 2017

EXHIBIT A

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF INVESTMENT POLICY

I. PURPOSE

This Statement of Investment Policy (Investment Policy) provides guidelines for the prudent investment and cash management of the Peninsula Corridor Joint Powers Board's (JPB) funds. It is the goal of this Investment Policy to establish investment objectives in accordance with the provisions of the *California Government Code, Section 53600 et seq.* (hereafter "*Code*"), and investment guidelines to ensure that the funds under its purview are prudently invested to preserve capital, provide necessary liquidity, and achieve a market-average rate of return over an economic cycle consistent with the JPB's goals of preserving principal and minimizing the risk of diminishing the principal.

Investments may only be made as authorized by this Investment Policy, and subsequent revisions. This Statement of Investment Policy may be reviewed annually by the JPB's Board of Directors at a public meeting. (*California Government Code Section 53646(a)*). Irrespective of these policy provisions, should the provisions of the Code be, or become, more restrictive than those contained herein, then such provisions will be considered immediately incorporated into this Statement of Investment Policy.

II. OBJECTIVE

The JPB's cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the JPB to invest funds to the fullest extent possible. Idle funds of the JPB shall be invested in accordance with sound treasury management and in accordance with the provisions of the Code and this Investment Policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be applied in the context of managing an overall portfolio. JPB officials shall act in accordance with written procedures and the Investment Policy, and should report deviations from expectations in a timely fashion and take appropriate action to control adverse developments.

The JPB's primary objective with respect to its invested funds is to safeguard the principal of the funds. The second objective is to meet the liquidity needs of the JPB. The third objective is to achieve a return on its invested funds.

III. POLICY

At all times, the JPB shall invest its funds in accordance with the rules and restrictions established by the law of the State of California (including *Government Code Section 53600 et seq.*). In addition, the JPB shall conduct its investments under the "prudent investor standard": "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (*California Government Code Section 53600.3*).

The Executive Director of the JPB, or his designee, shall serve as the JPB's trustee for purposes of placing investments pursuant to this Investment Policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis.

1. **Criteria for Selecting Investments.** Criteria for selecting investments and the order of priority are:
 - a. **Safety.** The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The JPB shall invest only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, Diversification; Section 6, Allowable Investment Instruments and Section 7, Local Agency Investment Fund & San Mateo County Investment Fund, are deemed to constitute safe investment within the meaning of this Investment Policy.
 - b. **Liquidity.** An adequate percentage of the portfolio, in the approximate amount of six months' operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term, and fixed income securities maturing in less than one year are considered short-term cash equivalents.
 - c. **Return on Investment.** The JPB's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, consistent with the portfolio's benchmark as described in Section IV - Benchmarks. This benchmark takes into account the JPB's

investment risk constraints and the cash flow characteristics of the portfolio.

2. **Diversification.** The JPB will limit its investments to securities as defined by *California Government Code Section 53601(k)*. The portfolio should consist of a mix of various types of securities, issuers, and durations from among the allowable investment instruments described in Sections 5, 6 and 7 so as to minimize the risk of loss and maximize the rate of return when prudent to do so.
3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase agreements will be executed on a Delivery versus Pay Basis (DVP). The assets of the JPB shall be held in safekeeping by the JPB's safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitution will not be acceptable.
4. **Investment Maturities and Average Life.** The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in Section 10 "Summary of Instruments & Limitations" of this Investment Policy.

The maximum dollar weighted average maturity of the fund is five years. This policy limitation leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment. The imposed maximum dollar weighted five year average maturity limits the market risk to levels appropriate for an intermediate income fund. For the purposes of calculating the "average life" of the fund, callable and asset backed securities will be run to their stated final maturity.

5. **Deposit of Funds.** As far as possible, all money belonging to or in the custody of the JPB including money paid to the JPB to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by *California Government Code Section 53630*). Pursuant to *California Government Code Sections 53635, 53637 and 53638*, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.
6. **Allowable Investment Instruments.** The JPB also may invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code*. These investment instruments include but are not limited to:
 - a. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

- b. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises.
- c. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (*California Public Utilities Code Section 11501, et seq.*).
- d. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO).
- e. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by *California Financial Code Section 5102*), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601*.
- f. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements as defined in *California Government Code Section 53601(j)*.
- g. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601(k)*.
- h. Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by *California Government Code Section 53601(l)*.

- i. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this *California Government Code Section 53600*.
 - j. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
 - k. Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; or Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A1/P1/F1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poors.
7. **Local Agency Investment Fund & San Mateo County Investment Fund.** The Board of Directors also authorizes the JPB to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).
8. **Prohibited Investments.** The JPB shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The JPB shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the JPB may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6*.

- 9. Portfolio Transactions.** The JPB is expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. The JPB is to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in *California Government Code Section 53601.5*, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The JPB will choose which broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the JPB. Realized capital losses may be incurred in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time.
- 10. Summary of Instruments & Limitations.** Subject to the limitations set forth in *California Government Code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above:

<u>Instrument</u>		<u>Limitations</u>		
	<u>Rating</u>	<u>% of Fund</u>	<u>% of Fund Per Issuer</u>	<u>Maturity</u>
<i>(a)</i>	U.S. Treasury Obligations	100	100	15 years
<i>(b)</i>	Obligations of U.S. Agencies or Government Sponsored Enterprises	100	100	15 years
<i>(c)</i>	Bankers Acceptances	A1/P1/F1		
	Domestic (\$500 million minimum assets)	15	5	180 days
	Foreign (\$500 million minimum assets)	15	5	180 days
<i>(d)</i>	Commercial Paper	A1/P1/F1	15	10
	(\$500 million minimum assets)	Additional	10	10
	Additional 10% (for a total of 25%) if the dollar weighted average maturity of the entire amount does not exceed 31 days			270 days 31 days
<i>(e)</i>	Negotiable Certificates of Deposit		10	5
			5	5 years
<i>(f)</i>	Repurchase Agreements Secured by U.S. Treasury or Agency Obligation		100	50
	Max 5 yr. maturity (102% collateral)			1 year
	Reverse Repurchase Agreements & Security Lending		20	20
				92 days
<i>(g)</i>	Medium Term Notes	A	30	10
				5 years

<u>Instrument</u>		<u>Limitations</u>			
	<u>Rating</u>	<u>% of Fund</u>	<u>% of Fund Per Issuer</u>	<u>Maturity</u>	
(h)	Shares of beneficial interest issued by diversified management companies	10	5	30 days	
(i)	A mortgage pass through security No Inverse Floaters No Range Notes No Interest Only Strips Derived from a Pool of Mortgages	AA	20	5	5 years
(j)	Bonds, notes, warrants, or other evidences of indebtedness of any local agency within California		50	50	10 years
	Local Agency Investment Fund (LAIF)				Up to the current limit
	San Mateo County Investment Fund				Up to the current limit

11. Oversight.

- a. On a quarterly basis the JPB staff shall submit an investment report which provides a market review, the outlook for the market and strategy for investing JPB funds. The report will also compare the portfolio against the benchmark established by the investment Policy in terms of duration and yield.
- b. Quarterly, the Executive Director shall submit an investment report to the Board of Directors within 30 days of the end of the quarter. The report shall include the following information:
 1. type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the JPB;
 2. description of any of the JPB's funds, investments or programs that are under the management of contracted parties, including lending programs;
 3. for all securities held by the JPB or under management by any outside party that is not a local agency or the State of California LAIF, a current market value as of the date of the report and the source of this valuation;

4. statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and
 5. statement that the JPB has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.
- c. Annually, the Executive Director shall perform, or cause to be performed, an independent audit of the JPB's assets as reported for the investment program's activities. It is to be conducted in such a way as to determine compliance with the JPB's Investment Policy and State Codes. Such independent auditors will express an opinion whether the statement of assets is presented fairly and in accordance with generally accepted accounting principles.
- d. If the JPB places all of its investments in the LAIF, FDIC-insured accounts in a bank or savings and loan association, or the SMCIF (or any combination of these three), the Executive Director can simply submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1-3 above, with a supplemental report addressing items 4 and 5 above. (*California Government Code Section 53646(b)-(e)*).

IV. BENCHMARKS

Investment performance will be compared to the performance benchmark selected by the JPB annually, which approximates the JPB's portfolio and the specific restrictions on the JPB's portfolio in accordance with applicable current legislation by the State of California.