



**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, 2<sup>nd</sup> Floor  
1250 San Carlos Avenue, San Carlos CA 94070

**December 23, 2019**

**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 September 23, 2019 MOTION
5. Approve 2020 Committee Meeting Calendar MOTION
6. Accept Statement of Revenues and Expenditures for September, October and November 2019 MOTION
7. Authorize Receipt of State Rail Assistance Program Funds RESOLUTION
8. Accept the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019 MOTION
9. Committee Member Requests
10. Date/Time of Next Regular Finance Committee Meeting: Monday, January 27, 2020 2019 at 2:30 p.m. San Mateo County Transit District Administrative Building, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA 94070
11. 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](http://www.caltrain.com). Communications to the Board of Directors can be e-mailed to [board@caltrain.com](mailto: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](mailto: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 SEPTEMBER 23, 2019**

**MEMBERS PRESENT:** D. Davis (Chair), R. Collins, S. Walton

**MEMBERS ABSENT:** None

**STAFF PRESENT:** M. Bouchard, J. Cassman, C. Gayotin, C. Gumpal, D. Hansel,  
D. Seamans, R. Tam, S. van Hoften

**CALL TO ORDER**

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

**ROLL CALL**

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

**APPROVAL OF MEETING MINUTES**

On motion to approve the minutes of August 26, 2019 meeting: unanimously approved

**PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

Roland Lebrun, San Jose, commented on the ridership in Gilroy, Electric Multiple Unit (EMUs) deployments.

**ACCEPT STATEMENT OF REVENUES AND EXPENDITURES FOR JUNE AND AUGUST**

Derek Hansel, Chief Financial Officer, reported on the statement of revenues and expenditures for June and August.

Staff provided further clarification in response to the Committee comments and questions.

Public Comment

Roland Lebrun, San Jose, commended the staff. He also commented on fare box, contributions, operating and administration expenses.

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

Concepcion Gayotin, Manager of Procurement, provided a report on the request to award contracts for On-Call Financial Consulting Services, which included five categories and a five-year term to provide the JPB with expert, diverse and in-depth financial service knowledge in transportation finance.

Staff provided further clarification in response to the Committee comments and questions.

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

Concepcion Gayotin, Manager of Procurement, provided the report on the award of contracts for On-Call Environmental Planning, Permitting and support services, which included three firms for five-year terms to provide the JPB with a pool of qualified firms to support the required and anticipated volume of services for planning and construction projects.

Staff provided further clarification in response to the Committee comments and questions.

Public comment

Roland Lebrun, San Jose, commented on consultant ICF Jones & Stokes.

**AWARD OF CONTRACT TO XENCONSULT, INC. DBA XENTRANS FOR BROADBAND WIRELESS COMMUNICATIONS DESIGN AND SUPPORT SERVICES**

Concepcion Gayotin, Manager of Procurement, and Robert Tam, provided a report on the request to award contract to Xenconsult, Inc. 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 Wi-Fi service on the trains.

The Committee members requested that staff provide the members with stakeholder outreach plan.

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/2019/2019-09-23+JPB+Finance+presentation+Xentrans.pdf](http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2019/2019-09-23+JPB+Finance+presentation+Xentrans.pdf) or on file with the District Secretary's office.

Public comment

Roland Lebrun, San Jose, commented on the selected firm.

**REAFFIRM THE PENINSULA CORRIDOR JOINT POWERS BOARD INVESTMENT POLICY AND REAUTHORIZE INVESTMENT OF MONIES WITH THE LOCAL AGENCY INVESTMENT FUND**

Derek Hansel, Chief Financial Officer, provided the report; highlights included the Statement of Investment Policy guidelines for the prudent investment and cash management of JPB funds. The goals of the Investment Policy are to establish investment objectives in accordance with the provisions of the *California Government Code, Section 53600 et seq.* 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. This would be consistent with the JPB's goals of preserving principal and minimizing the risk of diminishing the principal.

Staff provided further clarification in response to the Committee comments and questions.

Public Comment

Roland Lebrun, San Jose, noted that the information on the Local Investment Policy is in the packet.

**COMMITTEE MEMBER REQUEST**

None

**DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING: MONDAY, OCTOBER 28, 2019 AT 2:30 P.M. SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING, 2<sup>nd</sup> FLOOR, 1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070**

Chair Davis announced that the next meeting would be held on Monday, October 28, 2019 at 2:30 p.m.

**ADJOURN**

The meeting was adjourned at 3:12 p.m.

An audio/video recording of this meeting is available online at [www.caltrain.com](http://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](mailto:board@caltrain.com).

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board Finance Committee  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Dora Seamans  
Executive Officer, District Secretary/Executive Administration  
SUBJECT: **2020 FINANCE COMMITTEE CALENDAR**

**ACTION**

Staff Coordinating Council recommends the Board approve the attached Committee meeting calendar for 2020.

**SIGNIFICANCE**

The Finance Committees' regular monthly meetings are scheduled for the fourth Mondays of each month at 2:30 pm. Possible exceptions for Committee consideration and approval would be Tuesday, May 26 to avoid conflict with the Memorial Day holiday and Monday, December 21 which is close to the Christmas holiday.

**BUDGET IMPACT**

There is no impact on the budget.



Peninsula Corridor Joint Powers Board  
FINANCE COMMITTEE  
Meeting Calendar  
2020

Monday – 2:30 PM
January 27
February 24
March 23
April 27
Tues, May 26*
June 22
July 27
August 24
September 28
October 26
November 23
Mon., December 21*

\* Moved due to Memorial Day and Christmas holidays.

The Board meets the fourth Monday of the month unless otherwise noted. All meetings are held at 1250 San Carlos Avenue, San Carlos, CA.

PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT

TO: Joint Powers Board  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer  
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
SEPTEMBER 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 September 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through September 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 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 September year-to-date actual, the Total Revenue (page 1, line 17) is \$2.4 million 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 September year-to-date actual, the Total Expense (page 1, line 49) is \$2.3 million 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 lower expenses in Shuttle Services (page1, line26), Fuel and Lubricants (page1, line 27), Claims, Payments and Reserves (page1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Maint & Services-Bldg & Other (page1, line33), 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 September 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 2020**  
**September 2019**

% OF YEAR ELAPSED

25.0%

	YEAR TO DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE	% BUDGET
<b>REVENUE</b>								
<b>OPERATIONS:</b>								
1 Farebox Revenue	26,683,182	27,269,667	586,484	2.2%	106,000,000	106,000,000	-	0.0%
2 Parking Revenue	1,314,160	1,353,703	39,543	3.0%	5,335,000	5,335,000	-	0.0%
3 Shuttles	521,416	376,744	(144,672)	(27.7%)	2,503,200	2,503,200	-	0.0%
4 Rental Income	463,024	507,497	44,473	9.6%	2,060,540	2,060,540	-	0.0%
5 Other Income	409,375	726,434	317,060	77.4%	1,753,450	1,753,450	-	0.0%
6								
7 <b>TOTAL OPERATING REVENUE</b>	<b>29,391,157</b>	<b>30,234,045</b>	<b>842,888</b>	<b>2.9%</b>	<b>117,652,190</b>	<b>117,652,190</b>	<b>-</b>	<b>0.0%</b>
8								
<b>CONTRIBUTIONS:</b>								
10 AB434 Peninsula & TA Shuttle Funding	460,744	476,681	15,937	3.5%	1,737,950	1,737,950	-	0.0%
11 Operating Grants	1,642,652	1,295,555	(347,096)	(21.1%)	5,347,497	5,347,497	-	0.0%
12 JPB Member Agencies	10,674,500	12,594,159	1,919,659	18.0%	29,921,971	29,921,971	-	0.0%
13 Use of Reserves			-	0.0%	1,064,614	1,064,614	-	0.0%
14								
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>12,777,896</b>	<b>14,366,395</b>	<b>1,588,499</b>	<b>12.4%</b>	<b>38,072,032</b>	<b>38,072,032</b>	<b>-</b>	<b>0.0%</b>
16								
17 <b>GRAND TOTAL REVENUE</b>	<b>42,169,053</b>	<b>44,600,441</b>	<b>2,431,388</b>	<b>5.8%</b>	<b>155,724,222</b>	<b>155,724,222</b>	<b>-</b>	<b>0.0%</b>
18								
19								
20 <b>EXPENSE</b>								
21								
<b>OPERATING EXPENSE:</b>								
23 Rail Operator Service	19,591,126	23,686,030	4,094,903	20.9%	90,817,696	90,817,696	-	0.0%
24 Positive Train Control	20,481	-	(20,481)	(100.0%)	2,400,000	2,400,000	-	0.0%
25 Security Services	1,439,857	1,486,617	46,760	3.2%	6,544,183	6,544,183	-	0.0%
26 Shuttles Services	1,173,499	875,415	(298,084)	(25.4%)	5,290,100	5,290,100	-	0.0%
27 Fuel and Lubricants	2,901,245	2,488,470	(412,775)	(14.2%)	11,003,417	11,003,417	-	0.0%
28 Timetables and Tickets	761	24,073	23,312	3062.3%	143,500	143,500	-	0.0%
29 Insurance	1,057,022	1,084,423	27,401	2.6%	4,506,064	4,506,064	-	0.0%
30 Claims, Payments, and Reserves	92,706	(156,391)	(249,096)	(268.7%)	951,794	951,794	-	0.0%
31 Facilities and Equipment Maint	629,558	230,928	(398,630)	(63.3%)	3,339,391	3,339,391	-	0.0%
32 Utilities	495,207	410,361	(84,846)	(17.1%)	2,105,422	2,105,422	-	0.0%
33 Maint & Services-Bldg & Other	333,662	67,431	(266,230)	(79.8%)	1,567,930	1,567,930	-	0.0%
34								
35 <b>TOTAL OPERATING EXPENSE</b>	<b>27,735,123</b>	<b>30,197,358</b>	<b>2,462,234</b>	<b>8.9%</b>	<b>128,669,496</b>	<b>128,669,496</b>	<b>-</b>	<b>0.0%</b>
36								
<b>ADMINISTRATIVE EXPENSE</b>								
38 Wages and Benefits	3,495,508	4,278,534	783,027	22.4%	12,066,711	12,066,711	-	0.0%
39 Managing Agency Admin OH Cost	1,694,163	1,108,016	(586,148)	(34.6%)	5,098,065	5,098,065	-	0.0%
40 Board of Directors	2,757	3,215	458	16.6%	14,600	14,600	-	0.0%
41 Professional Services	1,026,554	417,965	(608,589)	(59.3%)	4,275,583	4,275,583	-	0.0%
42 Communications and Marketing	44,169	10,346	(33,823)	(76.6%)	321,500	321,500	-	0.0%
43 Other Office Expenses and Services	662,284	481,512	(180,772)	(27.3%)	2,638,494	2,638,494	-	0.0%
44								
45 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>6,925,434</b>	<b>6,299,587</b>	<b>(625,847)</b>	<b>(9.0%)</b>	<b>24,414,953</b>	<b>24,414,953</b>	<b>-</b>	<b>0.0%</b>
46								
47 Long Term Debt Expense	331,544	770,449	438,905	132.4%	2,639,773	2,639,773	-	0.0%
48								
49 <b>GRAND TOTAL EXPENSE</b>	<b>34,992,101</b>	<b>37,267,394</b>	<b>2,275,293</b>	<b>6.5%</b>	<b>155,724,222</b>	<b>155,724,222</b>	<b>-</b>	<b>0.0%</b>
50								
51 <b>NET SURPLUS / (DEFICIT)</b>	<b>7,176,951</b>	<b>7,333,046</b>	<b>156,095</b>	<b>2.2%</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>	<b>0.0%</b>



PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF SEPTEMBER 30, 2019

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	2.280%	39	39
County Pool (Restricted)	**	Liquid Cash	2.091%	804,670	804,670
Other (Unrestricted)		Liquid Cash	0.000%	42,187,833	42,187,833
Other (Restricted)	***	Liquid Cash	0.200%	25,275,511	25,275,511
				\$ 68,268,054	\$ 68,268,054
Interest Earnings for September 2019			\$ 45,447.92		
Cumulative Earnings FY2020			\$ 45,447.92		

\* 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 September 2019, the total cost of the County was \$4,905,092 and the fair market value per San Mateo County Treasurer's Office was \$4,939,618.

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

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

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

PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT

TO: Joint Powers Board  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer  
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
OCTOBER 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 October 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through October 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 October year-to-date actual, the Total Revenue (page 1, line 17) is \$2.5 million 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 October year-to-date actual, the Total Expense (page 1, line 49) is \$186k lower than the prior year-to-date actual. This is primarily due to decreases in Fuel and Lubricants (page1, line 27), Claims, Payments and Reserves (page1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Maint & Services-Bldg & Other (page1, line33), Managing Agency Admin OH cost (page 1, line 39), and Professional Services (page 1, line 41). The decreases are partially offset by increases in in Rail Operator Service (page 1, line 23) and in Wages & Benefits (page 1, line 38).

**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 October 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 2020**  
**October 2019**

% OF YEAR ELAPSED

33.3%

	YEAR TO DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE	% BUDGET
<b>REVENUE</b>								
<b>OPERATIONS:</b>								
1 Farebox Revenue	35,374,191	36,615,652	1,241,462	3.5%	106,000,000	106,000,000	-	0.0%
2 Parking Revenue	1,747,855	1,788,451	40,596	2.3%	5,335,000	5,335,000	-	0.0%
3 Shuttles	658,209	558,260	(99,949)	(15.2%)	2,503,200	2,503,200	-	0.0%
4 Rental Income	677,649	669,702	(7,947)	(1.2%)	2,060,540	2,060,540	-	0.0%
5 Other Income	637,938	1,072,136	434,198	68.1%	1,753,450	1,753,450	-	0.0%
6								
7 <b>TOTAL OPERATING REVENUE</b>	<b>39,095,841</b>	<b>40,704,201</b>	<b>1,608,360</b>	<b>4.1%</b>	<b>117,652,190</b>	<b>117,652,190</b>	<b>-</b>	<b>0.0%</b>
8								
<b>CONTRIBUTIONS:</b>								
9 AB434 Peninsula & TA Shuttle Funding	589,823	635,575	45,752	7.8%	1,737,950	1,737,950	-	0.0%
10 Operating Grants	2,190,202	1,727,407	(462,795)	(21.1%)	5,347,497	5,347,497	-	0.0%
11 JPB Member Agencies	12,316,000	13,612,562	1,296,562	10.5%	29,921,971	29,921,971	-	0.0%
12 Use of Reserves	-	-	-	0.0%	1,064,614	1,064,614	-	0.0%
13								
14 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>15,096,025</b>	<b>15,975,544</b>	<b>879,519</b>	<b>5.8%</b>	<b>38,072,032</b>	<b>38,072,032</b>	<b>-</b>	<b>0.0%</b>
15								
16 <b>GRAND TOTAL REVENUE</b>	<b>54,191,866</b>	<b>56,679,745</b>	<b>2,487,878</b>	<b>4.6%</b>	<b>155,724,222</b>	<b>155,724,222</b>	<b>-</b>	<b>0.0%</b>
17								
18								
19								
<b>EXPENSE</b>								
<b>OPERATING EXPENSE:</b>								
20 Rail Operator Service	28,331,414	30,362,593	2,031,178	7.2%	90,817,696	90,817,696	-	0.0%
21 Positive Train Control	20,481	-	(20,481)	(100.0%)	2,400,000	2,400,000	-	0.0%
22 Security Services	1,908,889	1,850,872	(58,017)	(3.0%)	6,544,183	6,544,183	-	0.0%
23 Shuttles Services	1,437,760	1,248,441	(189,318)	(13.2%)	5,290,100	5,290,100	-	0.0%
24 Fuel and Lubricants	3,988,525	3,436,324	(552,201)	(13.8%)	11,003,417	11,003,417	-	0.0%
25 Timetables and Tickets	4,774	33,221	28,447	595.9%	143,500	143,500	-	0.0%
26 Insurance	1,404,839	1,444,919	40,080	2.9%	4,506,064	4,506,064	-	0.0%
27 Claims, Payments, and Reserves	167,609	(156,308)	(323,917)	(193.3%)	951,794	951,794	-	0.0%
28 Facilities and Equipment Maint	834,923	300,062	(534,861)	(64.1%)	3,339,391	3,339,391	-	0.0%
29 Utilities	644,990	633,261	(11,729)	(1.8%)	2,105,422	2,105,422	-	0.0%
30 Maint & Services-Bldg & Other	437,460	73,758	(363,703)	(83.1%)	1,567,930	1,567,930	-	0.0%
31								
32 <b>TOTAL OPERATING EXPENSE</b>	<b>39,181,665</b>	<b>39,227,143</b>	<b>45,478</b>	<b>0.1%</b>	<b>128,669,496</b>	<b>128,669,496</b>	<b>-</b>	<b>0.0%</b>
33								
<b>ADMINISTRATIVE EXPENSE</b>								
34 Wages and Benefits	4,196,099	4,999,267	803,167	19.1%	12,066,711	12,066,711	-	0.0%
35 Managing Agency Admin OH Cost	2,269,108	1,430,058	(839,050)	(37.0%)	5,098,065	5,098,065	-	0.0%
36 Board of Directors	3,470	4,517	1,047	30.2%	14,600	14,600	-	0.0%
37 Professional Services	1,423,517	1,002,820	(420,697)	(29.6%)	4,275,583	4,275,583	-	0.0%
38 Communications and Marketing	61,956	27,675	(34,282)	(55.3%)	321,500	321,500	-	0.0%
39 Other Office Expenses and Services	806,722	615,408	(191,314)	(23.7%)	2,638,494	2,638,494	-	0.0%
40								
41 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>8,760,872</b>	<b>8,079,744</b>	<b>(681,128)</b>	<b>(7.8%)</b>	<b>24,414,953</b>	<b>24,414,953</b>	<b>-</b>	<b>0.0%</b>
42								
43 Long Term Debt Expense	462,678	912,250	449,572	97.2%	2,639,773	2,639,773	-	0.0%
44								
45 <b>GRAND TOTAL EXPENSE</b>	<b>48,405,215</b>	<b>48,219,137</b>	<b>(186,078)</b>	<b>(.4%)</b>	<b>155,724,222</b>	<b>155,724,222</b>	<b>-</b>	<b>0.0%</b>
46								
47 <b>NET SURPLUS / (DEFICIT)</b>	<b>5,786,651</b>	<b>8,460,608</b>	<b>2,673,956</b>	<b>46.2%</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>	<b>0.0%</b>
48								
49								
50								
51								



BOARD OF DIRECTORS 2019

GILLIAN GILLET, CHAIR  
 DAVE PINE, VICE CHAIR  
 CHERYL BRINKMAN  
 JENNIE BRUNS  
 DEVORA "DEV" DAVIS  
 RON COLLINS  
 CINDY CHAVEZ  
 CHARLES STONE  
 MONIQUE ZMUDA

JIM HARTNETT  
 EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF OCTOBER 31, 2019

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	2.190%	39	39
County Pool (Restricted)		Liquid Cash	2.010%	709,302	709,302
Other (Unrestricted)		Liquid Cash	0.000%	52,746,311	52,746,311
Other (Restricted)	**	Liquid Cash	0.200%	24,843,435	24,843,435
				\$ 78,299,087	\$ 78,299,087

Interest Earnings for October 2019 \$ 74,260.79  
 Cumulative Earnings FY2020 \$ 74,260.79

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

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

PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT

TO: Joint Powers Board  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer  
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
NOVEMBER 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 November 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through November 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 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 November year-to-date actual, the Total Revenue (page 1, line 17) is \$3.2 million 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 November year-to-date actual, the Total Expense (page 1, line 49) is \$1.4 million lower than the prior year-to-date actual. This is primarily due to decreases in Shuttles Services (page1, line 26), Fuel and Lubricants (page1, line 27), Claims, Payments and Reserves (page1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Managing Agency Admin OH cost (page 1, line 39), Professional Services (page 1, line 41) and Other Office Expenses (page1, line 43). The decreases are partially offset by increases in in Rail Operator Service (page 1, line 23) and in Wages & Benefits (page 1, line 38).

**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 November 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 2020**  
**November 2019**

	YEAR TO DATE				% OF YEAR ELAPSED				41.7%
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	ANNUAL		\$ VARIANCE	% BUDGET	
					APPROVED BUDGET	FORECAST			
<b>REVENUE</b>									
<b>OPERATIONS:</b>									
1 Farebox Revenue	43,714,290	45,334,073	1,619,784	3.7%	106,000,000	106,000,000	-	0.0%	1
2 Parking Revenue	2,174,611	2,166,277	(8,335)	(.4%)	5,335,000	5,335,000	-	0.0%	2
3 Shuttles	839,440	713,168	(126,271)	(15.0%)	2,503,200	2,503,200	-	0.0%	3
4 Rental Income	865,082	862,596	(2,487)	(.3%)	2,060,540	2,060,540	-	0.0%	4
5 Other Income	913,816	1,411,505	497,689	54.5%	1,753,450	1,753,450	-	0.0%	5
6									6
7 <b>TOTAL OPERATING REVENUE</b>	<b>48,507,239</b>	<b>50,487,620</b>	<b>1,980,380</b>	<b>4.1%</b>	<b>117,652,190</b>	<b>117,652,190</b>	<b>-</b>	<b>0.0%</b>	7
8									8
<b>CONTRIBUTIONS:</b>									9
10 AB434 Peninsula & TA Shuttle Funding	768,770	918,339	149,570	19.5%	1,737,950	1,737,950	-	0.0%	10
11 Operating Grants	2,737,753	2,159,259	(578,494)	(21.1%)	5,347,497	5,347,497	-	0.0%	11
12 JPB Member Agencies	13,957,500	15,651,238	1,693,738	12.1%	29,921,971	29,921,971	-	0.0%	12
13 Use of Reserves	-	-	-	0.0%	1,064,614	1,064,614	-	0.0%	13
14									14
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>17,464,022</b>	<b>18,728,836</b>	<b>1,264,814</b>	<b>7.2%</b>	<b>38,072,032</b>	<b>38,072,032</b>	<b>-</b>	<b>0.0%</b>	15
16									16
17 <b>GRAND TOTAL REVENUE</b>	<b>65,971,262</b>	<b>69,216,456</b>	<b>3,245,194</b>	<b>4.9%</b>	<b>155,724,222</b>	<b>155,724,222</b>	<b>-</b>	<b>0.0%</b>	17
18									18
<b>EXPENSE</b>									19
<b>OPERATING EXPENSE:</b>									20
23 Rail Operator Service	35,231,234	36,333,168	1,101,935	3.1%	90,817,696	90,817,696	-	0.0%	23
24 Positive Train Control	20,481	-	(20,481)	(100.0%)	2,400,000	2,400,000	-	0.0%	24
25 Security Services	2,390,019	2,320,516	(69,503)	(2.9%)	6,544,183	6,544,183	-	0.0%	25
26 Shuttles Services	1,799,270	1,587,259	(212,011)	(11.8%)	5,290,100	5,290,100	-	0.0%	26
27 Fuel and Lubricants	4,940,874	4,533,132	(407,742)	(8.3%)	11,003,417	11,003,417	-	0.0%	27
28 Timetables and Tickets	4,774	36,227	31,453	658.8%	143,500	143,500	-	0.0%	28
29 Insurance	1,752,656	1,807,800	55,144	3.1%	4,506,064	4,506,064	-	0.0%	29
30 Claims, Payments, and Reserves	232,603	(151,666)	(384,270)	(165.2%)	951,794	951,794	-	0.0%	30
31 Facilities and Equipment Maint	1,085,352	614,344	(471,009)	(43.4%)	3,339,391	3,339,391	-	0.0%	31
32 Utilities	839,723	793,424	(46,300)	(5.5%)	2,105,422	2,105,422	-	0.0%	32
33 Maint & Services-Bldg & Other	528,434	391,914	(136,520)	(25.8%)	1,567,930	1,567,930	-	0.0%	33
34									34
35 <b>TOTAL OPERATING EXPENSE</b>	<b>48,825,420</b>	<b>48,266,117</b>	<b>(559,303)</b>	<b>(1.1%)</b>	<b>128,669,496</b>	<b>128,669,496</b>	<b>-</b>	<b>0.0%</b>	35
36									36
<b>ADMINISTRATIVE EXPENSE</b>									37
38 Wages and Benefits	4,843,392	5,728,133	884,742	18.3%	12,066,711	12,066,711	-	0.0%	38
39 Managing Agency Admin OH Cost	2,798,496	1,757,427	(1,041,069)	(37.2%)	5,098,065	5,098,065	-	0.0%	39
40 Board of Directors	4,370	5,464	1,095	25.1%	14,600	14,600	-	0.0%	40
41 Professional Services	1,805,524	1,096,670	(708,854)	(39.3%)	4,275,583	4,275,583	-	0.0%	41
42 Communications and Marketing	91,899	89,907	(1,992)	(2.2%)	321,500	321,500	-	0.0%	42
43 Other Office Expenses and Services	1,059,677	792,080	(267,597)	(25.3%)	2,638,494	2,638,494	-	0.0%	43
44									44
45 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>10,603,357</b>	<b>9,469,682</b>	<b>(1,133,675)</b>	<b>(10.7%)</b>	<b>24,414,953</b>	<b>24,414,953</b>	<b>-</b>	<b>0.0%</b>	45
46									46
47 Long Term Debt Expense	598,842	912,250	313,408	52.3%	2,639,773	2,639,773	-	0.0%	47
48									48
49 <b>GRAND TOTAL EXPENSE</b>	<b>60,027,619</b>	<b>58,648,049</b>	<b>(1,379,570)</b>	<b>(2.3%)</b>	<b>155,724,222</b>	<b>155,724,222</b>	<b>-</b>	<b>0.0%</b>	49
50									50
51 <b>NET SURPLUS / (DEFICIT)</b>	<b>5,943,642</b>	<b>10,568,407</b>	<b>4,624,765</b>	<b>77.8%</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>	<b>0.0%</b>	51



PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF NOVEMBER 30, 2019

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	2.103%	40	40
County Pool (Restricted)		Liquid Cash	2.010%	709,302	709,302
Other (Unrestricted)		Liquid Cash	0.000%	57,513,491	57,513,491
Other (Restricted)	**	Liquid Cash	0.200%	25,060,371	25,060,371
				\$ 83,283,204	\$ 83,283,204

Interest Earnings for November 2019 \$ 98,135.82  
 Cumulative Earnings FY2020 \$ 119,660.04

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

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

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Joint Powers Board Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: April Chan  
Chief Officer, Planning, Grants, and Transportation Authority

SUBJECT: **AUTHORIZATION TO RECEIVE STATE RAIL ASSISTANCE PROGRAM FUNDS**

**ACTION**

Staff Coordinating Council recommends the Board authorize the Executive Director, or his designee, to:

1. Submit a project application for \$8 million in State Rail Assistance (SRA) funds to be used for a portion the \$38.6 million local match required for the Peninsula Corridor Electrification Enhancement (PCEE) project; and
2. Affirm that the Peninsula Corridor Joint Powers Board (JPB) agrees to comply with all conditions and requirements of the SRA program, as set forth in the certification and assurances and applicable statutes, regulations and guidelines; and
3. Execute and file the certifications and assurances and authorized agent form as well as any amendments, and furnish any additional information as may be required of SRA recipients.

**SIGNIFICANCE**

In May 2018, the California State Transportation Agency (CalSTA) awarded the JPB a \$164 million Transit and Intercity Rail Capital Program (TIRCP) grant to help fund the PCEE, which will achieve a number of objectives including the purchase of up to 40 additional Electric Multiple Units (EMUs) to increase capacity of the electrified Caltrain system. The additional EMUs will provide Caltrain with an additional four six-car EMU consists and will extend the 16, six-car sets currently on-order to seven cars each.

As part of the grant award, the JPB is required to provide a \$38.6 million match toward the purchase of the additional EMU's. To help fund the required match, JPB staff recommends allocating \$8 million in SRA funding currently available to the JPB.

To receive these funds, CalSTA requires recipients to obtain Board approval for the allocation of funding to the project as well as authorization to execute Certifications and Assurances and Authorized Agent forms.

**BUDGET IMPACT**

There is no budget impact associated with this action. Budget authority for the \$182.6 million project cost of the additional EMU's, including local match, was approved by the Board in November 2018. JPB staff is in the process of identifying the remainder of the matching funds, including future SRA allocations and the potential sale of a portion of the gallery car fleet which has reached the end of its useful life.

**BACKGROUND**

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes the SRA program to provide \$40 million per year in formula funding to commuter and intercity rail agencies for operating and capital needs. The program is administered by the CalSTA, and Caltrain receives approximately \$5 million per year from this program.

Prepared By: Peter Skinner, Manager, Grants and Fund Programming 650.622.7818

**RESOLUTION NO. 2020 –**

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

**\* \* \***

**AUTHORIZING RECEIPT OF STATE RAIL ASSISTANCE PROGRAM FUNDS FOR  
THE PENINSULA CORRIDOR ELECTRIFICATION ENHANCEMENT PROJECT**

**WHEREAS**, The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements; and

**WHEREAS**, SB1 established the State Rail Assistance (SRA) program to provide operating and capital funds to rail agencies across the state; and

**WHEREAS**, SB1 named the California State Transportation Agency (CalSTA) as the administrative agency for SRA funds; and

**WHEREAS**, CalSTA has developed guidelines for the purpose of administering and distributing SRA funds to eligible project sponsors; and

**WHEREAS**, these guidelines requires that recipient agencies of SRA funds execute Certifications and Assurances and an Authorized Agent form prior to receiving an allocation, and

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project sponsor and may receive state funding from SRA now or sometime in the future for transit projects; and

**WHEREAS**, the Board of Directors wishes to authorize the Executive Director, or his designee to:

1. Submit the following project application to CalSTA for SRA funds:
  - Project Name: Peninsula Corridor Enhancement Project
  - Amount of SRA funds requested: \$8,000,000
  - Project Description: This project will achieve a number of objectives including the purchase of up to 40 additional Electric Multiple Units (EMUs) to increase capacity of the electrified Caltrain system. The additional EMUs will provide Caltrain with an additional four six-car EMU consists and will extend the 16, six-car sets currently on-order to seven cars each, and
2. Affirm that the Peninsula Corridor Joint Powers Board agrees to comply with all conditions and requirements of the SRA Program as set forth in the certification and assurances and applicable statutes, regulations and guidelines; and
3. Execute and file Certifications and Assurances and Authorized Agent form as well as any amendments, and furnish any additional information as CalSTA may require of SRA recipients.

**NOW, THEREFORE, BE IT RESOLVED** that the Executive Director, or his designee, is authorized to:

1. Submit the following project application to CalSTA SRA funds, and
2. Affirm that the Peninsula Corridor Joint Powers Board agrees to comply with all conditions and requirements of the SRA Program as set forth in the certification and assurances and applicable statutes, regulations and guidelines; and
3. Execute and file Certifications and Assurances and Authorized Agent form as well as any amendments, and furnish any additional information as CalSTA may require of SRA recipients.

Regularly passed and adopted this 9<sup>th</sup> day of January 2020 by the following vote:

AYES:

NOES:

ABSENT:

---

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

---

JPB Secretary



**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**ACTION**

Staff proposes the committee recommend the Board accept the Peninsula Corridor Joint Powers Board's (JPB) Fiscal Year (FY) 2019 Comprehensive Annual Financial Report (CAFR).

The FY2019 Comprehensive Annual Financial Report is available online at [http://www.caltrain.com/about/statsandreports/Comprehensive\\_Annual\\_Financial\\_Reports.html](http://www.caltrain.com/about/statsandreports/Comprehensive_Annual_Financial_Reports.html)

**SIGNIFICANCE**

The CAFR is prepared in accordance with the guidelines set forth by the Government Accounting Standards Board and is organized into four sections – Introductory, Financial, Statistical and Single Audit.

- The **Introductory** Section includes a Transmittal Letter and provides general information on the District's structure, personnel, economic outlook and finances.
- The **Financial** Section includes audited financial statements which provide detailed financial information as well as comparative financial data. The Management Discussion & Analysis (MD&A) is also found in the Financial Section. Along with the Transmittal Letter, the MD&A is of most interest to those looking for a narrative annual review of the District's finances.
- The **Statistical** Section provides a broad range of data covering key financial trends including revenue and debt capacity, economic and demographic data and operating information.
- The **Single Audit** Section provides the Independent Auditor's Report on Internal controls and compliance, and the Schedule of Expenditures of Federal Awards and Findings and Recommendations from the Auditors.

Together, all sections of the CAFR provide the detail as well as the perspective with which to assess the JPB's financial condition.

### **BUDGET IMPACT**

There is no impact on the Budget.

### **BACKGROUND**

The JPB contracts with an independent auditor, Eide Bailly LLP to conduct yearly audits of the Financial Statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. The introductory section and the statistical section presented in the CAFR are not required by California Government Code to be reported as part of the audited financial statements of the JPB. These sections are required when producing a CAFR which the JPB chooses to do in order to provide detailed information about the financial condition of the JPB in a form that is understandable to our customers and constituents.

The CAFR is prepared and presented to the Government Finance Officers Association for their review, evaluation and to apply for the certificate of Achievement for Excellence in Financial Reporting. The JPB has received an award for every year that the report was submitted.

Prepared by: Jennifer Ye, Manager, Financial Reporting & General Ledger 650-622-7890



***Peninsula Corridor Joint Powers Board***  
***Comprehensive Annual Financial Report***  
***Single Audit Report***

JPB Finance Committee  
December 23, 2019

# Presentation Agenda

---

- Auditor's Communication
- Highlights from the 2018-19 CAFR
- Single Audit Report

# Auditor's Communication

---

- Eide Bailly issued an unmodified “clean” opinion on the financial statements and compliance with federal grants.
- No adjustments were proposed to the financial statements.
- No difficulties were encountered in the performance of the audit.

# Highlights from the 2018-19 CAFR

---

- 2019 Series A Revenue Bonds (\$55.7 million)
- Operating revenue increased (*\$5.7 million -5%*)
- Operating expense before depreciation and amortization increased (*\$14.4 million - 11%*)
- Capital contribution increased (\$83.9 million -26%)
- Internal Control over Financial Reporting and on Compliance: *No audit finding reported*

# Single Audit Report

---

- **Expenditures of Federal Award:**  
*\$153.0 million*
- **Internal Control over Major Programs:**  
*No finding reported*



# *Review of Fiscal Year 2019 Financial Results*



# Financial Highlights (\$ in thousands)

---

	2019	2018
Passenger Fares	\$102,668	\$ 97,050
Total Operating Revenue	\$112,777	\$107,036
Total Non-Operating Revenue	\$ 40,895	\$ 28,706
Contract Services	\$ 99,541	\$ 92,898
Total Operating Expenses (before depreciation & amortization)	\$147,328	\$132,925

# Performance vs. Budget (\$ in thousands)

---

	Actual	Budget
Passenger Fares	\$102,668	\$107,795
Total Operating Revenue	\$112,777	\$117,147
Total Non-Operating Revenue (net of interest expense)	\$ 36,972	\$ 31,861
Contract Services	\$ 99,541	\$ 98,090
Total Operating Expenses	\$147,327	\$150,216
Net Income	\$ 2,421	\$ (1,209)

# Capital Highlights

---

- Total capital expense of \$420 million
  - Caltrain modernization (\$306.3 m)
  - Grade separation/grade crossing (\$59.7 m)
  - System-wide track improvement (\$16.6 m)
  - Station improvements and repairs (\$15 m)
  - Facility improvements and repairs (\$10.8 m)
- Issuance of 2019A Farebox Revenue Bonds
  - Refinanced 2007A Bonds and 2015A Bonds
  - Provided new money for real property acquisition
- New/expanded short-term credit facilities