

**Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070
Minutes of August 22, 2022**

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

Members Absent: None

Staff Present: M. Bouchard, J. Harrison, A. Myles-Primakoff, G. Martinez, C. Mobley-Ritter, R. Barnard, A. Robbins, W. Lau, B. Thompson, D. Seamans, S. Wong, K. Scribner

1. Call to Order/Pledge Of Allegiance

Chair Monique Zmuda called the meeting to order at 2:30 pm and led the Pledge of Allegiance

2. Roll Call

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

3. Public Comment For Items Not On The Agenda

There was no public comment.

4. Consent Calendar

4a. Approve Meeting Minutes of July 25, 2022

4b. Accept of Quarterly Fuel Hedge Update

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

5. Report of the Acting Chief Financial Officer

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

- Moody's Investor Service upgraded JPB's Farebox Revenue Bonds from A2 to A1 due to the passage of Measure RR, federal assistance received, and strong liquidity for the agency
- Fiscal year end close work included completion of audit, accruals, accounts reconciliation, and additional adjustments will be done to ready the trial balance ready for auditors
- Audited statements for Fiscal Year 2022 to be presented to the Committee next month

6. Information on Statement of revenues and expenses for the period ended July 31, 2022

Grace Martinez, Acting Chief Financial Officer, pointed out that fares are down due to lower Clipper and ticket vending machine (TVM) sales, but when comparing tickets sold this month to this month last year, sales have actually doubled.

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

- Request for 24 months of fare data by month to see long-term trends and comparing to pre-COVID years
- The Moody rating was previously A then AA and A1 is currently the second highest rating

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

7. Closeout Change Order 25th Avenue Grade Separation Project 17-J-C-048*

Rob Barnard, Deputy Chief of Rail Development introduced Andy Robbins, Director of Capital Program Delivery. Mr. Robbins provided the presentation which included the following:

- Project background, status, and change orders and claims
- Close-out negotiations and settlement where a final agreement was reached with reduction in total additional payment due
- The proposed change order will be for the value of \$5,774,764.15 and would result in keeping the project within budget and eliminate exposure to additional construction or unnecessary overhead costs

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

- The project is expected to use up the allotted budget and contingency funding
- Additional field instructions were issued in some cases due to issues that came up such as conditions, utility conflicts, and issues with adjacent property owners
- Clarified differences between field instructions and change orders in the sequence of events
- Fiber relocation, signals, drainage, flooding, and different site conditions required redesigns to complete the project which then led to contractor claims, conflict, and negotiations
- Outstanding issue with the fiber carrier, but anticipate closure
- Satisfaction level with the completion of the grade separation

- Concerns with cost increases despite having “cost not to exceed” and expectation to think about costs ahead of time when signing contracts
- Many other major projects have major change orders and major field instructions that must be cleaned up at the end of the project

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

8. Adopt Overall Disadvantaged Business Enterprise Goal for Federal Fiscal Years 2023-2025 for Federal Transit Administration-Assisted Projects

Wendy Lau, Manager of Civil Rights Programs, provided the presentation, which included the following:

- Defined Disadvantaged Business Enterprise (DBE) regarding “socially and economically disadvantaged” businesses
- DBE goals, goal setting methodology, and increasing DBE participation
- Anticipated Projects totaling \$33.09 million
- Public participation included a virtual stakeholder consultation on August 12, 2022 and current public notice online for comment until October 1, 2022

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

- Reaching out to those businesses not DBE Projects that are not federally funded, and counting it as part of the goal
- Confirmed the Office of Civil Rights will have a new hire starting soon
- How the goal changed from 13.5% to 6.85% goal and previous goals were higher due to electrification
- Other agencies’ goals: Valley Transportation Authority (VTA) 15%, BART 23%, Golden Gate around 4% with bigger agencies having larger goals partially due to their larger construction projects in the pipeline
- Possibility of increasing goals with increases in federal funds and presenting again if the FTA does not approve Caltrain plans

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

9. Authorize the Execution of the 2022 Amended and Restated Clipper Memorandum of Understanding

Bruce Thompson, Manager of Fare Program Operations, provided the presentation which included the following information:

- Proposed Clipper MOU, Clipper Agencies, how the new MOU differs from the 2016 MOU
- How Clipper is delivered, timeline, and benefits of next generation Clipper system including integration opportunities and added features

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

- If Caltrain does not participate, MTC would bear full responsibility for the operations and maintenance costs
- Overall costs annually and main costs being operations and maintenance at \$250,000 and and post COVID ridership costs would be \$200,000
- The Clipper executive board review and approve the methodologies on a monthly basis

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

10. Committee Member Requests

Director Hendricks requested 24 months of fare revenue data.

11. Date/time of next regular finance committee meeting

Monday, September 26, 2022, at 2:30 pm via Zoom (additional location, if any, to be determined)

12. Adjourn

The meeting adjourned at 3:52 pm.

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