



REVISED AS OF APRIL 21, 2023 12:00 PM

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

Committee Members: Monique Zmuda (Chair), Dev Davis (Vice Chair), Ray Mueller

This meeting will be conducted as a hybrid teleconference and in-person meeting pursuant to the Brown Act. Members of the public may participate remotely or in-person, provided that they satisfy the safety protocols listed below.

Members of the public may participate remotely via Zoom at <https://us06web.zoom.us/j/81843266625?pwd=aDExTGltUUJSOUc5TkNnbU1QMTRHUT09> or by entering Webinar ID: # **818 4326 6625**, Passcode: **249080**, in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <https://www.caltrain.com/video-board-directors> .

Members of the public also may participate in person at:

San Jose City Hall,
Conference Room 1853
200 East Santa Clara Street
San Jose, CA 95113

San Mateo County Transit District,
Bacciocco Auditorium - Second Floor
1250 San Carlos Avenue

or any other noticed location provided they comply with the following safety protocols:

Please Note the Following COVID-19 Protocols for In-person Attendance:

1. Visitors experiencing the following symptoms of COVID-19 may not enter the building:
 - Cough
 - Shortness of breath
 - Muscle Pain
 - Sore Throat
 - Fever
 - Chills
 - Loss of taste or smell
2. Visitors must use the hands-free temperature scanners upon entry. An alert will occur and entrance will be prohibited if a temperature is measured at 100.4 or above.
3. Visitors must show proof of Covid-19 vaccination or a negative COVID-19 PCR test (with results

obtained within last 7 days). Masks will be required for visitors who do not show proof of full vaccination (defined as two weeks after the second dose in a two-dose series, such as for the Pfizer-BioNTech and Moderna vaccines, or two weeks after a single dose of the J&J/Janssen vaccine).

Public Comments: Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Verbal public comments will also be accepted during the meeting in person and through Zoom* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial *6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes. The Board Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

April 24, 2023 - Monday

2:30 pm

All items to which [Government Code section 84308](#) applies have been marked with an asterisk

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 two (2) minutes. Items raised that require a response will be deferred for staff to reply.
4. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately.
 - 4.a. Meeting Minutes of March 27, 2023 Motion
 - 4.b. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050* Motion
 - 4.c. Amend and Increase the Fiscal Year 2023 Caltrain Capital Budget by \$171,941 from \$127,204,412 to \$127,376,353 to Receive Additional Funding in Support of the Middle Avenue Undercrossing Project Motion
5. Accept Statement of Revenues and Expenses for the Period Ending March 31, 2023 Motion

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

- | | | |
|-----|---|---------------|
| 6. | Approval of Revised Settlement Authority Policy for General Liability Claims | Motion |
| 7. | Authorize Execution of an Eighteen-Month Lease Extension at 2121 South El Camino Real in San Mateo to Support the Caltrain Modernization Program* | Motion |
| 8. | Authorize an Amendment to the On-Call Transportation Planning and Consultant Support Services Contracts* | Motion |
| 9. | Authorization to Execute a Master Agreement with the California Department of Transportation for Federally Funded Projects* | Motion |
| 10. | Authorization of the Execution of a Fund Transfer Agreement for and Receipt of State General Fund for the Caltrain Crossing Optimization Project* | Motion |
| 11. | Preliminary Operating and Capital Budgets | Informational |
| 12. | Update on Stadler Electric Multiple Unit Option and Funding Plan | Informational |
| 13. | Project Labor Agreement (PLA) Policy Update | Informational |
| 14. | Committee Member Requests | |
| 15. | Date/Time of Next Regular Finance Committee Meeting: May 22, 2023 at 2:30 pm.
The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070. | |
| 16. | Adjourn | |

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. *Free translation is available; Para traducción lláma al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Two Mondays before the Board Meeting, 2:30 pm. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

Members of the Public may attend this meeting in person or remotely via Zoom. *Should Zoom not be operational, please check online at <https://www.caltrain.com/about-caltrain/meetings> for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Prior to the meeting's call to order, public comment may be sent to publiccomment@caltrain.com so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Oral public comments will also be accepted during the meeting in-person or through Zoom, or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each commenter will be automatically notified when they are unmuted to speak for three minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Oral public comments will also be accepted during the meeting in person or through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

Upon request, the JPB will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

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

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

Minutes of March 27, 2023

Members Present: Ray Mueller, Devora “Dev” Davis (Vice Chair, arrived at 2:45 pm),
Monique Zmuda (Chair)

Members Absent: None

Staff Present: R. Barnard, M. Bouchard, G. Buckley, Z. Farah, J. Harrison, L. Millard-
Olmeda, A. Piano, D. Seamans, M. Tseng

1. Call to Order/Pledge of Allegiance

Chair Monique Zmuda called the meeting to order at 2:44 pm (once a Board quorum was present) and led the Pledge of Allegiance.

2. Roll Call

District Secretary Dora Seamans called the roll and confirmed a quorum of the Board was present.

3. Public Comment on Items not on the Agenda

Adrian Brant expressed his concerns on fare enforcement and the proof of payment process where fare evaders were allowed to get off the train without being cited.

4. Consent Calendar

4.a. Meeting Minutes of December 19, 2022

4.b. Authorize the Executive Director to Execute an Amendment to the Letter of Agreement with Transbay Joint Powers Authority (TJPA) For Activities Undertaken in Support of the Downtown Rail Extension (DTX)

Gwen Buckley, Principal Planner, provided a brief overview that included the following:

- Additional \$200,000 reimbursable for Caltrain expenses
- Letter of Approval was done in August 2022 as an interim measure and covered costs up to \$2.4 million dollars in fiscal year 2023
- Seeking amendment to add \$200,000 specifically for oversight design work

4.c. Accept Statement of Revenues and Expenses for the Period Ending February 28, 2023

Ladi Millard-Olmeda, Director of Budgets provided a brief summary of the budget forecast projected a surplus of \$1.6 million against the adopted budget of \$2.6 million deficit due to Measure RR sales tax receipts.

Chair Monique Zmuda confirmed that \$2.6 million was taken from reserves and put into operating budget this fiscal year, but in February, there is more revenue than expected. Staff confirmed that the surplus will be put back into reserves.

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

5. Declare an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion and Authorize the Executive Director to Enter into Construction Agreement with Walsh Construction for Emergency Repair Work at San Francisquito Creek Bridge*

Robert Barnard, Deputy Chief of Design and Construction, provided a presentation that included the following:

- Project and geographic location overview
- Winter storm events and its affect to the North and South embankments and the pedestrian bridge embankment
- Preliminary erosion mitigation and embankment restoration limits
- Summary schedule and probable costs

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

- Entering an agreement before full design and costs associated with work
- Grade separation is related to or included in this timeline.
- Obtain a release of liability for work done
- Size and cost of the project
- Whether the pedestrian bridge will be included in project

Public comment

Adrian Brant commented on additional scouring after repairs causing new problems.

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

6. Authorize Rejection of Bid for Churchill Avenue Grade Crossing Improvements Project and Re-Advertisement of the Solicitation*

Kevin Yin, Director of Contracts and Procurement, provided the presentation that included the following:

- Project goals and scope of work
- Bids, overall project schedule, and budget

Public comment

Adrian Brant commented on the timing of signal resetting.

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

7. Authorize Execution of Agreement with VTA for Bus Bridge Services for the Caltrain Peninsula Corridor Electrification Project (PCEP) Signal Cutovers and OCS Testing*

Sherry Bullock, PCEP Director, provided the presentation that included the following:

- Overview of 2023 construction and service changes
- Costs and budget for four weekend shutdowns
- Staff recommended of awarding contract to Santa Clara Valley Transportation Authority (VTA) to provide bus bridge services.

Public comment

Adrian Brandt shared his concerns about Compass Transportation's inadequate or insufficient bicycle carrying capacity.

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

8. Committee Member Requests

There were no Committee Member requests.

9. Date/Time of Next Regular Finance Committee Meeting

Monday, April 24, 2023 at 2:30 pm. The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070.

10. Adjourn

The meeting adjourned at 3:34 pm.

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

DRAFT

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Robert Barnard, Deputy Chief, Caltrain
Rail Development
Subject: **Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050**

Finance
Committee
Recommendation

Technology,
Operations,
Planning, and
Safety Committee
Recommendation

Advocacy and
Major Projects
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating
Council
Recommendation

Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Renew findings previously adopted by the Board pursuant to California Public Contract Code section 22050(c)(2) (Resolution No. 2023-19) on March 29, 2023, that an emergency exists at the north channel embankment of the San Francisquito Creek Bridge due to erosion and scouring caused by recent winter storms; that this emergency does not permit a delay resulting from a formal solicitation for bids, and that immediate action is necessary to respond to the emergency; and
2. Continue to authorize emergency repairs of the north channel embankment of the San Francisquito Creek Bridge;
3. Delegate authority to approve all plans and/or designs with regard to the emergency repairs to the Executive Director, or designee; and
4. Authorize the Executive Director, or designee, to take all other actions required to respond to said emergency.

Significance

The JPB has the authority to undertake emergency repairs pursuant to California Public Contract Code section 22050, which requires that the Board, by a four-fifths vote, make findings based on substantial evidence that the emergency will not permit delay resulting from a competitive solicitation of bids, and that action is necessary to respond to the emergency. Public Contract Code section 1102 defines an emergency as “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” The Board made these findings at its March 29, 2023 meeting (Resolution 2023-19). Section 22050(c) requires the

Board to review the emergency action at its next regularly scheduled meeting and at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote.

The time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, and given the erosion, the need for emergency actions cannot be delayed. The schedule for (1) preparing a design, (2) issuing an invitation for bids, (3) receiving proposals, (4) evaluating proposals, (5) awarding and executing a contract, and (6) mobilizing a contractor does not allow for construction to occur during the summer creek window from 6/15/23 to 10/15/23. The JPB must therefore continue to act as expeditiously as possible to repair necessary facilities to prevent or mitigate loss or damage to life, health, property or essential public services.

Budget Impact

Staff intend to use contingency funds to support the emergency repairs. However, project cost may exceed available contingency funds. Therefore, additional funding sources are under consideration.

Background

The JPB owns and maintains the San Francisquito Creek Bridge, which is located in Palo Alto between Control Points Alma (29.98) and Mayfield (33.50). In early January 2023, after a week of heavy rain, Caltrain Engineering staff inspected the Bridge and discovered that the storms had eroded the soil on the embankment supporting the track just north of the MT-1 Bridge. Further investigation showed that additional erosion resulting from future storms could undermine the MT-1 track above the embankment.

Prior to declaring the emergency, the project team conducted the following actions:

1. Prepared and issued (or will soon prepare and issue) work directive proposal request (WDPR) packages to retain an on-call bench consultants (WSP, AECOM, Jacobs, and TRC), to assist the JPB in obtaining the required environmental permits, design the repair, provide a rough order magnitude cost for the proposed work, and provide construction management support.
2. Increased frequency of visual inspections of the Bridge and conducted immediate inspections during/after a storm.
3. Engaged with Walsh Construction II, LLC, to determine Walsh's capacity to execute the north channel embankment repair.

Caltrain's environmental team notified the U.S. Army Corps of Engineers (USACE), the Regional Water Quality Control Board, and the California Department of Fish and Wildlife regarding Caltrain's need to undertake emergency restoration activities and discussed required permit applications.

Staff selected Walsh Construction Company II, LLC to perform the repairs because it has a crew onsite that specializes in emergency work and because of Walsh's experience on JPB construction projects, such as the Guadalupe River Bridge Replacement Project. In the weeks since the Board took action on March 29, 2023, the project team has worked with the USACE to review the planned work and is in the process of obtaining the necessary permits.

Staff provided a draft scope to Walsh on April 19, 2023. Walsh is preparing a preliminary cost estimate for discussion. Staff will engage in due diligence to determine whether it is a fair and reasonable price.

By awarding this contract through an emergency procurement, instead of through a standard competitively bid process, the JPB will be able to complete the work on a timely basis in order to protect public health and safety. Staff anticipate that the work will be complete by October 15, 2023, and will report regularly to the Board regarding the status of contract negotiations and the repair work.

Prepared By:	Robert Barnard	Deputy Chief Rail Development	650.508.7783
	Alvin Piano	Project Manager	650.453.8099
	Mike Boomsma	Project Manager	808.208.2355

Resolution No. 2023-

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

* * *

**Renewing Findings of an Emergency Regarding the North Channel
Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to
Public Contract Code §22050**

Whereas, the Board previously authorized repair pursuant to California Public Contract Code section 22050 by a four-fifths vote of the Board on March 29, 2023 (Resolution 2023-19), making findings that: there was an emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; that the emergency does not permit a delay resulting from a formal solicitation for bids; and that action is necessary to respond to the emergency; and

Whereas, Resolution 2023-19 also authorized emergency repairs of the north channel embankment of the San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and

Whereas, California Public Contract Code Section 1102 defines an emergency as "sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services"; and

Whereas, California Public Contract Code section 22050 authorizes the JPB to repair and take other immediate actions required to address an emergency, and requires that findings based on substantial evidence must be made that the emergency will not permit delay resulting from a competitive solicitation of bids, and that the action is necessary to respond to the emergency, by a four-fifths vote of the Board; and

Whereas, Resolution 2023-19 delegated to the Executive Director, or designee the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved; and

Whereas, pursuant to Public Contract Code section 22050(c), the Board must review the emergency action at its next regularly scheduled meeting and at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote; and

Whereas, following months of heavy rain in January 2023, assessments of the condition of the north embankment supporting the San Francisquito Creek Bridge Main Track 1 (MT-1) and Main Track (MT-2) by the Peninsula Corridor Joint Powers Board (JPB) revealed significant erosion on the slope of the embankment, threatening the integrity of the north approaching track structure; and

Whereas, the JPB consulted with the U.S. Army Corps of Engineers (USACE), the regional Water Quality Control Board, and the California Department of Fish and Wildlife concerning environmental permits for restoration activities to preserve the integrity of MT-1 and MT-2 tracks in light of the significant erosion of the northern embankment which occurred as the result of the 2022-2023 winter storms; and

Whereas, there is a continued and ongoing emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and

Whereas, action is necessary to respond to this continued and ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services; and

Whereas, the time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, and substantial evidence supports the conclusions that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and

Whereas, JPB staff have engaged Walsh Construction, which is currently working on the Guadalupe River Bridge project, about Walsh's capacity to undertake emergency repair work; and

Whereas, Walsh has a crew onsite that specializes in emergency work and has capacity to undertake the repair work, in addition to the Guadalupe River Bridge project, and is currently preparing a cost estimate; and

Whereas, JPB staff will conduct an independent assessment of Walsh's cost estimate once received to ensure that it is a fair and reasonable price.

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

1. Renews findings from March 29, 2023, that an emergency, as defined by Section 1102 of the California Public Contract Code, exists at the north channel embankment at the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and

2. Renews findings, based on the substantial evidence presented by staff, that the emergency does not permit a delay resulting from a formal solicitation for bids because the time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, that action is necessary to respond to the ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services, that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and
3. Continues to authorize emergency repairs of the North channel embankment at San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and
4. Continues to delegate to the Executive Director, or designee, the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved.

Be It Further Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board has reviewed the emergency action taken on March 29, 2023, to remediate emergency conditions at the embankment of the San Francisquito Bridge, and will continue to conduct such a review at every subsequent regularly scheduled meeting until the action is terminated to

determine that there is a need to continue the action by a four-fifths vote pursuant to Public Contract Code section 22050(c).

Regularly passed and adopted this 4th day of May, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Kate Steiner, Chief Financial Officer
Subject: Amend and Increase the Fiscal Year 2023 Caltrain Capital Budget by \$171,941 from \$127,204,412 to \$127,376,353 to Receive Additional Funding in Support of the Middle Avenue Undercrossing Project

<input type="checkbox"/> Finance Committee Recommendation	<input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation	<input type="checkbox"/> Advocacy and Major Projects Committee Recommendation	<input checked="" type="checkbox"/> Staff Coordinating Council Reviewed	<input checked="" type="checkbox"/> Staff Coordinating Council Recommendation
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Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) amend the Fiscal Year (FY) 2023 Capital Budget, included as Attachment B, as follows:

- 1) Include \$171,941 for the Middle Avenue Undercrossing Project.

Significance

Staff proposes an amendment to the FY2023 Caltrain Capital Budget to include an additional \$171,491 covering reimbursable expenses for the above-mentioned project, and as further discussed below.

Budget Impact

In FY2023, the Board approved a budget of \$400,000 for the Middle Avenue Undercrossing Project. The execution of a new Service Agreement with the City of Menlo Park will provide additional funding that will increase the total project budget by \$171,941, from \$400,000 to \$571,941, increasing the Caltrain FY2023 Capital Budget from \$127,204,412 to \$127,376,353.

Background

The additional funding that is the subject of this report will be provided via an updated Service Agreement with the City of Menlo Park to cover Caltrain costs for the performance of tasks undertaken in support of the Middle Avenue Undercrossing Project. These tasks and the Service

Agreement itself are more fully described in a staff report that will be presented to the April 2023 Technology, Operations, Planning, and Safety Committee (TOPS) given TOPS' jurisdiction over various maintenance, repair and planning projects funded partially or wholly by third parties. The Agreement executed by the parties is meant to cover Caltrain's costs to conduct critical project development tasks for the transition from City-led activities (planning, environmental clearance and preliminary engineering/design) into Caltrain-led activities (final design and construction).

The Board adopted the FY2023 Capital Budget on June 2, 2022 for a total amount of \$90,956,662. On October 6, 2022, the Board approved the first amendment to the FY2023 Capital Budget to increase the total budget to \$102,593,584. On December 1, 2022 the Board approved the second amendment to the FY2023 Capital Budget to increase the total budget to \$126,409,412. On March 2, 2023, the Board approved the third amendment to the FY2023 Capital Budget to increase the total budget to \$127,004,412. On March 29, 2023 the Board approved the fourth amendment to the FY2023 Capital Budget to increase the total budget to \$127,204,412. The proposed amendment described above would increase the FY2023 Capital Budget from \$127,204,412 to \$127,376,353.

Prepared By: Claudette Valbuena Manager, Budgets
 Ladi Millard-Olmeda Director, Budgets

Resolution No. 2023 – xx

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

* * *

Amend the Fiscal Year 2023 Capital Budget by \$171,491 for a New Total of \$127,376,353

WHEREAS, in 2022, the Peninsula Corridor Joint Powers Board (JPB or Caltrain) and the City of Menlo Park (City) negotiated and executed a Service Agreement describing the parties' cooperation on the Middle Avenue Undercrossing Project (Project), and authorizing reimbursement from City to Caltrain for such efforts; and

WHEREAS, a new Service Agreement will provide additional funding for the next phase of work.

WHEREAS, the Fiscal Year 2023 Capital Budget includes \$400,000 for the Project; and

WHEREAS, staff recommends that the Board increase the total Project budget by \$171,941, from \$400,000 to \$571,941, increasing the Caltrain Fiscal Year 2023 Capital Budget from \$127,204,412 to \$127,376,353.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board approves an amendment to the Caltrain Fiscal Year 2023 Capital Budget to cover the additional reimbursable expenses of \$171,941.

Regularly passed and adopted this 4th day of May 2023 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary



FY2023 AMENDED CAPITAL BUDGET

Attachment B
Amendment 5
May 2023

Item #	PROJECT NAME	FY2023 Adopted CAPITAL BUDGET	Amendment 5	FY2023 Amended CAPITAL BUDGET	Federal Funds	STA SOGR	Unrestricted Funds	Member Agency Funds					Others			FY2023 AMENDED CAPITAL BUDGET	
								San Francisco	San Mateo	Santa Clara (Gen Funds)	Santa Clara (Measure B)	Total	Others	Externally Funded	Total		
i. SOGR																	
Bridges																	
1	Guadalupe Bridges Replacement ¹	10,959,443		10,959,443	6,353,943	-	-							4,605,500	-	4,605,500	10,959,443
	Total Project Budget (Post-Amendment): \$27,312,250																
2	San Francisquito Creek Bridge Replacement	60,000		60,000	48,000		12,000										60,000
	Total Bridges	11,019,443	-	11,019,443	6,401,943	-	12,000	-	-	-	-	-	-	4,605,500	-	4,605,500	11,019,443
Right of Way																	
3	SOGR Track	7,000,000		7,000,000	5,600,000	736,744	63,256	600,000	-	-	-	600,000	-	-	-	-	7,000,000
4	Track Tie Replacement	500,000		500,000	400,000	-	-	-	-	-	100,000	100,000	-	-	-	-	500,000
5	SOGR ROW	800,000		800,000	-	800,000	-	-	-	-	-	-	-	-	-	-	800,000
6	ROW Fencing	1,500,000		1,500,000	-	-	50,000	1,450,000	-	-	-	1,450,000	-	-	-	-	1,500,000
	Total Right of Way	9,800,000	-	9,800,000	6,000,000	1,536,744	113,256	2,050,000	-	-	100,000	2,150,000	-	-	-	-	9,800,000
Signal & Communications																	
7	SOGR Signal & Communications	3,000,000		3,000,000	2,400,000	-	600,000	-	-	-	-	-	-	-	-	-	3,000,000
8	SOGR Fiber Optic	2,585,300		2,585,300	2,068,240	-	517,060	-	-	-	-	-	-	-	-	-	2,585,300
	Total Signal & Communications	5,585,300	-	5,585,300	4,468,240	-	1,117,060	-	-	-	-	-	-	-	-	-	5,585,300
Rolling Stock																	
9	SOGR Locomotive FY23	1,500,000		1,500,000	-	-	650,000	-	-	850,000	-	850,000	-	-	-	-	1,500,000
	Total Rolling Stock	1,500,000	-	1,500,000	-	-	650,000	-	-	850,000	-	850,000	-	-	-	-	1,500,000
Station & Intermodal Access																	
10	SOGR Facilities	1,000,000		1,000,000	-	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
11	SOGR Historical Stations	1,000,000		1,000,000	-	-	-	-	-	1,000,000	-	1,000,000	-	-	-	-	1,000,000
	Total Station & Intermodal Access	2,000,000	-	2,000,000	-	-	1,000,000	-	-	1,000,000	-	1,000,000	-	-	-	-	2,000,000
	Total SOGR	29,904,743	-	29,904,743	16,870,183	1,536,744	2,892,316	2,050,000	-	1,850,000	100,000	4,000,000	4,605,500	-	4,605,500	-	29,904,743
ii. LEGAL MANDATES AND ELECTRIFIED SERVICE RAIL PROGRAM INTEGRATION																	
12	CCTV End of Life Equipment	75,000		75,000	-	-	75,000	-	-	-	-	-	-	-	-	-	75,000
	Total	75,000	-	75,000	-	-	75,000	-	-	-	-	-	-	-	-	-	75,000
iii. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS																	
13	PADS Replacement	1,060,000		1,060,000	-	-	1,060,000	-	-	-	-	-	-	-	-	-	1,060,000
14	Next Generation Visual Messaging Sign (VMS)	2,700,000		2,700,000	-	-	2,700,000	-	-	-	-	-	-	-	-	-	2,700,000
15	BCCF Virtualization Project	1,200,000		1,200,000	-	-	1,200,000	-	-	-	-	-	-	-	-	-	1,200,000
16	Broadband Communications ⁴	14,820,241		14,820,241	-	-	5,193,586	-	-	-	-	-	9,626,655	-	9,626,655	-	14,820,241
	Total Project Budget (Post-Amendment): \$28,820,241																
17	Caltrain VoIP	222,000		222,000	-	-	222,000	-	-	-	-	-	-	-	-	-	222,000
18	Technology Refresh Assessment	325,000		325,000	-	-	325,000	-	-	-	-	-	-	-	-	-	325,000
19	GIS System - Update & Upgrade	2,000,333		2,000,333	-	-	2,000,333	-	-	-	-	-	-	-	-	-	2,000,333
20	Enterprise Asset Management Software System	1,048,000		1,048,000	-	-	1,048,000	-	-	-	-	-	-	-	-	-	1,048,000
21	Backup Central Control Facility (BCCF) Office Remodel	1,000,000		1,000,000	-	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
22	Support for Property Mapping	500,000		500,000	-	-	500,000	-	-	-	-	-	-	-	-	-	500,000
23	South Linden & Scott Grade Separation*	5,500,000		5,500,000	-	-	-	-	-	-	-	-	5,500,000	-	5,500,000	-	5,500,000
24	Mary Ave/Sunnyvale Ave Grade Separation*	18,898,000		18,898,000	-	-	-	-	-	-	-	-	18,898,000	-	18,898,000	-	18,898,000
25	Rengstorff Grade Separation ⁵	18,500,000		18,500,000	-	-	-	-	-	-	-	-	18,500,000	-	18,500,000	-	18,500,000
	Total Project Budget (Post-Amendment): \$22,000,000																
26	Middle Ave Undercrossing*	400,000	171,941	571,941	-	-	-	-	-	-	-	-	571,941	571,941	571,941	571,941	571,941
27	Bernardo Ave Undercrossing*	4,990,000		4,990,000	-	-	-	-	-	-	-	-	4,990,000	-	4,990,000	-	4,990,000
28	San Mateo Grade Crossing Improvements ⁶	3,471,550		3,471,550	-	-	-	-	-	-	-	-	3,471,550	-	3,471,550	-	3,471,550
	Total Project Budget (Post-Amendment): \$5,471,550																
42	Mountain View Transit Grade Separation ²	7,000,000		7,000,000	-	-	-	-	-	-	-	-	7,000,000	-	7,000,000	-	7,000,000
	Total Project Budget (Post-Amendment): \$18,200,000																
	Total	83,635,124	171,941	83,807,065	-	-	15,248,919	-	-	-	-	-	16,626,655	51,931,491	68,558,146	-	83,807,065
iv. PLANNING/STUDIES																	
29	DTX Support ³	4,614,545		4,614,545	-	-	500,000	-	-	-	-	-	4,114,545	-	4,114,545	-	4,614,545
	Total Project Budget (Post-Amendment): \$4,925,874																
30	Redwood City Corridor Planning	1,000,000		1,000,000	-	-	25,000	975,000	-	-	-	975,000	-	-	-	-	1,000,000
31	Rail Network and Operations Planning	200,000		200,000	-	-	200,000	-	-	-	-	-	-	-	-	-	200,000



FY2023 AMENDED CAPITAL BUDGET

Attachment B
Amendment 5
May 2023

Item #	PROJECT NAME	FY2023 Adopted CAPITAL BUDGET	Amendment 5	FY2023 Amended CAPITAL BUDGET	Federal Funds	STA SOGR	Unrestricted Funds	Member Agency Funds					Others			FY2023 AMENDED CAPITAL BUDGET		
								San Francisco	San Mateo	Santa Clara (Gen Funds)	Santa Clara (Measure B)	Total	Others	Externally Funded	Total			
32	Transit-Oriented Development Studies	750,000		750,000	-		750,000											750,000
33	Electric Multiple-Unit (EMU) Hybridization	350,000		350,000	-		-				350,000	350,000						350,000
34	San Francisco Corridor and Stations Planning	250,000		250,000	-		-	250,000				250,000						250,000
35	SF Railyards Preliminary Business Case	250,000		250,000	-		250,000											250,000
36	Caltrain Access Policy Update	100,000		100,000	-		100,000											100,000
37	Capital Planning Technical Support	250,000		250,000	-		250,000											250,000
43	Diridon Business Case	3,000,000		3,000,000	-		-						3,000,000			3,000,000		3,000,000
	Total Project Budget (Post-Amendment): \$5,223,935																	
	Total	10,764,545	-	10,764,545	-	-	2,075,000	250,000	975,000	-	350,000	1,575,000	7,114,545	-	7,114,545	-	-	10,764,545
v. DTX FUNDING																		
38	DTX Funding	1,500,000		1,500,000	-		1,500,000											1,500,000
	Total	1,500,000	-	1,500,000	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	1,500,000
vi. CAPITAL/CONTINGENCY FUNDS																		
39	Capital Contingency Funds - Engineering	330,000		330,000	-		-		330,000			330,000						330,000
40	Capital Contingency Funds - Rail	660,000		660,000	-		-		660,000			660,000						660,000
41	Capital Project Development	335,000		335,000	-		-		335,000			335,000						335,000
	Total	1,325,000	-	1,325,000	-	-	-	-	1,325,000	-	-	1,325,000	-	-	-	-	-	1,325,000
	Total	127,204,412	171,941	127,376,353	16,870,183	1,536,744	21,791,235	2,300,000	2,300,000	1,850,000	450,000	6,900,000	28,346,700	51,931,491	80,278,191	-	-	127,376,353

* Project is externally funded and relies on separate, project-specific funding plan.

¹ \$1,317,377 is funded by Local Partnership Program (LPP) funds

² \$7,000,000 is funded by Valley Transportation Authority (VTA) Measure B through an Amended Cooperative Agreement between JPB, VTA, and City of Mountain View

³ \$4,114,545 is funded by Transbay Joint Powers Authority (TJPA) through a Letter of Agreement (LOA) and a Memorandum of Agreement (MOA) between JPB and TJPA

⁴ \$5,500,000 is funded by State Rail Assistance (SRA) funds; \$4,126,655 is proposed to be funded by unconfirmed SRA or State Broadband Grant funds

⁵ \$9,784,564 is funded by VTA Measure B through a Cooperative Agreement between JPB, VTA, and City of Mountain View

⁶ \$1,404,609 is funded by Section 130 Program funds through an amendment to the existing Caltrans Funding Agreement

⁷ \$2,000,000 is funded by Metropolitan Transportation Commission (MTC) through an Amended Master Funding Agreement between JPB and MTC; \$1,000,000 is funded by the City of San Jose through an Amended Funding Agreement between JPB and City of San Jose

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, CFO
Subject: **Accept Statement of Revenues and Expenses for the Period Ending March 31, 2023**

<input type="checkbox"/> Finance Committee Recommendation	<input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation	<input type="checkbox"/> Advocacy and Major Projects Committee Recommendation	<input checked="" type="checkbox"/> Staff Coordinating Council Reviewed	<input checked="" type="checkbox"/> Staff Coordinating Council Recommendation
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Action

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the Period Ending March 31, 2023.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through March 31, 2023, and highlights projections for the end of the year. The statement has been designed to follow the Agency-wide line-item rollup as included in the approved budget. The columns have been designed to provide an easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

Significance

Annual Forecast: The annual forecast is based on actual revenue and expense trends through March 2023, augmented by analyzing trends and reviewing details with cost center managers to develop projections through the rest of the year. There is no change from the prior published forecast. Overall, a surplus of \$1.6 million is projected for FY 2023, compared to a \$2.6 million deficit projected in the Approved FY 2023 Budget (the Approved Budget assumed a draw of \$2.6 million from the FY 2022 surplus). The most significant component in the positive change is related to higher-than-assumed Measure RR receipts.

Forecast Revenues: Total Revenue (page 1, line 16) is forecasted to be \$5.1 million higher than budget. This is driven primarily by higher Measure RR sales taxes (page 1, line 12), estimated to be \$5.0 million over budget, due to the continued recovery and high inflations. Other significant increases over the budget are:

- \$2.3 million in Other Income (page 1, line 5), driven by additional Advertising revenue and Interest Income;
- \$0.7 million from higher Go Pass revenue (page 1, line 2); and
- \$0.3 million higher Rental Income (page 1, line 4).

These projected increases are partially offset by a \$3.2 million lower non-Go Pass Fare revenue (page 1, line 1) due to slower ridership recovery and PCEP service reductions, which began in December 2022.

Forecast Expenses: Total Expense (page 2, line 50) is forecasted to be \$0.9 million higher than budget, made up of relatively small changes in several line items:

- Debt Service (page 2, line 48) is forecasted \$1.1 million higher than budgeted, because the principal payment in FY 2023 for the Fare Bonds was inadvertently omitted from the budget;
- Other Office Expense and Services (page 2, line 40) are forecasted \$0.2 million higher than budget due to a parking lease at Menlo Park that started October 2022; and
- Security Services (page 2, line 22) are forecasted \$0.1 million higher than budget due to overtime.

Partially offsetting these increases are projected savings in Wages and Benefits (page 2, line 35), which are forecasted to be \$0.3 million lower than budget due to vacancies.

Year-to-Date Revenues: As of March's year-to-date actual, the Grand Total Revenue (page 1, line 16) is \$7.7 million higher than the adopted budget. As reflected in the year-end projections, this is primarily driven by the increases in Other Income (page 1, line 5) and Measure RR proceeds (page 1, line 12), partially offset by Caltrain Fares (page 1, line 1).

Year-to-Date Expenses: As of March's year-to-date actual, the Grand Total Expense (page 2, line 50) is \$4.7 million lower than the adopted budget. These savings are lower than shown in the year-end projections because much of the savings is based on timing.

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

Budget Impact

There are no budget amendments for March 2023.

Prepared By: Thwe Han, Financial Reporting Accountant	650.508.7912
Danny Susantin, Grants & Capital Accounting Manager	650.622.8073

PENINSULA CORRIDOR JOINT POWERS BOARD								
STATEMENT OF REVENUE AND EXPENSE								
Fiscal Year 2023								
March 2023								
% OF YEAR ELAPSED							75.0%	
	JULY TO MARCH				ANNUAL			
	CURRENT ACTUAL	ADOPTED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE	
REVENUE								
OPERATIONS:								
1 Caltrain Fares	19,460,556	21,958,000	(2,497,444)	(11.4%)	30,151,000	27,000,000	(3,151,000)	1
2 Go Pass	12,841,747	12,195,000	646,747	5.3%	16,260,000	17,000,000	740,000	2
3 Parking Revenue	1,402,893	1,422,000	(19,107)	(1.3%)	1,896,000	1,797,505	(98,495)	3
4 Rental Income	957,738	701,523	256,215	36.5%	935,357	1,235,357	300,000	4
5 Other Income	4,217,579	1,308,240	2,909,339	222.4%	1,744,319	4,044,319	2,300,000	5
6								6
7 TOTAL OPERATING REVENUE	38,880,514	37,584,763	1,295,751	3.4%	50,986,676	51,077,181	90,505	7
8								8
CONTRIBUTIONS:								
9								9
10 AB434 Peninsula & TA Shuttle Funding	40,000	40,000	-	.0%	40,000	40,000	-	10
11 Operating Grants	8,571,180	8,466,120	105,060	1.2%	11,288,161	11,288,161	-	11
12 Measure RR	91,069,633	84,731,753	6,337,880	7.5%	114,300,000	119,292,000	4,992,000	12
13								13
14 TOTAL CONTRIBUTED REVENUE	99,680,813	93,237,873	6,442,940	6.9%	125,628,161	130,620,161	4,992,000	14
15								15
16 GRAND TOTAL REVENUE	138,561,326	130,822,636	7,738,690	5.9%	176,614,837	181,697,342	5,082,505	16
17								17

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
Fiscal Year 2023
March 2023

% OF YEAR ELAPSED 75.0%

	JULY TO MARCH				ANNUAL		
	CURRENT ACTUAL	ADOPTED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE
18 EXPENSE							
19							
20 DIRECT EXPENSE:							
21 Rail Operator Service	73,194,639	73,693,329	(498,690)	(.7%)	98,257,758	98,257,758	-
22 Security Services	5,727,936	5,951,532	(223,596)	(3.8%)	7,935,381	8,028,807	93,426
23 Shuttle Services	62,236	101,140	(38,904)	(38.5%)	121,600	121,600	-
24 Fuel and Lubricants*	11,663,830	13,154,418	(1,490,588)	(11.3%)	17,539,232	17,539,232	-
25 Timetables and Tickets	12,842	101,511	(88,669)	(87.3%)	135,350	135,350	-
26 Insurance	8,360,342	8,403,480	(43,138)	(.5%)	9,299,730	9,299,730	-
27 Claims, Payments, and Reserves	2,149,584	990,000	1,159,584	117.1%	1,320,000	1,336,926	16,926
28 Facilities and Equipment Maintenance	6,091,099	5,464,249	626,850	11.5%	7,258,788	7,107,788	(151,000)
29 Utilities	1,935,257	1,963,197	(27,940)	(1.4%)	2,617,600	2,617,600	-
30 Maint & Services-Bldg & Other	1,023,308	1,315,587	(292,279)	(22.2%)	1,754,100	1,754,100	-
31							
32 TOTAL DIRECT EXPENSE	110,221,074	111,138,443	(917,369)	(.8%)	146,239,539	146,198,891	(40,648)
33							
34 ADMINISTRATIVE EXPENSE							
35 Wages and Benefits	9,678,043	10,802,617	(1,124,574)	(10.4%)	13,809,330	13,532,312	(277,018)
36 Managing Agency Admin OH Cost	2,846,187	2,675,035	171,152	6.4%	3,565,453	3,565,453	-
37 Board of Directors	11,591	42,948	(31,357)	(73.0%)	57,275	57,275	-
38 Professional Services	4,988,317	6,967,623	(1,979,306)	(28.4%)	9,422,755	9,305,755	(117,000)
39 Communications and Marketing	189,193	302,796	(113,603)	(37.5%)	403,730	403,730	-
40 Other Office Expenses and Services	1,512,332	2,071,955	(559,623)	(27.0%)	2,762,496	2,956,896	194,400
41							
42 TOTAL ADMINISTRATIVE EXPENSE	19,225,663	22,862,974	(3,637,311)	(15.9%)	30,021,039	29,821,421	(199,618)
43							
44 TOTAL OPERATING EXPENSE	129,446,737	134,001,417	(4,554,680)	(3.4%)	176,260,578	176,020,312	(240,266)
45							
46 Governance	270,829	262,503	8,326	3.2%	350,000	350,000	-
47							
48 Debt Service Expense	1,769,943	1,936,314	(166,371)	(8.6%)	2,581,752	3,711,375	1,129,623
49							
50 GRAND TOTAL EXPENSE	131,487,509	136,200,234	(4,712,725)	(3.5%)	179,192,330	180,081,687	889,357
51							
52 NET SURPLUS / (DEFICIT)	7,073,817	(5,377,598)	12,451,416	(231.5%)	(2,577,493)	1,615,655	4,193,148
53							
54 Draw from FY2022 surplus	-				2,577,493	-	
55 ADJUSTED NET SURPLUS / (DEFICIT)	7,073,817				-	1,615,655	
56							
57 Reserve, Beginning Balance	16,115,624				16,115,624		
58 FY23 Set aside	-				10,763,226		
59 Reserve, Ending Balance	16,115,624				26,878,850		
60							
61 * Fuel and Lubricants costs were decreased by a realized gain of \$1,510,878 from the fuel hedge program.							



BOARD OF DIRECTORS 2023

JEFF GEE, CHAIR
DEVORA "DEV" DAVIS, VICE
CHAIR
PAT BURT
CINDY CHAVEZ
STEVE HEMINGER
RICO E. MEDINA
RAYMOND MUELLER
SHAMANN WALTON
MONIQUE ZMUDA

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF MARCH 31, 2023

MICHELLE BOUCHARD
EXECUTIVE DIRECTOR

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted) *	Liquid Cash	2.831%	10,173,414	10,173,414
County Pool (Unrestricted)	Liquid Cash	2.319%	567,547	567,547
Other (Unrestricted)	Liquid Cash	4.261%	25,844,656	25,844,656
Other (Restricted) **	Liquid Cash	1.000%	39,313,161	39,313,161
			\$ 75,898,778	\$ 75,898,778

Interest Earnings for March 2023 \$ 241,752.50
Cumulative Earnings FY2023 2,787,290.95

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

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

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD													
	Previous Years				FY2023									
	FY2019	FY2020	FY2021	FY2022	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	FY2023 Total YTD
REVENUE														
OPERATIONS:														
401400 (TVM)	18,431,265	11,165,620	2,458,837	6,836,440	626,228	770,942	736,862	521,754	451,992	391,581	343,162	396,762	485,901	4,725,183
401410 (Clipper)	54,621,910	37,970,696	2,924,987	7,764,755	1,129,007	1,611,378	1,377,219	1,502,886	1,366,749	1,077,607	1,092,550	1,215,740	1,276,841	11,649,978
401420 (Central)	64,908	20,799	309,748	39,911	5,139	945	9,901	11,080	2,767	826	2,263	1,602	5,563	40,085
401430 (Mobile App)	4,716,955	5,689,776	830,051	2,808,795	346,758	354,177	342,457	322,502	273,906	192,050	208,607	219,197	265,221	2,524,874
401500 (Gilroy)	1,903,941	1,542,171	178,759	449,281	37,440	66,110	80,675	63,053	67,606	56,277	41,509	53,752	54,013	520,436
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	1,417,118	1,415,836	1,432,132	1,462,192	1,479,267	1,490,677	1,333,937	1,332,005	1,478,585	12,841,747
total Farebox Revenue	102,668,114	76,094,433	32,439,915	33,236,357	3,561,691	4,219,387	3,979,245	3,883,466	3,642,288	3,209,018	3,022,027	3,219,058	3,566,123	32,302,303
Less: Go-Pass														
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	1,417,118	1,415,836	1,432,132	1,462,192	1,479,267	1,490,677	1,333,937	1,332,005	1,478,585	12,841,747
Revenues without Go-Pass	79,738,978	56,389,061	6,702,382	17,899,182	2,144,573	2,803,551	2,547,114	2,421,274	2,163,021	1,718,342	1,688,090	1,887,054	2,087,539	19,460,556
Tickets Sold					Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
TVM	2,354,393	1,465,876	315,378	755,674	86,060	86,171	83,501	74,335	61,170	51,304	52,063	47,432	53,222	595,258
Clipper	3,521,066	2,620,816	339,753	1,227,757	156,994	179,747	177,647	182,485	159,636	118,367	144,893	148,634	164,277	1,432,680
Central	9,167	5,044	-	4,032	319	145	770	879	477	50	275	233	731	3,879
Mobile	543,920	661,515	111,394	381,441	42,175	43,696	41,411	39,967	33,608	25,094	28,997	28,154	31,164	314,266
# of tickets sold (without go-pass)	6,428,546	4,753,251	766,525	2,368,904	285,548	309,759	303,329	297,666	254,891	194,815	226,228	224,453	249,394	2,346,083
AVG Revenue Per Ticket					Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
TVM	\$ 7.83	\$ 9.05	\$ 7.80	\$ 9.05	\$ 7.28	\$ 8.95	\$ 8.82	\$ 7.02	\$ 7.39	\$ 7.63	\$ 6.59	\$ 8.36	\$ 9.13	\$ 7.94
Clipper	\$ 15.51	\$ 6.32	\$ 8.61	\$ 6.32	\$ 7.19	\$ 8.96	\$ 7.75	\$ 8.24	\$ 8.56	\$ 9.10	\$ 7.54	\$ 8.18	\$ 7.77	\$ 8.13
Central	\$ 7.08	\$ 9.90	\$ -	\$ 9.90	\$ 16.11	\$ 6.52	\$ 12.86	\$ 12.60	\$ 5.80	\$ 16.53	\$ 8.23	\$ 6.88	\$ 7.61	\$ 10.33
Mobile	\$ 8.67	\$ 7.36	\$ 7.45	\$ 7.36	\$ 8.22	\$ 8.11	\$ 8.27	\$ 8.07	\$ 8.15	\$ 7.65	\$ 7.19	\$ 7.79	\$ 8.51	\$ 8.03
Total	\$ 12.40	\$ 11.86	\$ 8.74	\$ 7.56	\$ 7.51	\$ 9.05	\$ 8.40	\$ 8.13	\$ 8.49	\$ 8.82	\$ 7.46	\$ 8.41	\$ 8.37	\$ 8.29

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD						
	July 2022 to March 2023					Annual Budget	
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	% of Budget
REVENUE							
401400 (TVM)	13,556,475	10,475,115	1,412,784	4,600,891	4,725,183		
401410 (Clipper)	40,675,031	39,387,786	1,951,062	5,181,189	11,649,978		
401420 (Central)	40,434	42,569	-	28,240	40,085		
401430 (Mobile App)	3,083,906	5,594,402	460,711	1,869,551	2,524,874		
401500 (Gilroy)	1,441,321	1,512,573	120,698	289,288	520,436		
401700 (Go-Pass)	15,602,837	18,444,142	22,772,003	11,482,593	12,841,747		
total Farebox Revenue	74,400,004	75,456,587	26,717,258	23,451,751	32,302,303	46,411,000	70%
Less: Go-Pass							
401700 (Go-Pass)	15,602,837	18,444,142	22,772,003	11,482,592	12,841,747	16,260,000	79%
Revenues without Go-Pass	58,797,167	57,012,445	3,945,255	11,969,159	19,460,556	30,151,000	65%
Tickets Sold							
TVM	1,766,141	1,422,441	200,597	503,421	595,258		
Clipper	2,590,144	2,585,370	200,705	793,332	1,432,680		
Central	5,332	5,044	-	2,857	3,879		
Mobile	346,968	650,842	65,595	248,383	314,266		
# of tickets sold (without go-pass)	4,708,585	4,663,697	466,897	1,547,993	2,346,083		
AVG Revenue Per Ticket							
TVM	\$ 7.68	\$ 7.36	\$ 7.04	\$ 9.14	\$ 7.94		
Clipper	\$ 15.70	\$ 15.23	\$ 9.72	\$ 6.53	\$ 8.13		
Central	\$ 7.58	\$ 8.44	\$ -	\$ 9.88	\$ 10.33		
Mobile	\$ 8.89	\$ 8.60	\$ 7.02	\$ 7.53	\$ 8.03		
Total	\$ 12.49	\$ 12.22	\$ 8.45	\$ 7.73	\$ 8.29		

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Peninsula Corridor Joint Powers Board

THROUGH: Michelle Bouchard
Executive Director

FROM: James C. Harrison, General Counsel

SUBJECT: Approval of Revised Settlement Authority Policy for General Liability Claims

Finance
Committee
Recommendation

Technology,
Operations,
Planning, and
Safety Committee
Recommendation

Advocacy and
Major Projects
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating
Council
Recommendation

ACTION

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

- a. Repeal and replace the 2001 policy establishing settlement authority for general liability claims;
- b. Authorize the Executive Director, or designee, to settle general liability claims up to \$250,000;
- c. Authorize the Executive Director, or designee, to compromise claims with an estimated value of up to \$250,000; and
- d. Take any actions necessary to give effect to the above actions.

SIGNIFICANCE

In 2001, the Board adopted Resolution No. 2001-80, which established a JPB Claims Settlement Authority Policy. In 2019, the San Mateo County Transit Board (SamTrans) Board adopted a revised San Mateo County Transit District Settlement Authority Policy for General Liability, Employment and Workers' Compensation Claims that was designed to allow its staff the flexibility to settle claims more efficiently and expeditiously on behalf of SamTrans, as well as the agencies it manages, including the JPB and San Mateo County Transportation Authority (TA). The SamTrans Policy increased the delegation authority of the General Manager of SamTrans/Executive Director of Caltrain to settle claims up to \$100,000 on behalf of the JPB.¹ The Board of the JPB did not adopt a separate policy or ratify the policy adopted by SamTrans.

¹ The SamTrans Board plans to consider raising the settlement authority of SamTrans staff to \$250,000 at an upcoming Board meeting on May 3, 2023. If they vote to increase the settlement and contract

Since the Board of the JPB last adopted policies regarding the delegation of authority to the Executive Director for settlement of litigation, litigation costs have increased considerably, as has the number of claims in excess of the \$50,000 limit. In the absence of higher limits for delegated authority to the Executive Director, the Board must approve routine and/or low value settlements, which can delay the settlement process and increase litigation costs.

Pursuant to the current policy adopted by the Board of the JPB in 2001:

- The JPB Claims Administrator may settle general liability claims up to \$5,000.
- The JPB Risk Manager may settle and authorize payment of general liability claims between \$5,000-\$25,000 with the review of the General Counsel.
- The Executive Director may settle and authorize payment of claims between \$25,000-\$50,000 with the recommendation of the General Counsel and Risk Manager.
- The Board of Directors must approve settlements and authorize payment in excess of \$50,000.

The proposed JPB policy on Settlement Authority for General Liability Claims increases and clarifies settlement authority and also addresses the authority to compromise claims brought by the JPB, which as discussed above, the current policy does not. Per the requirements of the current policy, staff must seek guidance from the Board to accept settlement in a matter even if the JPB has successfully negotiated for the full value of its claim. The current policy would benefit from the addition of authority to compromise claims with estimated values of \$250,000 or less. This would allow the Executive Director, for example, to compromise a claim for a breach of contract if the estimated damages are \$250,000 or less and the Executive Director determines that settlement is in the JPB's best interests. This change will make the policy more comprehensive and its administration more efficient. General Counsel will continue to submit a monthly litigation report to the Board that includes information about new claims, pending litigation, and settlements.

Therefore, staff recommends that the Board authorize the following proposed limits (as described in the Peninsula Corridor Joint Powers Board Settlement Authority Policy for General Liability Claims):

- The third-party claims administrator, with oversight by the Insurance & Claims Administrator, is authorized to settle general liability claims and actions up to \$5,000 and authorize payment of same.
- The Insurance & Claims Administrator is authorized to settle general liability claims and actions up to \$10,000 and authorize payment of same.
- The Chief Financial Officer (CFO), after review by General Counsel, is authorized to settle general liability claims and actions between \$10,001 and \$25,000 and authorize payment of same.
- The Executive Director, upon recommendation by the CFO and the General Counsel, is authorized to settle general liability claims, employment-related claims involving Rail

authority of SamTrans staff, the proposed JPB policy would be consistent with the authority delegated by the SamTrans Board.

Division employees to the extent that the JPB has agreed to indemnify San Mateo County Transit District (SamTrans) against such claims, and actions between \$25,001 and \$250,000 and authorize payment of same.

- The Executive Director with the concurrence of the CFO and General Counsel, is authorized to approve a compromise of a claim Caltrain has against another party with estimated damages of \$250,000 or less.
- The Board of Directors must: 1) approve settlements of claims against the JPB in excess of \$250,000 and authorize payment of same; and 2) approve the compromise of a claim the JPB has against another party in excess of \$250,000.

BUDGET IMPACT

There is no budget impact associated with adopting a revised policy.

BACKGROUND

Staff is requesting this update to the policies on settlement authority to permit the efficient and expeditious resolution of litigation for the agency.

Because more than 20 years have passed since the adoption of the policy, it is out of date and should be revised to better reflect the realities of litigation and current staff practice. The 2001 policy does not fully capture the change in organizational structure since its adoption, making some of the references to job titles obsolete, and does not account for the role of the JPB's third-party administrator, who aids in the expeditious and efficient resolution of smaller claims. In addition, the policy does not address settlements in which the JPB agrees to compromise a claim it has against another party, e.g., matters in which the JPB has a claim or potential claim against another party and agrees to settle such a claim for a smaller amount than it may be owed to avoid the costs and risks of litigation.

Prepared by James C. Harrison and Anna Myles-Primakoff, Olson Remcho LLP

Resolution No. 2023-

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

* * *

Approving Revised Settlement Authority Policy for General Liability Claims

Whereas, in 2001, the Board of Directors (Board) adopted Resolution No. 2001-80, which established a Peninsula Corridor Joint Powers Board (JPB) Claims Settlement Authority Policy and imposed a \$50,000 limit on the Executive Director's authority to settle general liability claims and lower limits on the authority of other staff; and

Whereas, in 2019, the San Mateo County Transit Board (SamTrans) Board adopted a revised San Mateo County Transit District Settlement Authority Policy for General Liability, Employment and Workers' Compensation Claims that was designed to allow its staff the flexibility to settle claims more efficiently and expeditiously on behalf of SamTrans, as well as the agencies it manages, including the JPB and San Mateo County Transportation Authority (TA). The SamTrans Policy increased the delegation authority of the General Manager of SamTrans/Executive Director of Caltrain to settle claims up to \$100,000 on behalf of the JPB. However, the Board of the JPB did not adopt a separate policy or ratify the policy adopted by SamTrans; and

Whereas, since 2001, litigation costs have grown significantly; and

Whereas, pursuant to the current policy: the JPB Claims Administrator may settle general liability claims up to \$5,000; the JPB Risk Manager may settle and authorize payment of general liability claims between \$5,000-\$25,000 with the review of the General Counsel; the Executive Director may settle and authorize payment of claims between \$25,000-\$50,000 with the

recommendation of the General Counsel and Risk Manager; and the Board must approve settlements and authorize payment in excess of \$50,000; and

Whereas, more than 20 years have passed since the adoption of the policy, making it out of sync with the realities of litigation and current staff practice. The 2001 policy does not fully capture the change in organizational structure since its adoption, making some of the references to job titles obsolete, and does not account for the role of the JPB's third-party administrator, who aids in the expeditious and efficient resolution of smaller claims; and

Whereas, the 2001 policy also does not address settlements in which the JPB agrees to compromise a claim it has against another party, such as matters in which the JPB has a claim or potential claim against another party and agrees to settle such a claim for a smaller amount than it may be owed to avoid the costs and risks of litigation; and

Whereas, staff recommends that the Board authorize the following proposed limits (as described in Attachment A: Peninsula Corridor Joint Powers Board Settlement Authority Policy for General Liability Claims); and

Whereas, the proposed JPB policy on Settlement Authority for General Liability Claims (Attachment A) increases and clarifies settlement authority and also addresses the authority to compromise claims brought by the JPB, which as discussed above, the current policy does not. Per the requirements of the current policy, staff must seek guidance from the Board to accept settlement in a matter even if the JPB has successfully negotiated for the full value of its claim. The current policy would benefit from the addition of authority to compromise claims with estimated values of \$250,000 or less. This would allow the Executive Director, for example, to compromise a claim for a breach of contract if the estimated damages are \$250,000 or less and

the Executive Director determines that settlement is in the JPB's best interests. This change will make the policy more comprehensive and its administration more efficient.

Whereas, in the absence of higher limits for delegated authority to the Executive Director, the Board must approve routine and/or low value settlements, which can delay the settlement process and increase litigation costs; and

Whereas, the SamTrans Board of Directors plans to consider raising the settlement and contract authority of SamTrans staff to \$250,000 at an upcoming Board meeting on May 3, 2023. If they vote to increase the settlement authority of SamTrans staff, the proposed JPB policy would be consistent with the authority delegated by the SamTrans Board;

Whereas, there is no budget impact associated with adopting a revised policy and staff is requesting this update to the policies on contract and settlement authority to permit the efficient and expeditious resolution of contracts and litigation for the agency.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby repeals and replaces the 2001 policy establishing settlement authority for general liability claims; authorizes the Executive Director, or designee, to settle general liability claims up to \$250,000; adopts the updated policy on Settlement Authority for General Liability Claims in Attachment A; and authorizes the Executive Director, or designee, to compromise claims with an estimated value of up to \$250,000.

Regularly passed and adopted this 4th day of May, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

ATTACHMENT A: PROPOSED POLICY SETTLEMENT OF CLAIMS AUTHORITY

**PENINSULA CORRIDOR JOINT POWERS BOARD SETTLEMENT AUTHORITY POLICY FOR
GENERAL LIABILITY CLAIMS**

This policy establishes the settlement authorities vested in the Executive Director of the Peninsula Corridor Joint Powers Board (“JPB”) and other positions employed by the San Mateo County Transit District responsible for Caltrain operations and risk management in settling general liability claims.

1. The JPB’s third-party claims administrator, with oversight by the Insurance & Claims Administrator, is authorized to settle general liability claims and actions up to \$5,000 and authorize payment of same;
2. The Insurance & Claims Administrator is authorized to settle general liability claims and actions up to \$10,000 and authorize payment of same;
3. The Chief Financial Officer (CFO), after review by General Counsel, is authorized to settle general liability claims and actions between \$10,001 and \$25,000 and authorize payment of same;
4. The Executive Director, upon recommendation by the CFO and General Counsel, is authorized to settle general liability claims, employment-related claims involving Rail Division employees to the extent that the JPB has agreed to indemnify SamTrans against such claims and actions between \$25,001 and \$250,000 and authorize payment of same;
5. The Executive Director with the concurrence of the CFO and General Counsel, is authorized to approve any compromise of a general liability claim with estimated damages of \$250,000 or less; and
6. The Board of Directors, upon recommendation by the Executive Director, must approve any settlement in excess of \$250,000 and any compromise of claims in excess of \$250,000.

Revised: Resolution No. 2023 - May 4, 2023

Adopted: Resolution No. 2001-80 June 7, 2001

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Pranaya Shrestha, Chief Officer, CalMod
Subject: **AUTHORIZE EXECUTION OF AN EIGHTEEN-MONTH LEASE EXTENSION AT 2121 SOUTH EL CAMINO REAL IN SAN MATEO TO SUPPORT THE CALTRAIN MODERNIZATION PROGRAM**

<input type="checkbox"/> Finance Committee Recommendation	<input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation	<input type="checkbox"/> Advocacy and Major Projects Committee Recommendation	<input checked="" type="checkbox"/> Staff Coordinating Council Reviewed	<input checked="" type="checkbox"/> Staff Coordinating Council Recommendation
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Action

Staff and the Peninsula Corridor Electrification Project (PCEP or Project) Change Management Board (CMB) recommend that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain):

- Authorize the Executive Director to enter into an 18-month lease extension for the Peninsula Corridor Joint Power Board’s (JPB) rental of office space located on the third floor of the office building, covering a total of 12,181 square feet, at 2121 South El Camino Real in San Mateo, CA, to support PCEP. The lease extension runs from May 1, 2023 until October 31, 2024, at a total cost of \$1,029,745.20.

Significance

The Peninsula Corridor Electrification Project (PCEP) infrastructure contract with Balfour Beatty Infrastructure, Inc. (BBII) requires PCEP to provide BBII 35 parking spaces and 12,000 square feet of office until final acceptance of the Project. In order to secure the JPB’s control of the office space through the date of final acceptance and Project close-out staff recommends that JPB extend the lease until October 31, 2024.

Budget Impact

- The total cost associated with the additional 18-month extension will be \$1,029,745.20. This covers inflation-based lease increases and Common Maintenance Area costs for which JPB is responsible. The lease extension costs are included in the approved PCEP budget of \$2.44 billion.

Background

Resolution 2014-47 authorized the JPB to enter into a six-year lease, with a single one-year option to support the Caltrain Modernization Program; and Resolution 2020-15 authorized the First Amendment to the lease, which was executed on April 27, 2020, to exercise the one-year option.

Resolution 2021-25 authorized an additional lease extension for a portion of the current leasehold area for eighteen months (November 2021 through April 2023). The lease extension covers 12,181 square feet located on the 3rd Floor of the building at 2121 El Camino Real, which has been occupied by BBII.

Staff negotiated an additional lease extension at a cost of \$4.65 per square foot from May 2023 through April 2024, and \$4.79 per square foot from May 2024 through October of 2024.

Prepared By: Sherry Bullock CalMod Program Director [650-722-7733]

Resolution No. 2023-

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

* * *

Authorize Execution of an Eighteen-Month Lease Extension at 2121 South El Camino Real in San Mateo to Support the Caltrain Modernization Program

Whereas, the Peninsula Corridor Joint Powers Board's (JPB or Caltrain) Peninsula Corridor Electrification Project (PCEP or Project) infrastructure contract with Balfour Beatty Infrastructure, Inc. (BBII) requires PCEP to provide BBII 35 parking spaces and 12,000 square feet of office until final acceptance of the Project; and

Whereas, Resolution 2014-47 authorized the JPB to enter into a six-year lease, with a single one-year option to support the Caltrain Modernization Program; and Resolution 2020-15 authorized the First Amendment to the lease, which was executed on April 27, 2020, to exercise the one-year option; and

Whereas, Resolution 2021-25 authorized an additional lease extension for a portion of the current leasehold area for eighteen months (November 2021 through April 2023). The lease extension covers 12,181 square feet located on the 3rd Floor of the building at 2121 El Camino Real, which has been occupied by BBII; and

Whereas, in order to secure the JPB's control of the office space through the date of final acceptance and Project close-out, staff recommends that JPB extend the lease until October 31, 2024; and

Whereas, staff negotiated an additional lease extension at a cost of \$4.65 per square foot from May 2023 through April 2024, and \$4.79 per square foot from May 2024 through October of 2024; and

Whereas, staff and the PCEP Change Management Board recommend that the Board of Directors (Board) of the JPB authorize the Executive Director to enter into an 18-month lease extension for the JPB’s rental of office space located on the third floor of the office building, covering a total of 12,181 square feet, at 2121 South El Camino Real in San Mateo, CA, to support PCEP, for the period from May 1, 2023 until October 31, 2024, at a total cost of \$1,029,745.20; and

Whereas, the total cost associated with the additional 18-month extension will be \$1,029,745.20. This covers inflation-based lease increases and Common Maintenance Area costs for which JPB is responsible. The lease extension costs are included in the approved PCEP budget of \$2.44 billion.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director to enter into an 18-month lease extension from May 1, 2023, to October 31, 2024, at a total cost of \$1,029,745.20 for the JPB’s rental of office space located on the third floor of the office building, covering a total of 12,181 square feet, at 2121 South El Camino Real in San Mateo, CA, to support PCEP.

Regularly passed and adopted this 4th day of May, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Dahlia Chazan, Deputy Chief Caltrain
Planning
Subject: **Authorize an Amendment to the On-Call Transportation Planning and Consultant Support Services Contracts**

Finance
Committee
Recommendation

Technology,
Operations,
Planning, and
Safety Committee
Recommendation

Advocacy and
Major Projects
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating
Council
Recommendation

Action

Staff recommends that the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB”):

1. Authorize Amendment No. 1 to the On-Call Transportation Planning and Consultant Support Services contracts to increase the not-to-exceed contract capacity amount by \$10,000,000, from \$25,000,000 to \$35,000,000 to be shared as a pool for authorized tasks amongst the consultant firms and contract numbers listed below:
 - a. Fehr & Peers (20-J-P-006A)
 - b. HNTB Corporation (20-J-P-006B)
 - c. Kimley-Horn and Associates, Inc. (20-J-P-006C)
 - d. Arup North America, Ltd (20-J-P-006D)
 - e. Mott MacDonald Group, Inc. (20-J-P-006E)
 - f. WSP USA Inc. (20-J-P-006F)
2. Authorize the Executive Director or designee to execute the contract amendment in a form approved by legal counsel.

Significance

Execution of this amendment will allow the JPB to maintain uninterrupted services in connection with current and upcoming on-call transportation planning work directives through the current end date of June 30, 2025. Additional contract authority of \$10 million is required because major projects have driven high value work directives, the contracts have been used by departments beyond planning to fulfill a variety of related needs, and some planning needs could not have been foreseen at the time of contract development and initiation.

Current contract capacity remaining as of April 6, 2023, is just \$4,559,948 (55% time elapsed and 82% capacity used). An increase in capacity of \$10 million would increase the remaining contract capacity to \$14,559,949 (58% capacity used of \$35,000,000).

As described in more detail below, there will be no budget impact to authorize this increase in contract capacity, as Caltrain will use available funds within the approved operating and capital budgets to fund any future work directives issued under this contract.

Budget Impact

There is no budget impact for the contract amendment. On-call contracts inherently do not fund activities; individual work directives are issued and must have funds identified prior to issuance. Funds for the proposed contract amendment are available in the current-year Board-approved capital and operating budgets, and any additional funding needs will be included in future year capital and/or operating budgets. A variety of funding sources is used for each project and may include Federal, State and local funds, as well as funds provided by project sponsors or partners via project-specific agreements to reimburse Caltrain for its work.

Background

Pursuant to Resolution No. 2020-18, after a competitive procurement process, the Board awarded five-year base term contracts in an aggregate not-to-exceed amount of \$25,000,000 with two 1-year option terms for an aggregate not-to-exceed amount of \$10,000,000 to be shared as a pool among six firms for authorized tasks.

Additional contract authority of \$10 million is needed for several reasons. First, large regional planning efforts have required more higher value work directives than anticipated at the time of contract development and initiation, such as San Francisco Railyards, Downtown Rail Extension and the Diridon Integrated Station Concept Plan and subsequent Business Case. These projects are partially funded by external sources but have utilized approximately \$8.1 million in contract capacity. Second, a few Caltrain departments and shared services teams have utilized approximately \$3.8 million in contract capacity for related activities such as communications and outreach, grant support and seconded staff. Lastly, some necessary planning activities could not have been foreseen, such as pandemic-related business planning, service restoration and ridership recovery efforts, which utilized approximately \$1.5 million in contract capacity.

Prepared By:	Lawrence Leung	Manager, Rail Contracts & Budget	650-508-6328
	Melissa Reggiardo	Manager, Caltrain Planning	650-868-9925

Resolution No. 2023 – XX

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

* * *

Authorize Amendment of Contracts for the On-Call Transportation Planning and Consultant Support Services to Increase Contract Amount by \$10,000,000

WHEREAS, pursuant to Resolution No. 2020-18, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded contracts for on-call transportation planning and consultant support services to an on-call bench including Fehr & Peers, HNTB Corporation, Kimley-Horn and Associates, Inc., Arup North America, Ltd, Mott MacDonald Group, Inc., and WSP USA Inc. (collectively, the "Consultants") for a five-year base term with two, one-year option terms; and

WHEREAS, additional contract capacity is required due to increased scope of services for existing and new projects, which were not anticipated when the contracts were awarded; and

WHEREAS, the Executive Director recommends, and the Staff Coordinating Council concurs, that the Board authorize amendments:

1. To the contracts with the Consultants to increase the contract amount by \$10,000,000, from \$25,000,000 to \$35,000,000, to be shared in the aggregate amongst the six firms, and
2. With the understanding that increasing the total contract authority will not obligate the JPB to purchase any specific level of services from any firm, as services are provided on an as-needed basis.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Joint Powers Board hereby authorizes amendments to the contracts for on-call transportation planning and consultant support services with the Consultants, as set forth above; and authorizes the Executive Director, or designee, to execute the amendments and to take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 4th day of May, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Kate Steiner, Chief Financial Officer
Subject: **Authorization to Execute a Master Agreement with the California Department of Transportation for Federally Funded Projects**

<input type="checkbox"/> Finance Committee Recommendation	<input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation	<input type="checkbox"/> Advocacy and Major Projects Committee Recommendation	<input checked="" type="checkbox"/> Staff Coordinating Council Reviewed	<input checked="" type="checkbox"/> Staff Coordinating Council Recommendation
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Action

Staff proposes the Board of Directors authorize the Executive Director, or her designee, to:

1. Execute a new Master Agreement with the California Department of Transportation (Caltrans) to continue to be eligible to receive funding for federal aid projects from Caltrans; and to
2. Execute subsequent Program Supplements to receive funding for specific project(s), and to allow for the release and payment of federal aid funds for these projects.

Significance

Caltrans Division of Local Assistance has prepared a new Master Agreement that establishes general terms and conditions that are applicable to all local agencies that are funding recipients for federal-aid projects. Execution of the new Master Agreement is required prior to the execution of project-specific funding agreements and the pass-through of federal aid funds for new projects.

Budget Impact

There is no impact to the budget. Projects funded through Caltrans Program Supplements are approved by the Board as part of the adoption of and/or amendments to the capital budgets. Program Supplements provide the mechanism for the JPB to receive funding from Caltrans to carry out approved capital projects. The timely execution of the Master Agreement is needed to avoid project delays.

Background

All project sponsors who receive federal aid from Caltrans are required to execute a Master Agreement before the pass through of federal funds can be made for project implementation.

The JPB has an existing Master Agreement with Caltrans, which was executed in 2006. Caltrans has recently updated the Master Agreement to incorporate the various changes in regulations and policies. All project sponsors are required to execute a new Master Agreement in order to continue to be eligible to receive funding for federal aid projects with the Division of Local Assistance.

Prepared By: Lisha Mai Manager, Grants and Fund Programming (650) 508-6353

Resolution No. 2023-

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

* * *

**Authorization to Execute a Master Agreement with the California
Department of Transportation for Federally Funded Projects**

Whereas, the Congress of the United States has enacted the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 and subsequent Transportation Authorization Bills to fund transportation programs; and

Whereas, the Legislature of the State of California has enacted legislation by which certain federal-aid funds may be made available for use on local transportation related projects of public entities qualified to act as recipients of these federal-aid funds in accordance with the intent of federal law; and

Whereas, before federal funds will be made available for a specific program project, recipient agency and State are required to enter into a Master Agreement to establish terms and conditions applicable to the recipient agency when receiving federal funds for a designated project facility and to the subsequent operation and maintenance of that completed facility; and

Whereas, the Peninsula Corridor Joint Power Board (JPB) is eligible to receive federal and/or state funding for certain transportation projects, through the California Department of Transportation (Caltrans); and

Whereas, Caltrans Division of Local Assistance has presented the JPB with a new Master Agreement that supersedes the existing Master Agreement between the JPB and Caltrans that has been in effect since December 14, 2006; and

Whereas, staff recommends that the JPB authorize the Executive Director, or her designee, to execute the new Master Agreement and any subsequent project-specific Program Supplements, and any amendments thereto.

Now, Therefore, Be It Resolved that the Board of Director of the Peninsula Corridor Joint Powers Board authorizes the Executive Director, or her designee, to execute a Master Agreement with the California Department of Transportation, all subsequent Program Supplements for State-funded transit projects, and any amendments thereto.

Regularly passed and adopted this 4th day of May, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Kate Steiner, Chief Financial Officer
Subject: **Authorize the Execution of a Fund Transfer Agreement for and Receipt of State General Fund for the Caltrain Crossing Optimization Project**

Finance
Committee
Recommendation

Technology,
Operations,
Planning, and
Safety Committee
Recommendation

Advocacy and
Major Projects
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating
Council
Recommendation

Action

Staff proposes the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) authorize the Executive Director, or designee, to:

- 1) Execute a Fund Transfer Agreement with the California Department of Transportation (Caltrans) and receive \$3,000,000 in State General Fund from Caltrans as part of the State Priority Legislative Budget Projects (PLBP), which will help fund the Caltrain Crossing Optimization Project; and
- 2) Take such actions as may be necessary to give effect to this resolution, including any related amendments and any other documentation required for the Peninsula Corridor Joint Powers Board (PCJPB) to receive the funds.

Significance

The California Legislature authorized \$260 million in State General Funds for Priority Legislative Budget Projects (PLBP) Program as part of the Budget Act of 2022 to appropriate funds for the 2022-2023 fiscal year. PCJPB applied for and was selected to receive \$3,000,000 in PLBP funds for the Caltrain Crossing Optimization Project. To receive the funds, the Board must adopt a resolution authorizing the Executive Director, or designee, to execute a Fund Transfer Agreement (FTA) with Caltrans.

Budget Impact

The Caltrain Crossing Optimization Project is included in the overall budget for Positive Train Control (PTC). PTC has an approved budget of \$295.1 million. The additional funds of \$3,000,000 resulting from the Fund Transfer Agreement will be within the scope of the approved budget for PTC.

Background

The Crossing Optimization Project is an advanced technology solution to improve grade crossing warning time performance. Implementing a wireless optimized crossing system would reduce gate down time at grade crossings along the Caltrain corridor from the 2-Speed Check (2SC) signal system that facilitates the transition to electrified rail service. This solution is integrated with the Caltrain PTC system which received Federal Railroad Administration safety certification in December 2020. Reduction in gate down time would facilitate greater vehicle throughput at crossings and greater operational flexibility to advance Caltrain's 2040 Service Vision which calls for increased service, frequency, and longer trains.

Prepared By: Lisha Mai

Manager, Grants and Fund
Programming

(650) 508-6353

Resolution No. 2023-

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

* * *

**Authorization of the Execution of a Fund Transfer Agreement for and
Receipt of State General Fund for the Caltrain Crossing Optimization Project**

Whereas, the Peninsula Corridor Joint Powers Board (JPB) is eligible to receive Federal and State funding for certain transit projects through the California Department of Transportation (Caltrans); and

Whereas, the JPB applied for and was selected to receive \$3,000,000 in State General Funds under the Priority Legislative Budget Projects (PLBP) Program for the Caltrain Crossing Optimization Project; and

Whereas, the statutes require a local or regional implementing agency to execute an agreement with Caltrans before such funds can be claimed for project expenditures; and

Whereas, Caltrans utilizes Fund Transfer Agreement, along with associated Program Supplements, for the purpose of administering State funds to local agencies for transit projects; and

Whereas, staff recommends that the JPB authorize the Executive Director, or her designee, to execute the Fund Transfer Agreement and any subsequent project-specific Program Supplements, and any amendments thereto.

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

1. Authorizes the Executive Director, or her designee, to execute a Fund Transfer Agreement with the California Department of Transportation, all subsequent Program Supplements for State-funded transit projects, and any amendments thereto; and
2. Agrees to comply with all conditions and requirements set forth in the Fund Transfer Agreement, project-specific Program Supplements, and applicable statutes, regulations and guidelines for all State-funded transit projects.

Regularly passed and adopted this 4th day of May, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**AGENDA ITEM #
April 24, 2023**

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Finance Committee

THROUGH: Michelle Bouchard, Executive Director

FROM: Kate Jordan Steiner, Chief Financial Officer

SUBJECT: **FISCAL YEAR 2024 and 2025 PRELIMINARY OPERATING AND CAPITAL BUDGETS**



ACTION

This report is submitted for informational purposes only. A presentation will be made during the Finance Committee and Board of Directors (Board) meetings on April 24 and May 4, respectively. Based on Board feedback, final discussions with funding partners and member agencies, and further refinements, the Peninsula Corridor Joint Powers Board (JPB) Staff will present a final budget proposal to the Finance Committee and Board of Directors for consideration and adoption at the June 2023 Board meeting.

SIGNIFICANCE

On November 2, 2022, the Board adopted a Biennial Budget Policy for the District (Resolution 2022-83) which will allow the District to focus on multi-year financial planning and long-term financial efforts. This is the first year the District presents to the Board a biennial Preliminary Operating and Capital Budgets for FY2024 and FY2025.

Since the 1990's, JPB has been planning for the upgrade and electrification of the Caltrain corridor. After more than three decades, Caltrain's electrified service is expected to be fully operational in the fall 2024. Caltrain's electrification will provide timely service, enhanced amenities, fight climate change, and positively impact employment directly and indirectly.

While the electrified service is expected to improve ridership, Caltrain is still slowly recovering from the aftermath of the COVID-19 pandemic and the new remote work pattern that impacted public transit ridership significantly. Caltrain Fare Revenue is projected to have a

recovery rate to approximately 45% of pre-pandemic levels in FY2024 and less than 55% in FY2025. Even with the advent of Measure RR funds, the decline in ridership combined with the projected increase in operating expenses results in both short-term and long-term fiscal challenges.

Caltrain's suggested approach to the FY2024 and FY2025 Operating Budgets is to address the shortfall while attempting to maintain comparable current service levels. At the recent JPB Board Strategic Financial Plan Workshop held in April, Caltrain staff presented the following operating recommendations:

- Maintain comparable levels of existing service at 104 trains per day (tpd), including current off-peak service;
- Slowly increase to 128 tpd in the long-term based on future ridership, assuming FTA approves the service level plan;
- Do not change current fare prices until the next two-year budget cycle beginning in FY2026, and continue to study the fare prices, fare structure, and new fare products later this year;
- Fully dedicate Measure RR to the Operating Budget in the current two-year cycle;
- Use \$15 million of State Rail Assistance (SRA) and Low Carbon Transit Operations Program (LCTOP) for the Operating Budget;
- Apply up to \$60 million reimbursement of Measure RR funds for operations for the next two (2) fiscal years (as needed);
- Advance 4th train service to South County, to which efforts of costing the service is currently being performed; and
- Continue to strengthen regional partnerships to develop and participate in new funding sources.

The Preliminary Capital Budget has been greatly constrained but advances a range of priorities. Staff continues to work on sources of funding and refining the capital budget request to bridge the gap between available funds and needs.

FY2024 AND FY2025 PRELIMINARY OPERATING AND CAPITAL BUDGETS SUMMARY

FY2024 and FY2025 Preliminary Operating Budgets Overview

The FY2024 Preliminary Operating Budget is a balanced budget. The FY2025 Preliminary Operating Budget shows a deficit of \$38.1 million, before applying a portion of the \$60 million reimbursement of Measure RR funds for operations. The FY2024 and FY2025 Preliminary Operating Budgets take into account the policy to maintain an operating reserve level of 15% of the annual budget.

Prelim Operating Budget Summary (in millions)	FY2024 Prelim Operating Budget	FY2025 Prelim Operating Budget
Total Revenue	\$194.6	\$207.8
Total Expense	(\$192.6)	(\$239.0)
Contribution to Reserve	(\$2.0)	(\$7.0)
Projected Surplus/(Deficit)	\$0.0	(\$38.1)
Reimbursement of Measure RR Funds	\$0.0	\$38.1
Adjusted Net Surplus/(Deficit)	\$0.0	\$0.0

- The FY2024 and FY2025 Preliminary Operating Budgets assumes gradual ridership recovery and reflects Caltrain electrified service being fully operational in the fall of 2024.
- Measure RR revenues are fully dedicated to operations amounting to \$118.4M in FY2024 and \$120.1M in FY2025, accounting for 63% and 60% of Total Revenues, respectively.
- There is a total of \$5.0M Low-Carbon Fuel Standard (LCFS) revenue beginning in FY2025 and resulting from electrification.
- Service level of 104 tpd is maintained, with 104 diesel tpd in FY2024 and beginning in FY2025 upon electrification in service, 92 electric tpd / 12 diesel tpd in FY2025.
- Assumes \$25.0M Overhead Catenary System (OCS) and Traction Power Systems (TPS) maintenance cost beginning in FY2025.
- Assumes \$19.5M in electric costs beginning in FY2025 with any electric costs prior to in service date capitalized as part of the PCEP project. Electricity cost is going to be a significant expense, which presents significant price risk, hence the need for a procurement plan.
- LCTOP, SRA, and Measure RR reimbursement are used to help balance the Operating Budgets in 2024 and 2025.
- Operating Reserve of 15% of the annual budgets are maintained for FY2024 and FY2025.

Changes to the FY2024 and FY2025 Preliminary Operating Budgets from the Board Workshop

Prelim Operating Budget Summary (in millions)	FY2024 Board Workshop	FY2024 Prelim Operating Budget	Change	FY2025 Board Workshop	FY2024 Prelim Operating Budget	Change
Total Revenue	\$196.4	\$194.6	(\$1.7)	\$202.5	\$207.8	\$5.3
Total Expense	\$198.1	\$192.6	(\$5.4)	\$236.4	\$239.0	\$2.6
Contribution to Reserve	\$0.0	\$2.0	\$2.0	\$0.0	\$7.0	\$7.0
Projected Surplus/(Deficit)	(\$1.7)	\$0.0	\$1.7	(\$33.9)	(\$38.1)	(\$4.2)
Reimbursement of Measure RR Funds	\$1.7	\$0.0	(\$1.7)	\$33.9	\$38.1	\$4.2
Adjusted Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Individual Revenue and Expense Changes from the Board Workshop include the following:

REVENUES	Difference to SFP 2024 (\$000)	Difference to SFP 2025 (\$000)
Parking	\$ -	\$ (161) refined projections
Other/Interest Income	\$ 3,711 Interest Income increased to include the anticipated TIRCP grant that will be received throughout FY2024	\$ 3,961 Interest Income increased to include the anticipated TIRCP grant that will be received throughout FY2024
Measure RR	\$ (1,100) based on updated forecasts	\$ (700) based on updated forecasts
State Contribution - Operations	\$ (4,327) reduced LCTOP from \$5M to \$2.4M per updated grant estimate; reduced SRA from \$6.6M to \$4.8M, a level needed to balance the budget	\$ 2,201 added LCTOP of \$1.0M per updated grant estimate; added the unused SRA from FY24 of \$1.2M
TOTAL REVENUES	\$ (1,716)	\$ 5,301

EXPENSES	Difference to SFP 2024 (\$000)	Difference to SFP 2025 (\$000)
Rail Operator	\$ (1,515) additional savings per negotiations with TASI	\$ (1,611) lower FY2025 estimate per additional savings in FY2024
Fuel and Lubricants	\$ (518) lower fuel price/gallon, incorporating fuel hedge	\$ (310) lower fuel price/gallon
Facilities and Equipment Maintenance	\$ 108 updated requests	\$ 905 updated requests; added contracted service for Wireless Service Maintenance
Electricity	\$ (3,793) removed from operating and moved to PCEP project (testing)	\$ -
Wages and Benefits	\$ 1,498 Final Retirement Medical and CalPERS cost	\$ 3,845 Final Retirement Medical and CalPERS cost and increase in FTEs
Professional Services	\$ (291) refined estimates for Consultants	\$ (464) refined estimates for Consultants
Other Office Expenses and Services	\$ (697) reduction in Business Travel, Seminar/ Training, and Recruitment Costs	\$ 228 Recruitment Costs from FY2024 now spread over 2 years impacting FY2025
Governance	\$ (225) reduced Legal and Consultant services	\$ -
TOTAL EXPENSES	\$ (5,433)	\$ 2,594

Transfers to Operating Reserve	\$ 2,016 contribution needed to meet operating reserve level of 15%	\$ 6,957 contribution needed to meet operating reserve level of 15%
NET ANNUAL SURPLUS/(DEFICIT)	\$ 1,701	\$ (4,249)

FY2024 and FY2025 Preliminary Capital Budgets Overview

The initial budget was comprised of planning and projects totaling \$500.7 million for FY2024 and \$148.0 million for FY2025. Efforts to refine the initial requests were made, resulting in the current FY2024 and FY2025 Preliminary Capital Budgets of \$490.6 million and \$142.9 million, respectively. With the current funding sources identified, the FY2024 and FY2025 Preliminary Capital Budgets reflect a deficit of \$102.4 million in FY2024 and \$64.9 million in FY2025.

Preliminary Capital Budgets Summary (in millions)	FY2024 Prelim Capital Budget	FY2025 Prelim Capital Budget	Total Prelim Capital Budget
Total Capital Budget Requests	\$490.6	\$142.9	\$633.5
Less: Externally-Funded Projects	(\$125.5)	(\$47.3)	(\$172.8)
Net Capital Budget Requests	\$365.1	\$95.6	\$460.7

Net Funding Sources	\$262.8	\$30.7	\$293.4
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Capital Budget Deficit	(\$102.4)	(\$64.9)	(\$167.2)
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- The FY2024 and FY2025 Preliminary Capital Budgets have been greatly constrained which advances a range of priorities.
- The FY2024 and FY2025 Preliminary Capital Budgets of \$490.6 million and \$142.9 million include externally-funded projects of \$125.5 million and \$47.3 million, respectively. Externally-Funded Projects are capital projects agreed to be fully-funded by third parties.
- Net Funding Sources amounting to \$262.8 million in FY2024 and \$30.7 million in FY2025 have been identified, leaving a Capital Budget deficit of \$102.4 million for FY2024 and \$64.9 million in FY2025.

The FY2024 and FY2025 Preliminary Capital Budgets remain unbalanced. The next steps for staff are:

- Continue to work with partners on their obligations; and
- Prioritize capital projects to match available funding.

FY2024 AND FY2025 PRELIMINARY OPERATING BUDGETS DETAILS

Please refer to Attachment A – FY2024 and FY2025 Preliminary JPB Financial Statement-Preliminary Budget for a comparative schedule of the FY2024 and FY2025 Preliminary Operating Budgets which shows the FY2022 Actual, FY2023 Forecast, the FY2024 Preliminary Operating Budget, and the FY2025 Preliminary Operating Budget. The line numbers for each revenue and expense item detailed below refer to the corresponding line numbers on Attachment A.

Revenue Projections

Total revenues for FY2024 are projected at \$187.4 million, an increase of \$5.7 million or 3.1% higher than the FY2023 Forecast:

- Revenue from Operations for FY2024 is projected at \$56.2 million, an increase of \$5.1 million or 10.0% over the FY2023 Forecast.
- Revenue from Contributions for FY2024 is projected at \$131.2 million, an increase of

\$0.6 million or 0.4% higher than the FY2023 Forecast.

Total revenues for FY2025 are projected at \$199.4 million, an increase of \$12.1 million or 6.4% more than the FY2024 Preliminary Budget:

- Revenue from Operations for FY2025 is projected at \$63.7 million, an increase of \$7.5 million or 13.3% higher than the FY2024 Preliminary Budget.
- Revenue from Contributions for FY2025 is projected at \$135.8 million, an increase of \$4.6 million or 3.5% higher than the FY2024 Preliminary Budget.

OPERATING REVENUE

Line 1 **Caltrain Fares:** \$29.9 million in FY2024, an increase of \$2.9 million or 10.9% higher than the FY2023 forecast; and \$35.9 million in FY2025, an increase of \$6.0 million or 20.0% higher than the FY2024 Preliminary Budget.

Caltrain Fares includes fare receipts collected directly from rail passengers.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary
Caltrain Fares	17,899,182	27,000,000	29,936,000	2,936,000	10.9%	35,923,200	5,987,201	20.0%

Caltrain Fares assumes a 45% recovery of pre-COVID levels in FY2024, with a provision for service interruptions to support the Peninsula Corridor Electrification Project (PCEP) work. In FY2025, a 20% growth over FY2024 was applied.

Line 2 **Go Pass:** \$16.8 million in FY2024, a decrease of \$0.2 million or 1.4% lower than the FY2023 forecast; and \$18.4 million in FY2025, an increase of \$1.7 million or 10% higher than the FY2024 Preliminary Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary
Go Pass	15,337,175	17,000,000	16,764,000	(236,000)	-1.4%	18,440,400	1,676,400	10.0%

Go Pass includes revenue receipts collected through the Go Pass program. Caltrain Go Pass program allows companies, educational institutions, and residential complexes (Participants) to purchase annual unlimited ride passes for eligible employees, students, or residents (Users). It is not available for purchase by individuals and does not cover parking at Caltrain stations or travel through other transit systems. In addition, Go Pass is sold on a calendar year basis.

Go Pass for FY2024 reflects a 5% growth over customer sign-ups for calendar year 2023. With continued sign ups and renewals, FY2025 assumes a 10% growth over FY2024.

Line 3 **Parking Revenue:** \$1.9 million in FY2024, \$0.1 million or 6.0% higher than the FY2023 forecast; and \$2.2 million in FY2025, an increase of \$0.3 million or 16.4% higher than the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Parking Revenue	1,352,869	1,797,505	1,905,015	107,510	6.0%	2,217,633	312,618	16.4%

Parking revenue estimates follow total fare revenue trend projections. It is assumed at 4% of total Caltrain Fares and Go Pass revenues.

Line 4 **Shuttle Revenue:** \$0 in FY2024 and FY2025, no change from the FY2023 forecast.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Employer Share- SAMTR/JPB Shutte Programs	1,152,152	-	-	-	0.0%	-	-	0.0%

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

Line 5 **Rental Income:** \$1.0 million in FY2024, a decrease of \$0.2 million or 16.9% lower than the FY2023 forecast; and \$1.1 million in FY2025, an increase of \$0.03 million or 3.0% higher than the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Rental Income	1,237,117	1,235,357	1,026,489	(208,868)	-16.9%	1,057,284	30,795	3.0%

Rental revenues are decreasing in FY2024 due to expired contracts and increasing in FY2025 due to inflation.

Line 6 **Other Income:** \$6.5 million in FY2024, an increase of \$2.5 million or 61.7% higher than the FY2023 forecast; and \$6.0 million in FY2025, a decrease of \$0.5 million or 8.0% lower than the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Advertising Income	412,430	842,000	541,845	(300,155)	-35.6%	-	(541,845)	-100.0%
Insurance Reimbursements	218,878	20,365	-	(20,365)	-100.0%	-	-	0.0%
Interest Income	53,217	2,157,415	4,825,816	2,668,401	123.7%	4,825,816	-	0.0%
Misc. Operating Revenue	604,431	211,356	218,217	6,861	3.2%	218,217	-	0.0%
Other Non-Transit Revenues	786,837	236,249	288,131	51,882	22.0%	288,131	-	0.0%
Parking Citation Program Revenue	273,447	240,424	287,484	47,060	19.6%	296,109	8,625	3.0%
Shared Track Maintenance Revenue	452,553	336,510	379,767	43,257	12.9%	391,160	11,393	3.0%
Other Income	2,801,792	4,044,319	6,541,260	2,496,941	61.7%	6,019,433	(521,827)	-8.0%

The increase in FY2024 is driven by the Interest Income which is 123.7% over the FY23 forecast. This is due to the \$367.0 million Transit and Intercity Rail Capital Program (TIRCP) grant funds anticipated to be received throughout FY2024. It must be noted, however, that the exact timing and duration of the receipt of said grant funds may differ which may therefore create variations in actuals. The decrease in FY2025 is brought about by reduced Advertising Income due to expired contract.

CONTRIBUTIONS

Line 10 **AB434 & TA Shuttle Funding:** \$0 in FY2024, a decrease of \$0.04 million or 100.0% lower than the FY2023 forecast; \$0 in FY2025, no change from FY2024 Preliminary Budget

Contributions for the service come from state and local sources. In 1991, through Assembly Bill (AB) 434, the State Legislature authorized a \$4.00 surcharge on cars and trucks to fund projects that reduce on-road motor vehicle emissions. AB434 revenues provide partial funding for the JPB shuttle program through a competitive grant process managed by BAAQMD. The TA also funds shuttle services with revenues from the Measure A San Mateo County-wide sales tax.

Description	FY2022	FY2023 PRELIMINARY	FY2024	\$ Change	% Change	FY2025	\$ Change	% Change
	ACTUAL	FORECAST	BUDGET	FY24 Preliminary	FY24 Preliminary	BUDGET	FY25 Preliminary	FY25 Preliminary
AB434 Peninsula & TA Shuttle Funding	743,472	40,000	-	(40,000)	-100%	-	-	0%

In FY2023, shuttle service contracts were consolidated under SamTrans and grant administration is now done by commute.org.

Line 11 **Operating Grants (STA)**: \$12.8 million in FY2024, an increase of \$1.5 million or 13.4% higher than the FY2023 forecast; and \$10.7 million in FY2025, a decrease of \$2.1 million or \$16.5% lower than the FY2024 Preliminary Budget

State Transit Assistance (STA) revenue generated from the statewide sales tax on diesel fuel is allocated to the region’s transit operators by formula. The formula allocates funds based on population, the amount of passenger fares, and local support revenues collected by transit operators. The State sends out projections assuming a growth rate and adjusts these throughout the year.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Operating Grants	10,041,955	11,288,161	12,800,936	1,512,775	13.4%	10,687,973	(2,112,963)	-16.5%

This FY2024 budget is based on MTC estimates as of February 2023 which includes a carryforward from prior years in the amount of \$2.1 million. The FY2025 budget estimate does not include any carryforward.

Line 12 **Measure RR**: \$118.4 million in FY2024, a decrease of \$0.9 million or 0.7% lower than the FY2023 forecast; and \$120.1 million in FY2025, an increase of \$1.7 million or 1.4% higher than the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Measure RR	97,296,566	119,292,000	118,400,000	(892,000)	-0.7%	120,100,000	1,700,000	1.4%

Measure RR is projected to have a minor decrease in FY2024 and a modest increase in FY2025. Projections are based on HDL estimates reflective of continued consumer spending that is more conservative due to inflation.

Measure RR is collected in the counties of San Mateo, Santa Clara, and San Francisco. Average percentage of Measure RR sales tax collected from the three (3) counties are as follows: San Mateo (24%), Santa Clara (54%), and San Francisco (22%).

Line 13 **ARPA**: \$0 in FY2024 and FY2025, no change from the FY2023 forecast.

American Rescue Plan Act (ARPA) funding was provided by the federal government to transit agencies to help mitigate the impact of the Covid-19 pandemic and aid in recovery.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
ARPA	115,995,904	-	-	-	0%	-	-	0%

The total amount of ARPA funds reflected in FY2022 was \$116.0 million, received as two separate awards: \$77.2 million and \$38.8 million. No ARPA funds are anticipated for FY2024 and FY2025, hence projected at \$0.

Line 14 **LCFS, LCTOP, SRA**: \$7.3 million in FY2024, an increase of 100% over the FY2023 forecast; and \$13.4 million in FY2025, an increase of \$6.1 million or 84.3% higher than the FY2024 Preliminary Budget.

This line item is comprised of grant funding from the following programs: Low Carbon Fuel Standard (LCFS), Low Carbon Transit Operations Program (LCTOP), and State Rail Assistance (SRA).

LCFS is a program to encourage the use of cleaner low-carbon transportation fuels in California. LCFS is a market-based compliance measure that creates economic value from low-carbon and renewable fuel technologies. The LCFS program works as a market system where users and producers of clean energy, including electric vehicle fleets, earn credits through their emission reductions, while emitters purchase those credits to offset their

carbon footprint. With electrification in FY2025, the switch from diesel to electric trains will earn Caltrain LCFS credits estimated at a value of \$5.0 million.

LCTOP is administered by the California Department of Transportation (Caltrans), in coordination with the California Air Resources Board (CARB) and the State Controller’s Office (SCO). The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility. Staff recommends allocation of LCTOP for operating needs in FY2024 for \$2.4 million, and in FY2025 for \$1.0 million.

The State Rail Assistance (SRA) was created to provide capital and operating support for intercity and commuter rail programs. The SRA program is administered by the California State Transportation Agency, with funding managed by the Department of Tax and Fee Administration and the Department of Finance. The funding is received through the revenue obtained from 0.5% sales and use tax on diesel fuel from the State. Caltrain is currently projecting a total of \$12.2 million of SRA funding available in FY2024 and FY2025. Staff recommends utilizing \$4.8 million of SRA allocation for operating needs in FY2024 and \$7.4 million of SRA allocation for operating needs in FY2025.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
LCFS	-	-	-	-	0.0%	5,000,000	5,000,000	100.0%
LCTOP	-	-	2,442,976	2,442,976	100.0%	1,030,766	(1,412,210)	-57.8%
SRA	-	-	4,829,901	4,829,901	100.0%	7,370,099	2,540,198	52.6%
LCFS, LCTOP, SRA	-	-	7,272,877	7,272,877	100.0%	13,400,865	6,127,988	84.3%

Expense Projections

Grand Total Expense for FY2024 projected at \$192.6 million, an increase of \$12.5 million or 7.0% over the FY2023 Forecast:

- Operating Expense for FY2024 projected at \$152.8 million, an increase of \$6.6 million or 4.5% over the FY2023 Forecast.
- Administrative Expense for FY2024 projected at \$36.2 million, an increase of \$6.3 million or 21.2% over the FY2023 Forecast.
- Long-term Debt Expense for FY2024 projected at \$3.5 million.

Grand Total Expense for FY2025 projected at \$239.0 million, an increase of \$46.4 million or 24.1% over the FY2024 Preliminary Budget:

- Operating Expense for FY2025 projected at \$190.2 million, an increase of \$37.5 million or 24.5% over the FY2024 Preliminary Budget.

- Administrative Expense for FY2025 projected at \$41.0 million, an increase of \$4.8 million or 13.4% over the FY2024 Preliminary Budget.
- Long-term Debt Expense for FY2025 projected at \$7.8 million.

OPERATING EXPENSE

Line 21 **Rail Operator Service:** \$104.9 million in FY2024, an increase of \$6.6 million or 6.7% higher than the FY2023 forecast; and \$105.9 million in FY2025, an increase of \$1.0 million or 1.0% higher than the FY2024 Preliminary Budget.

The JPB contracts out for rail operation service with TransitAmerica Services, Inc. (TASI). TASI provides all the operations, maintenance, and support services in the following areas: Administration/Safety, Operations and Dispatch, Maintenance of Equipment, Maintenance of Track, Communications, Signals and Stations, Capital Construction Support and State of Good Repair (SOGR) maintenance. TASI is paid on a cost-plus-performance-fee contract structure.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Rail Operator Service	93,808,976	98,257,758	104,889,704	6,631,946	6.7%	105,901,543	1,011,839	1.0%

FY2024 budget assumes a service level of 104 trains per weekday. There have been increases in labor costs, fixed and variable overhead costs, and management costs.

FY2025 budget assumes a service level aligned with Caltrain’s electrification, with 104 trains per weekday (92 electric and 12 diesel). The increase in FY2025 is due to the higher variable performance and overhead costs resulting from the \$25.0 million OCS/TPS maintenance component.

Line 22 **OCS/TPS Maintenance:** \$0 in FY2024; and \$25.0M in FY2025, an increase of \$25.0 million or 100% higher than the FY2024 Preliminary Budget.

The Overhead Catenary System (OCS) and Traction Power System (TPS) Maintenance is a new line item related to the electrification of Caltrain’s service in FY2025. This item covers the maintenance of the overhead wires that supply electricity to the trains and the network that serves as an electricity grid for the supply of electrified rail networks. This also includes the personnel that control the power provision in the central control facility.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
OCS/TPS Maintenance	-	-	-	-	0%	25,000,000	25,000,000	100%

Line 23 **Security Services:** \$8.3 million in FY2024, an increase of \$0.3 million or 3.2% higher than the FY2023 forecast; and \$8.6 million in FY2025, an increase of \$0.3 million or 3.4% higher than the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Security Service	7,391,809	8,028,807	8,286,045	257,238	3.2%	8,571,693	285,648	3.4%

FY2024 and FY2025 Security Services budgets reflect the projected annual contractual increases and overtime estimates.

Line 24 **Shuttle Services:** \$0.1 million in FY2024, a decrease of \$0.04 million or 34.2% lower than the FY2023 forecast; and \$0.1 million in FY2025, no change from the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Shuttle Service	1,938,640	121,600	80,000	(41,600)	-34.2%	80,000	-	0.0%

This budget reduction reflects the consolidation of shuttle contracts under SamTrans. It represents Caltrain’s 25% share of the operating and marketing expenses, administrative fee, and fuel surcharges associated with the remaining shuttle grant commitments for Bayshore/Brisbane and Millbrae/Broadway routes.

Line 25 **Fuel and Lubricants:** \$15.2 million in FY2024, a decrease of \$2.3 million or 13.3% lower than the FY2023 forecast; and \$5.1 million in FY2025, a decrease of \$10.1 million or 66.7% lower than the FY2024 Preliminary Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				Preliminary to FY23 Forecast	Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Fuel and Lubricant:	13,491,343	17,539,232	15,211,316	(2,327,916)	-13.3%	5,069,083	(10,142,233)	-66.7%

	FY23 Adopted Budget	FY24 Preliminary Budget	FY25 Preliminary Budget
Hedged %	65%	89%	0%
Price Per Gallon	\$2.96	\$2.70	N/A
Unhedged %	35%	11%	100%
Price Per Gallon	\$3.41	\$2.59	\$2.51
Fuel Consumption (No. of Gallons)	4,551,803	4,490,072	1,588,595
Fuel Cost	14,183,476	12,078,293	3,987,375
Fuel Hedge Realized Savings	(500,000)		
Taxes	3,855,756	3,133,023	1,081,707
Total	17,539,232	15,211,316	5,069,082

This line item covers the cost of diesel fuel for JPB locomotive operations, including the associated taxes and fees. The FY2024 fuel budget assumes 104-diesel train service per weekday with a fuel consumption of 4.5 million gallons at \$2.69 per gallon. It also assumes that 89% of the fuel portfolio is hedged at \$2.70 per gallon and 11% is unhedged at \$2.59 per gallon. In FY2025, with Caltrain’s electrified service, the budget assumes 12-diesel train service per weekday with a fuel consumption of 1.6 million gallons at \$2.51 per gallon. No hedges are assumed in FY2025.

Line 26 **Electricity**: \$0.0 in FY2024; and \$19.5 million in FY2025, an increase of \$19.5 million or 100.0% higher than the FY2024 Preliminary Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				Preliminary to FY23 Forecast	Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Electricity	-	-	-	-	0.0%	19,495,155	19,495,155	100.0%

In FY2025, with Caltrain’s electrified service, the budget assumes 92-electric train service per weekday with a projected electricity consumption of 90,268,417 kWh at \$0.2160 per kWh. This consumption includes revenue and non-revenue mileage, and static testing.

Line 27 **Timetables and Tickets**: \$0.1 million in FY2024, a decrease of \$0.04 million or 29.8%

lower than the FY2023 forecast; and \$0.1 million in FY2025, no change from the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Timetables and Tickets	17,140	135,350	95,000	(40,350)	-29.8%	95,000	-	0.0%

The reduction in FY2024 reflects a repurpose of \$0.04 million in funding to Professional Services to analyze tickets and passes.

Line 28 Insurance: \$10.2 million in FY2024, an increase of \$0.9 million or 10.0% higher than the FY2023 forecast; and \$11.3 million in FY2025, an increase of \$1.0 million or 10.0% higher than the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Insurance	5,513,835	9,299,730	10,229,703	929,973	10.0%	11,252,673	1,022,970	10.0%

FY2024 and FY2025 budgets reflect a 10% historical increase in premiums.

Line 29 Claims, Payments, and Reserves: \$1.3 million in FY2024, a decrease of \$0.02 million or 1.3% lower than FY2023 forecast; and \$1.3 million in FY2025, no change from the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Claims Reserves & Payment	634,024	1,336,926	1,320,000	(16,926)	-1.3%	1,320,000	-	0.0%

FY2023 forecast was adjusted to reflect potential claims based on incidents that transpired in said fiscal year. FY2024 and FY2025 budget retained the usual level of reserves.

Line 30 **Facilities and Equipment Maintenance:** \$8.2 million in FY2024, an increase of \$1.1 million or 15.0% higher than the FY2023 forecast; and \$9.0 million in FY2025, an increase of \$0.8 million or 9.8% higher than the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Facilities and Equipment Maintenance	6,004,843	7,107,788	8,171,766	1,063,978	15.0%	8,969,666	797,900	9.8%

The increase in FY2024 is driven by higher Clipper Operator charges, new contract with Brinks, Bike Station costs, and increased cost for contracted services related to public relations, sales tax consultants, citation/fine enforcement and train management system. The increase in FY2025 is due to contracted services related to wireless internet maintenance.

Line 31 **Utilities:** \$2.7 million in FY2024, an increase of \$0.1 million or 3.5% higher than the FY2023 forecast; and \$2.7 million in FY2025, no change from the FY2024 Preliminary Budget.

This item covers the cost of gas & electric, telephone, water & sewer, and trash. It also includes utility costs of Positive Train Control (PTC) maintenance such as data circuits, radio license fees, and spectrum lease.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Utilities	2,541,458	2,617,600	2,708,900	91,300	3.5%	2,708,900	-	0.0%

The increase is due to higher gas, electricity, and water & sewer utility costs.

Line 32 **Maintenance & Services – Building & Other:** \$1.8 million in FY2024, an increase of \$0.03 million or 1.7% higher than the FY2023 forecast; and \$1.8 million in FY2025, a decrease of \$5.0 thousand or 0.3% lower than the FY2024 Preliminary Budget

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	\$ Change	% Change	
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast	FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary	
Maintenance & Services - Bldg & Oth	1,372,866	1,754,100	1,784,600	30,500	1.7%	1,779,600	(5,000)	-0.3%

The increase in FY2024 is driven by higher building maintenance service costs related to the BART agreement, and printing and information services due to the implementation of a new safety program.

ADMINISTRATIVE EXPENSE

Line 36 **Wages & Benefits:** \$18.4 million in FY2024, an increase of \$4.9 million or 36.0% higher than the FY2023 forecast; and \$21.3 million in FY2025, an increase of \$2.8 million or 15.5% from the FY2024 Preliminary Budget

The San Mateo County Transit District serves as the managing agency for the JPB. FY2024 Wages & Benefits reflects staffing costs for an anticipated 92.9 FTEs for the operating budget which includes 82.0 existing FTEs and 10.9 new FTEs. FY2025 Wages & Benefits reflects staffing costs for an anticipated 108.4 FTEs for the operating budget which includes 107.6 existing FTEs and 0.8 new FTEs. The projected new FTEs are related to Planning, Electrification, and Safety and System Engineering Support functions.

Divisions	FY2024		FY2025	
	Existing FTE	New FTE	Existing FTE	New FTE
Bus	1.2	-	1.2	-
CalMod	-	-	-	-
Communication	24.5	-	24.5	-
Executive	0.9	-	0.9	-
Finance	9.4	1.1	10.5	-
IT	-	-	-	-
People & Culture Group	0.5	1.4	2.5	-
Planning	2.3	-	2.3	-
Rail	39.3	7.4	59.8	0.8
Safety	4.0	1.0	6.0	-
Total Operating FTE	82.0	10.9	107.6	0.8

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	\$ Change	% Change	
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast	FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary	
Wages & Benefits	10,610,123	13,532,311	18,404,846	4,872,535	36.0%	21,251,697	2,846,851	15.5%

The FY2024 budget assumes a universal wage increase for represented and non-represented

employees and an increase in fringe benefits. However, no increase was applied for FY2025 as the current SamTrans collective bargaining agreements expire in June and September 2024, respectively. Vacancy savings have been assumed based on hiring dates and projected attrition. The budget also reflects JPB’s share of the total CalPERS ER Funded Cost and the Total Retiree Medical.

Line 37 **Managing Agency Admin OH Cost:** \$3.6 million in FY2024 and FY2025, no change from the FY2023 forecast.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	FY24		FY25		
				\$ Change to FY23 Forecast	% Change to FY23 Forecast	\$ Change to FY24 Preliminary	% Change to FY24 Preliminary	
Managing Agency Admin OH Cos	3,923,397	3,565,453	3,565,453	-	0.0%	3,565,453	-	0.0%

The Indirect Cost Allocation Plan (ICAP) calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects. The District procured the assistance of an outside consulting firm to develop a methodology that equitably allocates the costs incurred by the District for services and functions shared by the different agencies administered by District staff. The consultant team is selected for its experience and knowledge in developing allocation methodologies for governmental and public entities.

The ICAP is prepared in accordance with the principles and guidelines set forth in the Office of Management and Budget (OMB) Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments” and ASMB C-10 “Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government.”

The ICAP calculates two components:

- Agency Indirect Administration (AIA) – a pool of costs that cannot be directly attributed to a specific agency.

This consists of labor and non-labor support functions that benefit each of the four agencies managed or supported by the District. Examples include the time charged by the Payroll Department to process the biweekly payroll or the time charged by the Human Resource Department to post recruitments on industry websites. Based on specific statistics, these costs are distributed to each department. For example, the payroll department costs are distributed to each department based on the number of FTEs. The District incurs all of the AIA costs and then recovers appropriate shares of the costs from the District’s Operating and Capital budgets, the JPB Operating and Capital budgets, the TA budget and the SMCELJPA budget.

- Capital Overhead – a pool of project support costs that cannot be directly attributed to a

specific capital project.

A capital overhead rate is calculated for each agency. An example of a capital overhead cost would be the time charged by an administrative assistant who supports multiple capital project engineers. The capital overhead costs are tracked and included in the ICAP rate and is charged to each capital project.

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

Line 38 **Board of Directors:** \$62.9 thousand, an increase of \$5.6 thousand or 9.8% higher than the FY2023 forecast; and \$62.9 thousand, no change from the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Board of Directors	22,285	57,275	62,875	5,600	9.8%	62,875	-	0.0%

Line 39 **Professional Services:** \$9.5 million in FY2024, an increase of \$0.2 million or 1.7% higher than the FY2023 forecast; and \$11.5 million in FY2025, an increase of \$2.0 million or 21.3% higher than the FY2024 Preliminary Budget.

This covers the cost of legal services, audit services, legislative advocacy, and consultant services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINAR Y BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Legal Services	2,039,639	2,600,000	1,869,000	(731,000)	-28.1%	1,869,000	-	0.0%
Annual Audit Services	65,000	68,000	74,250	6,250	9.2%	74,250	-	0.0%
Legislative Advocates	161,238	175,200	189,600	14,400	8.2%	189,600	-	0.0%
Consultants	4,465,211	6,462,555	7,328,091	865,536	13.4%	9,339,227	2,011,136	27.4%
Total	6,731,087	9,305,755	9,460,941	155,186	1.7%	11,472,077	2,011,136	21.3%

Increases in FY2024 and FY2025 are driven by consultant services. In FY2024, the increase in consultant services is due the following efforts: Caltrain Sustainability Strategic Planning, Safety and Security, Financial Strategic Planning, and Ridership Recovery. In FY2025, the increase is primarily due to rail engineering consultant services to support electrification.

Line 40 **Communications and Marketing**: \$0.4 million, an increase of \$0.04 million or 9.7% higher than the FY2023 forecast; and \$0.4 million in FY2025, no change from the FY2024 Preliminary Budget.

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

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Communications and Marketing	437,328	403,730	442,730	39,000	9.7%	442,730	-	0.0%

FY2024 budget reflects an increase in marketing support for electrification, branding projects, and ongoing special events such as the rail safety month and the Martin Luther King Jr. celebration train.

Line 41 **Other Office Expense and Services**: \$4.2 million in FY2024, an increase of \$1.3 million or 42.7% higher than the FY2023 forecast; and \$4.2 million in FY2025, a decrease of \$13.8 thousand or 0.3% lower than the FY2024 Preliminary Budget.

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

The increase in FY2024 budget is driven by IT software maintenance and hardware requirements, bank fees on working capital, and professional recruitment costs.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24 Preliminary to FY23 Forecast	FY24 Preliminary to FY23 Forecast		FY25 Preliminary to FY24 Preliminary	FY25 Preliminary to FY24 Preliminary
Business Travel, Training & Devt	196,266	398,875	384,250	(14,625)	-3.7%	384,250	-	0.0%
Computer & Software Maintenance	371,637	554,900	1,356,700	801,800	144.5%	1,351,700	(5,000)	-0.4%
Other Office Expense	308,327	620,100	737,320	117,220	18.9%	728,475	(8,845)	-1.2%
Property Taxes and Bank Fees	940,087	1,112,621	1,354,132	241,511	21.7%	1,354,132	-	0.0%
Recruitment	173,007	270,400	388,400	118,000	43.6%	388,400	-	0.0%
Total	1,989,324	2,956,896	4,220,802	1,263,906	42.7%	4,206,957	(13,845)	-0.3%

Line 44 **Measure RR Ballot Costs**: \$0 in FY2024 and FY2025, no change from the FY2023 budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24	FY24		FY25	FY25
				Preliminary to FY23 Forecast	Preliminary to FY23 Forecast		Preliminary to FY24	Preliminary to FY24
Measure RR Ballot Costs	5,396,910	-	-	-	-	-	-	-

The Measure RR Ballot Costs was a one-time activity in FY2022 to cover costs incurred by the counties of San Francisco, San Mateo, and Santa Clara to put the Measure RR ballot up for a vote in FY2021 election. Since this activity is completed, no budget is expected for FY2024 and FY2025.

Line 45 **Governance:** \$0.2 million in FY2024, a decrease of \$0.1 million or 35.7% lower than the FY2023 forecast; and \$0 in FY2025.

This budget covers Governance related items that include staff costs, consultant support, legal consultation, and specialized financial analysis. In FY2024, a \$0.2 million one-time budget was added for policy, strategy, and communications consultant support, as well as legal services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24	FY24		FY25	FY25
				Preliminary to FY23 Forecast	Preliminary to FY23 Forecast		Preliminary to FY24	Preliminary to FY24
Governance	1,144,981	350,000	225,000	(125,000)	-35.7%	-	(225,000)	-100.0%

Line 47 **Debt Service Expense:** \$3.5 million, a decrease of \$0.2 million or 6.5% lower than the FY2023 forecast; and \$7.8 million in FY2025, an increase of \$4.3 million or 123.7% higher than the FY2024 Preliminary Budget.

This covers the cost and principal retirement of debt incurred for the acquisition and rehabilitation of passenger rail cars, the acquisition of real property, and the maintenance of a revolving line of credit.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change	% Change	FY2025 PRELIMINARY BUDGET	\$ Change	% Change
				FY24	FY24		FY25	FY25
				Preliminary to FY23 Forecast	Preliminary to FY23 Forecast		Preliminary to FY24	Preliminary to FY24
Long-term Debt Expens	1,935,154	3,711,375	3,471,125	(240,250)	-6.5%	7,763,305	4,292,180	123.7%

FY2024 budget includes the principal and interest payment for the 2019 Farebox Revenue Bond. The increase in FY2025 is due to the principal payment for the 2022 Measure RR Revenue Bond.

Line 52 **Projected Contribution to Reserve:** \$2.0 million in FY2024; \$7.0 million in FY2025, an increase of 4.9 million or 245.1% higher than the FY2024 Preliminary Budget.

The financial reserve policy adopted by the board effective September 1, 2017, states “the JPB will maintain an operating reserve of at least 10 percent of the annual operating budget, and that the JPB shall strive to reserve up to 15 percent of the annual operating budget when possible”.

In FY2024, the projected opening balance of the Operating Reserve is \$26.9 million. A projected contribution of \$2.0 million will result in an ending balance of \$28.9 million which is 15% of the FY2024 annual operating budget. In FY2025, to maintain the 15% operating reserve level, a contribution of \$7.0 million is required.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change		% Change		FY2025 PRELIMINARY BUDGET	\$ Change		% Change	
				to FY23 Forecast	Preliminary Forecast	to FY24 Preliminary Forecast	Preliminary Forecast		to FY24 Preliminary Forecast	Preliminary Forecast		
Projected Contribution to Reserve	16,115,624	10,763,226	2,015,771	(8,747,455)		-81.3%		6,956,640	4,940,869		245.1%	

Line 58 Draw from Measure RR Reserve for PCEP: \$38.1 million in FY2025

Caltrain has recently been awarded the full \$410.0 million funding required to finish the Peninsula Corridor Electrification Project (PCEP). This grant releases Measure RR funds originally allocated for PCEP. With this, Caltrain anticipates a total of \$60.0 million Measure RR PCEP reimbursement that can be used for operating needs.

To address the remaining operating requirements in FY2025, staff recommends utilizing \$38.1 million of the Measure RR PCEP reimbursement. After this allocation, the Measure RR PCEP reimbursement balance will be \$21.9 million.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	\$ Change		% Change		FY2025 PRELIMINARY BUDGET	\$ Change		% Change	
				to FY23 Forecast	Preliminary Forecast	to FY24 Preliminary Forecast	Preliminary Forecast		to FY24 Preliminary Forecast	Preliminary Forecast		
Measure RR for PCEP	-	-	-	-		0.0%		38,118,259	38,118,259		100.0%	

FY2024 and FY2025 PRELIMINARY CAPITAL BUDGETS

During the Board Workshop on April 6, 2023, a capital funding need of \$78.3 million for FY2024 and \$79.3 million for FY2025 (which did not include 100 percent externally funded projects) was presented to the Board. The FY2024 and FY2025 Preliminary Capital Budgets present a capital funding need of \$490.6 million and \$142.9 million, respectively. This is an increase of \$412.3 million in FY2024 and \$63.6 million in FY2025 due to the following:

- Externally-Funded Projects which are fully funded through external sources amounting to \$125.5 million in FY2024 and \$47.3 million in FY2025;
- Stadler Cars Project that requires a budget of \$280.0 million in FY2024 which includes a \$44.0 million match requirement;
- San Francisquito Creek Bridge Emergency North Channel Restoration Project that requires a budget of \$3.1 million in FY2024 and \$7.3 million in FY2025; and
- Refinements in existing SOGR and Operational Improvements projects

CAPITAL BUDGET SUMMARY

Capital Budget Requests (in millions)	FY2024		FY2025	
	Board Workshop	Prelim Cap Budget	Board Workshop	Prelim Cap Budget
SOGR	\$59.1	\$66.4	\$60.3	\$71.5
Stadler Cars	\$0.0	\$280.0	\$0.0	\$0.0
Legal Mandate	\$0.0	\$0.2	\$0.0	\$0.5
Planning	\$9.3	\$10.1	\$8.8	\$8.7
Operational Improvements	\$8.6	\$7.1	\$8.9	\$13.5
Capital Contingency	\$1.3	\$1.3	\$1.3	\$1.3
Net Capital Budget Requests	\$78.3	\$365.1	\$79.3	\$95.6
Externally-Funded Projects	\$0.0	\$125.5	\$0.0	\$47.3
Total Capital Budget Requests	\$78.3	\$490.6	\$79.3	\$142.9

FUNDING SOURCES SUMMARY

Funding Sources (in millions)	FY2024 Projections	FY2025 Projections
Federal SOGR	\$15.3	\$16.1
STA SOGR	\$1.3	\$1.3
Local Funds (i.e. LPP, AB664, LCTOP)	\$1.4	\$2.9
External Funding	\$370.3	\$57.7
Member Obligations	TBD	TBD
Total Funding	\$388.3	\$78.0

Total Capital Budget	\$490.6	\$142.9
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Capital Budget Deficit	(\$102.4)	(\$64.9)
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PRELIMINARY FY2024 & FY2025 CAPITAL BUDGETS
\$490,624,139 (FY2024) & \$142,862,745 (FY2025)

i. STATE OF GOOD REPAIR (SOGR) - \$66,430,860 (FY2024) & \$71,514,692 (FY2025)

BRIDGES - \$24,073,326 (FY2024) & \$34,626,753 (FY2025)

1. **Guadalupe Bridge Replacement - \$17,364,622 (FY2024) & \$18,921,222 (FY2025)**
The purpose of the project is to address the structural vulnerability of two existing bridges, MT1 and MT2, spanning the Guadalupe River in San Jose. Activities include widening and stabilizing the underlying river channel and upgrading and extending the bridge structures to ensure long-term public safety and service reliability.
2. **San Francisquito Creek Bridge Replacement - \$0 (FY2024) & \$6,865,531 (FY2025)**
The purpose of this project is to replace the San Francisquito Creek Bridge that carries double mainline tracks. The Bridge is approaching the end of its useful service life due to the age of the structure, a low rating capacity of its main members, and an unstable slope at the north abutment. It is located 330 feet from the Palo Alto Avenue at-grade crossing. In 2021, Caltrain initiated a due diligence effort for the Bridge. No cracks were found during the detailed inspections conducted in Fall 2021. However, the Bridge currently rates below American Railway Engineering and Maintenance-of-Way Association's (AREMA) Normal Freight Live Loading requirements. These findings have led to a new direction for the project in terms of scope, budget, and timeline.
3. **San Francisquito Bridge Acoustic Monitoring System - \$2,028,704 (FY2024) & \$0 (FY2025)**
San Francisquito Creek Bridge, that carries double mainline tracks, is approaching the end of its useful service life. The recent in-depth inspection and analysis revealed that the bridge is rated below AREMA's normal freight live loading requirements and restrictions. The analysis also revealed that some members have a "negative remaining fatigue life" with an increased risk for cracking. Funds will be used to prepare an Invitation for Bid package to procure and install an Acoustic Monitoring System to provide more timely notice of potential cracks or damage to key structural elements.
4. **San Francisquito Creek Bridge Emergency North Channel Restoration - \$3,120,000 (FY2024) & \$7,280,000 (FY2025)**
The purpose of this project is to restore and protect the northern embankment of the San Francisquito Creek to prevent erosion from undermining an abutment of Caltrain's San Francisquito Creek Bridge. The funds will be used for engineering design, coordination of cost sharing agreements with external stakeholders, acquisition of access agreements, permitting, procurement of construction services, construction, construction management, and other supporting services such as legal, project controls, and civil rights.
5. **SOGR Structures - \$1,560,000 (FY2024) & \$1,560,000 (FY2025)**
The State of Good Repair Structures project will perform maintenance repair to restore

the integrity of our bridges and structures back to a fair condition, as well as to increase the safety, security, and useful life of these assets. This project will focus on bridges and structures that need immediate attention, as identified by Caltrain's Annual Bridge Inspection Program. These items include replacing: handrails, ballast retainers, bird netting, spalling concrete, bearing pad replacements, timber decking replacements, and tunnel drainage.

RIGHT OF WAY (ROW) - \$20,361,767 (FY2024) & \$17,124,980 (FY2025)

6. SOGR MOW Track - \$11,628,912 (FY2024) & \$13,104,000 (FY2025)
The System Wide Track Rehabilitation Program covers the work required to keep the Caltrain railroad in a SOGR. The type and scope of work scheduled for each year is based upon the condition of the railroad, which is determined through inspections and tests performed throughout the previous year. The project includes many different work activities that remain consistent from year to year. These activities include replacement of rail and crossties, replacement of special track components, installation of thermite welds, maintenance welding and grinding at special track locations, track surfacing throughout the corridor, purchased services including inspections and weed abatement, and vegetation removal and the purchase of small tools.
7. SOGR MOW Track - Rubber Tire Vehicles - \$3,010,800 (FY2024) & \$0 (FY2025)
The purpose of this project is to support the purchase of rubber tire vehicles for TASI. It includes the purchase of nine utility trucks, nine pick-up trucks, three inspector trucks, three Signal Maintainer trucks, and other vehicles to support the Stations Department.
8. SOGR MOW Track - Track Equipment - \$2,454,400 (FY2024) & \$0 (FY2025)
The purpose of this project is to support the purchase of track Maintenance-of-Way equipment to keep the track in a SOGR. It includes the purchase of a section truck, a dump truck, a Cat Skid Steer with Mower, a 1200 Reach Lift forklift, a Pup Hydraulic Switch Tamper, a Freightliner Welders truck, a Tie Handler, a Tie Inserter, and a Hydrail Excavator.
9. ROW Fencing - \$800,000 (FY2024) & \$1,146,080 (FY2025)
The ROW Fencing project will continue to install vandal-resistant fencing at key locations along the PCJPB main line rail corridor to deter trespassing. Installation of fencing will provide a barrier on at least one side of the property between San Francisco MP 0 to Lick MP 50.94, in order to reduce trespassing on the PCJPB ROW. This work plan is intended to span two years.
10. SOGR ROW - \$2,467,655 (FY2024) & \$2,874,900 (FY2025)
The purpose of this project is to allow Caltrain operating contractors to have improved access, as well as restricting access as necessary, to maintain the ROW in a SOGR. This project will also allow Caltrain to react to ROW needs and concerns as they arise from stakeholders within Caltrain's 52-mile corridor. This project will address ROW issues along the main corridor that are of concern with repeated history of homeless encampments, graffiti, and vandalism. By improving access and restricting access where

needed, the operating contractor will be more efficient and productive with their time in maintaining the railroad.

SIGNALS & COMMUNICATIONS - \$5,911,395 (FY2024) & \$5,355,897 (FY2025)

11. Signal SOGR FY24 and FY2025 - \$1,573,395 (FY2024) & \$1,386,897 (FY2025)

This project will include planned maintenance, replacement, upgrade, and painting the dynamic envelope at 4 grade crossings. Phase 1 includes 37 signal location replacements for the Electro Code 4 (EC4) units, 23 control point replacements for the Vital Harmon Logic Controller (VHLC) units, the upgrade of all wayside signal locations inventory documentation, and the replacement of ElectroBlox (EBLOX) units at 20 locations. Phase 2 includes 37 signal location replacements for the EC4 units, 23 control point replacements for the VHLC units, and the replacement of outdated chargers and batteries at 60 locations.

12. FY21 Grade Crossing Improvements - \$3,138,000 (FY2024) & \$1,569,000 (FY2025)

This project will implement safety improvements for six grade crossings from the Caltrain Grade Crossing Hazard Analysis Report prioritization list. Safety improvements vary by location based on the analysis and include such items as pavement markers and marking, signage, channelization, and pedestrian and vehicular gate adjustments and signaling.

13. Next Generation Visual Messaging Sign (VMS) - \$1,200,000 (FY2024) & \$2,400,000 (FY2025)

This project will install 122 (VMS) and passenger information system for the Caltrain stations. The current VMS signs are no longer supported by the manufacturer and the Predictive Arrival and Departure System (PADS) is obsolete. Research will be done to determine whether it is best to replace the signs that will work with the current PADS or replace signs for the next generation passenger information system.

STATION AND INTERMODAL ACCESS - \$2,441,462 (FY2024) & \$1,175,200 (FY2025)

14. Station SOGR Project - \$1,349,462 (FY2024) & \$1,175,200 (FY2025)

This project will perform capital maintenance at various Caltrain stations which may include, but not limited to, corrosion mitigation, rain shelter replacements, schedule and sign casing replacement, concrete repairs, repair and replace station building roofs, bathroom repairs, and other capitalized maintenance items. These repairs are intended to keep these assets in a state of good repair and to provide consistent service to Caltrain patrons.

15. CEMOF SOGR - \$1,092,000 (FY2024) & \$0 (FY2025)

This project will procure, deliver, and apply materials to the Caltrain CEMOF facility for SOGR Maintenance in FY2024 which will minimize future cost and keep the facility in good running order. Maintenance scheduled for FY2024 includes boiler replacement, Variant Frequency Drive system replacement, HVAC/Thermostat upgrade/replacement, roof repairs/replacement, CEMOF/BCCF LED light upgrade, and restroom upgrades.

ROLLING STOCK - \$13,642,910 (FY2024) & \$13,231,862 (FY2025)

16. EMU Rail Vehicle SOGR - \$4,368,000 (FY2024) & \$4,521,816 (FY2025)

The purpose of this project is for the COTS-inspections (Cleaned, Oiled, Tested, and Stenciled) of the air brakes on the EMU. Caltrain must begin the purchase of this equipment within a few months before the new EMUs go into service so that Caltrain can stagger these inspections between its 19 EMU sets.

17. F-40 Cars - \$138,424 (FY2024) & \$140,816 (FY2025)

The purpose of this project is for the SOGR Rail Vehicle Maintenance for the F-40 Locomotives. This includes toilet refurbishment, battery replacement, controller/contacter replacement, and traction motors for the locomotives.

18. Gallery Cars - \$771,680 (FY2024) & \$800,800 (FY2025)

This purpose of this project is for the SOGR Rail Vehicle Maintenance for Gallery passenger cars. This includes batteries, suspensions, anti-skid, 480v cable replacement, and door overhaul.

19. MP-36 Locomotive - \$265,824 (FY2024) & \$275,080 (FY2025)

The purpose of this project is for the SOGR Rail Vehicle Maintenance for MP-36 Locomotives. This includes battery replacement and traction motors for the locomotives.

20. MP-36 Locomotive Mid-Life Overhaul - \$623,000 (FY2024) & \$0 (FY2025)

This project involves performing mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul includes complete disassembly of the main diesel engine, overhaul by reconditioning re-usable main frame components, re-assembly with new engine components, and rebuild of Separate Head-End Power (SEP-HEP) units and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels, and electrical components shall be reconditioned to like-new condition or replaced with new material.

21. Bombardier Cars - \$3,061,032 (FY2024) & \$3,078,400 (FY2025)

This purpose of this project is to maintain a SOGR for the Rail Vehicle Maintenance for Bombardier passenger cars. This will include: batteries, anti-skid, 480v cable replacement, cabin refurbishment, doors and HVAC overhauls.

22. Bombardier Truck Replacement - \$1,670,541 (FY2024) & \$1,670,541 (FY2025)

The purpose of this project is to replace Caltrain Bombardier trucks. As part of the transition to a partially electrified fleet in 2024, the remaining diesel fleet will continue to provide service south of San Jose. This work is critical for Caltrain to maintain service reliability for communities south of San Jose and make any future service increases viable. The funding will be used to purchase bi-level truck assembly, new air springs, side bearing wedge, vertical dampers, drag rods, shear pads, yaw dampers, lateral damper bracket, lateral damper, center yoke, and traction pads for Caltrain Bombardier trucks.

23. Rail Vehicle SOGR Bombardier Cars - \$2,744,409 (FY2024) & \$2,744,409 (FY2025)

The purpose of this project is to provide Rail Vehicle maintenance for Bombardier passenger cars. As part of the transition to a partial electrified fleet in 2024, the remaining diesel fleet will continue to provide service south of San Jose. The Rail Vehicle SOGR Bombardier Cars project is necessary to maintain service reliability and provide an enhanced customer experience to support ridership growth for communities south of San Jose. The funding will be used to purchase batteries, anti-skid, 480v cable replacement, cab refurbishment, doors and HVAC overhauls.

ii. STADLER CARS - \$280,000,000 (FY2024) & \$0 (FY2025)

24. Stadler Cars - \$280,000,000 (FY2024) & \$0 (FY2025)

Caltrain's continued transition from a diesel to electric railroad requires additional vehicle replacements, beyond those included as part of the Caltrain Electrification project. The purchase of four Stadler KISS Electric Multiple Unit (EMU) trainsets, plus one Battery Electric Multiple Unit (BEMU) vehicle, will allow Caltrain to be a 90-percent zero emission fleet. The purchase is programmed for FY2024 to ensure that the order is placed before a Stadler contract option expires on August 15, 2023, saving \$120 million in avoided costs.

iii. LEGAL MANDATE - \$200,000 (FY2024) & \$494,000 (FY2025)

25. MS4 - \$200,000 (FY2024) & \$494,000 (FY2025)

The MS4 Project will design and implement a full trash capture system required to maintain the Municipal Separate Storm Sewer System (MS4) National Pollutant Discharge Elimination System (NPDES) permit. Implementation and certification must be completed by 2030. The funds will be used to design, procure, and install the storm drain filtering system.

iv. PLANNING/STUDIES - \$10,565,000 (FY2024) & \$8,720,000 (FY2025)

26. Caltrain Planning (CIP) - \$359,000 (FY2024) & \$790,000 (FY2025)

The Caltrain 10-year Capital Improvement Plan will provide the roadmap for Caltrain's involvement and leadership in the programming and development of capital projects across the corridor. The CIP Development Project will also include the development of a prioritization framework that will provide a structured, evidence-based, and equitable decision-making framework to prioritize investments in capital projects across the railroads. The CIP development process and products will allow Caltrain to build up adequate staff capacity, focus its resources on delivering its desired outcomes, and seek additional funding strategically.

27. Battery EMU R/D - \$1,352,000 (FY2024) & \$2,392,000 (FY2025)

This project will fund the next generation of post-PCEP investments in Caltrain. It will fund and procure an EMU from Stadler with batteries to allow the train to run outside of electrified territory, for Gilroy and extended service.

28. Level Boarding Roadmap - \$520,000 (FY2024) & \$520,000 (FY2025)

This project provides a plan for vehicle and platform modifications to accommodate systemwide level boarding. This includes technical, regulatory, freight, and operational interface evaluation. It will also conduct research on best practices, document constraints and challenges, and develop a long-term plan and path to completion.

29. Rail Network and Operations Planning - \$1,248,000 (FY2024) & \$1,248,000 (FY2025)

This project will provide modelling and analysis, presentations, timetable development and testing of new electric and battery electric trains that will be integrated into the Caltrain operations. The project will optimize service with performance, ridership, events, and other variables that require detailed modelling and analysis.

30. Caltrain Access Policy and Planning - \$312,000 (FY2024) & \$312,000 (FY2025)

This project is anticipated to fund several closely related access policy and planning efforts in FY2024-2025, including: 1) an update to Caltrain's Access Policy, 2) an audit and creation of an inventory of station access facilities, 3) creation of access design guidelines (focused on bicycle and pedestrian access), and 4) any other urgent access-related requests from Caltrain leadership and the Caltrain Board. These assets will be used by Caltrain staff, the Caltrain Board, funding entities including PCJPB member agencies, and Caltrain's external partners, such as cities and partner transit agencies. This project will provide funds for all stages to complete these efforts, from Work Directive scoping to consultant procurement, to completion of all required tasks, any required adoption with the Board, and implementation.

31. Corridor Crossing Strategy - \$0 (FY2024) & \$520,000 (FY2025)

The Corridor Crossings Strategy (CCS) will provide a cohesive approach to grade separations or closures that are needed to unlock regional mobility and safety benefits. The Caltrain Business Plan acknowledges that grade separation projects are costly, complex, and challenging. The CCS strives to identify areas for enhancement in the current process and develop a potential strategic approach to deliver corridor-wide consensus on delivery of grade separation projects. The strategy work that is currently ongoing and anticipated to be complete by the end of calendar year 2023 is a first phase and is identifying technical work required to streamline and expedite delivery of a variety of grade crossing solutions, such as fully separated crossings, partial closures with bike/ped crossings, and full closures. This work may include more in-depth review of 4-track segments identified in the Business Plan, design standards and construction techniques, coordinated funding and political strategies, standardized materials including RFPs that may be valuable to jurisdictions, and other items identified through the community-driven phase currently under way.

32. Diridon Integrated Station Concept (DISC)/Diridon Business Case - \$1,560,000 (FY2024) & \$780,000 (FY2025)

This project will support initial planning and conceptual engineering related to Diridon Station and the south terminal area of the railroad. It is anticipated that other sources of funding will be required to advance the project into environmental and advanced

design. JPB and other partner agencies mutually accepted a Concept Layout in 2020 to establish the vision for the future Diridon Station. As part of the Concept Layout, the DISC program will affect several elements at and around Diridon Station including the historic train Depot, PG&E substation, VTA light rail station and alignment, and will require the relocation of the Caltrain maintenance facility, and elevation of the rail station platforms and tracks. Consequently, a set of projects (known as the Program of Projects) have been identified to realize the Concept Layout vision. To inform decision-making and therefore DISC implementation, JPB is leading the Partner Agencies in a Business Case. The Business Case will identify the status of the contingent and adjacent projects in the Program of Projects to define the scale of DISC relative to cost and schedule, priority actions, tradeoff considerations, and agreement on a DISC project for implementation. The Business Case will investigate implementing DISC compared to base case project investments with the objective of presenting an accurate assessment of the costs of infrastructure elements, quantifying measurable benefits, and establishing a value proposition for investment. The Business Case will also recommend a project description that can be advanced to environmental study while also suggesting an organizational and governance structure to support project planning, design/development, and eventual implementation.

33. DTX Funding - \$1,500,000 (FY2024) & \$0 (FY2025)

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

34. Redwood City Station Area Planning - \$250,000 (FY2024) & \$0 (FY2025)

The Redwood City Station Area Planning project will include multiple efforts such as the Mid-Peninsula Hub Station Planning, the Redwood City Grade Separation Effort, and the Redwood City Transit Center Interim Condition Study. The Mid-Peninsula Hub Station Planning and Redwood City Grade Separation Effort will result in a comprehensive Project Study Report (PSR). The PSR will expand on the prior grade separation and study (Whipple Avenue Grade Separation Project) and Mid-Peninsula Hub Station Planning. The Redwood City Transit Center Interim Condition Study will be in collaboration with SamTrans and the City of Redwood City, to conduct a study to investigate potential interim conditions related to the redevelopment of the Redwood City Transit Center (prior to the relocation of the Caltrain station) and identify the needs and potential solutions related to SamTrans operations, multimodal connectivity and access, and infrastructure improvements (for both Caltrain and SamTrans).

35. San Francisco Railyards - \$1,040,000 (FY2024) & \$1,040,000 (FY2025)

The San Francisco Railyards is currently undergoing a Preliminary Business Case (PBC) through a partnership between Caltrain (as perpetual surface easement holder) and Prologis (as developer and property owner). The PBC is assessing the viability of redevelopment options for the railyards. Should option(s) prove viable, the PBC will recommend a preferred option for further planning and development to the PCJPB by

Winter 2023/2024. If the PCJPB and Prologis endorse the recommended option, then the project will commence further planning on the preferred option, including other city- and state-required processes.

- 36. San Francisco Railyards TOD - \$806,000 (FY2024) & \$0 (FY2025)**
The PCJPB received a \$650,000 TOD Planning Grant that will assist in advancing public-private development at the San Francisco Railyards in conjunction with neighborhood planning efforts. This project will provide \$156,000 in matching funds from Caltrain required under the grant (note that the City and County of San Francisco will provide an additional \$250,000 in matching funds).
- 37. Station Access Planning - \$182,000 (FY2024) & \$182,000 (FY2025)**
Cities within the Caltrain corridor are anticipating and planning for future growth around Caltrain stations that will likely result in considerable future ridership demand for Caltrain service. In anticipation of this growth, Caltrain will undertake various access studies to identify future station access needs and make recommendations for improvements. In addition, Caltrain will conduct a station audit of the newly opened Hillsdale station (and possibly others) to determine access deficiencies or needs and make recommendations for improvements to enhance the customer experience and safety.
- 38. Strategic Policy & Programming - \$416,000 (FY2024) & \$416,000 (FY2025)**
This project is anticipated to fund several efforts related to strategic policy and programming for Caltrain in FY2024 and 2025, such as (but not limited to): 1) fare studies; 2) Go Pass Donation Program support; 3) service-related strategic policy work; 4) Rail Corridor Use Policy implementation and update; 5) Predictive Tool for operational cost analyses updates; 6) any required Business Strategy work; 7) other urgent policy and programming requests from Caltrain leadership and the Board. These assets will be used by and help guide decision-making for Caltrain staff, the Caltrain Board, funding entities including JPB member agencies, and Caltrain's external partners, such as cities and partner transit agencies. This project will provide funds for all stages to complete these efforts, from Work Directive scoping to consultant procurement, to completion of all required tasks, any required adoption with the Board, and implementation.
- 39. Transit-Oriented Development (TOD) Studies - \$520,000 (FY2024) & \$520,000 (FY2025)**
This project will provide technical support to advance specific TOD projects, as well as to explore corridor-wide TOD strategies and develop a corridor-wide TOD framework. The project will also provide resources to facilitate TOD planning, land use approvals, and other real estate efforts at Redwood City station and other locations identified as having TOD potential. This may include a variety of technical studies including environmental assessment, hazmat testing, traffic studies, title research, market, and feasibility analysis, as well as paying necessary city fees and other costs. In addition, the project will support advancement of corridor-wide TOD strategies designed to maximize ridership and revenue potential from JPB real estate assets and station area TOD, leveraging outputs from the corridor-wide grade separation strategy. The budget

amount includes contingency funds that may be needed to complete the entitlement process for the Diridon TOD and partner with a developer to proceed with development, to account for uncertainty in the real estate process and the potential need for additional studies and/or consultant support.

v. OPERATIONAL IMPROVEMENTS / ENHANCEMENTS - \$7,100,279 (FY2024) & \$13,499,053 (FY2025)

40. 22nd Street ADA Access Improvements - \$660,000 (FY2024) & \$0 (FY2025)

Caltrain, with funding from SFCTA and consultant support from HNTB, conducted a feasibility study to determine if and how street to platform wheelchair access could be achieved within the existing footprint of 22nd Street Station. While the study's analysis did not exceed 15% design, it found potential ramp and elevator alternatives for both platforms to be feasible at the conceptual level. After evaluating each alternative based on user experience, agency impacts, and construction factors, the study recommended that a ramp alternative for each platform be advanced to 35% design.

41. Broadband Wireless Communications System Enhancements - \$224,000 (FY2024) & \$1,306,000 (FY2025)

This project will enhance the Caltrain Broadband Wireless Communications System to integrate the EMU Remote Train Diagnostics system with the broadband network. It will implement the necessary office and network equipment at the Control Centers to accept and display the train information from the Remote Train Diagnostics system and the Automatic Passenger Counter system. It will fully integrate the EMU Passenger Information System to send messages from the Control Center to the EMU digital signs using the broadband wireless network.

42. Broadband Wireless Communications System for Diesel Trains - \$257,355 (FY2024) & \$5,047,217 (FY2025)

This project will implement a cellular based broadband wireless system on the existing diesel trains. It will provide passenger Wi-Fi services for the diesel trains departing and arriving Gilroy. Cellular Wi-Fi equipment will be installed on the diesel train cars which will remain in service along with the new EMU trains.

43. Enterprise Asset Management (EAM) - \$0 (FY2024) & \$2,250,000 (FY2025)

This project will procure a base EAM system with the following core capabilities: asset registry, asset condition and assessment, work request, work planning and management, warranty management, materials management, planning and budgeting, and management reporting.

44. GIS Upgrade - \$0 (FY2024) & \$860,000 (FY2025)

This project will implement a Geographic Information Software (GIS) System which will centralize, modernize, map, integrate, and augment existing tools and resources. The goal is to deliver comprehensive, current, and accurate data about Caltrain's assets and right-of-way to staff and decision makers at their desks or on their mobile devices via

GIS. Project activities include asset location data collection and GIS requirements evaluation, procurement, and implementation.

45. Mini-High Platforms - \$460,000 (FY2024) & \$0 (FY2025)

This project will install mini-high platforms at thirteen stations. The work will include installation of precast platforms and modifications to existing infrastructure, as needed, to accommodate the installation. Grounding and bonding will be required at all the stations within the areas that will be electrified.

46. Passenger e-Paper Display - \$426,920 (FY2024) & \$0 (FY2025)

This solution was identified at the Customer Experience Task Force to address the stations where customers need to walk up or down the stairs, or a certain distance to be able to see and/or hear the VMS/PA announcements about single tracking at the station. The project goal is to install e-Paper displays with text-to-speech capabilities at key entrance areas which will provide boarding and other relevant information for the customers. Additionally, this effort supports continued ridership recovery during PCEP accelerated project schedule in 2023 where single tracking and bus bridge will affect the riders. Riders will be able to identify the correct platform at impacted stations which will improve customer experience and provide a safer environment by reducing the risks of bad behaviors, such as running on the platform when one is afraid of missing the train, crossing tracks in an unauthorized location, and forgetting to purchase a ticket or tag a Clipper card.

47. Railroad Worker Protection (RWP) Safety Program - \$778,504 (FY2024) & \$1,999,964 (FY2025)

This project will design, implement, and test a RWP Safety System to protect workers in the Caltrain right-of-way. This system will provide continuous communications between the workers and the Central Control Center. The system will also be integrated with the Caltrain Positive Train Control system.

48. San Mateo Replacement Parking Track - \$3,773,500 (FY2024) & \$0 (FY2025)

This project involves the preparation of an amendment to the previously obtained environmental clearance report and final design of a "set out track" to replace the track that was removed in the Bay Meadows area to facilitate the construction of the 25th Avenue Grade Separation Project. The track, which will be located between 10th and 14th Avenues, will be accessed from 9th Avenue. It will be approximately 1,000 feet in length and will have a single switch. Electrification is not part of the base funding plan. Supplemental funding will be needed to electrify the replacement parking track.

49. Support for Property Mapping - \$520,000 (FY2024) & \$520,000 (FY2025)

This project intends to provide the consultant land surveying services necessary to produce accurate mapping of PCJPB's properties. The scope will include field surveys, property boundary resolutions, obtaining title reports, performing research, setting property corners, providing exhibits, and filing Record of Surveys.

50. CCTV Replacement - \$0 (FY2024) & \$1,515,872 (FY2025)

This project will replace the old obsolete CCTV system that will satisfy all of Caltrain's requirements. Old camera will be replaced and new cameras will be installed at the grade crossings, passenger stations, and all other locations identified in the CCTV study. This project will also replace the old software and office server.

vi. CAPITAL CONTINGENCY FUNDS - \$1,325,000 (FY2024) & \$1,325,000 (FY2025)

51. Capital Contingency Funds - Engineering - \$330,000 (FY2024) & \$330,000 (FY2025)

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

52. Capital Contingency Funds - Rail - \$660,000 (FY2024) & \$660,000 (FY2025)

This contingency supports unforeseen capital expenditure related to rail operations.

53. Capital Project Development - \$335,000 (FY2024) & \$335,000 (FY2025)

This contingency supports planning and engineering study activities.

vii. EXTERNALLY-FUNDED PROJECTS - \$125,503,000 (FY2024) & \$47,310,000 (FY2025)

54. Bernardo Pedestrian and Cyclist Undercrossing - \$0 (FY2024) & \$1,980,000 (FY2025)

The City of Sunnyvale, City of Mountain View, and VTA are project sponsors for a proposed new bicycle and pedestrian undercrossing at Bernardo Avenue which is on the border of the two cities. The proposed undercrossing would provide key access across/under the ROW as well as Central Expressway. JPB will provide review and coordination for preliminary engineering design and California Environmental Quality Act (CEQA) environmental clearance. This scope also includes general project coordination, preparation of an alternative contract delivery analysis, development of a five-party cooperative agreement (Caltrain, City of Sunnyvale, City of Mountain View, VTA, and County of Santa Clara), and development of Requests for Proposals (RFP) for advancing the project beyond the applicant's CEQA environmental clearance into final design and construction, in accordance with the consensus of alternative delivery method.

55. Burlingame Broadway Grade Separation - \$0 (FY2024) & \$25,635,000 (FY2025)

This project will separate the Broadway railroad crossing in the City of Burlingame by partially elevating the rail and partially depressing the roadway. The elevated rail alignment will require the reconstruction of the Broadway Caltrain Station. The reconstruction of the Broadway Caltrain Station will remove the operational requirement of the hold-out rule. Currently the project is funded up to Final Design phase.

56. Middle Avenue Undercrossing - \$436,000 (FY2024) & \$4,334,000 (FY2025)

The Middle Avenue Undercrossing Project is a proposed bicycle and pedestrian undercrossing that would improve connectivity around Middle Avenue in Menlo Park. The Project would serve the newly completed Stanford development, which is adjacent

to Middle Avenue, as well as middle school children in the area. The City of Menlo Park is the sponsor for this project.

57. Mountain View Transit Center Grade Separation - \$115,000,000 (FY2024) & \$0 (FY2025)

In May 2017, City of Mountain View City Council adopted the Transit Center Master Plan as the first step in a multi-year process to plan, design, and construct the new station area and improve Castro Street. The master planning process considered interrelated options for station access, expressway crossing, grade separation, platform extension, bus/shuttle circulation, and vehicle parking, supporting future downtown vitality. The conceptual plan adopted by the Council includes redirection of Castro Street at West Evelyn Avenue, construction of a new ramp from West Evelyn Avenue to Shoreline Boulevard, installation of pedestrian and bicycle undercrossing across the expressway and Caltrain tracks, changes to Moffett/Central intersection, and platform widening and extension to the west. The co-op agreement between VTA, JPB, and Mountain View has been signed, where JPB is the lead implementing agency to deliver final design and construction, VTA is the funding sponsor, and Mountain View is a vital partner in reviewing final design deliverables and coordinating activities within its right of way.

58. Palo Alto Grade Separations - \$5,767,000 (FY2024) & \$7,732,000 (FY2025)

A decade ago, the City of Palo Alto initiated a plan to consider grade separations at all four existing at-grade crossings in Palo Alto. Since 2017, the City's focus has been on the three grade crossings of Churchill Avenue, Meadow Drive, and Charleston Road as part of the Railroad Grade Separation and Safety Improvements Capital Improvement Project, also referred as Connecting Palo Alto. The crossing at Palo Alto Avenue was separated and integrated with the Downtown Coordinated Area plan. On May 23rd, 2022, the City Council approved an amendment to the City's contract with AECOM for the Railroad Grade Separation and Safety Improvements Capital Improvement Project. The amendment directs AECOM to conduct additional studies, outreach, and support to city staff to identify and develop the city's locally preferred alternatives for the three crossings. As of today, the following alternatives are still being considered: Churchill Partial Underpass, Meadow Charleston Trench, Meadow Charleston Hybrid, and Meadow Charleston Underpass.

59. Ravenswood Grade Separation - \$4,142,000 (FY2024) & \$926,000 (FY2025)

In 2015, the City of Menlo Park Council provided direction on two potential alternatives that should be evaluated as part of the project study report: 1) Undercrossing alternative: maintain the existing Caltrain tracks, and lower Ravenswood Avenue to pass under the tracks; and 2) Hybrid or split alternative: partially raise the Caltrain tracks and partially lower the roadways under the tracks, considering all four Menlo Park crossings for potential impacts. In 2019, City Council approved the final project study report with the hybrid option grade separating Ravenswood, Oak Grove, and Glenwood Avenues as the preferred alternative. Encinal Avenue would remain open and at-grade under this alternative. In 2022, the City Council provided direction to further study Ravenswood/Oak. The City will issue a contract amendment with AECOM to update the project study report, which was last presented to the Council in January 2020. This next

phase of work will look at six new possible rail profiles and bring those back to the Council in early 2023. These six will be narrowed down to two for further study.

60. San Mateo Grade Separation - \$158,000 (FY2024) & \$174,000 (FY2025)

This project is anticipated to include grade separations at six Caltrain-owned crossings in downtown San Mateo: 1st, 2nd, E. 3rd, E. 4th, E. 5th, and 9th Avenues. The funds are requested to support the City of San Mateo with a planning level analysis consisting of a project study report, preliminary engineering plans, and environmental planning documents.

61. South Linden Ave. and Scott St. Grade Separation - \$0 (FY2024) & \$6,529,000 (FY2025)

The South Linden Avenue and Scott Street Grade Separation Project is proposed to improve safety and decrease expected future traffic delays due to growth in vehicle traffic, greater frequency of Caltrain service, and the eventual addition of high-speed rail. South Linden Avenue is in South San Francisco while Scott Street is in San Bruno. Although located in different cities, the two grade separations are proposed to be undertaken as a combined effort since locations are only 1,850 feet apart, such that the grade separation of one crossing could affect the other.

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PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
PRELIMINARY OPERATING BUDGET
FISCAL YEARS 2024 & 2025

	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	FY2024 Budget to FY2023 Forecast \$ variance	FY2024 Budget to FY2023 Forecast % variance	FY2025 PRELIMINARY BUDGET	FY2025 Budget to FY2024 Budget \$ variance	FY2025 Budget to FY2024 Budget % variance
	A	B	C	D = C - B	E = D / B	F	G = F - C	H = G / C
REVENUE								
OPERATIONS:								
1 Caltrain Fares	17,899,182	27,000,000	29,936,000	2,936,000	10.9%	35,923,200	5,987,200	20.0%
2 Go Pass	15,337,175	17,000,000	16,764,000	(236,000)	-1.4%	18,440,400	1,676,400	10.0%
3 Parking Revenue	1,352,869	1,797,505	1,905,015	107,510	6.0%	2,217,633	312,618	16.4%
4 Shuttles	1,152,152	-	-	-	0.0%	-	-	0.0%
5 Rental Income	1,237,117	1,235,357	1,026,489	(208,868)	-16.9%	1,057,284	30,795	3.0%
6 Other Income	2,801,792	4,044,319	6,541,260	2,496,941	61.7%	6,019,433	(521,827)	-8.0%
7 TOTAL OPERATING REVENUE	39,780,286	51,077,181	56,172,764	5,095,583	10.0%	63,657,950	7,485,186	13.3%
8								
9 CONTRIBUTIONS:								
10 AB434 Peninsula & TA Shuttle Funding	743,472	40,000	-	(40,000)	-100.0%	-	-	0.0%
11 Operating Grants (STA)	10,041,955	11,288,161	12,800,936	1,512,775	13.4%	10,687,973	(2,112,963)	-16.5%
12 Measure RR	97,296,566	119,292,000	118,400,000	(892,000)	-0.7%	120,100,000	1,700,000	1.4%
13 ARPA	115,995,904	-	-	-	0.0%	-	-	0.0%
14 LCFs, LCTOP, SRA	-	-	7,272,877	7,272,877	100.0%	13,400,865	6,127,988	84.3%
15 TOTAL CONTRIBUTED REVENUE	224,077,896	130,620,161	138,473,813	7,853,652	6.0%	144,188,838	5,715,025	4.1%
16								
17 GRAND TOTAL REVENUE	263,858,182	181,697,342	194,646,577	12,949,235	7.1%	207,846,788	13,200,211	6.8%
18								
19 EXPENSE								
20 OPERATING EXPENSE:								
21 Rail Operator Service	93,808,976	98,257,758	104,889,704	6,631,946	6.7%	105,901,543	1,011,839	1.0%
22 OCS/TPS Maintenance	-	-	-	-	0.0%	25,000,000	25,000,000	100.0%
23 Security Services	7,391,809	8,028,807	8,286,045	257,238	3.2%	8,571,693	285,648	3.4%
24 Shuttle Services	1,938,640	121,600	80,000	(41,600)	-34.2%	80,000	-	0.0%
25 Fuel and Lubricants	13,491,343	17,539,232	15,211,316	(2,327,916)	-13.3%	5,069,083	(10,142,233)	-66.7%
26 Electricity	-	-	-	-	0.0%	19,495,155	19,495,155	100.0%
27 Timetables and Tickets	17,140	135,350	95,000	(40,350)	-29.8%	95,000	-	0.0%
28 Insurance	5,513,835	9,299,730	10,229,703	929,973	10.0%	11,252,673	1,022,970	10.0%
29 Claims, Payments, and Reserves	634,024	1,336,926	1,320,000	(16,926)	-1.3%	1,320,000	-	0.0%
30 Facilities and Equipment Maintenance	6,004,842	7,107,788	8,171,766	1,063,978	15.0%	8,969,666	797,900	9.8%
31 Utilities	2,541,458	2,617,600	2,708,900	91,300	3.5%	2,708,900	-	0.0%
32 Maint & Services-Bldg & Other	1,372,866	1,754,100	1,784,600	30,500	1.7%	1,779,600	(5,000)	-0.3%
33 TOTAL OPERATING EXPENSE	132,714,933	146,198,891	152,777,034	6,578,143	4.5%	190,243,313	37,466,279	24.5%

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
PRELIMINARY OPERATING BUDGET
FISCAL YEARS 2024 & 2025

	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PRELIMINARY BUDGET	FY2024 Budget to FY2023 Forecast \$ variance	FY2024 Budget to FY2023 Forecast % variance	FY2025 PRELIMINARY BUDGET	FY2025 Budget to FY2024 Budget \$ variance	FY2025 Budget to FY2024 Budget % variance
	A	B	C	D = C - B	E = D / B	F	G = F - C	H = G / C
35 ADMINISTRATIVE EXPENSE								
36 Wages and Benefits	10,610,123	13,532,312	18,404,846	4,872,534	36.0%	21,251,697	2,846,851	15.5%
37 Managing Agency Admin OH Cost	3,923,397	3,565,453	3,565,453	-	0.0%	3,565,453	-	0.0%
38 Board of Directors	22,285	57,275	62,875	5,600	9.8%	62,875	-	0.0%
39 Professional Services	6,731,087	9,305,755	9,460,941	155,186	1.7%	11,472,077	2,011,136	21.3%
40 Communications and Marketing	437,328	403,730	442,730	39,000	9.7%	442,730	-	0.0%
41 Other Office Expenses and Services	1,989,324	2,956,896	4,220,802	1,263,906	42.7%	4,206,957	(13,845)	-0.3%
42 TOTAL ADMINISTRATIVE EXPENSE	23,713,544	29,821,421	36,157,647	6,336,226	21.2%	41,001,789	4,844,142	13.4%
43								
44 Measure RR Ballot Costs	5,396,910	-	-	-	0.0%	-	-	0.0%
45 Governance	1,144,981	350,000	225,000	(125,000)	-35.7%	-	(225,000)	-100.0%
46								
47 Debt Service Expense	1,935,154	3,711,375	3,471,125	(240,250)	-6.5%	7,763,305	4,292,180	123.7%
48 Write-off of Uncollectible Receivables	7,300,042	-	-	-	0.0%	-	-	0.0%
49								
50 GRAND TOTAL EXPENSE	172,205,564	180,081,687	192,630,806	12,549,119	7.0%	239,008,407	46,377,601	24.1%
51								
52 PROJECTED CONTRIBUTION TO RESERVE			2,015,771			6,956,640		
53								
54 PROJECTED SURPLUS/(DEFICIT)	91,652,618	1,615,655	-			(38,118,259)		
55								
56 Measure RR for Capital Reserve	(20,000,000)	-	-			-		
57 Measure RR Reserve for PCEP	(60,000,000)	-	-			-		
58 Draw from Measure RR Reserve for PCEP	-	-	-			38,118,259		
59 ADJUSTED NET SURPLUS/(DEFICIT)	11,652,618	1,615,655	-			-		
60								
61								
62 Reserve, Beginning Balance		16,115,624	26,878,850			28,894,621		
63 Projected Contribution to Reserve		10,763,226	2,015,771			6,956,640		
64 Reserve, Ending Balance		<u>26,878,850</u>	<u>28,894,621</u>			<u>35,851,261</u>		

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
Subject: **Update on Stadler Contract Option and Rail Vehicle Acquisition**

Finance
Committee
Recommendation

Technology,
Operations,
Planning, and
Safety Committee
Recommendation

Advocacy and
Major Projects
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating
Council
Recommendation

Action

Staff proposes the Committee recommend the Board:

1. Receive the attached Update on Stadler Contract Option and Rail Vehicle Acquisition

Significance

Caltrain must exercise its contract option with Stadler for electric multiple units (EMUs) by August 15, 2023. Doing so will allow the agency to reduce emissions, achieve operational efficiencies and significantly reduce the cost of procurement, saving Caltrain at least \$125 million.

Budget Impact

There is no budget impact associated with receiving this report. The budget impact of the exercise of the option depends on the number of vehicles and the circumstances of the contract that are yet to be determined. Though there is not a detailed impact analysis at this time, one will be included when the contract negotiation is brought back to the committee for adoption.

Background

In 2016, Caltrain entered the Caltrain CALMOD Electrification EMU Procurement (Contract #14-PCJPB-P-056) with Stadler for 16 electric multiple units (EMUs) to be delivered as part of the Peninsula Corridor Electrification Project. Under this contract, Caltrain reserved the right to exercise options to order up to 96 additional vehicles "Option Vehicles." The contract includes two option periods: Option Period 1 and Option Period 2. In 2018 under Option Period 1, which

is described as at any time during the manufacturing process (i.e. any time up to 18 months prior to the start of fabrication of the last new car shell), Caltrain exercised the contract option for 37 additional train cars which brought the total number of EMUs up from 16 to 19 and changed the original six car trainsets into seven car trainsets.

The Option 1 Period has now expired and Caltrain is now in the Option 2 Period, described as after the time period for Option 1 has expired, but at any time within seven years of the effective date of the contract. The deadline for the Option 2 Period is August 15, 2023. During this period, Caltrain may exercise an option(s) to purchase additional Option Vehicles such that the total amount of Option Vehicles purchased does not exceed 96. The JPB may order Option Vehicles of any configuration (i.e. coaches, cab cars, bicycle cars, etc.) and any quantity. Unit prices for the corresponding Option Vehicle type(s) ordered during the Option 2 period will be the unit price for Option Vehicles set forth in the "Option Cars" price form, subject to the adjustment set forth in Section 1.10.1.2 of the Special Provisions of the Caltrain CALMOD Electrification EMU Procurement (Contract #14-PCJPB-P-056).

Prepared By: Devon Ryan

Government & Community
Affairs Officer

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Update on Stadler Contract Option and Rail Vehicle Acquisition Caltrain Finance Committee – April 24, 2023

Caltrain is working to achieve a zero emission corridor to benefit riders, communities, and the state's climate goals. Caltrain seeks to exercise its option with Stadler that expires August 15, 2023 in order to save over \$125 million in vehicle costs for the region.

Background

Current Fleet

Caltrain's current fleet is made up of 29 diesel locomotives circa 1985 to 2003 that run between San Francisco and Gilroy. The agency is deep into construction on the Peninsula Corridor Electrification Project (PCEP) which will transform the corridor from San Francisco to San Jose, replacing 20 of its diesel locomotive fleet with 19 zero-emissions electric multiple unit (EMU) trains, helping to achieve the state's transportation, safety, and climate goals. The difference in locomotives vs EMUs for replacement is due to the difference in number of railcars and the improved efficiency of the EMUs. Four of these EMU trainsets are already onsite. The manufacturer of the EMUs is Stadler. Caltrain plans to put the EMUs into revenue service in Fall of 2024. However, nine diesel locomotives will still remain in the fleet. Caltrain will have mixed service with both EMUs and diesel locomotives running on the corridor beginning in 2024.

To achieve a 100% zero emission railroad, Caltrain must add five EMUs, as well as six battery-equipped electric trains (BEMUs) that will run on the southern, non-electrified portion of the corridor owned by Union Pacific Railroad. If Caltrain can exercise its option with Stadler for four replacement EMUs, one additional EMU, and one pilot BEMU, **it will save the region at least \$125 million and potentially more than \$150 million**. The range of cost savings is dependent on specifics of the negotiation with Stadler, the inclusion of the BEMU pilot train, and other factors.

Option with Stadler Expiring August 2023

Caltrain has an option on its contract with Stadler that would allow the purchase of up to eight more electric trainsets (59 cars) at a lower price than what would be available in a new procurement. The option expires August 15, 2023.

Request to Metropolitan Transportation Commission (MTC) for Four Replacement EMUs Using Federal Transit Administration (FTA) Formula Funds

Caltrain is requesting the MTC program FTA formula funds for four EMUs to replace three diesel locomotives and one set of rail cars. This would allow for over 90% zero emission service on the corridor and greatly improve the efficiency and sustainability of Caltrain service. This would still leave five diesel locomotives in the fleet to run service to Gilroy. The FTA formula funding request from MTC is \$176 million over five fiscal years, representing an 80% federal share of the \$220 million total cost. The request for the first two fiscal years (FY 23 and FY 24) totaling \$30.4 million was approved by the Programming and Allocation Committee on April 12, 2023 and is anticipated to be on the agenda at the MTC April 26, 2023 meeting.

Stadler Option - 4 Replacement EMUs	Total	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FTA Formula	\$176,000,000	\$12,800,000	\$17,600,000	\$63,200,000	\$61,600,000	\$20,800,000
Local	\$44,000,000	\$3,200,000	\$4,400,000	\$15,800,000	\$15,400,000	\$5,200,000
Total	\$220,000,000	\$16,000,000	\$22,000,000	\$79,000,000	\$77,000,000	\$26,000,000

Request to the FTA Rail Vehicle Replacement Grant Program

In addition to requesting FTA formula funds, Caltrain has applied to the FTA’s Rail Vehicle Replacement Program for three EMUs to replace three diesel trains in the amount of \$80.7M. The funding would cover 50% of the cost of the three EMU sets. The remaining 30% share of Federal funding for the three EMUs as well as the full 80% share of Federal funding for the fourth trainset would continue to be sought through FTA formula funding. Award information is expected as early as April 2023.

Avoided Costs with the Ability to Exercise the Option by August 2023

Caltrain and the Bay Area region would save a significant amount of funding if we are able to exercise our option with Stadler for four replacement EMUs. We estimate that procuring four replacement EMUs under the option would save approximately \$100 million to \$120 million in total costs (45% to 60% savings).

Vehicle Type	Cost per Trainset With Option	Cost per Trainset Without Option	Avoided Costs With Option	Trainsets Requested	Total Avoided Costs
EMU	\$50M - \$55M	~\$80M	\$25M - \$30M	4	\$100M - \$120M

Reasons for Increased Costs without the Option

There are a number of reasons for increased costs in procuring rail vehicles outside of the Stadler option which include, but are not limited to:

- Small size of trainset order
- Costs associated with a different car builder
- Lack of available production capacity
- Inflation in labor and materials
- Supply chain issues
- Manufacturers reluctant to enter into long-term fixed price agreements due to recent economic instability
- Cost escalation uncertainty going forward

The Portal/ Downtown Rail Extension

The Portal/Downtown Rail Extension (DTX) would require a fleet expansion to provide a service level of six trains per hour. Also, diesel trains cannot operate within the DTX tunnel or Salesforce Transit Center due to insufficient space for ventilation in the event of fire. Caltrain would need to acquire an additional EMU to expand service and is in discussion with the Transbay Joint Powers Authority to request that this additional EMU be included in the project costs for DTX.

Vehicle Type	Cost per Trainset With Option	Cost per Trainset Without Option	Avoided Costs With Option	Trainsets Requested	Total Avoided Costs
EMU	\$50M - \$55M	~\$80M	\$25M - \$30M	1	\$25M - \$30M

Battery Electric Multiple Units

Caltrain owns the right of way between the 4th and King Station in San Francisco to Tamien Station in San Jose. South of Tamien, Caltrain is a tenant on Union Pacific Railroad-owned tracks through to Gilroy. The California High Speed Rail Authority is planning to run from Gilroy on Caltrain overhead contact system (OCS) through to The Portal/Transbay Downtown Extension. However, it is uncertain when the stretch of track from Gilroy to Tamien will be electrified. In order to reach the goal of a zero emission corridor sooner, Caltrain is planning to acquire battery-equipped EMUs (BEMUs) which could charge on Caltrain's OCS and run on battery power to Gilroy without the use of diesel locomotives. The Federal Rail Administration has not yet vetted BEMUs for passenger use in the United States and would need an opportunity to test, review, and approve these vehicles in order to allow them to be in service.

Pilot BEMU Demonstration Project

Caltrain is engaged in conversation with CalSTA and Caltrans on a potential pilot project that would involve procurement of one BEMU under the existing Stadler contract as a demonstration project that would allow for testing of the technology. The likely testing area would be Tamien to Gilroy and then Gilroy to Salinas for longer range demonstration.

This is a unique opportunity to work with CalSTA on a pilot project to modify one EMU train ordered under the options clause. Ordering one BEMU with the option will provide Caltrain with critical information from this pilot project to inform the future BEMU fleet order. The BEMU is not yet designed and a detailed estimate informing the project estimated maximum of \$80M will be prepared following technical meetings with Stadler, followed by negotiations. While there are no orders of single trains to compare to, the cost of the pilot BEMU is significantly mitigated by the cost savings from utilizing the EMU option, avoiding a new procurement, and using EMU coaches as part of the BEMU train. The BEMU demonstration train would be funded through the state of California.

Vehicle Type	Cost per Trainset With Option
Pilot BEMU	\$70M - \$80M

Total Avoided Costs if Caltrain Exercises Option for Six Vehicles

If Caltrain can exercise its option with Stadler for 4 replacement EMUs, 1 additional EMU, and 1 pilot BEMU, it **will save the region at least \$125M and potentially more than \$150M.**

Future Fleet Plans

By the end of 2024, Caltrain expects to have 19 EMUs and nine diesel locomotives. By 2030, Caltrain plans to have 24 EMUs (four replacement and one expansion), a pilot BEMU, and five diesel

locomotives. By 2035, Caltrain plans to have 24 EMUs and six BEMUs (five replacement and one pilot) for a total of 30 zero emission vehicles and no diesel locomotives. Having six BEMUs would include five round-trips per day to Gilroy plus one spare and allow for the completion of a zero emission corridor. These plans are dependent on funding and technology availability.

Funding Opportunities

FTA Formula Funds

Caltrain is requesting that MTC program replacement funds over a five-year period for four EMUs to replace diesel rail vehicles and railcars in a 1 to 1 seat replacement.

FTA Rail Vehicle Replacement Grant Program

Caltrain has applied to the FTA's Rail Vehicle Replacement Grant Program for three new, high-performance EMUs to replace diesel locomotive trains and enhance the safety and reliability of Caltrain in the San Francisco Bay Area. This would enable Caltrain to reduce emissions and noise pollution in equity priority communities along the corridor. This also builds on the Electrification Project and will advance the U.S. Department of Transportation goal of transitioning to a cleaner and more energy-efficient future. Caltrain has received support from Senator Feinstein and our federal House delegation, as well as our state delegation, local elected leaders, and community organizations, institutions, and businesses. This program covers 50% of the cost of the vehicles and Caltrain has applied for \$80M. Award announcements are expected in April.

CalSTA and Caltrans

Caltrain is working with CalSTA and Caltrans to pursue funding for a pilot BEMU that would enable testing and demonstration of this new rail technology which holds promise for getting Caltrain to a zero emission corridor future. Conversations are ongoing.

The Portal/ Downtown Rail Extension

Caltrain is working with the Transbay Joint Powers Authority to request inclusion of an EMU needed for service expansion to The Portal/DTX into the project cost.

Other Funding Sources for EMU and BEMU Replacements

- Solutions Congested Corridors Program
- Transit and Intercity Rail Capital Program
- Affordable Housing and Sustainable Communities Grant Program
- Local Partnership Program Competitive Grants
- FTA Future Formula Funds
- FTA Future Competitive Grant Programs
- Carl Moyer Memorial Air Quality Standards Attainment Program

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Sam Sargent, Director, Strategy and Policy
Subject: **Project Labor Agreement Policy Update**

Finance
Committee
Recommendation

Technology,
Operations,
Planning, and
Safety Committee
Recommendation

Advocacy and
Major Projects
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating
Council
Recommendation

Action

None. Informational only.

Significance

The purpose of most Project Labor Agreements (PLA) is to promote efficiency in construction and provide a structure to settle labor disputes without work stoppages, strikes, sympathy strikes or lockouts. At present, the Caltrain Electrification agreement is the only PLA in place on the railroad. In December, the Board of Directors (Board) requested that staff develop a PLA Policy to guide the use of these agreements on future construction projects.

The advantages and disadvantages of having PLAs on Caltrain construction projects, as well as a set of options for Board consideration related to the PLA Policy, are discussed below and in the committee presentation. Caltrain staff (staff) will incorporate Board input on the PLA Policy into a final draft for future action.

Budget Impact

No budget impact at this time.

Background

On December 1, 2022, the Board requested that staff report back with a “draft policy relating to a framework for Project Labor Agreements and Community Hiring Provisions, collectively known as Community Workforce Agreements [CWA].” The draft PLA Policy will be considered by the board in two phases over two months: policy options, followed by potential action.

Since the initial request, staff have convened an internal PLA Policy project steering committee and a series of conversations with building and trades council leadership from San Francisco,

San Mateo, and Santa Clara counties. An in-depth review of transit operator, county, and city peer approaches to PLAs was completed, including interviews with responsible staff at different stages of the PLA process. The results of this research have been incorporated into the options and alternatives discussed below.

Alameda County, the cities of San Francisco and San Jose, Santa Clara County, Sonoma County, and VTA each have PLA policies in place covering all construction projects over a certain dollar threshold. The construction projects must have contracts let by the county, city, or agency for those PLA policies to apply.

AC Transit, BART, LA Metro, and the Transbay Joint Powers Authority (TJPA), alternatively, have PLA policies that apply to all construction projects within a program of projects. Some programs are defined by a mode, while others are defined by the primary source of funds.

Organization	PLA Threshold
Sonoma County	\$10 million
Santa Clara County	\$2 million
VTA	\$2 million
City of San Jose	\$1.25 million
City of San Francisco	\$1 million
Alameda County	\$1 million
AC Transit	All Bus Rapid Transit (BRT) projects
TJPA	All Phase I & II projects
BART	Specified “Major Projects”
LA Metro	Measure M and R projects, P3s

PLA policies and PLAs on specific construction projects are common in the Bay Area. While the purpose of most PLAs is to promote efficiency in construction and provide a structure to settle disputes, there are other benefits and risks for board consideration.

At the federal level, Executive Order 13502, issued by President Biden on February 9, 2022, requires the use of PLAs on federally funded projects over \$35 million and provides guidance on the structure of those agreements. At the state level, Public Contract Code (PCC) Section 2500 requires public entities in California that enter into PLAs to incorporate a series “taxpayer protection provisions” including anti-discrimination language, drug testing, and guarantees against “work stoppages, strikes, lockouts, and similar disruptions of [a] project.”

The federal and state governments have recently incorporated PLA use into the guidelines for discretionary grant programs such as the Federal-Station Partnership for Intercity Passenger Rail and state Transit and Intercity Rail Capital Program. The former includes “strong labor standards” and the “use of project labor agreements” among the selection criteria, while the latter requires agencies to demonstrate “direct, meaningful, and assured benefits” to the community including PLAs on candidate projects. In short, the use of PLAs currently makes projects more competitive for state and federal grant funding

While a PLA Policy may increase the likelihood of securing outside funds, the impact of a policy on project costs must also be considered. According to the UC Berkeley Labor Center, workers covered by union contracts earn 12.9 percent higher wages than non-union workers. Union workers are more likely to receive employer-sponsored health benefits and a retirement plan, which may drive project labor costs higher. Wages were measured across public and private projects in that study.

Simultaneously, the same research has shown that unionization increases productivity and decreases staff turnover, which can lead to significant cost savings for a project. Unless a PLA includes a higher wage than the prevailing wage, there should be little difference in hourly labor costs as public construction projects are covered by California’s prevailing wage laws. Furthermore, in a union-rich environment like the Bay Area, the impact of a PLA on project costs is negligible to none, according to Caltrain staff research and peer entity interviews.

The policy options for committee consideration include further discussion of the benefits and risks to Caltrain projects of a PLA Policy:

1. **Should Caltrain have a PLA Policy?**

Pro: a PLA Policy will provide structure and a consistent approach to labor agreements on Caltrain projects. PLAs will make Caltrain more competitive for federal and state grant funding opportunities and will build support among labor and labor-affiliated policymakers as the railroad explores options for new, necessary revenue.

Con: Caltrain does not currently have the resources to properly negotiate, execute, or administer PLAs under a new policy. Because of the unique qualities of Caltrain as a three-county commuter railroad, the experience of Bay Area peers may not address all risks to the organization, including administrative and other project cost increases.

2. **What type of project does the PLA Policy apply to?**

Alternative 1: construction projects with a contract awarded by the JPB and an engineer’s initial cost estimate is over a JPB-approved dollar threshold.

- Pro: consistent, intuitive approach for Caltrain and the contractor community; common among peers, does not require projects to be selected for policy inclusion.
- Con: likely requires regular updates, is not tied to specific programs or projects or the structure of the future Caltrain Capital Investment Plan (CIP).

Alternative 2: Grade separation projects within the scope of the ongoing Corridor Crossing Study. Applicable projects definition will be revisited when the CIP is completed.

- Pro: a programmatic approach ensures use of PLAs on Caltrain's largest capital projects. CIP connection will link the railroad's new, more systematic approach to capital planning and delivery with Caltrain's labor policy.
- Con: projects that could benefit from a PLA, but not part of a larger capital program (such as grade separations), may be left out, requiring an ad hoc approach.

3. What is the dollar threshold for the PLA Policy, if that approach is taken?

Caltrain staff propose JPB consideration of the following threshold levels:

- **\$2 million:** currently the VTA and Santa Clara County PLA dollar threshold, which was included in the Board request.
- **\$5 million:** a threshold lower than the average of Caltrain's FY2024 top ranked non-planning projects average (\$7.41 million).
- **\$10 million:** a threshold lower than the current Caltrain Management Committee-approved, railroad-led projects average (\$14.4 million).
- **\$35 million:** EO 13502 requirement for federally funded projects; a threshold below the current Management Committee-approved projects average (\$100 million).

4. Who negotiates the PLA on a project? How is the PLA administered?

Alternative 1: Caltrain would negotiate the PLA with the applicable labor councils. The PLA would then be binding on the contractor.

- Pro: Caltrain retains control over the process and relationship with the labor councils. This is the standard arrangement among regional and state peer agencies.
- Con: Caltrain does not currently have the resources to properly negotiate, execute, or administer PLAs under a new policy. This may increase administrative, project costs.

Alternative 2: Under the Caltrain policy, a PLA is required as a condition of contract award on applicable projects. The contractor then negotiates the PLA with the labor councils.

- Pro: Caltrain shifts the burden of negotiation and administration to the contractor and does not have to add new internal resources.
- Con: Caltrain loses a large degree of control over the process and relationship with the labor councils. Issues between labor and the contractor will likely be elevated to the JPB.

Caltrain staff will return to the May 22 Finance Committee and June 8 board meeting with a draft PLA Policy based on the input gathered from this options discussion.

The December 1, 2022 board request also included an ask for a draft CWA for the transit-oriented development (TOD) at Diridon Station. It is anticipated that a Request for Qualifications for the Diridon will be released in 2024, which gives Caltrain staff and the Board time to discuss separately later in the year.

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