

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

Minutes of May 22, 2023

Members Present: Ray Mueller, Devora “Dev” Davis (Vice Chair)

Members Absent: Monique Zmuda (Chair)

Staff Present: R. Barnard, M. Bouchard, B. Fitzpatrick, N. Fogarty, J. Harrison, K. Kelly,
W. Lau, L. Mai, D. Seamans, M. Tseng

1. Call to Order/Pledge of Allegiance

Acting Chair Devora “Dev” Davis called the meeting to order at 2:33 pm.

2. Roll Call

Acting Chair Davis noted Board quorum was present for the record.

Acting Chair Davis announced moving item 13 to after item 8.

3. Public Comment on Items not on the Agenda - There were none.

4. Consent Calendar

4.a. Meeting Minutes of March 27, 2023

4.b. Authorize the Executive Director to Execute a Service Agreement with the City of Palo Alto for Activities Undertaken in Support of the Connecting Palo Alto Project*

Motion/Second: Mueller/ Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

5. Accept Statement of Revenues and Expenses for the Period Ending April 30, 2023

Kathleen Kelly, Interim Chief Financial Officer, provided the report which included the following:

- No change in forecast for this year from what was provided two months ago
- Projected \$1.6 million in surplus versus had initially projected \$2.6 million deficit
- Increase in sales tax provided slight surplus

Motion/Second: Mueller/ Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

6. Adopt Fiscal Year 2024 and Fiscal Year 2025 Proposed Operating and Capital Budgets

Kathleen Kelly, Interim Chief Financial Officer, provided the presentation which included the following:

- No changes from May Board Meeting for Operating and Capital
- Fiscal year (FY) 2024 budget is balanced without drawing from Measure RR funds
- Farebox and Parking Revenues – ridership returning at a slower pace and GoPass tracking at higher level
- Farebox Revenue Trends – increased in 2022 and 2023, but not a significant increase in FY2024; FY2025 projected increase due to electrification
- Proposed Operating and Capital Budgets summary
- Stadler cars – potential for fifth car completely funded by the City and County of San Francisco for DTX (Downtown Extension) project; possibility of battery vehicle completely funded by the State
- Projected Funding Sources – talking with VTA (Santa Clara Valley Transit Authority) regarding projects funded by Measure B

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

- Funding for a fourth train to Gilroy and Stadler cars
- Ridership metrics trending upwards and advertising strategies to promote ridership

Public comment

Adina Levin commented on level boarding and its efficiency and reliability.

Motion/Second Davis/Mueller deferred item to the full Board:

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

7. Approval of Revised Settlement Authority Policy for General Liability Claims

James Harrison, Legal Counsel, provided the presentation which included the following:

- Background and current Limits in the JPB (Joint Powers Board) Claims Settlement Authority Policy
- Proposed changes and staff recommendation

Motion/Second Davis/Mueller deferred item to the full Board:

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

8. Adoption of Revisions to the Joint Powers Board (JPB) Procurement Policy

James Harrison, Legal Counsel, provided the presentation which included the following:

- Background, gaps in current policy
- Comparison to peer agencies and reason for proposed changes

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

- Example of how the current policy is procedurally problematic and onerous
- City of San Jose policy amount is larger

Motion/Second: Davis/Mueller

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

13. Project Labor Agreement (PLA) Policy Update Informational

Sam Sargent, Director of Strategy and Policy, provided the presentation which included the following:

- Board referral, overview, framework, definition, and common elements
- Community Workforce Agreements and policy framework research
- Draft Caltrain PLA Policy – Overview
- Federal and State Policy considerations and Caltrain financial considerations
- Draft Caltrain PLA Policy - options and alternatives recap

Public comments

David Bini, Executive Director, Santa Clara and San Benito Counties Building and Construction Trades Council, supported the PLA policy and its proposed threshold amount.

Rudy Gonzalez, Secretary Treasurer, San Francisco Building and Construction Trades Council, echoed support for the policy.

Eric Tassio, Plumbers Union Local 467, commented on various PLAs and its benefits for the community.

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

- Resource opportunities, such as Federal and State grants
- Structuring the PLA policy and guidelines for grade separation projects, dollar threshold, and number of projects for Caltrain to negotiate and administer the PLA

9. 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*

Acting Chair Davis noted remembering project and inquired if a presentation for the extension is required. Mr. Harrison stated that the information was provided in writing, therefore, not required. The Committee had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

10. Approve Exclusive Negotiating Agreement and Agreement for Comprehensive Planning and Exchange of Easements with IQHQ at the South San Francisco Caltrain Station*

Nadine Fogarty, Deputy Director of TOD (Transit Oriented Development) and Real Estate, provided the presentation which included the following:

- Overview – working with IQHQ, Inc. (the Developer)
- Background – South San Francisco station property as potentially developable, but site was not independently developable
- Background: IQHQ Development is currently constructing biotech lab and office project with estimated completion in early 2025
- Proposed agreement – exchange of easements, developer-funded improvements to station property, formalized easement across adjacent property, and provision allowing IQHQ to lease up to 53 parking spaces
- Benefits of the proposed agreements and budget impacts

The Committee had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

11. Authorization of the Application for and Receipt of Annual Cap and Trade Funding for Ridership Recovery Service Enhancement

The Committee Members noted prior review of the materials in the agenda packet and had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

12. Authorize Execution of Contracts and Amendments for Information Technology Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services Through Piggyback Contracts and Cooperative Purchasing Programs*

Kevin Yin, Director Contracts and Procurement, provided the presentation which included the background and proposed motion. The Committee had no questions or comments.

Motion/Second: Mueller/Davis

Ayes: Mueller, Davis

Noes: None

Absent: Zmuda

13. Item was presented after item 8

14. Update on Disadvantaged Business Enterprise Program - deferred to next Finance Committee Meeting due to time constraints.

15. Committee Member Requests - There were no requests.

16. Date/Time of Next Regular Finance Committee Meeting: June 26, 2023, at 2:30 pm.

17. Adjourn - Meeting adjourned at 4:16 pm