



**BOARD OF DIRECTORS 2024**

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MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

## **AGENDA**

### **PENINSULA CORRIDOR JOINT POWERS BOARD Finance Committee Meeting**

October 28, 2024, 2:30 pm

Bacciocco Auditorium, 2nd Floor  
1250 San Carlos Ave., San Carlos, CA

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

Members of the public may participate remotely via Zoom at <https://us02web.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 Mateo County Transit District, 1250 San Carlos Ave., Bacciocco Auditorium - Second Floor, San Carlos, CA, or any other noticed location.

Public comments may be submitted to [publiccomment@caltrain.com](mailto: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.

**October 28, 2024 - Monday**

**2:30 pm**

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

*A double asterisk indicates that one or more Directors of the JPB serve on the governing board of a public agency with which the JPB proposes to contract. Under Government code section 1091(a)(9), this relationship is considered to be a noninterest but it must be disclosed.*

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 September 23, 2024 Motion
  - 4.b. Approval of the 2025 JPB Finance Committee Meeting Calendar Motion
5. Accept Statement of Revenues and Expenses for the Period Ending June 30, 2024, and Approve Amendment to the Fiscal Year 2024 Operating Budget Motion
6. Acceptance Statement of Revenues and Expenses for the Period Ending September 30, 2024 Motion
7. Quarterly Financial Report Fiscal Year 2025 Quarter 1 Result & Annual Outlook Informational
8. Committee Member Requests
9. Date/Time of Next Regular Finance Committee Meeting: November 18, 2024 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

### **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 650.551.6108. Agendas are available on the Caltrain website at <https://www.caltrain.com>. Communications to the Board of Directors can be e-mailed to [board@caltrain.com](mailto:board@caltrain.com). *Free translation is available; Para traducción llama 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; JPB TOPS and AMP Committee: Two Wednesdays before the Board meeting, 1:30 pm and 3:30 pm respectively. 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](mailto: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 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](mailto: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  
1250 San Carlos Avenue, San Carlos, CA 94070  
DRAFT Minutes of September 23, 2024**

**Members Present:** Devora “Dev” Davis, Ray Mueller, Monique Zmuda (Chair)

**Staff Present:** M. Bouchard, J. Harrison, L. Ko, M. Tseng, C. Valbuena, K. Yin, L. Zhang

**1. Call to Order/Pledge of Allegiance**

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

**2. Roll Call**

Acting District Secretary Margaret Tseng called the roll and confirmed a quorum was present.

Chair Zmuda delivered the Safety Briefing.

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

**4. Consent Calendar**

**4a. Meeting Minutes of August 26, 2024**

**4b. Accept Statement of Revenues and Expenses for the Periods Ended August 31, 2024**

Motion/Second: Davis/Zmuda

Ayes: Davis, Mueller, Zmuda

Noes: None

**5. Approve Amendment 2 to Contract with Bell Burnett & Associates to Provide Additional Scope and Capacity for Financial Strategy Planning Consulting Services**

Li Zhang, Chief of Rail Commercial & Business Development, provided the presentation that included the following:

- Bell Burnett & Associates (BB&A) to support Caltrain during recruitment and staffing period with reduction of support during the second year of contract
- BB&A expected and to-be expected services:
  - Expansion of regenerative braking related services
  - Strategic and implementation support to Joint Powers Board’s Cost Reduction and Efficiency Improvement Task Force
  - Financial and business development analyses regarding non-fare revenue, business initiatives, and legislative support
  - Financial and business development analyses regarding special efforts/projects

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

- Recruitment challenges
- Upcoming results of 2023 Compensation Study to gauge base payment for positions
- Increased cost differences for contract positions
- Funds exhausted for current period ending November 7, 2024
- Concern for the lack of continuity of in-house operational knowledge

Motion/Second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

**6. Amend and Increase the Fiscal Year 2025 Caltrain Capital Budget by \$13,921,399 from \$132,702,653 to \$146,624,052**

Claudette Valbuena, Manager of Capital Budgets, provided the presentation that included the following:

- Amended FY 2025 Capital Budget to be applied to the following projects: Middle Avenue Undercrossing, Diridon Business Case, Stadler Repair of Damaged Electric Multiple Unit (EMU) Cars, and San Francisco Railyards Preliminary Business Case

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

- Status of Diridon Business Case: collaboration with Santa Clara County Valley Transportation Authority (VTA), City of San José, and California High-Speed Rail to create and promote an intermodal hub with other Bay Area transportation providers; funding; environmental clearance; and governance

Motion/Second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

**7. Award of Contracts for On-Call General Commercial Real Estate Brokerage Services**

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

- Request for Proposals (RFP) resulted in proposals from CBRE and Century Urban
- Both firms scored and acknowledged for having requisites needed for the requested services and reasonable rates
- An additional award of contracts

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

- Clarification for using brokerage firm
- Additional firms encompassed in the \$900,000 allocation

Motion/Second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

**8. Authorize an Amendment to the Contract with moovel North America, LLC for the Caltrain Mobile Ticketing Solution to Extend the Term by One Year and Increase the Contract Capacity by \$574,245 to \$2,255,851**

- Extend contract terms and increase contract value to ensure continued service until the launch of the Clipper Next Generation and six months thereafter

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

- Retain parking and ticketing capabilities and expand trip scheduling capabilities for Next Generation Clipper app

Motion/Second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

**9. Committee Member Requests - There were none.**

**10. Date/Time of Next Regular Finance Committee Meeting: Monday, October 28, 2024 at 2:30 pm.**

**11. Adjourn - The meeting adjourned at 3:11 pm.**



## JPB Finance Committee 2025 Meeting Calendar

**Mondays, Two Weeks Prior to JPB Board Meeting – 2:30 PM**

January 27

February 24

March 24

April 21

May 19\*

June – No meeting

July 28

August 25

September 29

October 27

November 17\*

December 15\*

Board Committee Members: Directors Monique Zmuda (Chair), *To Be Appointed* (Vice Chair), Ray Mueller  
Primary Staff Liaison: Chief Financial Officer Kate Jordan Steiner

\*Regular meetings are scheduled for two Mondays prior to the Board meeting at 2:30 pm unless otherwise noted.

Meetings will be conducted in a hybrid format (virtually via Zoom) and in-person at 1250 San Carlos Avenue, Bacciocco Auditorium, 2nd Floor, San Carlos, CA, unless otherwise stated. Dates may be subject to change.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Accept Statement of Revenues and Expenses for the Period Ending June 30, 2024, and Approve Amendment to the Fiscal Year 2024 Operating Budget**

Finance Committee  
Recommendation

Technology, Operations, Planning,  
and Safety Committee  
Recommendation

Advocacy and Major Projects  
Committee Recommendation

**Purpose and Recommended Action**

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accepts and enters into the record the Statement of Revenues and Expenses for the Period Ending June 30, 2024. This monthly financial report covers the full (unaudited) results of Fiscal Year 2024 (FY24). Final audited results are expected before the December board meeting.

This staff report provides a brief discussion of significant items and trends in the attached Statement of Revenues and Expenses through June 30, 2024, or FY24. 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 actuals to the budget including dollar and percentage variances.

**Year-to-Date Revenues:** As of the June year-end actuals, the Grand Total Revenue (page 1, line 17) is \$3.0 million (1.6 percent) favorable to budget primarily driven by:

- Measure RR (page 1, line 11) favorable \$1.2 million, reflecting better-than-budget sales tax receipts
- Other Income (page 1, line 5) favorable \$0.6 million attributable to favorable interest rates on funds received from third party agencies (High Speed Rail, Pacific Gas & Electric, etc.)

**Year-to-Date Expenses:** As of the preliminary June year-end actuals, the Grand Total Expense (page 2, line 51) is \$4.0 million (2.1 percent) unfavorable to budget, primarily driven by:

- Claims, Payments, and Reserves (page 2, line 28) unfavorable (\$4.6 million) driven by increasing frequency and magnitude of insurance claims observed in FY24

Expenses are expected to exceed budget, without sources to cover, in coming Fiscal Years.

**Budget Impact**

Staff is requesting that the Board approve an amendment to the FY24 operating budget, increasing Expenses by \$4.0 million from the adopted budget of \$192.7 million to \$196.7 million. This adjustment is primarily due to higher-than-expected costs in the Claims, Payments, and Reserves category, driven by the year-end claims reserve adjustment for open cases, as outlined in the



actuarial report. Insurance related costs have risen across the transit industry and are not expected to decrease.

Funding for this budget amendment will be provided by (a) eliminating planned contribution of \$2.0 million to Operating Reserve, and (b) \$3.0 million favorable revenue and other sources. Sources, including revenue and other income such as partner agency contributions, are not projected to keep pace with increasing expenses.

The revised FY24 budget reflects a favorable net result of \$1.1 million, which staff recommends allocating to underfunded Claims, Payments, and Reserve, resulting in a balanced FY24 year-end result.

Prepared By:	Li Saunders	Accountant II	650.622.7848
	Danny Susantin	Financial Reporting, Manager	650.622.8073

**Resolution No. 2024-**

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

\* \* \*

**Amending to Increase the Fiscal Year 2024 Operating Budget by \$3,961,976, from  
\$192,722,655 to \$196,684,631**

**Whereas**, pursuant to Resolution No. 2023-45 adopted on June 1, 2023, the JPB adopted the Fiscal Year 2024 (FY24) Operating Budget for a total authorized budget of \$192,722,655; and

**Whereas**, FY24 operating expenses exceeded the FY24 Operating Budget by approximately \$4 million due to higher-than-expected costs in the Claims, Payments, and Reserves category, driven by the year-end claims reserve adjustment for open cases, as outlined in the actuarial report; and

**Whereas**, FY24 revenues exceeded expectations by more than \$4 million, allowing staff to cover the additional expenses, leaving a surplus of \$1.1M; and

**Whereas**, Staff recommends that the Board amend the FY24 Operating Budget to increase it by \$3,961,976, from \$192,722,655 to \$196,684,631 and allocate the \$1.1M surplus to Claims, Payments, and Reserves.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby amends to increase the Fiscal Year 2024 Operating Budget by \$3,961,976, from \$192,722,655 to \$196,684,631 and allocate \$1.1M of surplus funds to Claims, Payments, and Reserves; and

**Be It Further Resolved** that the Executive Director, or designee, is authorized to take any actions necessary to give effect to this resolution.

Regularly passed and adopted this 7<sup>th</sup> day of November 2024 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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Acting JPB Secretary

Statement of Revenue and Expense

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>					
<b>STATEMENT OF REVENUE AND EXPENSE</b>					
<b>Fiscal Year 2024</b>					
<b>June 2024</b>					
	<b>JULY TO JUNE</b>				<b>ANNUAL</b>
	<b>ADOPTED BUDGET</b>	<b>CURRENT ACTUAL</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	<b>APPROVED BUDGET</b>
<b>REVENUE</b>					
<b>OPERATIONS:</b>					
Caltrain Fares	29,936,000	30,415,680	479,680	1.6%	29,936,000
Go Pass	16,764,000	16,464,306	(299,694)	(1.8%)	16,764,000
Parking Revenue	1,905,015	1,942,149	37,134	1.9%	1,905,015
Rental Income	1,026,489	1,604,738	578,249	56.3%	1,026,489
Other Income	6,541,260	7,174,831	633,571	9.7%	6,541,260
<b>TOTAL OPERATING REVENUE</b>	<b>56,172,764</b>	<b>57,601,704</b>	<b>1,428,940</b>	<b>2.5%</b>	<b>56,172,764</b>
<b>CONTRIBUTIONS:</b>					
Operating Grants	12,800,936	12,943,857	142,921	1.1%	12,800,936
Measure RR	118,400,000	119,614,442	1,214,442	1.0%	118,400,000
Member Agency (VTA - Gilroy)	470,000	(0)	(470,000)	(100.0%)	470,000
LCTOP/SRA	6,908,503	7,636,858	728,355	10.5%	6,908,503
<b>TOTAL CONTRIBUTED REVENUE</b>	<b>138,579,439</b>	<b>140,195,158</b>	<b>1,615,719</b>	<b>1.2%</b>	<b>138,579,439</b>
<b>GRAND TOTAL REVENUE</b>	<b>194,752,203</b>	<b>197,796,862</b>	<b>3,044,659</b>	<b>1.6%</b>	<b>194,752,203</b>

Statement of Revenue and Expense

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>					
<b>STATEMENT OF REVENUE AND EXPENSE</b>					
<b>Fiscal Year 2024</b>					
<b>June 2024</b>					
	JULY TO JUNE				ANNUAL
	ADOPTED BUDGET	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET
<b>EXPENSE</b>					
<b>DIRECT EXPENSE:</b>					
Rail Operator Service	104,889,704	102,907,848	1,981,856	1.9%	104,889,704
Security Services	8,287,745	8,242,037	45,708	0.6%	8,287,745
Shuttle Services	80,000	67,307	12,693	15.9%	80,000
Fuel and Lubricants	15,211,316	15,439,821	(228,505)	(1.5%)	15,211,316
Timetables and Tickets	95,000	15,209	79,791	84.0%	95,000
Insurance	10,229,703	10,603,836	(374,133)	(3.7%)	10,229,703
Claims, Payments, and Reserves	1,320,000	5,876,906	(4,556,906)	(345.2%)	1,320,000
Facilities and Equipment Maintenance	8,186,535	9,132,943	(946,408)	(11.6%)	8,186,535
Utilities	2,708,900	3,146,149	(437,249)	(16.1%)	2,708,900
Maint & Services-Bldg & Other	1,784,600	1,622,625	161,975	9.1%	1,784,600
<b>TOTAL DIRECT EXPENSE</b>	<b>152,793,503</b>	<b>157,054,680</b>	<b>(4,261,177)</b>	<b>(2.8%)</b>	<b>152,793,503</b>
<b>ADMINISTRATIVE EXPENSE</b>					
Wages and Benefits	17,315,281	17,408,250	(92,969)	(0.5%)	17,315,281
Managing Agency Admin OH Cost	3,565,453	3,511,558	53,895	1.5%	3,565,453
Board of Directors	62,875	16,820	46,055	73.2%	62,875
Professional Services	10,554,391	11,305,134	(750,743)	(7.1%)	10,554,391
Communications and Marketing	427,961	272,093	155,868	36.4%	427,961
Other Office Expenses and Services	4,307,066	3,464,924	842,142	19.6%	4,307,066
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>36,233,027</b>	<b>35,978,780</b>	<b>254,247</b>	<b>0.7%</b>	<b>36,233,027</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>189,026,530</b>	<b>193,033,460</b>	<b>(4,006,930)</b>	<b>(2.1%)</b>	<b>189,026,530</b>
Governance	225,000	251,039	(26,039)	(11.6%)	225,000
Debt Service Expense	3,471,125	3,400,132	70,993	2.0%	3,471,125
<b>GRAND TOTAL EXPENSE</b>	<b>192,722,655</b>	<b>196,684,631</b>	<b>(3,961,976)</b>	<b>(2.1%)</b>	<b>192,722,655</b>
Projected Contribution to Reserve	2,029,548				2,029,548
Claims, Payments, and Reserve		1,112,231			
Draw from Operating Reserve					
<b>NET SURPLUS / (DEFICIT)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>-</b>
<b>Reserve, Beginning Balance</b>	<b>26,878,850</b>	<b>26,878,850</b>			<b>26,878,850</b>
<b>Projected Contribution to Reserve</b>	<b>2,029,548</b>	<b>-</b>			<b>2,029,548</b>
<b>Reserve, Ending Balance</b>	<b>28,908,398</b>	<b>26,878,850</b>			<b>28,908,398</b>



BOARD OF DIRECTORS 2024

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

MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**INVESTMENT PORTFOLIO**

**AS OF JUNE 30, 2024**

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (LAIF) <i>(Unrestricted)</i>	*	Liquid Cash	4.480%	379,804	379,804
California Asset Management Program (CAMP) <i>(Unrestricted)</i>		Liquid Cash	5.430%	42,960,298	42,960,298
County Pool <i>(Unrestricted)</i>		Liquid Cash	3.818%	590,514	590,514
Other <i>(Unrestricted)</i>		Liquid Cash	5.222%	18,639,747	18,639,747
Other <i>(Restricted)</i>	**	Liquid Cash	5.015%	27,643,961	27,643,961
				\$ 90,214,324	\$ 90,214,324

Interest Earnings for June 2024 \$ 493,698.68  
Cumulative Earnings FY2024 4,085,522.53

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

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

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Kate Steiner, Chief Financial Officer  
Subject: **Accept Statement of Revenues and Expenses for the Period Ending  
September 30, 2024**

Finance Committee Recommendation       Technology, Operations, Planning,  
and Safety Committee Recommendation       Advocacy and Major Projects  
Committee Recommendation

**Purpose and Recommended Action**

Staff proposes that the Finance Committee accepts and enters into the record the Statement of Revenues and Expenses, and supplemental information for the period ending September 30, 2024; the first Quarter of Fiscal Year 2025 (FY25Q1).

This staff report provides a brief discussion of significant items and trends in the attached Statement of Revenues and Expenses through September 30, 2024. The columns have been designed to provide an easy comparison of current year-to-date actuals to information for the year-to-date budget, including dollar and percentage variances.

**Total Revenue:**

As of September 30, 2024, total revenues were \$49.0 million compared to \$53.2 million in the adopted budget, resulting in an unfavorable variance of (\$4.2 million) or 7.9 percent.

The unfavorable revenue variance was primarily driven by the following:

- Delay in receipt of LCFS, LCTOP, and SRA grants resulting in unfavorable revenue of \$3.4 million (100 percent) which we anticipate resolving by year-end with grant receipt expected later in the fiscal year.

**Total Expense:**

As of September 30, 2024, total expenses were \$47.7 million compared to \$55.1 million in the adopted budget, resulting in a favorable variance of \$7.4 million or 13.5 percent.

The favorable expense variance was primarily driven by the following:

- Professional Services expenses were \$2.3 million (68.5 percent) favorable with actual expenses \$1.1 million, compared to a budget of \$3.4 million. This is driven by normal timing issues associated with the billing cycles, and expenses are expected to increase over the next several periods while remaining within adopted/revised budget over the FY.
- Rail Operator Service expenses were \$2.1 million (6.9 percent) favorable, with actual expenses of \$28.6 million compared to a budget of \$30.7 million. This favorable variance is attributable to variations and timing of invoices as received from rail operator.

- Fuel and Lubricants expenses through September are \$1.0 million (26.7 percent) favorable, also driven by timing of billing. Fuel and Lubricants and Electric Charge for Power Traction expenses are expected to remain within adopted/amended budget.

The favorable expense variance was partially offset by unfavorable expenses, driven by the following:

- Claims, Payments, and Reserves show an unfavorable variance of \$0.8 million (246.4 percent), with expenses totaling \$1.1 million compared to the \$0.3 million budget. This is driven by the increased frequency and magnitude of claims expenses anticipated with both ongoing and settled cases.


**Other Information:** The Agency accounts for revenue and expense 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 actual and the budget may show noticeable variances due to the timing of expenses.


**Budget Impact**

Acceptance of the month of September 2024 Statement of Revenues and Expenses has no budget impact.

Prepared By:	Li Saunders	Accountant II	650.622.7848
	Danny Susantin	Financial Reporting, Manager	650.622.8073



	<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b> STATEMENT OF REVENUE AND EXPENSE FISCAL YEAR 2025 AS OF SEPTEMBER 2024					(In Thousands)
	<b>YEAR-TO-DATE</b> <b>JULY TO SEPTEMBER</b>					<b>ANNUAL</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>\$</b> <b>VARIANCE</b>	<b>%</b> <b>VARIANCE</b>	<b>BUDGET</b>	
<b>REVENUE</b>						
OPERATIONS:						
Caltrain Fares	\$ 9,077	\$ 9,483	\$ 406	4.5%	\$ 35,923	
Go Pass	4,610	3,824	(786)	(17.1%)	18,440	
Parking Revenue	742	670	(72)	(9.7%)	2,218	
Rental Income	264	412	147	55.7%	1,057	
Other Income	1,505	1,918	414	27.5%	6,019	
<b>TOTAL OPERATING REVENUE</b>	<b>16,198</b>	<b>16,307</b>	<b>109</b>	<b>0.7%</b>	<b>63,658</b>	
CONTRIBUTIONS:						
Operating Grants	2,672	2,672	-	0.0%	10,688	
Measure RR	30,784	30,017	(768)	(2.5%)	120,100	
Member Agency (VTA - Gilroy)	129	-	(129)	(100.0%)	517	
LCFS, LCTOP/SRA	3,441	-	(3,441)	(100.0%)	13,765	
<b>TOTAL CONTRIBUTED REVENUE</b>	<b>37,027</b>	<b>32,689</b>	<b>(4,338)</b>	<b>(11.7%)</b>	<b>145,070</b>	
<b>GRAND TOTAL REVENUE</b>	<b>\$ 53,225</b>	<b>\$ 48,995</b>	<b>\$ (4,229)</b>	<b>(7.9%)</b>	<b>\$ 208,728</b>	

	<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b> STATEMENT OF REVENUE AND EXPENSE FISCAL YEAR 2025 AS OF SEPTEMBER 2024					(In Thousands)
	YEAR-TO-DATE JULY TO SEPTEMBER					ANNUAL
	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET	
<b>EXPENSE</b>						
DIRECT EXPENSE:						
Rail Operator Service	\$ 30,740	\$ 28,623	2,117	6.9%	\$ 105,902	
OCS/TPS Maintenance	-	-	-	0.0%	20,731	
Security Services	2,143	1,975	168	7.8%	8,572	
Shuttle Services	20	17	3	13.2%	80	
Fuel and Lubricants*	3,857	2,828	1,029	26.7%	5,069	
Electric Charges for Power Traction	-	-	-	0.0%	19,495	
Timetables and Tickets	24	8	16	67.5%	95	
Insurance	2,813	3,047	(234)	(8.3%)	11,253	
Claims, Payments, and Reserves	330	1,143	(813)	(246.4%)	1,320	
Facilities and Equipment Maintenance	2,244	1,312	933	41.6%	9,008	
Utilities	677	598	79	11.6%	2,709	
Maint & Services-Bldg & Other	534	386	147	27.6%	2,264	
<b>TOTAL DIRECT EXPENSE</b>	<b>43,382</b>	<b>39,937</b>	<b>3,444</b>	<b>7.9%</b>	<b>186,497</b>	
ADMINISTRATIVE EXPENSE						
Wages and Benefits	5,926	5,131	795	13.4%	20,885	
Managing Agency Admin OH Cost	885	779	106	12.0%	3,565	
Board of Directors	16	5	11	66.8%	63	
Professional Services	3,407	1,072	2,335	68.5%	13,274	
Communications and Marketing	98	90	8	8.2%	386	
Other Expenses and Services	1,392	674	718	51.6%	5,705	
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>11,723</b>	<b>7,751</b>	<b>3,972</b>	<b>33.9%</b>	<b>43,878</b>	
<b>TOTAL OPERATING EXPENSE</b>	<b>55,105</b>	<b>47,689</b>	<b>7,416</b>	<b>13.5%</b>	<b>230,375</b>	
Debt Service Expense	-	-	-	0.0%	7,763	
<b>GRAND TOTAL EXPENSE</b>	<b>\$ 55,105</b>	<b>\$ 47,689</b>	<b>\$ 7,416</b>	<b>13.5%</b>	<b>\$ 238,138</b>	
Projected Contribution to Reserve					6,812	
<b>NET SURPLUS / (DEFICIT)</b>	<b>(1,880)</b>	<b>1,307</b>	<b>3,187</b>	<b>(169.5%)</b>	<b>(36,222)</b>	
Draw from Measure RR Reserve for PCEP					36,222	
<b>ADJUSTED NET SURPLUS / (DEFICIT)</b>	<b>(1,880)</b>	<b>1,307</b>	<b>3,187</b>	<b>(169.5%)</b>	<b>-</b>	
Reserve, Beginning Balance					28,908	
Projected Contribution to Reserve					6,812	
Reserve, Ending Balance					35,721	

\* Fuel and Lubricants costs were increased by a realized loss of \$59K from the fuel hedge program.



**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Finance Committee  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Quarterly Financial Report Fiscal Year 2025 Quarter 1 Result & Annual Outlook**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

The Board will receive an update on the financial result for Fiscal Year 2025 (FY25) Quarter 1 and a preliminary outlook for the remainder of FY25. This is an informational item.

**Discussion**

Fiscal Year 2025, Quarter 1 (FY25Q1) – (July 2024 through September 2024)

**Caltrain ended FY25Q1 \$1.3 million favorable.** Much of the variance seen in these actuals compared to budget are due to timing of receipt of revenues as well as timing of posting of expenses. In subsequent quarterly financial reporting, we will have more months of actual source and use data and share financial projections for FY25 year end. Caltrain is not expected to end FY25 with a favorable result. As of FY25 Q1:

**Sources were \$49.0 million, \$4.2 million (7.9 percent) lower** than the FY25Q1 budget of \$53.2 million

**Uses were \$47.7 million, \$7.4 million (13.5 percent) lower** than the FY25Q1 budget of \$55.1 million.

**FY25 Outlook**

FY24/FY25 is Caltrain's first biennial (two-year) budget with some uncertainty in the second fiscal year. Staff is currently reviewing the operating budget and plan to bring the FY25 Revised Operating Budget for Board approval in December. Potential budget amendments may include:

**Sources:**

- State Rail Assistance (SRA): includes the FY24 allocation
- Investment Income: adjusted based on the timing of investment fund balances
- Fares, Operating Grants, and Measure RR: updated to reflect current trends

**Uses:**

- Diesel Fuel and Electric Charges for Power Traction: adjusted to reflect current services levels and projected usage and costs
- Claims, Payments, and Reserves: increased claim reserve driven by rising litigation costs
- Wages and Benefits: included a 4 percent wage increase for unrepresented staff

Costs are increasing, largely due to new traction power maintenance, increased trainset maintenance, and rising costs of electricity and insurance. Revenue and other sources are not keeping pace with increasing operating costs.

**Budget Impact**

This is an informational item. There is no budget impact.

Prepared By: Kate Jordan Steiner      Chief Financial Officer      (650) 647-3504