

**Peninsula Corridor Joint Powers Board
Finance Committee
1250 San Carlos Avenue, San Carlos, CA 94070
Minutes of December 16, 2024**

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

Members Absent: Ray Mueller

Staff Present: R. Barnard, M. Bouchard, J. Brook, A. Burnett (Bell Burnett & Associates),
J. Harrison, L. Lumina-Hsu, M. Tseng, C. Valbuena, K. Yin, L. Zhang

1. Call to Order / Pledge of Allegiance / Safety Briefing

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

2. Roll Call

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

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

4. Consent Calendar

4.a. Approval of Meeting Minutes for November 18, 2024

4.b. Accept Statement of Revenues and Expenses for the Period Ended October 31, 2024

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

5. Authorize Executive Director to Execute Amendment 1 to Contract 24-J-P-016 for On-Call Alternative Project Delivery Negotiation Support Services*

Robert Barnard, Chief, Rail Design & Construction, provided the presentation, which included the following:

- Contract awarded December 2023
- Work directives issued to support negotiation services:
 - Broadway Burlingame Grade Separation Project (\$1.3 million)
 - Rengstorff Grade Separation Project (\$1.1 million)
- Project schedules for Broadway Burlingame and Rengstorff Avenue projects (\$2.4 million work directive total) were condensed and accelerated

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

- Contract terms: end date as 12-31-2028, plus two one-year options for 2029 and 2030
- Ensure that the resolution reflects the amended not-to-exceed contract capacity amount of \$3.15 million

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

6. Award of On-Call Design Review Services Contract to TranSystems Corporation for a Total Not-To-Exceed Amount of \$8 Million for a Seven-Year Term

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

- Received three proposals from TranSystems Corporation of Berkeley, California, Arup US, Inc. of San Francisco, California, and Mott MacDonald Group, Inc. of San Jose, California
- TranSystems selected as the highest-ranked firm
- Staff will issue work directives for specific projects during the contract term on an as-needed basis
- Work directives issued under contract will be funded by a variety of funding sources, which may include Federal, State, Regional, and Local revenues and grants from approved and future capital budgets

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

- Contract terms as five-years with two one-year options for a total of seven years
- Total number of bidders

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

7. Award Contracts to COGENT Infotech Corporation, Domain Experts Corporation, and InterSources, Inc. for On-Call Full-Cycle and Sourcing Recruitment Services for an Aggregate Total Not-to-Exceed Amount of \$1,500,000 for a Five-Year Base Term, with up to Two Additional One-Year Option Terms

Mr. Yin provided the presentation, which included the following:

- 17 proposals received with one as non-responsive to requirements
- Selection Committee conducted interviews with seven of the 16 firms, as these seven firms were found to be in the competitive range

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

- The contract is exclusive to the JPB for filling specialty positions within Rail Design & Construction
- Use of recruitment services for technical specific positions
- \$1.5 million budget anticipated amount for six positions annually

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

8. Amend and Increase the Fiscal Year 2025 Capital Budget by \$17,000,000 from \$148,179,052 to \$165,179,052

Claudette Valbuena, Budgets Manager, provided the presentation, which included the following:

- Connecting Palo Alto project to receive \$17 million in reimbursable expenses from City of Palo Alto and VTA (Santa Clara Valley Transportation Authority) Measure B

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

9. Receive Update on FY2025 Operating Budget and 10-Year Strategic Financial Plan

Michelle Bouchard, Executive Director, introduced Li Zhang, Chief, Rail Commercial and Business, and Alex Burnett, Principal, Bell Burnett & Associates, and noted the importance of understanding the 2025 budget baseline to update the strategic financial plan based on the line items in 2025.

Ms. Zhang and Mr. Burnett provided the presentation, which included the following:

- Original FY (fiscal year) 2025 Budget adopted June 2023 as part of first two-year budget process
- Budgeted expense \$238 million and balanced with \$36 million additional Measure RR contribution
- Major issues FY2025 operating budget was facing at the start of the fiscal year included cost containment
- No negative impact on the transition to fully electric service
- Maintain FY2025 total expense at original adopted level
- Continue to monitor FY2025 budget situation closely, implement additional cost saving measures, and provide updates during monthly/quarter financial reports
- Provide timely updates on revenue generation strategies throughout the year
- Overview of strategic financial plan since January 2024 and provided key takeaways from December 2024 strategic financial plan
- Review of growth and service assumptions, key assumptions and drivers, projected deficit, and operating deficit sensitivity

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

- Budget to include a placeholder wage increase for 2029
- Fuel hedge program winding down as de minimus amount of diesel fuel purchased
- Union contract signed for four years beginning 2025
- Modeling different types of fare pricing structures. Last base fare increase was in February 2016
- Ridership growth rate tied to incremental service increases
- Energy cost assumption - Power supply and delivery costs from PG&E (Pacific Gas and Electric)
- Explore a point-to-point fare system to address the equity issue of crossing zone boundaries for short trips
- Marketing outreach possibilities: tourists, visitor and convention bureaus, and air travelers

Public Comment:

Adrian Brandt commented about KISS (Komfortabler Innovativer Spurtstarker S-Bahn-Zug) trains, labor efficiency, running shorter trains during off-peak times, and inequitable fare structure.

10. Committee Member Requests - There were none.

11. Date/Time of Next Regular Finance Committee Meeting: Monday, January 27, 2025 at 2:30 pm.

Chair Zmuda thanked Director Davis for her service. Director Davis announced her terming out celebration on Thursday at 5:00 pm at the Janet Gray Hayes Rotunda at San José City Hall.

12. Adjourn - The meeting adjourned at 4:21 pm.