

**Peninsula Corridor Joint Powers Board
Board of Directors**

1250 San Carlos Avenue, San Carlos, CA 94070

Minutes of April 2, 2026

Members Present: David J. Canepa, David Cohen (arrived at 9:09 am), Jeff Gee, Steve Heminger, Shamann Walton, Pat Burt (Vice Chair), Rico E. Medina (Chair)

Members Absent: Margaret Abe-Koga, Greg Wagner

Staff Present: M. Bouchard, C. Fromson, J. Harrison, M. Jones, L. Lumina-Hsu, O. Quintanilla Lopez, M. Tseng

1. Call to Order

Chair Medina called the meeting to order at 9:02 am.

2. Roll Call

Margaret Tseng, JPB Secretary, called the roll and confirmed a Board quorum was present.

3. Pledge of Allegiance / Safety Briefing

Chair Medina led the Pledge of Allegiance and delivered the safety briefing.

4. Request to Change Order of Business – There were none.

5. Public Comment for Items Not on the Agenda

Jeff Carter commented on bicycle policy and scooters.

Aleta Dupree, Team Folds, commented on fare check devices, Clipper transfer benefits, and staff and railroad operations.

Roland commented on number of train cars during peak and non-peak service.

Adrian Brandt commented on fare enforcement.

Dennis McGovern commented on bicycle and scooters riding on platform and e-motorcycles.

Director Cohen arrived at 9:09 am.

6. Report of the Executive Director

Michelle Bouchard, Executive Director, deferred item due to time constraints and noted materials were available in the agenda packet.

Public Comment

Aleta Dupree, Team Folds, commented on workshop dais layout.

Jeff Carter commented on bathroom availability and maintenance, and missing baby changing tables.

7. Consent Calendar

7.a. Approval of Meeting Minutes for March 5, 2026

7.b. Amend and Increase the Fiscal Year 2026 Capital Budget from \$107,560,168 to \$132,109,168 – Approved by Resolution No. 2026-12

7.c. Authorize Reimbursement Agreement with the San Mateo County Transit District for Provision of Closed Circuit Television (CCTV) Project Management Services – Approved by Resolution No. 2026-13**

7.d. Adopt a Second Addendum to Mitigated Negative Declaration for Guadalupe River Bridge Replacement Project – Approved by Resolution No. 2026-14

Motion/Second: Gee/Walton

Ayes: Canepa, Cohen, Gee, Heminger, Walton, Burt, Medina

Noes: None

Absent: Abe-Koga, Wagner

8. Receive Updates Regarding Caltrain's Fiscal Year 2027 Budget Development and 15-Year Operating Budget Look-Ahead

a. Caltrain Context

Michelle Bouchard, Executive Director, provided opening remarks regarding the financial considerations, projected scenarios to reduce the deficit, however, unable to completely close the deficit, and desired Board feedback on a no external funding scenario.

Melissa Jones, Deputy Director, Caltrain Policy Development, provided a presentation that included Caltrain's financial structure, including fixed costs, self-generated revenue, and reliance on one-time external funds.

b. Updates on Fiscal Year 2027 Operating Budget Development

Oscar Quintanilla Lopez, Director, Budgets and Financial Analysis, continued the presentation that included the following:

- One-time State loan sustains current service levels
- Fiscal Year (FY) 2018-2027 service levels; pandemic and electrification effects on service and ridership
- Preliminary FY27 budget operating revenue: increased farebox, parking, other revenue, Measure RR forecast, decreased Go Pass revenue, and Low Carbon Fuel Standard (LCFS) credits
- Preliminary FY27 budget operating expenses: decreased rail operator service and traction power; increased facilities/equipment maintenance, Clipper 2.0 costs and bank fees, managing agency overhead
- FY27 operating budget: \$6.2 million revenue increase, \$1.3 million expense reduction; one-time State loan needed to close deficit
- Budget risks: insurance, sales tax, electricity/fuel costs, State funding uncertainty
- Non-fare revenue strategies
- Senate Bill (SB) 63 Oversight Committee Phase 1 independent review released
- Phase 2 to include third-party cost efficiency review and implementation plan

The Board had a robust discussion which included the following:

- Factors driving increased ridership, including local economy and artificial intelligence (AI) tools
- Adjusting service by day of week; weekday ridership remains higher than weekend
- Polling drivers and public transit riders; communicating effects on commute times
- Increase Go Pass program and strengthening city partnerships to grow ridership:
- Considerations for scaling service and staffing; impact of service reduction on ridership
- Member agency contributions and those agencies' deficits
- FY27 Quarter 4 receipt of tax funds if regional measure passes; contingency plan for delays
- Current reliability of on-time performance

c. Beyond Fiscal Year 2027: Service and Financial Planning, With and Without External Funding

Mr. Quintanilla Lopez and Ms. Jones continued the presentation that included the following:

- FY27 deficit can be covered; deficit beginning FY28 cannot be covered without additional funding
- Post-pandemic, self-generated revenue insufficient; increased reliance on one-time funds, Measure RR, and external funding
- Service cuts do not fully resolve structural deficit due to high fixed costs; ridership and fare revenue dependent upon service quality

- No-external-funding scenario: severe service reductions including hourly weekday service, no weekend service, early shutdowns by 9:00 pm, close over one-third of stations, eliminate segments, administrative cuts
- Service cuts impact to ridership levels, expected decrease to farebox, parking and advertising revenue, leasing opportunities, and additional cuts still needed
- Regional transit at risk without external funding; impacts riders that take multiple public transit systems
- Costs related to maintenance and safety of corridor and assets during shutdown; full railroad shutdown would take minimum two to four years to reinstate passenger service

The Board had a robust discussion which included the following:

- Regional transit connectivity and impacts to the region
- Transit-oriented development (TOD); value capture loss for cities and communities
- Service cuts impact on riders attending special events
- Consider selling Caltrain assets; Safety and State of Good Repair (SOGR)
- Inability to meet grantors stipulations or extend waiver; risk of having to return grantors' funds
- Potential partnership and funding opportunity with agency overseeing United States (US) 101 toll collection
- Legislature response if funding measure fails
- Inform cities and employers benefiting from Caltrain service: commuter passes, increased property taxes
- Public communication on addressing deficit, highlight areas on progresses made, and totality and reality of no external funding
- Service reductions while continuing to provide full corridor service
- Establish criteria for station closures: underperforming, stations proximity, rider equity, ridership levels
- Consider corridor-wide tax to capture transit-related land value; Funding model prior to Measure RR; Significance and importance of regional measure funding for public transit agencies and communities

d. Discussion and Next Steps

Ms. Bouchard provided closing remarks that included continuing to meet with cities about electrification and ridership, and the FY27 budget timeline and scenario strategies returning to the Board for consideration.

Public Comment

Jeff Carter commented on potential reduced service levels, review train staffing levels, and managing agency discussions.

Aleta Dupree, Team Folds, spoke in support of the regional funding measure and commented on railroad operating costs.

Roland commented on service levels, operating contract, number of train cars, and administrative costs.

Adina Levin, Seamless Bay Area, commented on Connect Bay Area campaign, ridership level diversification, and Cubic accountability for Clipper 2.0.

Adrian Brandt commented on train conductor staffing levels, fare inspection and citation, and parking revenue.

Sebastian Petty, San Francisco Bay Area Planning and Urban Research Association (SPUR), commented on public transit agencies fiscal forecasts and Connect Bay Area campaign.

Emily Loper, Bay Area Council, commented on regional transit measure, Connect Bay Area campaign, public transit priority projects, and service cuts impacts on public transit riders and drivers.

Don Cecil, San Mateo County Economic Development Association (SAMCEDA), commented on public transparency on what is at stake, verifiable data points, and what will happen to the region.

9. Reports

9.a. Report of the Chair - Chair Medina stated attending electrification train unveiling for former United States House of Representative Nancy Pelosi.

9.b. Report of the Citizens Advisory Committee – Draft minutes are available in the agenda packet posted online.

9.c. Report of the Local Policy Maker Group (LPMG) - Chair Burt stated there was no report.

9.d. Report of the Transbay Joint Powers Authority (TJPA) - Chair Gee reported on the Downtown Extension Portal project (DTX) Environmental Impact Report (EIR) amendment, updated leases and contracts, and the Salesforce Park Committee Report.

10. Correspondence – Available online.

11. Board Member Requests – There were none.

12. Date/Time/Location of Next Regular Meeting: Thursday, May 7, 2026 at 9:30 am via Zoom and in person at the Santa Clara City Hall, Council Chambers, 1500 Warburton Avenue, Santa Clara, CA 94050.

13. Adjournment – The meeting adjourned at 11:33 am.