AGENDA
PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting
San Mateo County Transit District Administrative Building
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

December 23, 2019  2:30 p.m.

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 three (3) minutes. Items raised that require a response will be deferred for staff reply.
4. Approve Meeting Minutes of September 23, 2019  MOTION
5. Approve 2020 Committee Meeting Calendar  MOTION
6. Accept Statement of Revenues and Expenditures for September, October and November 2019  MOTION
7. Authorize Receipt of State Rail Assistance Program Funds  RESOLUTION
9. Committee Member Requests
10. Date/Time of Next Regular Finance Committee Meeting: Monday, January 27, 2020
    2019 at 2:30 p.m. San Mateo County Transit District Administrative Building, 2nd Floor,
    1250 San Carlos Avenue, San Carlos, CA 94070
11. Adjourn

Committee Members: Dev Davis (Chair), Ron Collins, Shamann Walton
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.

Location, Date and Time of Regular Meetings
Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Avenue, San Carlos, one block west of the San Carlos Caltrain Station on El Camino Real, accessible by SamTrans bus Routes ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1.800.660.4287 or 511.

The JPB meets regularly on the first Thursday of the month at 9:00 a.m. The JPB Citizens Advisory Committee meets regularly on the third Wednesday of the month at 5:40 p.m. at the same location. Date, time and place may change as necessary.

Public Comment
If you wish to address the Committee, please fill out a speaker’s card located on the agenda table and hand it to the JPB Secretary. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the JPB Secretary, who will distribute the information to the Committee members and staff.

Members of the public may address the Committee on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to three minutes and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities
Upon request, the JPB will provide for 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 public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the JPB Secretary at Peninsula Corridor Joint Powers Board, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to board@caltrain.com; or by phone at 650.508.6242, or TDD 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 are 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.
MINUTES OF SEPTEMBER 23, 2019

MEMBERS PRESENT: D. Davis (Chair), R. Collins, S. Walton

MEMBERS ABSENT: None

STAFF PRESENT: M. Bouchard, J. Cassman, C. Gayotin, C. Gumpal, D. Hansel, D. Seams, R. Tam, S. van Hoften

CALL TO ORDER
Chair Dev Davis called the meeting to order at 2:30 p.m. Director Walton led the Pledge of Allegiance.

ROLL CALL
District Secretary Dora Seams called the roll and confirmed all present.

APPROVAL OF MEETING MINUTES
On motion to approve the minutes of August 26, 2019 meeting: unanimously approved

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA
Roland Lebrun, San Jose, commented on the ridership in Gilroy, Electric Multiple Unit (EMUs) deployments.

ACCEPT STATEMENT OF REVENUES AND EXPENDITURES FOR JUNE AND AUGUST
Derek Hansel, Chief Financial Officer, reported on the statement of revenues and expenditures for June and August.

Staff provided further clarification in response to the Committee comments and questions.

Public Comment
Roland Lebrun, San Jose, commended the staff. He also commented on fare box, contributions, operating and administration expenses.

AWARD OF CONTRACTS FOR ON-CALL FINANCIAL CONSULTING SERVICES
Concepcion Gayotin, Manager of Procurement, provided a report on the request to award contracts for On-Call Financial Consulting Services, which included five categories and a five-year term to provide the JPB with expert, diverse and in-depth financial service knowledge in transportation finance.

Staff provided further clarification in response to the Committee comments and questions.
AWARD OF CONTRACTS FOR ON-CALL ENVIRONMENTAL PLANNING, PERMITTING AND SUPPORT SERVICES

Concepcion Gayotin, Manager of Procurement, provided the report on the award of contracts for On-Call Environmental Planning, Permitting and support services, which included three firms for five-year terms to provide the JPB with a pool of qualified firms to support the required and anticipated volume of services for planning and construction projects.

Staff provided further clarification in response to the Committee comments and questions.

Public comment
Roland Lebrun, San Jose, commented on consultant ICF Jones & Stokes.

AWARD OF CONTRACT TO XENCONSULT, INC. DBA XENTRANS FOR BROADBAND WIRELESS COMMUNICATIONS DESIGN AND SUPPORT SERVICES

Concepcion Gayotin, Manager of Procurement, and Robert Tam, provided a report on the request to award contract to Xenconsult, Inc. to design a broadband wireless communications system for use onboard moving trains and on the track wayside. The wireless communications system will be able to be used for remote, real-time train diagnostics and passenger Wi-Fi service on the trains.

The Committee members requested that staff provide the members with stakeholder outreach plan.

Staff provided further clarification in response to the Committee comments and questions. The presentation can be found on the Caltrain website link provided here: http://www.caltrain.com/Assets/__Agendas+and+Minutes/JPB/2019/2019-09-23+JPB+Finance+presentation+Xentrans.pdf or on file with the District Secretary’s office.

Public comment
Roland Lebrun, San Jose, commented on the selected firm.

REAFFIRM THE PENINSULA CORRIDOR JOINT POWERS BOARD INVESTMENT POLICY AND REAUTHORIZE INVESTMENT OF MONIES WITH THE LOCAL AGENCY INVESTMENT FUND

Derek Hansel, Chief Financial Officer, provided the report; highlights included the Statement of Investment Policy guidelines for the prudent investment and cash management of JPB funds. The goals of the Investment Policy are to establish investment objectives in accordance with the provisions of the California Government Code, Section 53600 et seq. and investment guidelines to ensure that the funds under its purview are prudently invested to preserve capital, provide necessary liquidity, and achieve a market-average rate of return over an economic cycle. This would be consistent with the JPB’s goals of preserving principal and minimizing the risk of diminishing the principal.

Staff provided further clarification in response to the Committee comments and questions.
Public Comment
Roland Lebrun, San Jose, noted that the information on the Local Investment Policy is in the packet.

COMMITTEE MEMBER REQUEST
None

DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING: MONDAY, OCTOBER 28, 2019 AT 2:30 P.M. SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING, 2nd FLOOR, 1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070
Chair Davis announced that the next meeting would be held on Monday, October 28, 2019 at 2:30 p.m.

ADJOURN
The meeting was adjourned at 3:12 p.m.

An audio/video recording of this meeting is available online at www.caltrain.com. Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@caltrain.com.
AGENDA ITEM #5
JANUARY 9, 2020

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board Finance Committee
THROUGH: Jim Hartnett
Executive Director
FROM: Dora Seamans
Executive Officer, District Secretary/Executive Administration
SUBJECT: 2020 FINANCE COMMITTEE CALENDAR

ACTION
Staff Coordinating Council recommends the Board approve the attached Committee meeting calendar for 2020.

SIGNIFICANCE
The Finance Committees' regular monthly meetings are scheduled for the fourth Mondays of each month at 2:30 pm. Possible exceptions for Committee consideration and approval would be Tuesday, May 26 to avoid conflict with the Memorial Day holiday and Monday, December 21 which is close to the Christmas holiday.

BUDGET IMPACT
There is no impact on the budget.
Peninsula Corridor Joint Powers Board
FINANCE COMMITTEE
Meeting Calendar
2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 27</td>
<td>Monday</td>
</tr>
<tr>
<td>February 24</td>
<td>Monday</td>
</tr>
<tr>
<td>March 23</td>
<td>Monday</td>
</tr>
<tr>
<td>April 27</td>
<td>Monday</td>
</tr>
<tr>
<td>Tues, May 26*</td>
<td>Tuesday</td>
</tr>
<tr>
<td>June 22</td>
<td>Monday</td>
</tr>
<tr>
<td>July 27</td>
<td>Monday</td>
</tr>
<tr>
<td>August 24</td>
<td>Monday</td>
</tr>
<tr>
<td>September 28</td>
<td>Monday</td>
</tr>
<tr>
<td>October 26</td>
<td>Monday</td>
</tr>
<tr>
<td>November 23</td>
<td>Monday</td>
</tr>
<tr>
<td>Mon., December 21*</td>
<td>Monday</td>
</tr>
</tbody>
</table>

*Moved due to Memorial Day and Christmas holidays.

The Board meets the fourth Monday of the month unless otherwise noted. All meetings are held at 1250 San Carlos Avenue, San Carlos, CA.
TO: Joint Powers Board
THROUGH: Jim Hartnett  
    Executive Director
FROM: Derek Hansel  
    Chief Financial Officer

SUBJECT: STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING SEPTEMBER 30, 2019

ACTION
Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of September 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through September 30, 2019. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

SIGNIFICANCE
Annual Forecast: The annual forecast is currently the same as the budget and will be updated twice a year and presented at the February and April board meetings.

Year to Date Revenues: As of September year-to-date actual, the Total Revenue (page 1, line 17) is $2.4 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page1, line 5), and JPB Member Agencies Contributions (page 1, line12).

Year to Date Expenses: As of September year-to-date actual, the Total Expense (page 1, line 49) is $2.3 million higher than the prior year-to-date actual. This is primarily due to increases in Rail Operator Service (page 1, line 23) and in Wages & Benefits (page 1, line 38). The increases are partially offset by lower expenses in Shuttle Services (page1, line26), Fuel and Lubricants (page1, line 27), Claims, Payments and Reserves (page1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Maint & Services-Bldg & Other (page1, line33), Managing Agency Admin OH cost (page 1, line 39), and Professional Services (page 1, line 41).

Other Information: Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show
noticeable variances for some line items on the financial statements.

**BUDGET IMPACT**
There are no budget amendments for the month of September 2019.

**STRATEGIC INITIATIVE**
This item does not achieve a strategic initiative.

Prepared By: Thwe T. Han, Accountant II 650-508-7912
Jennifer Ye, Manager, General Ledger 650-622-7890
### Statement of Revenue and Expense

**Peninsula Corridor Joint Powers Board**  
**Fiscal Year 2020**  
**September 2019**

#### Revenue

**Operations:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior Year</th>
<th>Current Year</th>
<th>Variance</th>
<th>% of Variance</th>
<th>Approved Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>12,777,896</td>
<td>14,366,395</td>
<td>1,588,499</td>
<td>12.4%</td>
<td>38,072,032</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### Expenses

**Operating Expense:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior Year</th>
<th>Current Year</th>
<th>Variance</th>
<th>% of Variance</th>
<th>Approved Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expense</td>
<td>27,351,123</td>
<td>30,197,358</td>
<td>2,462,234</td>
<td>8.9%</td>
<td>128,669,496</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### Administrative Expense

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior Year</th>
<th>Current Year</th>
<th>Variance</th>
<th>% of Variance</th>
<th>Approved Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Administrative Expense</td>
<td>6,925,434</td>
<td>6,299,587</td>
<td>625,847</td>
<td>9.0%</td>
<td>24,414,953</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### Net Surplus / (Deficit)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% of Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Surplus / (Deficit)</td>
<td>7,176,951</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

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*11/19/19 2:16 PM*
## PENINSULA CORRIDOR JOINT POWERS BOARD

### INVESTMENT PORTFOLIO

**AS OF SEPTEMBER 30, 2019**

<table>
<thead>
<tr>
<th>TYPE OF SECURITY</th>
<th>MATURITY DATE</th>
<th>INTEREST RATE</th>
<th>PURCHASE PRICE</th>
<th>MARKET PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund</td>
<td>* Liquid Cash</td>
<td>2.280%</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>County Pool (Restricted)</td>
<td>** Liquid Cash</td>
<td>2.091%</td>
<td>804,670</td>
<td>804,670</td>
</tr>
<tr>
<td>Other (Unrestricted)</td>
<td>Liquid Cash</td>
<td>0.000%</td>
<td>42,187,833</td>
<td>42,187,833</td>
</tr>
<tr>
<td>Other (Restricted)</td>
<td>*** Liquid Cash</td>
<td>0.200%</td>
<td>25,275,511</td>
<td>25,275,511</td>
</tr>
</tbody>
</table>

**Total:** $68,268,054

**Interest Earnings for September 2019:** $45,447.92

**Cumulative Earnings FY2020:** $45,447.92

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* 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 quarterly ending June 30th each year.

** As of September 2019, the total cost of the County was $4,905,092 and the fair market value per San Mateo County Treasurer's Office was $4,939,618.

*** 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.
AGENDA ITEM #6(a)
DECEMBER 23, 2019

PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT

TO: Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING OCTOBER 31, 2019

ACTION
Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of October 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through October 31, 2019. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

SIGNIFICANCE
Annual Forecast: The annual forecast is currently the same as the budget and will be updated twice a year and presented at the February and April board meetings.

Year to Date Revenues: As of October year-to-date actual, the Total Revenue (page 1, line 17) is $2.5 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page 1, line 5), and JPB Member Agencies Contributions (page 1, line 12).

Year to Date Expenses: As of October year-to-date actual, the Total Expense (page 1, line 49) is $186k lower than the prior year-to-date actual. This is primarily due to decreases in Fuel and Lubricants (page 1, line 27), Claims, Payments and Reserves (page 1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Maint & Services-Bldg & Other (page 1, line 33), Managing Agency Admin OH cost (page 1, line 39), and Professional Services (page 1, line 41). The decreases are partially offset by increases in Rail Operator Service (page 1, line 23) and in Wages & Benefits (page 1, line 38).

Other Information: Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show
noticeable variances for some line items on the financial statements.

**BUDGET IMPACT**
There are no budget amendments for the month of October 2019.

**STRATEGIC INITIATIVE**
This item does not achieve a strategic initiative.

Prepared By: Thwe T. Han, Accountant II 650-508-7912
Jennifer Ye, Manager, General Ledger 650-622-7890
## Statement of Revenue and Expense

### PENINSULA CORRIDOR JOINT POWERS BOARD

**STATEMENT OF REVENUE AND EXPENSE**

**Fiscal Year 2020**

**October 2019**

### REVENUE

**OPERATIONS:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior ACTUAL</th>
<th>Current ACTUAL</th>
<th>Variance</th>
<th>% Variance</th>
<th>Approved</th>
<th>Forecast</th>
<th>% Variance</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farebox Revenue</td>
<td>35,374,191</td>
<td>36,615,652</td>
<td>1,241,462</td>
<td>3.5%</td>
<td>106,000,000</td>
<td>106,000,000</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Parking Revenue</td>
<td>1,747,855</td>
<td>1,788,451</td>
<td>40,596</td>
<td>2.3%</td>
<td>5,335,000</td>
<td>5,335,000</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Shuttles</td>
<td>658,209</td>
<td>558,260</td>
<td>(99,949)</td>
<td>(15.2%)</td>
<td>2,503,200</td>
<td>2,503,200</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rental Income</td>
<td>677,649</td>
<td>669,702</td>
<td>(7,947)</td>
<td>(1.2%)</td>
<td>2,060,540</td>
<td>2,060,540</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Income</td>
<td>637,938</td>
<td>1,072,136</td>
<td>434,198</td>
<td>68.1%</td>
<td>1,753,450</td>
<td>1,753,450</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>39,095,841</td>
<td>40,704,201</td>
<td>1,608,360</td>
<td>4.1%</td>
<td>117,652,190</td>
<td>117,652,190</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### EXPENSE

**OPERATING EXPENSE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior ACTUAL</th>
<th>Current ACTUAL</th>
<th>Variance</th>
<th>% Variance</th>
<th>Approved</th>
<th>Forecast</th>
<th>% Variance</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail Operator Service</td>
<td>28,331,414</td>
<td>30,362,593</td>
<td>2,031,178</td>
<td>7.2%</td>
<td>90,817,696</td>
<td>90,817,696</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Positive Train Control</td>
<td>20,481</td>
<td>-</td>
<td>(20,481)</td>
<td>(100.0%)</td>
<td>2,400,000</td>
<td>2,400,000</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Security Services</td>
<td>1,908,889</td>
<td>1,850,872</td>
<td>(58,017)</td>
<td>(3.0%)</td>
<td>6,544,183</td>
<td>6,544,183</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Shuttles Services</td>
<td>1,437,760</td>
<td>1,248,441</td>
<td>(192,242)</td>
<td>(13.2%)</td>
<td>5,290,100</td>
<td>5,290,100</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fuel and Lubricants</td>
<td>3,988,525</td>
<td>3,436,324</td>
<td>(552,197)</td>
<td>(16.5%)</td>
<td>11,003,417</td>
<td>11,003,417</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Timetables and Tickets</td>
<td>4,774</td>
<td>33,221</td>
<td>28,447</td>
<td>595.9%</td>
<td>143,500</td>
<td>143,500</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,404,839</td>
<td>1,444,919</td>
<td>40,080</td>
<td>2.9%</td>
<td>4,506,064</td>
<td>4,506,064</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Claims, Payments, and Reserves</td>
<td>167,609</td>
<td>(156,308)</td>
<td>(323,917)</td>
<td>(193.3%)</td>
<td>951,794</td>
<td>951,794</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Facilities and Equipment Maint</td>
<td>834,923</td>
<td>300,062</td>
<td>(534,861)</td>
<td>(64.1%)</td>
<td>3,339,391</td>
<td>3,339,391</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>644,990</td>
<td>633,261</td>
<td>(11,729)</td>
<td>(1.8%)</td>
<td>2,105,422</td>
<td>2,105,422</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Maint &amp; Services-Bldg &amp; Other</td>
<td>437,460</td>
<td>73,758</td>
<td>(363,703)</td>
<td>(83.1%)</td>
<td>1,567,930</td>
<td>1,567,930</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSE</strong></td>
<td>39,181,665</td>
<td>39,227,143</td>
<td>45,478</td>
<td>0.1%</td>
<td>128,669,496</td>
<td>128,669,496</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### ADMINISTRATIVE EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior ACTUAL</th>
<th>Current ACTUAL</th>
<th>Variance</th>
<th>% Variance</th>
<th>Approved</th>
<th>Forecast</th>
<th>% Variance</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Benefits</td>
<td>4,196,099</td>
<td>4,999,267</td>
<td>803,167</td>
<td>19.1%</td>
<td>12,066,711</td>
<td>12,066,711</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Managing Agency Admin OH Cost</td>
<td>2,269,108</td>
<td>1,430,058</td>
<td>(839,050)</td>
<td>(37.0%)</td>
<td>5,098,065</td>
<td>5,098,065</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>3,470</td>
<td>4,517</td>
<td>1,047</td>
<td>30.2%</td>
<td>14,600</td>
<td>14,600</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>1,423,517</td>
<td>1,002,820</td>
<td>(420,697)</td>
<td>(29.6%)</td>
<td>4,275,583</td>
<td>4,275,583</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Communications and Marketing</td>
<td>61,956</td>
<td>27,675</td>
<td>(34,282)</td>
<td>(55.3%)</td>
<td>321,500</td>
<td>321,500</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Office Expenses and Services</td>
<td>806,722</td>
<td>615,408</td>
<td>(191,314)</td>
<td>(23.7%)</td>
<td>2,638,494</td>
<td>2,638,494</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL ADMINISTRATIVE EXPENSE</strong></td>
<td>8,760,872</td>
<td>8,079,744</td>
<td>(681,128)</td>
<td>(7.8%)</td>
<td>24,414,953</td>
<td>24,414,953</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### LONG TERM DEBT EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior ACTUAL</th>
<th>Current ACTUAL</th>
<th>Variance</th>
<th>% Variance</th>
<th>Approved</th>
<th>Forecast</th>
<th>% Variance</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Debt Expense</td>
<td>462,678</td>
<td>912,250</td>
<td>449,572</td>
<td>97.2%</td>
<td>2,639,773</td>
<td>2,639,773</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL GRAND TOTAL EXPENSE</strong></td>
<td>48,405,215</td>
<td>48,219,137</td>
<td>(186,078)</td>
<td>(0.4%)</td>
<td>155,724,222</td>
<td>155,724,222</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### NET SURPLUS / (DEFICIT)

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior ACTUAL</th>
<th>Current ACTUAL</th>
<th>Variance</th>
<th>% Variance</th>
<th>Approved</th>
<th>Forecast</th>
<th>% Variance</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Surplus / (Deficit)</td>
<td>5,786,651</td>
<td>8,460,608</td>
<td>2,673,957</td>
<td>46.2%</td>
<td>(0)</td>
<td>(0)</td>
<td>-</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
### PENNSYLVANIA CORRIDOR JOINT POWERS BOARD

#### INVESTMENT PORTFOLIO

#### AS OF OCTOBER 31, 2019

<table>
<thead>
<tr>
<th>TYPE OF SECURITY</th>
<th>MATURITY DATE</th>
<th>INTEREST RATE</th>
<th>PURCHASE PRICE</th>
<th>MARKET PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Agency Investment Fund</strong></td>
<td>* Liquid Cash</td>
<td>2.190%</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td><strong>County Pool</strong></td>
<td>Liquid Cash</td>
<td>2.010%</td>
<td>709,302</td>
<td>709,302</td>
</tr>
<tr>
<td><strong>Other (Unrestricted)</strong></td>
<td>Liquid Cash</td>
<td>0.000%</td>
<td>52,746,311</td>
<td>52,746,311</td>
</tr>
<tr>
<td><strong>Other (Restricted)</strong></td>
<td>** Liquid Cash</td>
<td>0.200%</td>
<td>24,843,435</td>
<td>24,843,435</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>78,299,087</strong></td>
<td><strong>78,299,087</strong></td>
</tr>
</tbody>
</table>

**Interest Earnings for October 2019**  $74,260.79  
**Cumulative Earnings FY2020**  $74,260.79

* 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, P'TMISEA 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.
TO: Joint Powers Board  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer  
SUBJECT: STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING NOVEMBER 30, 2019

ACTION
Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of November 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through November 30, 2019. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2020.

SIGNIFICANCE
Annual Forecast: The annual forecast is currently the same as the budget and will be updated twice a year and presented at the February and April board meetings.

Year to Date Revenues: As of November year-to-date actual, the Total Revenue (page 1, line 17) is $3.2 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1), Other Income (page 1, line 5), and JPB Member Agencies Contributions (page 1, line 12).

Year to Date Expenses: As of November year-to-date actual, the Total Expense (page 1, line 49) is $1.4 million lower than the prior year-to-date actual. This is primarily due to decreases in Shuttles Services (page 1, line 26), Fuel and Lubricants (page 1, line 27), Claims, Payments and Reserves (page 1, line 30), Facilities & Equipment Maintenance (page 1, line 31), Managing Agency Admin OH cost (page 1, line 39), Professional Services (page 1, line 41) and Other Office Expenses (page 1, line 43). The decreases are partially offset by increases in in Rail Operator Service (page 1, line 23) and in Wages & Benefits (page 1, line 38).

Other Information: Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show
noticeable variances for some line items on the financial statements.

**BUDGET IMPACT**
There are no budget amendments for the month of November 2019.

**STRATEGIC INITIATIVE**
This item does not achieve a strategic initiative.

Prepared By:  
Thwe T. Han, Accountant II  650-508-7912
Jennifer Ye, Manager, General Ledger  650-622-7890
# PENINSULA CORRIDOR JOINT POWERS BOARD
## STATEMENT OF REVENUE AND EXPENSE
### Fiscal Year 2020
#### November 2019

<table>
<thead>
<tr>
<th>YEAR TO DATE</th>
<th>ANNUAL</th>
<th>% OF YEAR ELAPSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIOR ACTUAL</td>
<td>CURRENT ACTUAL</td>
<td>$</td>
</tr>
<tr>
<td>41.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### REVENUE
#### OPERATIONS:
1. Farebox Revenue
   - 43,714,290
   - 45,334,073
   - 1,619,784
   - 3.7%
   - 106,000,000
   - 106,000,000
   - -0.0%
2. Parking Revenue
   - 2,174,611
   - 2,166,277
   - (8,335)
   - (-.4%)
   - 5,335,000
   - 5,335,000
   - -0.0%
3. Shuttles
   - 839,440
   - 713,168
   - (126,271)
   - (15.0%)
   - 2,503,200
   - 2,503,200
   - -0.0%
4. Rental Income
   - 865,082
   - 862,596
   - (2,487)
   - (-3.3%)
   - 2,060,540
   - 2,060,540
   - -0.0%
5. Other Income
   - 913,816
   - 1,411,505
   - 497,689
   - 54.5%
   - 1,753,450
   - 1,753,450
   - -0.0%

#### TOTAL OPERATING REVENUE
- 48,507,239
- 50,487,620
- 1,980,380
- 4.1%
- 117,652,190
- 117,652,190
- -0.0%

### EXPENSE
#### OPERATING EXPENSE:
1. Rail Operator Service
   - 35,231,234
   - 36,333,168
   - 1,101,935
   - 3.1%
   - 90,817,696
   - 90,817,696
   - -0.0%
2. Positive Train Control
   - 20,481
   - - (20,481)
   - (100.0%)
   - 2,400,000
   - 2,400,000
   - -0.0%
3. Security Services
   - 2,390,019
   - 2,320,516
   - (69,503)
   - (2.9%)
   - 6,544,183
   - 6,544,183
   - -0.0%
4. Shuttles Services
   - 1,799,270
   - 1,587,259
   - (212,011)
   - (11.8%)
   - 5,290,100
   - 5,290,100
   - -0.0%
5. Fuel and Lubricants
   - 4,940,874
   - 4,533,132
   - (407,742)
   - (8.3%)
   - 11,003,417
   - 11,003,417
   - -0.0%
6. Timetables and Tickets
   - 4,774
   - 36,227
   - 31,453
   - 658.8%
   - 143,500
   - 143,500
   - -0.0%
7. Insurance
   - 1,752,656
   - 1,807,800
   - 55,144
   - 3.1%
   - 4,506,064
   - 4,506,064
   - -0.0%
8. Claims, Payments, and Reserves
   - 232,603
   - (151,666)
   - (384,270)
   - (165.2%)
   - 951,794
   - 951,794
   - -0.0%
9. Facilities and Equipment Maint
   - 1,085,352
   - 614,344
   - (471,009)
   - (43.4%)
   - 3,339,391
   - 3,339,391
   - -0.0%
10. Utilities
    - 839,723
    - 793,424
    - (46,300)
    - (5.5%)
    - 2,105,422
    - 2,105,422
    - -0.0%
11. Maint & Services-Bldg & Other
    - 528,434
    - 391,914
    - (136,520)
    - (25.8%)
    - 1,567,930
    - 1,567,930
    - -0.0%

#### TOTAL OPERATING EXPENSE
- 48,825,420
- 48,266,117
- (559,303)
- (1.1%)
- 128,669,496
- 128,669,496
- -0.0%

### ADMINISTRATIVE EXPENSE
1. Wages and Benefits
   - 4,843,392
   - 5,728,133
   - 884,742
   - 18.3%
   - 12,066,711
   - 12,066,711
   - -0.0%
2. Managing Agency Admin OH Cost
   - 2,798,496
   - 1,757,427
   - (1,041,069)
   - (37.2%)
   - 5,098,065
   - 5,098,065
   - -0.0%
3. Board of Directors
   - 4,370
   - 5,464
   - 1,095
   - 25.1%
   - 14,600
   - 14,600
   - -0.0%
4. Professional Services
   - 1,805,524
   - 1,096,670
   - (708,854)
   - (39.3%)
   - 4,275,583
   - 4,275,583
   - -0.0%
5. Communications and Marketing
   - 91,899
   - 89,907
   - (1,992)
   - (2.2%)
   - 321,500
   - 321,500
   - -0.0%
6. Other Office Expenses and Services
   - 1,059,677
   - 792,080
   - (267,597)
   - (25.3%)
   - 2,638,494
   - 2,638,494
   - -0.0%

#### TOTAL ADMINISTRATIVE EXPENSE
- 10,603,357
- 9,469,682
- (1,133,675)
- (10.7%)
- 24,414,953
- 24,414,953
- -0.0%

### Grand Total Expense
- 60,027,619
- 58,648,049
- (1,379,570)
- (2.3%)
- 155,724,222
- 155,724,222
- -0.0%

### NET SURPLUS / (DEFICIT)
- 5,943,642
- 10,568,407
- 4,624,765
- 77.8%
- (0)
- (0)
- -0.0%

12/11/19 8:47 AM
### PENINSULA CORRIDOR JOINT POWERS BOARD

#### INVESTMENT PORTFOLIO

#### AS OF NOVEMBER 30, 2019

<table>
<thead>
<tr>
<th>TYPE OF SECURITY</th>
<th>MATURITY</th>
<th>INTEREST RATE</th>
<th>PURCHASE PRICE</th>
<th>MARKET RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Investment Fund (Unrestricted)</td>
<td>* Liquid Cash</td>
<td>2.103%</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>County Pool (Restricted)</td>
<td>Liquid Cash</td>
<td>2.010%</td>
<td>709,302</td>
<td>709,302</td>
</tr>
<tr>
<td>Other (Unrestricted)</td>
<td>Liquid Cash</td>
<td>0.000%</td>
<td>57,513,491</td>
<td>57,513,491</td>
</tr>
<tr>
<td>Other (Restricted)</td>
<td>** Liquid Cash</td>
<td>0.200%</td>
<td>25,060,371</td>
<td>25,060,371</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$ 83,283,204</td>
<td>$ 83,283,204</td>
</tr>
</tbody>
</table>

Interest Earnings for November 2019: $ 98,135.82
Cumulative Earnings FY2020: $ 119,660.04

* 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.
TO: Joint Powers Board Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants, and Transportation Authority

SUBJECT: AUTHORIZATION TO RECEIVE STATE RAIL ASSISTANCE PROGRAM FUNDS

ACTION
Staff Coordinating Council recommends the Board authorize the Executive Director, or his designee, to:

1. Submit a project application for $8 million in State Rail Assistance (SRA) funds to be used for a portion the $38.6 million local match required for the Peninsula Corridor Electrification Enhancement (PCEE) project; and
2. Affirm that the Peninsula Corridor Joint Powers Board (JPB) agrees to comply with all conditions and requirements of the SRA program, as set forth in the certification and assurances and applicable statutes, regulations and guidelines; and
3. Execute and file the certifications and assurances and authorized agent form as well as any amendments, and furnish any additional information as may be required of SRA recipients.

SIGNIFICANCE
In May 2018, the California State Transportation Agency (CalSTA) awarded the JPB a $164 million Transit and Intercity Rail Capital Program (TIRCP) grant to help fund the PCEE, which will achieve a number of objectives including the purchase of up to 40 additional Electric Multiple Units (EMUs) to increase capacity of the electrified Caltrain system. The additional EMUs will provide Caltrain with an additional four six-car EMU consists and will extend the 16, six-car sets currently on-order to seven cars each.

As part of the grant award, the JPB is required to provide a $38.6 million match toward the purchase of the additional EMU’s. To help fund the required match, JPB staff recommends allocating $8 million in SRA funding currently available to the JPB.

To receive these funds, CalSTA requires recipients to obtain Board approval for the allocation of funding to the project as well as authorization to execute Certifications and Assurances and Authorized Agent forms.
**BUDGET IMPACT**
There is no budget impact associated with this action. Budget authority for the $182.6 million project cost of the additional EMU’s, including local match, was approved by the Board in November 2018. JPB staff is in the process of identifying the remainder of the matching funds, including future SRA allocations and the potential sale of a portion of the gallery car fleet which has reached the end of its useful life.

**BACKGROUND**
The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes the SRA program to provide $40 million per year in formula funding to commuter and intercity rail agencies for operating and capital needs. The program is administered by the CalSTA, and Caltrain receives approximately $5 million per year from this program.

Prepared By: Peter Skinner, Manager, Grants and Fund Programming 650.622.7818
RESOLUTION NO. 2020 –

BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA
***

AUTHORIZING RECEIPT OF STATE RAIL ASSISTANCE PROGRAM FUNDS FOR
THE PENINSULA CORRIDOR ELECTRIFICATION ENHANCEMENT PROJECT

WHEREAS, The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1
(Chapter 5, Statues of 2017), signed by the Governor on April 28, 2017, includes a
program that will provide additional revenues for transit infrastructure repair and service
improvements; and

WHEREAS, SB1 established the State Rail Assistance (SRA) program to provide
operating and capital funds to rail agencies across the state; and

WHEREAS, SB1 named the California State Transportation Agency (CalSTA) as the
administrative agency for SRA funds; and

WHEREAS, CalSTA has developed guidelines for the purpose of administering and
distributing SRA funds to eligible project sponsors; and

WHEREAS, these guidelines requires that recipient agencies of SRA funds execute
Certifications and Assurances and an Authorized Agent form prior to receiving an
allocation, and

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project
sponsor and may receive state funding from SRA now or sometime in the future for
transit projects; and

WHEREAS, the Board of Directors wishes to authorize the Executive Director, or his
designee to:
1. Submit the following project application to CalSTA for SRA funds:
   - Project Name: Peninsula Corridor Enhancement Project
   - Amount of SRA funds requested: $8,000,000
   - Project Description: This project will achieve a number of objectives including the purchase of up to 40 additional Electric Multiple Units (EMUs) to increase capacity of the electrified Caltrain system. The additional EMUs will provide Caltrain with an additional four six-car EMU consists and will extend the 16, six-car sets currently on-order to seven cars each, and

2. Affirm that the Peninsula Corridor Joint Powers Board agrees to comply with all conditions and requirements of the SRA Program as set forth in the certification and assurances and applicable statutes, regulations and guidelines; and

3. Execute and file Certifications and Assurances and Authorized Agent form as well as any amendments, and furnish any additional information as CalSTA may require of SRA recipients.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director, or his designee, is authorized to:

1. Submit the following project application to CalSTA SRA funds, and

2. Affirm that the Peninsula Corridor Joint Powers Board agrees to comply with all conditions and requirements of the SRA Program as set forth in the certification and assurances and applicable statutes, regulations and guidelines; and

3. Execute and file Certifications and Assurances and Authorized Agent form as well as any amendments, and furnish any additional information as CalSTA may require of SRA recipients.
Regularly passed and adopted this 9th day of January 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

J PB Secretary
AGENDA ITEM #8  
DECEMBER 23, 2019

PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT

TO: Finance Committee  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ACTION
Staff proposes the committee recommend the Board accept the Peninsula Corridor Joint Powers Board’s (JPB) Fiscal Year (FY) 2019 Comprehensive Annual Financial Report (CAFR).

The FY2019 Comprehensive Annual Financial Report is available online at http://www.caltrain.com/about/statsandreports/Comprehensive_Annual_Financial_Reports.html

SIGNIFICANCE
The CAFR is prepared in accordance with the guidelines set forth by the Government Accounting Standards Board and is organized into four sections – Introductory, Financial, Statistical and Single Audit.

- The **Introductory** Section includes a Transmittal Letter and provides general information on the District’s structure, personnel, economic outlook and finances.

- The **Financial** Section includes audited financial statements which provide detailed financial information as well as comparative financial data. The Management Discussion & Analysis (MD&A) is also found in the Financial Section. Along with the Transmittal Letter, the MD&A is of most interest to those looking for a narrative annual review of the District’s finances.

- The **Statistical** Section provides a broad range of data covering key financial trends including revenue and debt capacity, economic and demographic data and operating information.

- The **Single Audit** Section provides the Independent Auditor’s Report on Internal controls and compliance, and the Schedule of Expenditures of Federal Awards and Findings and Recommendations from the Auditors.
Together, all sections of the CAFR provide the detail as well as the perspective with which to assess the JPB's financial condition.

**BUDGET IMPACT**
There is no impact on the Budget.

**BACKGROUND**
The JPB contracts with an independent auditor, Eide Bailly LLP to conduct yearly audits of the Financial Statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. The introductory section and the statistical section presented in the CAFR are not required by California Government Code to be reported as part of the audited financial statements of the JPB. These sections are required when producing a CAFR which the JPB chooses to do in order to provide detailed information about the financial condition of the JPB in a form that is understandable to our customers and constituents.

The CAFR is prepared and presented to the Government Finance Officers Association for their review, evaluation and to apply for the certificate of Achievement for Excellence in Financial Reporting. The JPB has received an award for every year that the report was submitted.

Prepared by: Jennifer Ye, Manager, Financial Reporting & General Ledger 650-622-7890
Peninsula Corridor Joint Powers Board

Comprehensive Annual Financial Report

Single Audit Report

JPB Finance Committee
December 23, 2019
Presentation Agenda

- Auditor’s Communication
- Highlights from the 2018-19 CAFR
- Single Audit Report
Auditor’s Communication

- Eide Bailly issued an unmodified “clean” opinion on the financial statements and compliance with federal grants.
- No adjustments were proposed to the financial statements.
- No difficulties were encountered in the performance of the audit.
Highlights from the 2018-19 CAFR

- 2019 Series A Revenue Bonds ($55.7 million)
- Operating revenue increased ($5.7 million -5%)
- Operating expense before depreciation and amortization increased ($14.4 million - 11%)
- Capital contribution increased ($83.9 million -26%)
- Internal Control over Financial Reporting and on Compliance:  No audit finding reported
Single Audit Report

- Expenditures of Federal Award: $153.0 million
- Internal Control over Major Programs: No finding reported
Review of Fiscal Year 2019
Financial Results
## Financial Highlights ($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Fares</td>
<td>$102,668</td>
<td>$97,050</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$112,777</td>
<td>$107,036</td>
</tr>
<tr>
<td>Total Non-Operating Revenue</td>
<td>$40,895</td>
<td>$28,706</td>
</tr>
<tr>
<td>Contract Services</td>
<td>$99,541</td>
<td>$92,898</td>
</tr>
<tr>
<td>Total Operating Expenses (before depreciation &amp; amortization)</td>
<td>$147,328</td>
<td>$132,925</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$102,668</td>
<td>$107,795</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>$112,777</td>
<td>$117,147</td>
</tr>
<tr>
<td>Total Non-Operating Revenue (net of</td>
<td>$ 36,972</td>
<td>$ 31,861</td>
</tr>
<tr>
<td>interest expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Services</td>
<td>$ 99,541</td>
<td>$ 98,090</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$147,327</td>
<td>$150,216</td>
</tr>
<tr>
<td>Net Income</td>
<td>$ 2,421</td>
<td>$(1,209)</td>
</tr>
</tbody>
</table>
Capital Highlights

- Total capital expense of $420 million
  - Caltrain modernization ($306.3 m)
  - Grade separation/grade crossing ($59.7 m)
  - System-wide track improvement ($16.6 m)
  - Station improvements and repairs ($15 m)
  - Facility improvements and repairs ($10.8 m)

- Issuance of 2019A Farebox Revenue Bonds
  - Refinanced 2007A Bonds and 2015A Bonds
  - Provided new money for real property acquisition

- New/expanded short-term credit facilities