



BOARD OF DIRECTORS 2020

DAVE PINE, CHAIR  
DEVORA "DEV" DAVIS, VICE CHAIR  
CHERYL BRINKMAN  
JEANNIE BRUINS  
CINDY CHAVEZ  
RON COLLINS  
CHARLES STONE  
SHAMANN WALTON  
MONIQUE ZMUDA

JIM HARTNETT  
EXECUTIVE DIRECTOR

# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

### Finance Committee Meeting

San Mateo County Transit District Administrative Building  
Bacciocco Auditorium, 2<sup>nd</sup> Floor  
1250 San Carlos Avenue, San Carlos CA 94070

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

**January 27, 2020**

**2:30 pm**

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 December 23, 2019 MOTION
5. Accept Statement of Revenues and Expenditures for December 2019 MOTION
6. Authorize an Amendment to the Contract with Eide Bailly, LLP for Financial Audit Services RESOLUTION
7. Delegation of Authority to the General Manager/CEO to Execute Revenue-Neutral Agreements for Caltrain Special Event Service MOTION
8. Committee Member Requests
9. Date/Time of Next Regular Finance Committee Meeting: Monday, February 24, 2020 at 2:30 pm, San Mateo County Transit District Administrative Building, 2<sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA
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 650.508.6242. Agendas are available on the Caltrain website at [www.caltrain.com](http://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: Fourth Monday of the month, 2:30 pm. 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**

The San Mateo County Transit District Administrative Building is 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, 260, 295 and 398 ([view map](#)). Additional transit information can be obtained by calling 1-800-660-4287 or 511, or by visiting [511.org](http://511.org).

### **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.

### **Accessible Public Meetings/Translation**

Written materials in appropriate alternative formats, disability-related modification/accommodation, as well as sign language and foreign language interpreters are available upon request; all requests must be made 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 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.

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

MINUTES OF DECEMBER 23, 2019

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

**MEMBERS ABSENT:** None

**STAFF PRESENT:** D. Hansel, S. van Hoften, G. Martinez, A. Chan, P. Skinner,  
C. Boland, J. Brook

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Chair Dev Davis called the meeting to order at 2:31 pm and led the Pledge of Allegiance.

**2. ROLL CALL**

Assistant JPB Secretary Jean Brook called the roll and confirmed a quorum was present.

**3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

None.

**4. APPROVAL OF MEETING MINUTES OF SEPTEMBER 23, 2019**

Motion/Second: Walton/Collins

Ayes: Collins, Walton, Davis

Noes: None

Absent: None

**5. APPROVE 2020 COMMITTEE MEETING CALENDAR**

Chair Davis confirmed Committee members' availability to attend the May 2020 Finance Committee meeting, given the meeting would be held on the Tuesday following Memorial Day. Chair Davis noted her inability to attend the July 27, 2020 meeting and Derek Hansel, Chief Financial Officer, noted that he would not be in attendance at the January 27, 2020 meeting due to a scheduling conflict.

Motion/Second: Collins/Walton

Ayes: Collins, Walton, Davis

Noes: None

Absent: None

**6. ACCEPT STATEMENT OF REVENUES AND EXPENDITURES FOR SEPTEMBER, OCTOBER, AND NOVEMBER 2019**

Chair Davis invited public comment.

Public Comment:

Roland Lebrun, San Jose, inquired about the reporting timeframe of revenues and expenditures. He stated revenues and expenses had increased but ridership was down. Mr. Lebrun requested an update on the contract with Transit America Services, Inc.

In response to Chair Davis' question regarding the timing of the financials, Mr. Hansel responded that the months of February and April are purposefully chosen due to the timing of data available within the fiscal year, which begins on July 1. He noted that those months' financials provide a more accurate condition of the agency and that they provide a precursor to the budgeting process itself.

Chair Davis commented on the format of the monthly financials. She suggested adding two columns to the report; "Current Month" and "Year to Date." She noted lower expenditures in the categories of facilities and equipment maintenance and marketing, and discussed aspects of investment reporting. Mr. Hansel responded to the reasoning behind the lower expenditures and the investments.

Director Shamann Walton asked how claims are budgeted. Mr. Hansel explained that as claims are settled or dismissed, the agency's reserves were concurrently released. Shayna van Hoften, Legal Counsel, discussed the balance of liability between the service provider, TASI, and Caltrain as an agency.

Motion/Second: Walton/Collins

Ayes: Collins, Walton, Davis

Noes: None

Absent: None

**7. AUTHORIZE RECEIPT OF STATE RAIL ASSISTANCE PROGRAM FUNDS**

Peter Skinner, Manager, Grants and Fund Programming, stated the action would allow the Executive Director to submit a project application for \$8 million in State Rail Assistance funding to be used for a portion of the \$38.6 million local match requirement for the Peninsula Corridor Electrification Enhancement project. He noted that the additional grant funding would allow for a seventh car to be added to the existing six-car train sets currently in production and allow for three additional seven-car train sets.

Committee members requested clarification on the total number of electric multiple units that were expected following award of grant money. Mr. Hansel confirmed that with the addition of 37 additional electric multiple units, it would allow the current 16 six-car sets/units to be converted into 19 seven-car sets. The grant funding process was discussed and how the draw-down funding method is utilized.

Public Comment:

Roland Lebrun, San Jose, discussed a discrepancy between a staff report and the overhead presentation on the South San Francisco station improvement project.

Motion/Second: Collins/Walton

Ayes: Collins, Walton, Davis

Absent: None

**8. ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Mr. Hansel stated that the FY 2019 Comprehensive Annual Financial Report (CAFR) was accepted at the December 5 Board meeting.

Public Comment:

Roland Lebrun, San Jose, discussed the purchase of a building at 4000 Campbell Avenue, Menlo Park and inquired about the price of \$20 million.

Through the Chair, Mr. Hansel responded that one building in Menlo Park was purchased from proceeds of bonds and 4000 Campbell; Menlo Park would close in early 2020, totaling \$20 million.

Chair Dev Davis inquired about how trackage rights are valued and booked and inquired whether they should be reviewed every few years to be revalued. Mr. Hansel responded that public agencies' property values are not reviewed nor revalued at any time. Grace Martinez, Director of Accounting, confirmed that Generally Accepted Accounting Principles do not allow for revaluing public property and that the booked amounts remain at their historical levels, unless the property is depreciating.

**9. COMMITTEE MEMBER REQUESTS**

None.

**10. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING**

Chair Davis announced the time and location of the next meeting; Monday, January 27, 2020 at 2:30 pm, San Mateo County Transit District, second floor auditorium, 1250 San Carlos Avenue, San Carlos, CA.

**11. ADJOURN**

The meeting was adjourned at 3:13 pm.

An audio/video recording of this meeting is available online at [www.caltrain.com](http://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](mailto:board@caltrain.com).

PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT

TO: JPB Finance Committee  
THROUGH: Jim Hartnett  
Executive Director  
FROM: Derek Hansel  
Chief Financial Officer  
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
DECEMBER 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 December 2019.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through December 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 was updated based on actual revenue and expense trends through December 2019. The forecast was derived by analyzing trends and reviewing details with cost center managers.

**Forecast Revenues:** Total revenue (page 1, line 17) is forecast \$2.3 million higher than budget. This is primarily driven by higher Farebox Revenue (page 1, line 1) which is \$3.1 million higher than budget due to adopted fare changes (Go Pass fare increased by 20%, Clipper discount reduced to \$0.25, and implementation of the means based fare pilot program). Other Income (page 1, line 5) is higher than budget by \$0.4M due to parking citation revenue. This is partially offset by Shuttles (page 1, line 3) due to a reduction in service.

The Use of Reserves (page 1, line 13) is \$1.1 million lower than budget primarily due to the increased fare revenue.

**Forecast Expenses:** Total Expense (page 1, line 49) is \$0.6 million lower than budget. The variance is primarily due to lower expense trends. Shuttles Services (page 1, line 26) is \$0.2 million lower than budget due to a labor shortage of drivers causing a reduction in service. Professional Services (page 1, line 41) is lower than budget by \$0.2 million as a result of delays in various planning studies. Facilities & Equipment Maintenance (page 1, line 31) is lower than budget by \$0.1 million due to delayed start of various survey work.

**Year to Date Revenues:** As of December year-to-date actual, the Total Revenue

(page 1, line 17) is \$4.1 million higher than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1) and JPB Member Agencies Contributions (page 1, line 12).

**Year to Date Expenses:** As of December year-to-date actual, the Total Expense (page 1, line 49) is \$1.9 million higher than the prior year-to-date actual. This is primarily due to increases in Rail Operator Service (page 1, line 23), in Wages & Benefits (page 1, line 38), in Professional Services (page 1, line 41) and Long Term Debt Expense (page 1, line 47). The increases are partially offset by decreases in Claims, Payments and Reserves (page 1, line 30) and Managing Agency Admin OH cost (page 1, line 39).

**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 December 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**  
**December 2019**

% OF YEAR ELAPSED

50.0%

	YEAR TO DATE					ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	\$ VARIANCE	% VARIANCE	CURRENT YTD as a % OF BUDGET	APPROVED BUDGET	FORECAST	\$ VARIANCE	% BUDGET
<b>REVENUE</b>									
<b>OPERATIONS:</b>									
1 Farebox Revenue	51,084,660	53,194,550	2,109,890	4.1%	50.2%	106,000,000	109,050,000	3,050,000	2.9%
2 Parking Revenue	2,612,660	2,514,161	(98,499)	(3.8%)	47.1%	5,335,000	5,335,000	-	0.0%
3 Shuttles	1,007,114	969,459	(37,655)	(3.7%)	38.7%	2,503,200	2,395,314	(107,886)	(4.3%)
4 Rental Income	1,010,287	1,033,177	22,890	2.3%	50.1%	2,060,540	2,060,540	-	0.0%
5 Other Income	1,305,676	1,866,797	561,121	43.0%	106.5%	1,753,450	2,153,450	400,000	22.8%
6									
7 <b>TOTAL OPERATING REVENUE</b>	<b>57,020,397</b>	<b>59,578,144</b>	<b>2,557,746</b>	<b>4.5%</b>	<b>50.6%</b>	<b>117,652,190</b>	<b>120,994,304</b>	<b>3,342,114</b>	<b>2.8%</b>
8									
<b>CONTRIBUTIONS:</b>									
9 AB434 Peninsula & TA Shuttle Funding	913,144	1,077,233	164,089	18.0%	62.0%	1,737,950	1,737,950	-	0.0%
10 Operating Grants	3,285,303	2,591,111	(694,193)	(21.1%)	48.6%	5,327,497	5,327,497	-	0.0%
12 JPB Member Agencies	15,599,000	17,689,914	2,090,914	13.4%	59.1%	29,921,971	29,921,971	-	0.0%
13 Use of Reserves	-	-	-	0.0%	0.0%	1,064,614	-	(1,064,614)	(100.0%)
14									
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>19,797,448</b>	<b>21,358,258</b>	<b>1,560,810</b>	<b>7.9%</b>	<b>56.1%</b>	<b>38,052,032</b>	<b>36,987,418</b>	<b>(1,064,614)</b>	<b>(2.8%)</b>
16									
17 <b>GRAND TOTAL REVENUE</b>	<b>76,817,845</b>	<b>80,936,401</b>	<b>4,118,556</b>	<b>5.4%</b>	<b>52.0%</b>	<b>155,704,222</b>	<b>157,981,722</b>	<b>2,277,500</b>	<b>1.5%</b>
18									
<b>EXPENSE</b>									
<b>OPERATING EXPENSE:</b>									
23 Rail Operator Service	42,189,891	44,178,690	1,988,799	4.7%	48.6%	90,817,696	90,817,696	-	0.0%
24 Positive Train Control	20,481	87,956	67,475	329.5%	3.7%	2,400,000	2,400,000	-	0.0%
25 Security Services	2,914,060	2,789,713	(124,347)	(4.3%)	42.6%	6,544,183	6,544,183	-	0.0%
26 Shuttles Services	2,145,704	2,144,237	(1,468)	(.1%)	40.5%	5,290,100	5,061,300	(228,800)	(4.3%)
27 Fuel and Lubricants	5,668,416	5,482,160	(186,256)	(3.3%)	49.8%	11,003,417	11,003,417	-	0.0%
28 Timetables and Tickets	6,078	36,227	30,149	496.0%	25.2%	143,500	143,500	-	0.0%
29 Insurance	2,107,508	2,168,673	61,165	2.9%	48.1%	4,506,064	4,506,064	-	0.0%
30 Claims, Payments, and Reserves	317,513	(131,694)	(449,207)	(141.5%)	(13.8%)	951,794	951,794	-	0.0%
31 Facilities and Equipment Maint	1,121,807	1,103,524	(18,283)	(1.6%)	33.0%	3,339,391	3,228,522	(110,869)	(3.3%)
32 Utilities	990,913	987,598	(3,315)	(.3%)	46.9%	2,105,422	2,105,422	-	0.0%
33 Maint & Services-Bldg & Other	626,661	635,141	8,480	1.4%	40.5%	1,567,930	1,567,930	-	0.0%
34									
35 <b>TOTAL OPERATING EXPENSE</b>	<b>58,109,032</b>	<b>59,482,224</b>	<b>1,373,192</b>	<b>2.4%</b>	<b>46.2%</b>	<b>128,669,496</b>	<b>128,329,828</b>	<b>(339,669)</b>	<b>(.3%)</b>
36									
<b>ADMINISTRATIVE EXPENSE</b>									
38 Wages and Benefits	5,615,094	6,391,316	776,222	13.8%	53.0%	12,066,711	12,066,711	-	0.0%
39 Managing Agency Admin OH Cost	3,428,414	2,050,435	(1,377,978)	(40.2%)	40.2%	5,098,065	5,098,065	-	0.0%
40 Board of Directors	5,170	7,064	1,895	36.7%	48.4%	14,600	14,600	-	0.0%
41 Professional Services	1,212,627	1,680,307	467,680	38.6%	39.3%	4,275,583	4,050,583	(225,000)	(5.3%)
42 Communications and Marketing	118,955	153,707	34,752	29.2%	51.0%	301,500	301,500	-	0.0%
43 Other Office Expenses and Services	1,055,240	1,055,841	600	0.1%	40.0%	2,638,494	2,625,494	(13,000)	(.5%)
44									
45 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>11,435,500</b>	<b>11,338,671</b>	<b>(96,829)</b>	<b>(.8%)</b>	<b>46.5%</b>	<b>24,394,953</b>	<b>24,156,953</b>	<b>(238,000)</b>	<b>(1.0%)</b>
46									
47 Long Term Debt Expense	735,007	1,382,042	647,035	88.0%	52.4%	2,639,773	2,639,773	-	0.0%
48									
49 <b>GRAND TOTAL EXPENSE</b>	<b>70,279,539</b>	<b>72,202,937.12</b>	<b>1,923,398</b>	<b>2.7%</b>	<b>46.4%</b>	<b>155,704,222</b>	<b>155,126,554</b>	<b>(577,669)</b>	<b>(.4%)</b>
50									
51 <b>NET SURPLUS / (DEFICIT)</b>	<b>6,538,306</b>	<b>8,733,464</b>	<b>2,195,158</b>	<b>33.6%</b>		<b>(0)</b>	<b>2,855,168</b>	<b>2,855,169</b>	





BOARD OF DIRECTORS 2019

GILLIAN GILLET, CHAIR  
 DAVE PINE, VICE CHAIR  
 CHERYL BRINKMAN  
 JENNIE BRUINS  
 DEVORA "DEV" DAVIS  
 RON COLLINS  
 CINDY CHAVEZ  
 CHARLES STONE  
 MONIQUE ZMUDA

JIM HARTNETT  
 EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF DECEMBER 31, 2019

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	2.043%	40	40
County Pool (Restricted)		Liquid Cash	1.780%	620,702	620,702
Other (Unrestricted)		Liquid Cash	0.000%	80,566,181	80,566,181
Other (Restricted)	**	Liquid Cash	0.200%	25,272,570	25,272,570
				\$ 106,459,492	\$ 106,459,492

Interest Earnings for December 19 \$ 13,720.10  
 Cumulative Earnings FY2020 \$ 158,653.14

\* 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: Finance Committee and Joint Powers Board

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **AUTHORIZE AN AMENDMENT TO THE CONTRACT WITH EIDE BAILLY, LLP FOR FINANCIAL AUDIT SERVICES**

**ACTION**

Staff Coordinating Council recommends the Board:

1. Approve an amendment to the contract with the Eide Bailly, LLP (Eide Bailly) to extend the contract term for two years through May 31, 2022 for provision of financial audit services; and increase the firm-fixed price by \$141,263 from \$329,720 to \$470,983.
2. Authorize the Executive Director, or designee, to execute a contract amendment with Eide Bailly in a form approved by legal counsel.

**SIGNIFICANCE**

Approval of the above actions will ensure continuation of professional, independent financial audit services as required by the Joint Powers Agreement, the United States Office of Management and Budget, and the Federal Transit Administration.

**BUDGET IMPACT**

Funding for financial audit services will be available under approved and projected operating budgets.

**BACKGROUND**

In May 2015, Board Resolution No. 2015-24 authorized award of a five-year contract with Vavrinek, Trine, Day & Co., LLP (VTD) to provide financial audit services for a firm-fixed price of \$329,720, and supplemental annual audit services for not to exceed a total amount of \$200,000. The contract will expire on May 31, 2020.

VTD was merged effective July 22, 2019 with Eide Bailly. The Peninsula Corridor Joint Powers Board (JPB) and Eide Bailly executed a Consent to Assignment and Assumption of Services Agreement, and a first amendment to the Agreement to change the consultant's name.

Staff has determined that a two-year extension of the existing contract will allow time for the Finance division to further assess and streamline accounting processes and internal controls while leveraging the current team of auditors' familiarity and experience with the JPB's accounting and financial reporting processes. An increase of \$141,263 from \$329,720 to \$470,983, in the firm-fixed price, is therefore needed to complete audit services for fiscal years 2020 and 2021.

The performance of Eide Bailly to date has been satisfactory and in accordance with the requirements of the contract. Staff intends to conduct a competitive procurement of audit services, requiring at a minimum, rotation of audit consultant, for services beginning with the fiscal year 2022 audit.

Project Manager: Grace Martinez, Director, Accounting  
Contract Administrator: Shruti Ladani

650.508.6274  
650.622.7857

RESOLUTION NO. 2020- \_\_\_\_

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

\* \* \*

**AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH EIDE BAILLY, LLP FOR FINANCIAL  
AUDIT SERVICES TO EXTEND THE CONTRACT TERM FOR TWO YEARS AND  
INCREASE THE TOTAL CONTRACT AMOUNT BY \$141,263**

**WHEREAS**, pursuant to Resolution No. 2015-24, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded a contract for financial audit services to Vavrinek, Trine, Day & Co., LLP (VTD) for a five-year term for a firm-fixed price of \$329,720, and supplemental annual audit services for a total not to exceed amount of \$200,000, which is set to expire on May 31, 2020;

**WHEREAS**, VTD was merged effective July 22, 2019 with Eide Bailly, LLP (Eide Bailly), and the parties executed a first amendment to the Agreement to change the consultant to Eide Bailly; and

**WHEREAS**, Staff has determined that a two-year extension of the existing contract will allow time for the Finance division to further assess and streamline accounting processes and internal controls while leveraging the current team of auditors' familiarity and experience with the JPB's accounting and financial reporting processes; and

**WHEREAS**, the Executive Director recommends, and the Staff Coordinating Council concurs, that the Board authorize an amendment to the contract with Eide Bailly to extend the contract term from May 31, 2020 to May 31, 2022, and increase the firm-fixed price by \$141,263 from \$329,720 to \$470,983.

**NOW, THEREFORE, BE IT RESOLVED** the Board of Directors (Board) of the

Peninsula Corridor Joint Powers Board authorizes the Executive Director, or his designee, to execute an amendment to the contract with Eide Bailly, in a form approved by legal counsel, to extend the contract term from May 31, 2020 to May 31, 2022, and increase the firm-fixed price by \$141,263 from \$329,720 to \$470,983.

Regularly passed and adopted this 6<sup>th</sup> day of February, 2020 by the following vote:

AYES:

NOES:

ABSENT:

---

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

---

JPB Secretary



**Amendment No.2**  
**To**  
**Contract No. 15-J-P-001**  
**Financial Audit Services**  
**Consultant: Eide Bailly, LLP**

THIS AMENDMENT modifies the Agreement for providing Financial Audit Services for a five-year term (Agreement), which was effective June 1, 2015, by and between the Peninsula Corridor Joint Powers Board (JPB) located at 1250 San Carlos Avenue, San Carlos, CA 94070 and Eide Bailly, LLP (CONSULTANT), located at 260 Sheridan Ave, Suite 440, Palo Alto, CA 94306.

**WHEREAS**, the JPB, CONSULTANT and the original consultant, Vavrinek, Trine, Day & Co., LLP, executed a Consent to Assignment and Assumption of Services Agreement, effective July 22, 2019, whereby the JPB consented to the assignment by Vavrinek, Trine, Day & Co., LLP and assumption by CONSULTANT of the rights and obligations under the Agreement; and

**WHEREAS**, this Agreement has been previously amended as follows:

AMENDMENT 1 – Agreement was amended, effective July 22, 2019, to update CONSULTANT's corporate name to Eide Bailly, LLP; and

**WHEREAS**, the JPB desires to extend the financial audit services for two years commencing June 1, 2020 through May 31, 2022, for the firm-fixed price of \$141,263, as reflected in CONSULTANT's written proposal attached hereto and incorporated herein as Exhibit B-1.

NOW, THEREFORE, the Agreement is hereby amended as follows:

1. The second paragraph of Section 1, Scope of Services, of the Agreement is deleted and replaced with the following:

The scope of CONSULTANT's services shall consist of the services set forth in the Request for Proposals dated December 19, 2014, attached hereto and incorporated herein as Exhibit A, as supplemented by CONSULTANT's written proposal dated February 9, 2015, attached hereto and incorporated herein as Exhibit B, and CONSULTANT's written proposal dated August 22, 2019, attached hereto and incorporated herein as Exhibit B-1.

2. The following language is added to the end of the first paragraph of Section 2, Agreement Documents, of the Agreement:

(5) Exhibit B-1, CONSULTANT's Proposal dated August 22, 2019

3. The following language is added to the first paragraph of Section 3, Term of the Agreement, of the Agreement:

Financial audit services are extended for two years commencing June 1, 2020 through May 31, 2022.

4. Section 5.A, Firm-Fixed Price for Annual Audits, of the Agreement is deleted and replaced with the following:

The CONSULTANT agrees to perform all of the financial audit services included in Section 1 in accordance with the firm-fixed price amounts set forth in Section 5 and Exhibits B and B-1, inclusive of expenses such as travel, meals, and telephone, and any and all labor, materials, taxes, profit, overhead, insurance, and subconsultant costs incurred by CONSULTANT. The JPB shall make payment to the CONSULTANT under this Agreement upon receipt and approval of a billing statement, submitted in a form acceptable to the JPB.

The all-inclusive, not-to-exceed compensation amounts are as follows:

Year One	FY15 Audit Services	= \$63,400
Year Two	FY16 Audit Services	= \$64,660
Year Three	FY17 Audit Services	= \$65,920
Year Four	FY18 Audit Services	= \$67,180
Year Five	FY19 Audit Services	= \$68,560
Year Six	FY20 Audit Services	= \$69,932
Year Seven	FY21 Audit Services	= \$71,331

Except for those changes expressly specified herein, all other provisions, requirements, conditions, and sections of the Agreement, as previously amended, remain in full force and effect.

**PENINSULA CORRIDOR JOINT POWERS BOARD:**

**EIDE BAILLY, LLP:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Jim Hartnett

Print: Ahmad Gharaibeh

Title: Executive Director

Title: Partner

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approve As To Form:

Signature: \_\_\_\_\_

By: \_\_\_\_\_  
Attorney for the JPB

Print: Nathan Edelman

Title: Partner

Date: \_\_\_\_\_



**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: Michelle Bouchard  
Chief Operating Officer, Rail

SUBJECT: **DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR TO EXECUTE  
REVENUE-NEUTRAL AGREEMENTS FOR CALTRAIN SPECIAL EVENT SERVICE**

**ACTION**

Staff Coordinating Council proposes the Board delegate authority to the Executive Director, or his designee, to execute revenue-neutral agreements, and related amendments to:

1. Mitigate the Peninsula Corridor Joint Powers Board (JPB)'s financial risk when operating Special Event Service for a venue or event
2. Help ensure adequate Caltrain service (consisting of regular Caltrain service and Special Event Service) at a venue or for an event
3. Establish partnership between the JPB and event venues and hosts to encourage patrons' use of Caltrain.

This delegation would apply to agreements to support Caltrain Special Event Service to venues and events along the Caltrain Corridor including, but not limited to Oracle Park (e.g. Caltrain Giants Service), Chase Center (e.g. Caltrain Warriors Service), Levi's Stadium (e.g. Caltrain 49ers Service), and SAP Center (e.g. Caltrain Sharks Service).

**SIGNIFICANCE**

The Board of Directors (Board) has granted the Executive Director a delegation of authority for execution of relatively small-value procurement contracts; contracts to secure grant funds, intergovernmental cooperation, community partnerships and the like; and certain real estate transactions. Staff recommends expanding the JPB's existing delegation of authority to allow the Executive Director, or his designee, to execute agreements for Special Event Service.

To ensure transparency and inform the Board of new agreements and amendments executed pursuant to the new delegation, summary updates will be provided to the Board.

**BUDGET IMPACT**

There is no budget impact associated with this action. The resulting authorized transactions will be budget-neutral.

**BACKGROUND**

Caltrain operates special event service to major public events at venues and events along the Caltrain Corridor including, but not limited to, Oracle Park, Chase Center, Levi's Stadium, and SAP Center.

Historically, Caltrain has provided Special Event Service for events at various venues and events along the Caltrain Corridor with no guarantee of ridership or ticket revenue, placing the JPB at financial risk.

Prepared by: Catherine David, Principal Planner – Rail Operations

650.508.6471

**RESOLUTION NO. 2020 – XX**

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

\* \* \*

**DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO EXECUTE  
REVENUE-NEUTRAL AGREEMENTS FOR CALTRAIN SPECIAL EVENT SERVICE**

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB) has adopted resolutions and ordinances under which the Executive Director is authorized to execute procurement contracts up to specified amounts; funding agreements, grant agreements, cooperative agreements, and other interagency agreements; and certain types of real estate contracts; and

**WHEREAS**, the Staff Coordinating Council recommends, and the Finance Committee concurs, that the Executive Director, or his designee, be authorized to enter into agreements and amendments to provide Caltrain Special Event Service in coordination with venues or events along the Caltrain corridor; and

**WHEREAS**, this delegation of authority applies only to agreements that will be revenue-neutral to the JPB, to mitigate the JPB's financial risk when operating Caltrain Special Event Service to a venue or event, to help ensure adequate Caltrain service (consisting of regular Caltrain service and Special Event Service) to a venue or event, and to establish a partnership between the JPB and event venues and hosts to encourage patrons' use of Caltrain; and

**WHEREAS**, the Board of Directors shall be informed of any and all agreements and amendments entered into under this authority.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby delegates authority to the Executive Director, or his

designee, to execute all revenue-neutral agreements and related amendments to operate Caltrain Special Event Service as described above.

Regularly passed and adopted this 6<sup>th</sup> day of February, 2020 by the following vote:

AYES:

NOES:

ABSENT:

---

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

---

JPB Secretary