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AGENDA

Peninsula Corridor Joint Powers Board Finance Committee Meeting

May 18, 2026, 2:30 pm

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

Committee Members: David J. Canepa (Chair), David Cohen (Vice Chair), Greg Wagner

Members of the public may participate remotely via Zoom at <https://us02web.zoom.us/j/88990625276?pwd=s3hgI5cGUx43UCXa5ccPHS7uB7nlbE.1> or by entering Webinar ID: # **889 9062 5276**, Passcode: **949910**, in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <https://www.caltrain.com/video-board-directors>.

Members of the public also may participate in person at: San Mateo County Transit District, 1250 San Carlos Avenue, Bacciocco Auditorium - Second Floor, San Carlos, CA, or any other noticed location.

Public Comments: Written public comments may be emailed to publiccomment@caltrain.com or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Finance Committee correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Finance Committee correspondence reading file, posted online at: <https://www.caltrain.com/about-caltrain/meetings>

Verbal public comments will also be accepted during the meeting in person and through Zoom* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial *6 to unmute themselves when recognized to speak.

Each public comment is limited to one minute. The Committee Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Note: All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee.

May 18, 2026 - Monday

2:30 pm

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

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

1. Call to Order
2. Roll Call
3. Pledge of Allegiance / Safety Briefing
4. Public Comment on Items Not on the Agenda
Comments by each individual speaker shall be limited to one (1) minute. Items raised that require a response will be deferred for staff to reply.
5. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately.
 - 5.a. Approval of Meeting Minutes for April 27, 2026 Motion
6. Adopt Fiscal Year 2027 Proposed Operating Budget Motion
7. Adopt Framework for Caltrain's "No External Funding" Scenario Motion
8. Award a Contract to Universal Protection Service, LP, dba Allied Universal Security Services, for Security Guard Services for a Total Not-To-Exceed Amount of \$7.4 Million for a Five-Year Term Motion
9. Authorize Execution of Contracts and Amendments for Information Technology Hardware, Software, Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services, Through Piggyback Contracts and Cooperative Purchasing Programs up to an Aggregate Not-to-Exceed Limit of \$3 Million for Fiscal Year 2027* Motion
10. Authorize the Executive Director to Execute the Master Agreement with California Department of Transportation (Caltrans) for the Transit and Intercity Rail Capital Program (TIRCP) Motion
11. Receive Quarterly Financial Report: Fiscal Year 2026 Quarter 3 Year-to-Date Results and Year End Forecast Informational
12. Committee Member Requests

JPB Finance Committee Meeting
May 18, 2026

13. Date/Time/Location of Next Regular Finance Committee Meeting: Monday, July 27, 2026 at 2:30 pm.

The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Public Hearing Room, 5th Floor 166 North Rollins Road, Millbrae, CA 94030.

14. Adjourn

Information for the Public

All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee. If you have questions on the agenda, please contact the JPB Secretary at 650.551.6108. Agendas are available on the Caltrain website at <https://www.caltrain.com>. Communications to the Board of Directors can be e-mailed to board@caltrain.com.

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 of Directors: First Thursday of the month, 9:00 am; JPB Finance Committee: Two Mondays before the Board Meeting, 2:30 pm. JPB Technology, Operations, Planning, and Safety (TOPS) Committee: Two Wednesdays before the Board meeting, 1:30 pm. JPB Advocacy and Major Projects (AMP) Committee: Two Wednesdays before the Board meeting, 3:30 pm. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and Committees are available on the website.

Location of Meeting

Members of the Public may attend this meeting in person or remotely via Zoom. Should Zoom not be operational, please check online at <https://www.caltrain.com/about-caltrain/meetings> for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Written public comments may be emailed to publiccomment@caltrain.com or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Finance Committee correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Finance Committee correspondence reading file, posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Oral public comments will also be accepted during the meeting in person or through Zoom or the teleconference number listed above. Online commenters will be automatically notified when they are unmuted to speak. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each public comment is limited to one minute. The Committee Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

Upon request, the JPB will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that is distributed to a majority of the legislative body, will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070, at the same time that the public records are distributed or made available to the legislative body.

**Peninsula Corridor Joint Powers Board
Finance Committee**

1250 San Carlos Avenue, San Carlos, CA 94070

DRAFT Minutes of April 27, 2026

Members Present: Greg Wagner, David Cohen (Vice Chair), David Canepa (Chair)

Staff Present: M. Bouchard, L. Bouvet, L. Elshareif, A. Feng, J. Harrison, K. Jordan Steiner, S. Kirkpatrick, J. Passmann, D. Susantin, M. Tseng, K. Yin, S. Yoshimoto

1. Call to Order

Chair Canepa called the meeting to order at 2:30 pm.

2. Roll Call

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

3. Pledge of Allegiance / Safety Briefing

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

4. Public Comment on Items not on the Agenda

Adrian Brandt commented on fare enforcement citation rates and the transit-oriented development (TOD) below market rate (BMR) requirements.

Roland commented on the one-minute public comment limit.

5. Consent Calendar

5.a. Approval of Meeting Minutes for March 23, 2026

Motion/Second: Cohen/Wagner

Ayes: Wagner, Cohen, Canepa

Noes: None

6. Accept Results of Annual Audit of Measure RR Tax Revenues and Expenditures for the Fiscal Year Ended June 30, 2025

Danny Susantin, Acting Director, Accounting, provided the presentation that included the following:

- Clean audit with unmodified opinion and no findings
- Expenditures confirmed aligned with voter-approved Measure RR requirements
- No material weaknesses or internal control issues identified

Staff provided further clarification in response to the Committee comments and questions, which included the following:

- Measure RR audit scope and compliance review
- Internal controls assessment
- Annual audit requirements completed

Motion/Second: Cohen/Wagner

Ayes: Wagner, Cohen, Canepa

Noes: None

Public Comment

Roland commented on linking Measure RR expenditures to the voter-approved ballot language.

7. Authorize the Issuance of Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Refunding Bonds in a Principal Amount Not to Exceed \$17,000,000; Approve the Forms of a Fifth Supplemental Indenture of Trust, an Escrow Agreement, a Bond Purchase Agreement, a Preliminary Official Statement and a Continuing Disclosure Agreement to be Executed in Connection Therewith; Authorize the Execution and Delivery Thereof; and Authorize the Taking of All Other Actions Necessary in Connection with the Issuance of Measure RR Sales Tax Revenue Refunding Bonds

Kate Jordan Steiner, Chief Financial Officer, provided the presentation that included the following:

- Aim to reduce costs (approximately \$2.6 million savings) and improve financial stability
- Replace more volatile farebox revenue backing with stronger sales tax backing
- Authorization requested for bond issuance and related documents

Staff provided further clarification in response to the Committee comments and questions, which included improved rates driven by Measure RR credit rating and refunding decisions based on callable timing and savings opportunities without a formal policy.

Motion/Second: Cohen/Wagner

Ayes: Wagner, Cohen, Canepa

Noes: None

8. Authorize Executive Director to Execute Amendment to Extend the Term of the Current Agreement for Law Enforcement Services for Five Years at an Estimated Cost of \$41,076,586 and to Enter into an Agreement for Dispatch Services for Five Years at an Estimated Cost of \$3,007,689 with the San Mateo County Sheriff's Office**

Scott Kirkpatrick, Director, Safety and Security, and James Harrison, Legal Counsel, provided the presentation that included the following:

- Revised indemnification terms for law enforcement contract, limiting JPB exposure
- Dispatch contract renewal includes significant cost increases driven by updated county cost allocations
- Long-standing partnership continues, aligned with San Mateo County Transit District (SamTrans) actions
- Contracts included in operating budgets with reserve planning for potential liability

Staff provided further clarification in response to the Committee comments and questions, which included the following:

- Law enforcement contract update only changes indemnification, not financial terms
- Dispatch contract is a new five-year agreement with increased costs through year 2030
- Both contracts have aligned indemnification terms after revisions
- Services apply to the full Caltrain corridor

Motion/Second: Cohen/Wagner

Ayes: Wagner, Cohen, Canepa

Noes: None

9. Award a Contract to CR Fence Company Inc. for Right of Way Fencing Project for a Total Amount of \$1,738,400

Kevin Yin, Director, Contracts and Procurement, and Luay Elshareif, Engineer III, provided the presentation that included the following:

- Scope includes installation of fencing and gates to deter trespassing and improve safety
- About 20 percent of right-of-way (ROW) remains unfenced; builds on prior fencing phases
- Competitive bid process confirmed lowest responsive and responsible bidder; project fully funded

Motion/Second: Wagner/Cohen

Ayes: Wagner, Cohen, Canepa

Noes: None

10. Adopt Resolution Designating Caltrain as a Non-Applicant Public Entity Payee for the Affordable Housing and Sustainable Communities (AHSC) Program

Lyne-Marie Bouvet, Planning Administrator, provided the presentation that included the following:

- \$8.8 million grant awarded with Affirmed Housing and City of Mountain View partnership
- Funds support electric municipal unit (EMU) procurement tied to affordable housing and TOD near Mountain View Station

Motion/Second: Cohen/Wagner

Ayes: Wagner, Cohen, Canepa

Noes: None

11. Receive Update on GoPass Program

Stephanie Yoshimoto, Manager, Business Partnerships, provided the presentation that included the following:

- Update focused on growth, retention, and long-term sustainability
- Tiered pricing model expanded across business, public, and education partners
- Strong ridership impact, with around one in five riders using GoPass
- Revenue growth in partners, but heavy concentration among a few large accounts
- Fiscal Year 2026 (FY26) revenue below budget, FY27 forecast flat with potential upside from new sales pipeline
- Strategic priorities: improve retention, expand sales pipeline, and optimize operations

Staff provided further clarification in response to the Committee comments and questions, which included support for the GoPass strategy, 2027 evaluation timeline, and focus on three-mile outreach and employer partnerships.

Public Comment

Roland commented on the potential value of a formal policy for unsolicited bids to allow private sector proposals.

12. Receive Energy Procurement Strategy Update

John Passmann, Manager, Energy, provided the presentation that included the following:

- Around \$4 million annual savings achieved through energy cost optimization and partnerships
- Participate in Low Carbon Fuel Standard (LCFS) program to generate around \$6 million annually in credits
- Explore solar energy storage to reduce peak costs
- Wholesale electricity access and solar opportunities under evaluation

Staff provided further clarification in response to the Committee comments and questions, which included the following:

- Energy storage feasibility and return of investment (ROI) constraints
- Solar deployment requiring paired storage for viability
- Battery versus flywheel approaches to peak demand management
- Grant funding and utility partnership opportunities
- Regenerative braking credit capture gaps with Pacific Gas and Electric Company (PG&E) and Community Choice Aggregators (CCAs)
- Limited legislative barriers; primarily financial and market driven considerations

Public Comment

Roland commented on utility partnerships, energy storage and energy resale strategies, and exploring virtual power plant concepts using distributed batteries and electric vehicles.

13. Committee Member Requests - There were none.

14. Date/Time/Location of Next Regular Finance Committee Meeting: Monday, May 18, 2026 at 2:30 pm.

15. Adjourn - The meeting adjourned at 3:29 pm

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
For: June 2026 JPB Board of Directors Meeting
Subject: **Adopt Fiscal Year 2027 Proposed Operating Budget**

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

Purpose and Recommended Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain):

1. Adopt the Peninsula Corridor Joint Powers Board's (JPB) Fiscal Year 2027 (FY27) Operating Budget in the amount of \$269 million, a copy of which is shown in Attachment A;
2. Direct the Executive Director, or designee, to forward the budgets to the JPB member agencies and the Metropolitan Transportation Commission (MTC); and
3. Authorize the Executive Director, or designee, to take all actions necessary to apply for and receive grants included in the proposed budget and take any other actions necessary to give effect to the above.

Discussion

Staff presented the FY27 Preliminary Operating Budget at the May 7, 2026 Board meeting. The Proposed Budget reflects changes made since that time.

FY27 Proposed Operating Budget (Changes)

In Millions	FY27 Preliminary Budget	FY27 Proposed Budget	Change (\$)	Change (%)
Total Sources	\$236.4	\$236.4	\$0.0	0.0%
Total Uses	(\$269.8)	(\$269.0)	\$0.8	-0.3%
Contribution to Reserve	\$0.0	\$0.0	\$0.0	
Measure RR for Capital (SOGR)	(\$15.0)	(\$15.0)	\$0.0	0.0%
Projected Sources over Uses	(\$48.4)	(\$47.6)	\$0.8	-1.6%
Draw from Measure RR Reserve	\$0.0	\$0.0	\$0.0	
State Loan	\$48.4	\$47.6	(\$0.8)	-1.6%
Projected Net Sources Over Uses	\$0.0	\$0.0	\$0.0	

Since the May Board meeting, staff have conducted further review of the expenses to identify additional opportunities for cost reductions. This effort resulted in a decrease in Total Uses of \$0.8 million.

FY27 Total Uses

Uses (In Millions)	FY27 Preliminary Budget	FY27 Proposed Budget	Change (\$)	Change (%)
Rail Operations	\$129.3	\$129.3	\$0.0	0.0%
Maintenance, Facilities & Security	\$29.6	\$29.6	\$0.0	0.0%
Insurance and Risk Management	\$19.7	\$19.7	\$0.0	0.0%
Operations Support	\$23.6	\$23.6	\$0.0	0.0%
Total Operating Expense	\$202.2	\$202.2	\$0.0	0.0%
Wages and Benefits	\$25.7	\$24.9	(\$0.8)	-3.0%
Professional & Legal Services	\$10.7	\$10.7	\$0.0	0.0%
Other Financing Expense	\$1.0	\$1.0	\$0.0	0.0%
Administrative, Office & Others	\$8.4	\$8.4	\$0.0	0.0%
Managing Agency Overhead	\$6.8	\$6.8	\$0.0	0.0%
Total Admin & Overhead Expense	\$52.6	\$51.8	(\$0.8)	-1.4%
Debt Service Expense	\$15.0	\$15.0	\$0.0	0.0%
Total Uses	\$269.8	\$269.0	(\$0.8)	-0.3%

The decrease in Total Uses was driven by efforts to control Wages and Benefits costs. Staff identified additional vacant positions to be included in Caltrain’s strategic hiring freeze, resulting in a reduction of \$0.8 million from what was presented to the JPB on May 7, 2026.

FY27 Proposed Operating Budget Detail

Please refer to Attachment A – FY27 Proposed JPB Financial Statement- Proposed Budget for a comparative schedule of the FY27 Proposed Operating Budget which shows the FY25 Actuals, FY26 Forecast, and the FY27 Proposed Operating Budget. The line numbers for each revenue and expense item detailed below refer to the corresponding line numbers on Attachment A.

Sources

Total Sources for FY27 are projected at \$236.4 million, a decrease of \$9.6 million or 3.9 percent lower than the FY26 Forecast:

- Revenue from Operations for FY27 is projected at \$88.6 million, an increase of \$1.4 million or 1.6 percent over the FY26 Forecast.
- Revenue from Contributions for FY27 is projected at \$147.8 million, a decrease of \$10.9 million or 6.9 percent lower than the FY26 Forecast.

Line 1 **Caltrain Fares**: \$63.1 million in FY27, an increase of \$2.6 million or 4.3 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Caltrain Fares	43,162,519	60,501,753	63,084,148	2,582,395	4.3%

Caltrain Fares includes fare receipts collected directly from rail passengers. Caltrain Fares projection assumes a 5 percent growth in annual ridership and a 5.4 percent increase in average fare per passenger.

Line 2 **GoPass**: \$14.1 million in FY27, no change from the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Go Pass	15,416,806	14,100,000	14,100,000	0	0.0%

GoPass includes revenue receipts collected through the GoPass program. Caltrain GoPass program allows companies, educational institutions, and residential complexes (Participants) to purchase annual unlimited ride passes for eligible employees, students, or residents (Users). It is not available for purchase by individuals and does not cover parking at Caltrain stations or travelling through other transit systems. In addition, GoPass is sold on a calendar year basis.

GoPass for FY27 remains flat to FY26 Forecast, reflective of continued challenges with program participation.

Line 3 **Parking Revenue:** \$4.1 million in FY27, \$0.09 million or 2.1 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Parking Revenue	3,217,106	4,045,765	4,132,065	86,300	2.1%

Parking revenue includes fees at parking lots located in various passenger stations, with the largest being at the SAP Center adjacent to the San Jose Diridon station.

FY27 Preliminary Budget assumes a 3 percent increase over FY26 Forecast excluding one-time increases related to Federation Internationale de Football Association (FIFA) World Cup and Super Bowl.

Line 4 **Rental Income:** \$1.5 million in FY27, a decrease of \$0.08 million or 4.8 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Rental Income	1,528,991	1,614,634	1,537,877	(76,757)	-4.8%

Rental income is derived from contract arrangements and lease negotiations for third-party use of properties owned by the JPB along the Caltrain Right-of-Way (ROW). Rental income for FY27 is derived by applying a 3 percent growth rate over FY26 contracted rent.

Line 5 **Interest Revenue:** \$2.8 million in FY27, a slight decrease of \$0.04 million or 1.4 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Interest Revenue	4,184,488	2,845,349	2,805,420	(39,929)	-1.4%

Interest revenue is derived from earnings on investment account holdings based on market rates. The decrease in FY27 is driven by a lower interest rate of 3.25 percent, partially offset by higher projected average holdings of \$86.1 million. This line includes projected interest revenue from the State Loan fund holdings.

Line 6 **Other Income:** \$2.9 million in FY27, a decrease of \$1.2 million or 28.4 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Advertising Income	695,063	1,000,000	950,000	(50,000)	-5.0%
Fare Evasion Revenue	141,130	219,801	220,780	979	0.4%
Insurance Reimbursements	178,807	790,983	0	(790,983)	-100.0%
Misc Operating Revenue	559,577	460,000	368,701	(91,299)	-19.8%
Online Store	71,142	73,334	0	(73,334)	-100.0%
Other Marketing Revenue	0	1,440	0	(1,440)	-100.0%
Other Non-Transit Revenues	-271,611	670,000	580,000	(90,000)	-13.4%
Parking Citation Program Revenue	195,581	320,464	254,000	(66,464)	-20.7%
Shared Track Maintenance Revenue	472,708	554,000	554,295	295	0.1%
Other Income	2,042,397	4,090,022	2,927,776	(1,162,246)	-28.4%

Other Income consists of shared track usage maintenance fees, permit fees, advertising income, fare evasion revenue and parking citation fees. Advertising Income includes income from train wraps, station ad cards, and digital displays. Shared Track Maintenance Revenue is generated from the annual contract with Union Pacific Railroad (UPRR).

The decrease in FY27 is driven by one-time revenues reflected in FY26 such as insurance reimbursements, license fees and station use income from prior year, and advertising and marketing revenue related to FIFA World Cup and Super Bowl.

Line 10 **Operating Grants**: \$10.6 million in FY27, a decrease of \$0.3 million or 2.7 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Operating Grants	10,943,557	10,920,750	10,624,575	(296,175)	-2.7%

FY27 Operating Grants include State Transit Assistance (STA) and MTC’s Regional Early Action Planning (REAP) Grant Program Funds. STA revenue is generated from the statewide sales tax on diesel fuel and allocated to the region’s transit operators by formula. The formula allocates funds based on population, the amount of passenger fares, and local support revenues collected by transit operators. The State sends out projections assuming a growth rate and adjusts these throughout the year. MTC’s REAP Grant Program Funds is to fund a portion of Caltrain’s revenue losses for participating in the No-Cost and Reduced Cost Interagency Transfer (RCT) Pilot Program. RCT offers region-wide discounts to customers paying with Clipper Cards for trips involving multiple operators.

Line 11 **Measure RR**: \$124.9 million in FY27, no change from the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Measure RR	123,057,621	124,939,720	124,939,720	0	0.0%

Measure RR is an eighth of a cent sales tax approved in November 2020 that provides Caltrain’s first source of dedicated non-fare revenues. Measure RR is collected in the counties of San Mateo, Santa Clara, and San Francisco. Average percentage of Measure RR sales tax collected from the three counties are as follows: San Mateo (23 percent), Santa Clara (55 percent), and San Francisco (22 percent). Projections are based on HdL Companies (HdL) estimates as of January 26, 2026, reflective of consumer spending that is more conservative due to inflation and economic uncertainty.

Line 12 **Member Agency Santa Clara Valley Transportation Authority (VTA)-Gilroy**: \$1.9 million in FY27, a decrease of \$1.4 million or 42.2 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Member Agency (VTA - Gilroy)	987,000	3,318,233	1,916,395	(1,401,838)	-42.2%

The fourth train to Gilroy commenced in FY24 for which Caltrain projects revenue from VTA to cover applicable costs. In FY27, an update in methodology has been applied where the estimated revenue will be based on incremental cost instead of the full cost.

Line 13 **Low Carbon Fuel Standard (LCFS), Low Carbon Transit Operations Program (LCTOP), and State Rail Assistance (SRA)**: \$10.3 million in FY27, a decrease of \$ 9.2 million or 47.3 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
LCFS		4,690,000	2,750,000	(1,940,000)	-41.4%
LCTOP	2,619,704	2,568,686	1,654,526	(914,160)	-35.6%
SRA	306,118	12,300,000	5,900,000	(6,400,000)	-52.0%
LCFS/LCTOP/SRA	2,925,822	19,558,686	10,304,526	(9,254,160)	-47.3%

This item is comprised of grant funding from the following programs: LCFS, LCTOP, and SRA.

LCFS is a program to encourage the use of cleaner low-carbon transportation fuels in California. LCFS is a market-based compliance measure that creates economic value from low-carbon and renewable fuel technologies. The LCFS program works as a market system where users and producers of clean energy, including electric vehicle fleets, earn credits through their emission reductions, while emitters purchase those credits to offset their carbon footprint. The reduction in FY27 LCFS is due to the new Credit Sale Policy requiring LCFS proceeds to be allocated equally between operating and capital needs. Previously, LCFS proceeds were solely dedicated to operating.

LCTOP is administered by the California Department of Transportation (Caltrans), in coordination with the California Air Resources Board (CARB) and the State Controller's Office (SCO). The LCTOP was created to provide operating and capital assistance for transit agencies

to reduce greenhouse gas emissions and improve mobility. Staff recommend allocation of LCTOP for operating needs in FY27 for \$1.6 million per estimate provided by Caltrans.

The State Rail Assistance (SRA) was created to provide capital and operating support for intercity and commuter rail programs. The SRA program is administered by the California State Transportation Agency, with funding managed by the Department of Tax and Fee Administration and the Department of Finance. The funding is received through the revenue obtained from 0.5 percent sales and use tax on diesel fuel from the State. Caltrain is currently projecting a total of \$5.9 million SRA funding for FY27. This is a \$6.4 million reduction from FY26 Forecast due to receipt of prior year's SRA allocation in FY26.

Uses

Total Uses for FY27 are projected at \$269 million, an increase of \$14.2 million or 5.6 percent higher than the FY26 Forecast:

- Direct Operating Expense for FY27 is projected at \$202.2 million, an increase of \$9.1 million or 4.7 percent over the FY26 Forecast.
- Administrative Expense for FY27 is projected at \$44.9 million, an increase of \$2.7 million or 6.3 percent over the FY26 Forecast.
- Managing Agency Administrative Overhead (OH) Cost is projected at \$6.8 million, an increase of \$0.4 million or 6.1 percent over the FY26 Forecast.
- Debt Service Expense for FY27 is projected at \$12.9 million, a decrease of \$0.1 million or 0.8 percent lower than the FY26 Forecast.
- State Loan Interest Expense for FY27 is projected at \$2.1 million, an increase of \$2.1 million or 100 percent over FY26 Forecast.

Operating Expense

Line 20 **Rail Operations:** \$129.3 million in FY27, an increase of \$0.8 million or 0.6 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Preliminary Budget	\$ Change	% Change
				FY2027 Preliminary Budget to FY2026 Forecast	FY2027 Preliminary Budget to FY2026 Forecast
Rail Operations	120,201,906	128,517,225	129,299,776	782,551	0.6%

Caltrain contracts out its rail operations service to TransitAmerica Services, Inc. (TASI). TASI provides all the operations, maintenance, and support services in the following areas: Administration and Safety, Operations and Dispatch, Maintenance of Equipment, Maintenance of Track, Communications, Signals and Stations, Capital Construction Support and State of Good Repair (SOGR) maintenance. TASI is paid on a cost-plus-performance-fee contract structure.

The FY27 budget for Rail Operations maximizes the available workforce to support all required operating and maintenance activities, including a 3 percent increase for management labor and a 4.5 percent increase for non-management labor to reflect market conditions. TASI understands its responsibility to recommend resources necessary to safely and effectively operate and maintain the system while recognizing Caltrain’s fiscal constraints. As such, it has taken targeted steps to reduce costs while maintaining existing service levels and delivering high-quality rider experience.

Line 21 **Maintenance and Facilities**: \$19.3 million in FY27, an increase of \$3.2 million or 20.1 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Maintenance & Facilities	12,096,877	16,087,577	19,324,947	3,237,370	20.1%

This item includes the costs for building maintenance, contracted services, and the Technical Support and Spare Supply Agreement (TSSSA) with Stadler Rail (Stadler).

The increase in FY27 projection is driven by higher contractual obligations related to the TSSSA with Stadler, and other contracted systems services pertaining to Broadband operations and maintenance, Positive Train Control (PTC), dispatch systems, and safety and security.

Line 22 **Security and Safety**: \$10.3 million in FY27, a decrease of \$0.5 million or 4.7 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Security & Safety	8,450,129	10,824,820	10,314,651	(510,169)	-4.7%

Security and Safety services are provided through a law enforcement and communications services contracts with the San Mateo County Sheriff’s Office (SMCSO), and a building security guard contract.

The FY27 Preliminary Budget reflects a \$0.5 million decrease driven by one-time security services expenses in FY26 related to FIFA and Super Bowl, partially offset by the annual increase in Law Enforcement costs.

Line 23 **Fuel and Lubricants:** \$1.3 million in FY27, a decrease of \$0.06 million or 4.1 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Fuel and Lubricants	3,893,403	1,405,350	1,347,882	(57,468)	-4.1%

This item covers the cost of diesel fuel for JPB locomotive operations, including the associated taxes and fees. The FY27 fuel budget, with electrified service, assumes eight-diesel train service per weekday with a fuel consumption of 162,000 gallons at \$4.00 per gallon. The budget also includes \$0.7 million for non-revenue vehicles operating at Caltrain’s Central Equipment and Maintenance Facility (CEMOF). Caltrain is currently engaged in a fuel hedging program that helps manage exposure to the volatility of fuel prices.

Line 24 **Electric Charges for Power Traction:** \$15 million in FY27, no change from the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Electric Charges for Power Traction	11,503,302	15,000,000	15,000,000	0	0.0%

FY27 budget assumes the same service level at 104-electric train service per weekday with a projected electricity consumption of 71,000,000 kilowatt-hours (kWh) at \$0.21127 per kWh.

Line 25 **Insurance and Risk Management**: \$19.7 million in FY27, an increase of \$4.2 million or 26.8 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Insurance & Risk Management	15,436,481	15,576,949	19,745,000	4,168,051	26.8%

The Insurance and Risk Management budget includes the costs for insurance premiums, deductibles, adjuster and broker fees, and claims.

The increase of \$4.2 million is driven by the anticipated rise in insurance premium costs, higher projected claims expense per actuarial study, addition of the Federal Employers' Liability Act (FELA) claims fee, and increase in claims legal fees.

Line 26 **Revenue Collection and Customer Service**: \$2.9 million in FY27, an increase of \$0.9 million or 45.6 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Revenue Collection & Customer Service	1,834,929	1,995,232	2,905,572	910,340	45.6%

This item includes the Clipper Operator Charges, costs for cash management services, Caltrain Shuttle, and the maintenance of electric lockers and bike stations.

The increase of \$0.9 million is mainly due to Clipper Operator Charges being driven by higher customer service costs and transaction fees, partially offset by savings from switching to a new cash management service provider Loomis US.

Line 27 **Utilities and Telecommunications:** \$4.3 million in FY27, an increase of \$0.6 million or 15.7 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Utilities & Telecommunications	3,430,250	3,697,539	4,277,830	580,291	15.7%

This item covers the cost of gas and electric, telephone, water and sewer, and trash. It also includes utility costs for PTC maintenance such as data circuits, radio license fees, and spectrum lease. Increase of \$0.6 million is driven by higher fiber and electricity costs due to transfer of said costs from capital to operating, and increased passenger activity at stations.

Administrative Expense

Line 31 **Wages and Benefits:** \$24.9 million in FY27, an increase of \$1.3 million or 5.5 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Wages and Benefits	20,512,064	23,572,722	24,866,213	1,293,491	5.5%

The San Mateo County Transit District serves as the managing agency for the JPB. This line item includes the Wages and Benefits and JPB’s share of the total California Public Employees Retirement System (CalPERS) and Retiree Medical costs for both Rail and Shared Services staff. Wages and benefits are calculated based on the approved Salary Ordinance positions, current salary levels, universal wage increase, and assumed vacancy rate savings. The increase in wages and benefits is reflective of universal wage and fringe benefit increases for administrative staff. It must be noted that there are no new positions for FY27. There is a projected full-time equivalent (FTE) of 106.64 for Operating and 103.37 for Capital.

Operating (FTE)

Operating FTE	FY26 Forecast	FY27 Proposed Budget
Shared Services	51.81	53.98
Rail	53.19	52.66
Total	105.00	106.64

Capital FTE

Capital FTE	FY26 Adopted Budget	FY27 Proposed Budget
Shared Services	22.89	23.69
Rail	98.45	79.68
Total	121.34	103.37

***These positions are included in the capital project budgets adopted by the board.**

Line 32 **Professional and Contracted Services:** \$8 million in FY27, a decrease of \$0.9 million or 9.9 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Professional & Contracted Services	10,215,786	8,975,497	8,089,189	(886,308)	-9.9%

This covers the cost of consultant, audit, and legislative advocacy services. The FY27 decrease is driven by cost efficiencies and efforts to reduce reliance on consultants. In addition, Climate Change Vulnerability Study ends in FY26 hence contributing to the decrease as well.

Line 33 **Legal Services:** \$2.6 million in FY27, an increase of \$0.005 million or 0.2 percent higher than the FY26 Forecast. This line covers the cost of legal services.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Legal Services	2,884,960	2,627,719	2,632,750	5,031	0.2%

Line 34 **Other Financing Expense:** \$1 million in FY27, an increase of \$0.03 million or 2.6 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Other Financing Expense	145,190	958,299	983,299	25,000	2.6%

This line item includes interest expense for Lines of Credit (LOC), debt fees, investment fees, and financing issuance costs. The increase in FY27 is driven by the slightly higher interest rate of 3.7 percent for the Peninsula Corridor Electrification Project (PCEP) LOC compared to 3.6 percent in FY26.

Line 35 **Administrative and Office Expense:** \$7.5 million, an increase of \$2.4 million or 45.9 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
District Vehicle Mileage	49,977	35,000	69,000	34,000	97.1%
Employee Program & Safety Culture	69,671	140,308	193,383	53,074	37.8%
Other Office Expense	267,105	315,660	753,475	437,815	138.7%
Property Taxes and Bank Fees	2,300,196	801,897	783,880	(18,017)	-2.2%
Recruitment Costs & Temporary Staff	107,978	259,918	257,550	(2,368)	-0.9%
Rent Expense	1,807,055	2,009,605	3,105,124	1,095,519	54.5%
Software Maintenance	1,138,277	1,590,559	2,357,750	767,191	48.2%
Administrative & Office Expenses	5,740,260	5,152,947	7,520,161	2,367,214	45.9%

This line item includes rent expenses, software maintenance costs, property taxes and bank fees, dues and subscriptions, office supplies and printing costs, recruitment and temporary staff, and employee program and safety culture.

The FY27 budget reflects an increase of \$2.4 million driven by the rent for the new Millbrae headquarters; additional software subscription, support, and licensing costs; and printing and information services.

Line 36 **Board of Directors:** \$0.1 million in FY27, an increase of \$0.005 million or 3.9 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Board of Directors	20,455	128,621	133,620	4,999	3.9%

This covers director compensation and board meeting costs for hosting (Pen Media) and agenda tracking (OnBase).

Line 37 **Communications and Marketing:** \$0.5 million in FY27, a decrease of \$0.2 million or 24.7 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Communications & Marketing	549,162	699,926	526,900	(173,026)	-24.7%

This line covers promotional events and advertising costs for the agency. The decrease of \$0.2 million is driven by one-time promotional costs in FY26 related to FIFA and Super Bowl

Line 38 **Training and Employee Development:** \$0.2 million in FY27, an increase of \$.03 million or 20.5 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Training & Employee Development	143,071	160,946	193,970	33,024	20.5%

This line item includes costs for seminar and training, professional development, and business travel. The FY27 Training and Employee Development budget reflects a 15 percent reduction from the FY26 budget. Several training sessions that were initially budgeted in FY26 are being deferred to FY27.

Line 42 **Managing Agency Administrative OH Cost:** \$6.8 million in FY27, an increase of \$0.4 million or 6.1 percent higher than the FY26 Forecast, based on the draft FY27 Indirect Cost Allocation Plan (ICAP) plan. The increase is driven by a higher Agency Indirect Administration (AIA) cost primarily due to software subscription, maintenance and licensing costs.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Managing Agency Admin OH Cost	3,949,926	6,432,728	6,822,440	389,712	6.1%

Managing Agency Administrative OH Cost reflects the cost of District personnel dedicated to the Caltrain business (as opposed to Caltrain operations) in addition to the non-labor costs of supporting all four agencies.

The ICAP calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects. The District procured the assistance of an outside consulting firm to develop a methodology that equitably allocates the costs incurred by the District for services and functions shared by the different agencies administered by District staff. The consultant team is selected for its experience and knowledge in developing allocation methodologies for governmental and public entities.

The ICAP is prepared in accordance with the principles and guidelines set forth in the Office of Management and Budget (OMB) Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments" and ASMB C-10 "Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government."

The ICAP calculates two components:

- AIA – a pool of costs that cannot be directly attributed to a specific agency.

This consists of labor and non-labor support functions that benefit each of the four agencies managed or supported by the District. Examples include the time charged by the Payroll Department to process the biweekly payroll or the time charged by the Human Resource Department to post recruitments on industry websites. Based on specific statistics, these costs are distributed to each department. For example, the payroll department costs are distributed to each department based on the number of FTEs. The District incurs all of the AIA costs and then recovers appropriate shares of the costs from the District’s Operating and Capital budgets, the JPB Operating and Capital budgets, the San Mateo County Transportation Authority (SMCTA) budget and the San Mateo County Express Lanes Joint Powers Authority (SMCEL JPA) budget.

- Capital OH – a pool of project support costs that cannot be directly attributed to a specific capital project.

A capital overhead rate is calculated for each agency. An example of a capital overhead cost would be the time charged by an administrative assistant who supports multiple capital project engineers. The capital overhead costs are tracked and included in the ICAP rate and is charged to each capital project.

In mid-FY21, the ICAP methodology was changed to more appropriately allocate these costs across the range of projects served – staff anticipates that this approach will continue. In prior years, the ICAP rate was applied to pre-defined labor costs. The new methodology applies the ICAP rate to all labor and non-labor costs. The methodology does not change how much ICAP in total is paid, but rather how the total ICAP is allocated to different projects.

Line 46 **Debt Service Expense**: \$12.9 million, a decrease of \$0.1 million or 0.8 percent lower than the FY26 forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change	% Change
				FY2027 Proposed Budget to FY2026 Forecast	FY2027 Proposed Budget to FY2026 Forecast
Debt Service Expense	8,203,759	13,004,854	12,895,900	(108,954)	-0.8%

This line item covers the cost and principal retirement of debt incurred for the acquisition and

rehabilitation of passenger rail cars, and the acquisition of real property.

FY27 budget includes the principal and interest payment for the 2019 Farebox Revenue Bond and the 2022 Measure RR Bond. The decrease is driven by the reduction in interest expense due to the 2026 refunding of the 2019 Fare Revenue Bond.

Line 47 **State Loan Interest Expense:** \$2.1 million, an increase of \$2.1 million or 100 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
State Loan Interest Expense	0	0	2,100,000	2,100,000	100.0%

This line covers the interest expense for the State Loan assumed to have a principal amount of \$50 million and interest rate of 4.2 percent. The loan has a 12-year repayment term with interest-only payments for the first two years.

Line 50 **Projected Contribution to Reserve:** \$0 in FY27, no change from the FY26 Forecast.

Line 53 **One-Time Funds- Senate Bill (SB) 125:** \$0 in FY27, a decrease of \$25.5 million or 100 percent lower than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
One-Time Funds- SB125	0	25,448,000	0	(25,448,000)	-100.0%

SB 125 funds are one-time funds received in FY26, driving the decrease of \$25.5 million in FY27. SB125 funds arose from amendments to the California State Budget Act of 2023 to provide immediate transit operating assistance to help avert the near-term transit operating fiscal cliff that resulted from the COVID-19 pandemic and associated changes in travel patterns.

Line 54 **Draw from Measure RR Reserve:** \$0 in FY27, an increase of \$2.4 million from the FY26 Forecast.

Caltrain was awarded \$410 million funding required to finish the Peninsula Corridor Electrification Project (PCEP) in FY23. This grant released Measure RR funds originally set aside to address unfunded PCEP costs. With this, Caltrain established a one-time \$60 million Measure RR Reserve that can be used for operating needs.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
Draw from Measure RR Reserve	21,745,600	(2,363,912)	0	2,363,912	-100.0%

In FY25, \$21.7 million was utilized to balance the budget, resulting in a remaining balance of \$38.3 million. The use of said amount was partially driven by the delayed receipt of SRA funding for FY25. In FY26, SRA funding for prior years was received, contributing to a favorable net position allowing the partial return of the Measure RR Reserve. This return increases its balance to \$40.6 million.

Description	FY2025	FY2026	FY2027
Measure RR Reserve for PCEP, Beg Bal	60,000,000	38,254,400	40,618,312
Draw from Measure RR Reserve	(21,745,600)	2,363,912	0
Measure RR Reserve for PCEP, End Bal	38,254,400	40,618,312	40,618,312

Line 55 **State Loan:** \$47.6 million in FY27, an increase of \$47.6 million or 100 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change FY2027 Proposed Budget to FY2026 Forecast	% Change FY2027 Proposed Budget to FY2026 Forecast
State Loan	0	0	47,607,598	47,607,598	100.0%

California State Transportation Agency (CalSTA) was authorized to loan \$590 million to MTC to provide Bay Area transit agencies operating loans that will help support and stabilize transit services as the region continues to recover from the impacts of the pandemic. Caltrain will use this State Loan to balance the FY27 budget.

Line 56 **Measure RR for Capital (SOGR):** \$15 million in FY27, an increase of \$0.8 million or 5.6 percent higher than the FY26 Forecast.

Description	FY2025 Actuals	FY2026 Forecast	FY2027 Proposed Budget	\$ Change	% Change
				FY2027 Proposed Budget to FY2026 Forecast	FY2027 Proposed Budget to FY2026 Forecast
Measure RR for Capital (SOGR)	0	14,200,049	15,000,000	799,951	5.6%

Caltrain assumes to annually set aside \$15 million in Measure RR funds to be allocated for critical State of Good Repair (SOGR) capital expenditures. The FY26 Forecast reflects a \$14.2 million contribution, which is lower than the desired \$15 million, since during the FY26 budget development this is the amount that can be set aside to achieve a balanced budget. The FY27 budget assumes to set aside \$15 million.

Prepared By:	Lisa Aranda	Budget Analyst III	05/08/2026
	Claudette Valbuena	Manager, Budgets	05/08/2026
	Ladi Millard-Olmeda	Director, Budgets and Financial Analysis	05/08/2026

Resolution No. 2026-

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

* * *

Adopt Fiscal Year 2027 Proposed Operating Budget

Whereas, the Joint Powers Agreement of the Peninsula Corridor Joint Powers Board (JPB) requires the Board of Directors (Board) to approve the annual Operating Budget; and

Whereas, the adoption of an Operating Budget is necessary for obtaining both Federal and State funds to support the Peninsula Commute Service operation known as Caltrain; and

Whereas, the Staff recommends that the Board adopt the Fiscal Year 2027 (FY27) Operating Budget shown as Attachment A; and

Whereas, per JPB Resolution No. 2020-42, a majority vote is required to approve the expenditure of up to \$40 million of Measure RR revenue for JPB's operation or capital requirements; and

Whereas, this budget expends an amount in excess of \$40 million of Measure RR revenue which requires the approval of at least six (6) members of the JPB Board.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the FY27 Operating Budget, a copy of which is attached hereto and incorporated herein as Attachment A, in the amount of \$268,980,100; and

Be It Further Resolved that the Executive Director, or designee, is requested to forward a copy of the FY27 Operating Budget to the JPB member agencies at the earliest practical date; and

Be It Further Resolved that the Executive Director, or designee, is directed to submit this budget to the Metropolitan Transportation Commission, together with a copy of this resolution, at the earliest practical date; and

Be It Further Resolved that the Board of Directors authorizes the Executive Director, or designee, to take such additional actions as may be necessary to give effect to this resolution, including executing funding agreements and amendments, and submitting required documents to granting agencies to receive the funding identified in the Operating Budget.

Regularly passed and adopted this 4th day of June, 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF SOURCES AND USES
PROPOSED OPERATING BUDGET
FISCAL YEAR 2027

	FY2025 ACTUALS	FY2026 FORECAST	FY2027 PROPOSED BUDGET	FY2027 Proposed Budget to FY2026 Forecast \$ Variance	FY2027 Proposed Budget to FY2026 Forecast % Variance
	A	B	C	D = C - B	E = D / B
SOURCES					
OPERATIONS:					
1 Caltrain Fares	43,162,519	60,501,753	63,084,148	2,582,395	4.3%
2 Go Pass	15,416,806	14,100,000	14,100,000	-	0.0%
3 Parking Revenue	3,217,106	4,045,765	4,132,065	86,300	2.1%
4 Rental Income	1,528,991	1,614,634	1,537,877	(76,757)	-4.8%
5 Interest Revenue	4,184,488	2,845,349	2,805,420	(39,929)	-1.4%
6 Other Income	2,042,397	4,090,022	2,927,776	(1,162,246)	-28.4%
7 TOTAL OPERATING REVENUE	69,552,308	87,197,523	88,587,286	1,389,763	1.6%
8					
9 CONTRIBUTIONS:					
10 Operating Grants	10,943,557	10,920,750	10,624,575	(296,175)	-2.7%
11 Measure RR	123,057,621	124,939,720	124,939,720	-	0.0%
12 Member Agency (VTA - Gilroy)	987,000	3,318,233	1,916,395	(1,401,838)	-42.2%
13 LCFS/LCTOP/SRA	2,925,822	19,558,686	10,304,526	(9,254,160)	-47.3%
14 TOTAL CONTRIBUTED REVENUE	137,913,999	158,737,389	147,785,216	(10,952,173)	-6.9%
15					
16 TOTAL SOURCES	207,466,307	245,934,912	236,372,502	(9,562,410)	-3.9%
17					
18 USES					
19 DIRECT OPERATING EXPENSE:					
20 Rail Operations	120,201,906	128,517,225	129,299,776	782,551	0.6%
21 Maintenance & Facilities	12,096,877	16,087,577	19,324,947	3,237,370	20.1%
22 Security & Safety	8,450,129	10,824,820	10,314,651	(510,169)	-4.7%
23 Fuel & Lubricants	3,893,403	1,405,350	1,347,882	(57,468)	-4.1%
24 Electric Charges for Power Traction	11,503,302	15,000,000	15,000,000	-	0.0%
25 Insurance & Risk Management	15,436,481	15,576,949	19,745,000	4,168,051	26.8%
26 Revenue Collection & Customer Service	1,834,929	1,995,232	2,905,572	910,340	45.6%
27 Utilities & Telecommunications	3,430,250	3,697,539	4,277,830	580,291	15.7%
28 TOTAL DIRECT OPERATING EXPENSE	176,847,275	193,104,692	202,215,659	9,110,967	4.7%
29					
30 ADMINISTRATIVE & OVERHEAD EXPENSE					
31 Wages & Benefits	20,512,064	23,572,722	24,866,213	1,293,491	5.5%
32 Professional & Contracted Services	10,215,786	8,975,497	8,089,189	(886,308)	-9.9%
33 Legal Services	2,884,960	2,627,719	2,632,750	5,031	0.2%
34 Other Financing Expense	145,190	958,299	983,299	25,000	2.6%
35 Administrative & Office Expense	5,740,260	5,152,947	7,520,161	2,367,214	45.9%
36 Board of Directors	20,455	128,621	133,620	4,999	3.9%
37 Communications & Marketing	549,162	699,926	526,900	(173,026)	-24.7%
38 Training & Employee Development	143,071	160,946	193,970	33,024	20.5%
39 TOTAL ADMIN & OVERHEAD EXPENSES	40,210,947	42,276,677	44,946,102	2,669,425	6.3%
40					
41 MANAGING AGENCY ADMIN OH COST					
42 Managing Agency Admin OH Cost	3,949,926	6,432,728	6,822,440	389,712	6.1%
43					
44 TOTAL OPERATING EXPENSE	221,008,149	241,814,097	253,984,200	12,170,103	5.0%
45					
46 Debt Service Expense	8,203,759	13,004,854	12,895,900	(108,954)	-0.8%
47 State Loan Interest Expense	-	-	2,100,000	2,100,000	100.0%
48 TOTAL USES	229,211,907	254,818,951	268,980,100	14,161,149	5.6%
49					
50 PROJECTED CONTRIBUTION TO RESERVE	-	-	-	-	0.0%
51					
52 PROJECTED SOURCES OVER USES	(21,745,600)	(8,884,039)	(32,607,598)	(23,723,559)	267.0%
53 One-Time Funds - SB125	-	25,448,000	-	(25,448,000)	
54 Draw from Measure RR Reserve	21,745,600	(2,363,912)	-	2,363,912	
55 State Loan	-	-	47,607,598	47,607,598	
56 Measure RR for Capital (SOGR)	-	(14,200,049)	(15,000,000)	(799,951)	
57 PROJECTED NET SOURCES OVER USES	-	-	-	-	
Operating Reserve, Beginning Balance	26,878,850	26,878,850	26,878,850		
Operating Reserve Set Aside	-	-	-		
Operating Reserve, Ending Balance	26,878,850	26,878,850	26,878,850		

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Li Zhang, Chief, Commercial and Business Development
For: June 2026 JPB Board of Directors Meeting
Subject: **Adopt Framework for Caltrain’s “No External Funding” Scenario**

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

Purpose and Recommended Action

Following discussion at the April 2026 Peninsula Corridor Joint Powers Board (JPB) Board of Directors (Board) Budget Workshop, and the May 2026 JPB Board meeting, staff is recommending adoption of the Framework for Caltrain’s “No External Funding” Scenario. The Framework will be used by staff to guide the planning and budgeting process for a potential future where Caltrain does not receive new external funding in Fiscal Year 2028 (FY28) and beyond.

Discussion

Over the last several months, staff has developed high-level service and financial planning scenarios in the event that the ballot measure authorized by Senate Bill 63, known as the Connect Bay Area Act, fails to receive sufficient voter support in November, and Caltrain is unable to secure new external funding to close the anticipated deficit for FY28 and beyond.

At the May 2026 JPB Board meeting, staff presented the draft Framework, which establishes guiding principles, identifies internal and external factors to consider when developing potential scenarios, and lists potential cost-cutting and revenue generating measures for staff to further evaluate. At the meeting, Board members requested staff to include public engagement with communities along the corridor and to develop a scenario relying on Measure RR and other self-generated revenue. These additions are reflected in Attachment A.

Attachment A to the resolution contains the Framework for Caltrain’s “No External Funding” Scenario. Staff will utilize this Board-adopted Framework to guide the next phase of service planning and budget development. In the absence of new external funding, staff will present a Preliminary FY28 Operating Budget in January 2027, allowing time to review proposed service cuts and initiating a process to ramp down service and implement other cost-saving and/or revenue generating measures to prepare a balanced FY28 budget.

Budget Impact

The Framework will help guide preparation of Caltrain’s FY28 Operating Budget. Adoption of the FY28 budget will be subject to separate Board action.

Prepared By:	Melissa Jones	Deputy Director, Caltrain Policy Development	05/11/2026
	Oscar Quintanilla Lopez	Director, Budgets and Financial Analysis	05/11/2026

Resolution No. 2026-

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

* * *

Adopt Framework for Caltrain’s “No External Funding” Scenario

Whereas, the COVID-19 pandemic drastically reduced Caltrain ridership and resulted in sustained and significant changes in commute patterns across San Francisco, San Mateo, and Santa Clara counties; and

Whereas, before the pandemic, Caltrain had a nation-leading farebox recovery ratio of over 70 percent, resulting in a very high dependency on passenger fares to fund Caltrain’s operating budget; and

Whereas, Caltrain’s fare revenue went from \$103 million in Fiscal Year 2019 (FY19) to \$33 million in FY21, resulting in a \$70 million loss in fare revenue; and

Whereas, since 2020, Caltrain has implemented cost-saving measures and, since the launch of electrification, implemented measures to promote ridership growth and increase fare and non-fare revenue; and

Whereas, while Caltrain’s ridership has increased significantly since the launch of electrification, ridership and fare revenue are still substantially lower than pre-pandemic levels; and

Whereas, Caltrain has relied on one-time Federal, State, and Local emergency funding to continue providing safe, frequent, and reliable service along the corridor; and

Whereas, on March 5, 2026, the Peninsula Corridor Joint Powers Board (JPB) authorized the Executive Director to negotiate and execute a loan agreement with the Metropolitan

Transportation Commission to allow Caltrain to sustain its current service levels and adopt a balanced FY27 operating budget; and

Whereas, Senate Bill (SB) 63, known as the Connect Bay Area Act, created the Public Transit Revenue Measure District and authorized the placement of a 14-year retail transactions and use tax ballot measure at the November 3, 2026, statewide general election that would provide Caltrain with approximately \$75 million per year in new external funding; and

Whereas, on April 2, 2026, at the JPB Budget Workshop, staff presented a potential financial scenario with no new external funding that would require significant service cuts, and staff received initial feedback on a draft Framework to guide the next phase of service planning and budgeting; and

Whereas, on May 7, 2026, at the JPB Board meeting, staff presented and received additional feedback from the JPB on the draft Framework for Caltrain’s “No External Funding” Scenario; and

Whereas, if the Connect Bay Area measure fails to receive voter approval at the November 3, 2026, statewide general election and Caltrain is unable to secure new external funding, staff will prepare a preliminary FY28 operating budget incorporating guidance from this Framework; and

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the attached Framework for Caltrain’s “No External Funding” Scenario.

Regularly passed and adopted this 4th day of June 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

Framework for Caltrain’s No External Funding Scenario

This Framework will be used to guide the planning and budgeting process for Caltrain’s potential future without external funding. In the absence of external funding, staff will request input from the Board on measures to include in the railroad’s budget, which will then be incorporated in the proposed FY28 (and beyond) budgets for Board adoption. **Staff will engage with corridor communities to provide educational information and seek feedback on Caltrain’s No External Funding Scenario.**

Guiding Principles

Staff propose that these principles be used to guide decision-making in the planning and budgeting process for Caltrain’s potential future without external funding.

- A. Maintain safety first and always.
- B. Minimize risk and comply with regulations.
- C. Minimize ongoing operating and maintenance costs.
- D. Maximize ridership and revenue opportunities.
- E. Provide dependable access to the system for low income and minority communities.
- F. Maximize geographic equity in access to the system.

Scenarios

Given the many uncertainties and risks facing the railroad, multiple potential future scenarios will be considered and evaluated to plan for Caltrain’s potential future without Connect Bay Area.

Example factors to include in potential future scenarios:

- **Level of service (if any) that can be provided with only Measure RR and other fixed revenue sources**
- Varied durations of potential service reductions
- Caltrain service shutdown (temporary vs. permanent)
- FTA Waiver Extension
- Additional “bridge funding” before receipt of potential external funds
- Cashflow limitations
- Ridership fluctuations

- Self-generated revenue fluctuations (e.g., reductions in fare revenue, parking revenue, etc.)

Cost-saving Measures

Current and additional cost-saving measures and their risks, costs, and benefits will be evaluated to plan for Caltrain’s potential future without Connect Bay Area or other external funding.

Example cost-saving measures could include:

- Service cuts impacting frequency and span, such as hourly service; earlier evening shutdowns; no weekend service; station closures; segment closures; no special event service; and eventual elimination of Caltrain service
- Staffing reductions, such as administrative staff cuts
- Deferred State of Good Repair
- Reduced cleaning and maintenance
- Mothballing or retiring portions of the fleet

Revenue-generating Measures

Potential bridge funding and new revenue-generating measures and their risks, costs, and benefits will be evaluated to plan for Caltrain’s potential future without Connect Bay Area.

Example potential revenue-generating measures could include:

- Additional bridge funding sources
- Member agency contributions
- Additional potential ballot measures
- Monetization of various assets
- Fare increases

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: David Santoro, SamTrans Chief Administrative Officer
For: June 2026 JPB Board of Directors Meeting
Subject: **Award a Contract to Universal Protection Service, LP, dba Allied Universal Security Services, for Security Guard Services for a Total Not-To-Exceed Amount of \$7.4 Million for a Five-Year Term**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Award of this proposed contract for Security Guard Services (Services) will ensure the Peninsula Corridor Joint Powers Board (JPB) has 24-hour security guard services. The contract will provide the JPB with a well-trained, robust and stable security workforce that is knowledgeable and experienced in providing the Services for Caltrain. The contract will also provide enhanced ability to monitor security operations through improved data collection, incident reporting, performance analysis, and trend monitoring, which will support more effective deployment of security resources and stronger contractor oversight. These improvements will allow the JPB to streamline security operations and costs and transform from a reactive-based security program into one that is capable of being predictive, pre-emptive and resilient in response to security issues.

Staff proposes that the Finance Committee recommend that the Board of Directors (Board) of the JPB:

1. Award a contract to Universal Protection Service, LP, dba Allied Universal Security Services of Burlingame, California (AUS), to provide the Services to the JPB for a total not-to-exceed amount of \$7.4 million for a five-year term in accordance with fixed hourly labor rates.
2. Authorize the Executive Director or designee to execute a contract on behalf of JPB with AUS in full conformity with the terms and conditions of the solicitation documents and negotiated agreement, and in a form approved by legal counsel.

Discussion

On February 6, 2026, the JPB and the San Mateo County Transit District (collectively referred to as the "Agencies") issued a joint Request for Proposals (RFP) 26-S-J-S-068 for the Services. The

RFP was advertised on the Agencies’ e-procurement website. In response to the RFP, the Agencies received 16 proposals, 10 of which were found to be responsive, and six of which were found to be non-responsive to the requirements of the solicitation documents.

Responsive Proposers

- American Global Security, Inc. of Chatsworth, California
- Blue Knight Security Group, Inc. of Rancho Cordova, California
- Diligence Security Group, Inc. of Oakland, California
- Egis Guard Company of Sacramento, California
- Good Guard Security Inc. of San Jose, California
- Kappia Security of Sacramento, California
- PalAmerican Security, Inc of San Jose, California
- Unified Protective Services Inc. of Hawthorne, California
- AUS
- Veterans High Risk Security Solutions Inc. of Los Angeles, California

A Selection Committee (Committee), composed of qualified staff from the Agencies, reviewed, scored, and ranked the proposals in accordance with the evaluation criteria set forth in the RFP.

Evaluation Criteria	Maximum Points
Company Qualifications, Experience and References	15 Points
Qualifications and Experience of Management Team and Key Personnel	15 Points
Approach to Scope of Services/Project Methodology	20 Points
Screening, Training, and Licensing	25 Points
Cost Proposal	25 Points
Small Business Enterprise (SBE) Preference	5 Points
Total	105 Points

The Committee determined three firms, Diligence Security Group, Inc., PalAmerican Security, Inc., and AUS, were in the competitive range. The Committee conducted interviews and determined that AUS was the highest-ranked firm. The Committee determined that AUS possesses the requisite experience and qualifications required for successful performance of

the Services as defined in the solicitation documents. AUS did not claim the points for SBE Preference.

Staff successfully negotiated contract terms, including prices, with AUS. Staff conducted a price analysis and determined the negotiated hourly rates to be fair, reasonable, and consistent with those charged for similar services in the Bay Area.

Budget Impact

Funding for this contract is included in the adopted Fiscal Year 2026 Operating Budget and will be included in future operating budgets. The contract will be funded by a variety of funding sources which may include state, regional, and local revenues from approved and future operating budgets.

Prepared By: Pooja Mehra	Procurement Administrator II	04/21/2026
Scott Kirkpatrick	Deputy Director, Safety and Security	04/21/2026

Resolution No. 2026-

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

* * *

**Award a Contract to Universal Protection Service, LP, dba Allied Universal Security Services,
for Security Guard Services for a Total Not-To-Exceed Amount of \$7.4 Million for a
Five-Year Term**

Whereas, on February 6, 2026, the Peninsula Corridor Joint Powers Board (JPB) and the San Mateo County Transit District (District), collectively referred to as the “Agencies,” issued joint Request for Proposals (RFP) 26-S-J-S-068 for Security Guard Services (Services); and

Whereas, in response to the RFP, the Agencies received 16 proposals; and

Whereas, staff and legal counsel reviewed all 16 proposals and determined 10 of which were found to be responsive, and six of which were found to be non-responsive to the RFP requirements; and

Whereas, a Selection Committee (Committee), composed of staff from the Agencies, reviewed and evaluated the proposals in accordance with the evaluation criteria set forth in the RFP; and

Whereas, the Committee determined three of the 10 proposers were in the competitive range; and

Whereas, the Committee conducted interviews and determined that Universal Protection Service, LP, dba Allied Universal Security Guard Services of Burlingame, California (AUS) was the highest-ranked firm that offers best value to the Agencies; and

Whereas, AUS possesses the requisite experience and qualifications required to successfully perform the Services; and

Whereas, staff conducted a price analysis and determined AUS' negotiated rates to be fair, reasonable, and consistent with those charged for similar work in the Bay Area; and

Whereas, staff recommends that the Board of Directors (Board) award a contract to AUS to provide the Services for a total not-to-exceed amount of \$7.4 million for a five-year term.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby award a contract to Universal Protection Service, LP, dba Allied Universal Security Services to provide Security Guard Services for a total not-to-exceed amount of \$7.4 million for a five-year term; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute a contract on behalf of JPB with AUS in full conformity with the terms and conditions of the RFP and negotiated agreement, and in a form approved by legal counsel.

Regularly passed and adopted this 4th day of June, 2026, by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: David Santoro, SamTrans Chief Administrative Officer
Mehul Kumar, Chief Information and Technology Officer
For: June 2026 JPB Board of Directors Meeting
Subject: **Authorize Execution of Contracts and Amendments for Information Technology Hardware, Software, Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services, Through Piggyback Contracts and Cooperative Purchasing Programs up to an Aggregate Not-to-Exceed Limit of \$3 Million for Fiscal Year 2027**



Finance Committee
Recommendation



Technology, Operations, Planning,
and Safety Committee
Recommendation



Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

Approval of this contracting authority will allow the Peninsula Corridor Joint Powers Board (JPB) to pay for information technology hardware, software, licenses, maintenance and support in an amount greater than the approved threshold without bringing individual actions before the Board of Directors (Board) for approval. This delegation would be subject to the requirement that all other procurement policies and procedures be followed.

Staff proposes the Finance Committee recommend that the Board of Directors (Board):

1. Determine that an independent JPB-initiated solicitation process for each purchase, lease and/or rental of new personal computers, computer and telecommunications equipment and services, digital reprographic equipment, hardware, software, licensing and maintenance agreements, computer peripherals and temporary technology consultants is unlikely to be in the JPB's best interest.
2. Authorize the procurement of:
 - a. Technology systems equipment and related services, for both the Information Technology Department and other JPB departments as needed, through JPB-approved cooperative purchasing programs and piggyback contracts to meet its technology equipment and services requirements pursuant to the terms and conditions of each vendor agreement, and to the extent that each cooperative purchasing program and each vendor agreement fully complies with the JPB's procurement authority and policy; and

- b. New software licenses, maintenance and support services, and professional and staff augmentation services agreements for information technology, pursuant to the JPB's procurement authority and policy.
3. Authorize the Executive Director or designee to execute contracts exceeding \$250,000 with:
 - a. Vendors under the JPB-approved cooperative purchasing programs and piggyback purchasing;
 - b. Original equipment manufacturers, product licensors, or their authorized distributors for recurring product support and additional licenses, and license renewals necessary to permit continued effective use and upkeep of JPB-owned information technology hardware and software; and
 - c. Original equipment manufacturers, product licensors, or their authorized consultants for the provision of single/sole source professional services necessary to expand or modify proprietary software that was competitively-procured in the past, when an original provider is the only source of such services.
4. Authorize the Executive Director or designee to execute contracts that commit the JPB to multi-year service terms that exceed one fiscal year's allocated budget, with the understanding that each subsequent service year will be accounted for in the following fiscal year resolution's requested budget.
5. Authorize the Executive Director or designee to execute purchase orders, contracts, and other documents and actions to give effect to this proposed Resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing these purchases.
6. Establish an aggregate, not-to-exceed limit of \$3 million for Fiscal Year (FY) 2027 for contracts authorized pursuant to this proposed Resolution.
7. Direct staff to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this proposed Resolution.

Discussion

The JPB has an ongoing need to refresh technology that supports all business operations. Some of the required equipment includes:

- a. personal computers
- b. telecommunications equipment
- c. digital reprographic equipment
- d. computer peripherals
- e. server and network hardware
- f. software
- g. maintenance and support services
- h. installation and configuration services
- i. temporary technology consultants
- j. other related technology services

Recurring maintenance, support, and license agreements are, by their nature, repetitive and routine, and are required to ensure the continued and effective operation of information technology assets owned by the JPB. The sole source purchase of additional modules to existing software or professional services to modify existing proprietary software will allow the JPB's changing business needs to be met in a timely manner.

Pursuant to the Procurement Policy adopted by the Board in 2023 (Resolution No. 2023-37), the Board must approve any purchase of goods and services exceeding \$250,000. Since 2010, the Board has granted the Executive Director authority to execute technology-related contracts and amendments that exceed this standard Board-approved contract authority threshold.

Beginning in FY24, the Board approved, via one resolution, both recurring contracts and cooperative agreements.

Delegating this authority expedites the JPB's ability to continue needed operations and services in the management of Caltrain and reduces the time and resources otherwise required to obtain individual approval of such support and license agreements. Further, this authority provides the JPB with a cost-effective means to support its standardization policy and provide the latest technology and related services through cooperative purchasing

programs and piggybacks. Contracts issued under this authority address the JPB's requirements for equipment, hardware, software, services, licensing, maintenance agreements, and programmed replacement of equipment that has reached the end of its useful life or has become unsuited to address the JPB's future needs.

Many equipment purchases and service contracts must be renewed on an annual basis. These renewals are usually routine and predictable, and generally were competitively procured previously. Software and hardware are typically sold with licenses and maintenance agreements that require periodic renewal. Failing to renew maintenance support results in loss of software updates, and problems obtaining assistance and repair services typically needed to keep a product in good operating order. In some cases, the product may not be legally used if maintenance and license renewals have not been obtained.

The types of licensing and maintenance agreements contemplated are generally unobtainable under any other method because they are proprietary to the manufacturers of the software. Similarly, many manufacturers do not allow third parties to access source code or to provide services. As a result, professional services to upgrade, modify, or add to existing software must be performed by the original manufacturer.

Procurements relating to JPB assets requiring payment of recurring annual or multi-year maintenance services, support, and license fees over \$250,000 may need to be accommodated in FY27, outside of cooperative purchase agreements or other pre-existing contracts. Contracts issued by governmental entities that allow other jurisdictions to use the contract they established are called "piggybacking contracts" because they allow another agency to "piggyback" on that governmental entity's solicitation process, contract terms and pricing. Contracts will be executed only with vendors whose contracts include piggybacking language on a basis that complies with the JPB's procurement authority and policy.

Various cooperative purchasing programs and piggyback purchasing are available to provide these products and services. Special districts (and joint powers authorities operating under their contracting restrictions) are given statutory permission to procure competitively priced goods and services arising out of these vendor agreements. The Federal government's General Services Administration (GSA) Schedules (also referred to as Multiple Award Schedules and Federal Supply Schedules) also may be utilized. By utilizing cooperative purchasing and piggyback contracts, the JPB saves considerable time and expense associated with independent procurements, which would be unlikely to yield more favorable pricing or service.

By approving this action, the Board would eliminate the need for issuance of contracts for new and recurring maintenance and continued operation of assets like these would need to be brought individually before the Board for approval.

The Executive Director or designee will provide a quarterly report to the Board with a summary of the contracts awarded under this delegated authority.

Budget Impact

Funds to support these purchases and services are included in the FY27 Operating Budget and FY27 Adopted Capital Budget, with funding from a variety of funding sources, including state, regional, and/or local revenues and grants.

Prepared By:	Linda Tamtum	Contract Administrator	04/23/2026
	Michael Salazar	Information Technology Operations Manager	04/23/2026

Resolution No. 2026-

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

* * *

Authorize Execution of Contracts and Amendments for Information Technology Hardware, Software, Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services, Through Piggyback Contracts and Cooperative Purchasing Programs up to an Aggregate Not-to-Exceed Limit of \$3 Million for Fiscal Year 2027

Whereas, the Peninsula Corridor Joint Powers Board (JPB) will require personal computers, computer peripherals, telecommunications equipment, reprographic equipment, servers, switches, maintenance agreements, software licensing, continuing product support and licenses, technology consulting, and other related services throughout Fiscal Year (FY) 2027 in order to replace equipment that has reached the end of its useful life and to meet the JPB's current and emerging technology needs; and

Whereas, the JPB desires to standardize procurement using the most cost-effective manners; and

Whereas, piggybacking on other agencies' procurements, as well as participating in cooperative purchasing consortia, allows the JPB to procure competitively priced technology systems equipment and related services; and

Whereas, the JPB's software license, maintenance, and support agreements for the information technology assets in use are, by their nature, repetitive and routine; and

Whereas, the JPB requires professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services; and

Whereas, the JPB also requires Information Technology (IT) staff augmentation services to support IT specific projects; and

Whereas, staff recommends that the JPB participate in the above-mentioned programs, as well as additional cooperative purchasing programs and piggyback purchasing, to the extent such programs fully comply with the JPB's procurement authority and policy; and

Whereas, staff further recommends that the Executive Director or designee be authorized to execute contracts and amendments that exceed \$250,000 with vendors under JPB-approved cooperative purchasing programs and piggyback purchasing to meet the JPB's personal computer and server, telecommunications, and other related technology equipment and professional service requirements for FY27, pursuant to the terms and conditions of each cooperative purchasing program's vendor agreements or piggyback agreement; and

Whereas, staff further recommends that the Executive Director or designee be authorized to execute contracts and amendments that exceed \$250,000 with original equipment manufacturers, product licensors, their authorized distributors and consultants, and IT professional services and staff augmentation to meet the JPB's technology requirements for FY27, pursuant to the JPB's statutory procurement authority and procurement policy; and

Whereas, finally, staff recommends limiting the purchasing authority established by this Resolution to an aggregate, not-to-exceed amount of \$3 million for FY27.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Determines that an independent JPB-initiated solicitation process for each purchase, lease and/or rental of new personal computers, computer and telecommunications

equipment and services, digital reprographic equipment, hardware, software, licensing and maintenance agreements, computer peripherals, and temporary technology consultants is unlikely to be in the JPB's best interest; and

2. Authorizes the procurement of technology systems equipment and related services, for both the Information Technology Department and other JPB Departments as needed, through JPB-approved cooperative purchasing programs and piggyback contracts to meet its technology equipment and services requirements pursuant to the terms and conditions of each vendor agreement and to the extent that each cooperative purchasing program and each vendor agreement fully complies with the JPB's procurement authority and policy; and
3. Authorizes the Executive Director or designee to execute contracts and amendments exceeding \$250,000 for:
 - a. Technology systems equipment and related services through JPB-approved cooperative purchasing programs and piggyback contracts to meet the JPB's technology equipment and services requirements, pursuant to the terms and conditions of each cooperative purchasing program, vendor agreement or piggyback agreement, and to the extent that each cooperative purchasing program, each vendor agreement, and each piggyback contract fully complies with the JPB's statutory procurement authority and procurement policy;
 - b. New or additional software licenses or license renewals, maintenance, product support, or related professional services, through original equipment manufacturers, product licensors, or their authorized distributors or consultants to permit continued

- effective use and upkeep of JPB-owned information technology, hardware, and software;
- c. Professional and staff augmentation services for information technology, pursuant to the JPB's procurement authority and policy;
 - d. Expansion or modification of previously competitively procured proprietary software from an original provider when the original provider is the only source of such software and/or related services; and
4. Authorizes the Executive Director or designee to execute contracts and amendments that commit the JPB to multi-year service terms that exceed one fiscal year's allocated budget, with the understanding that each subsequent service year will be accounted for in the following fiscal year resolution's requested budget; and
 5. Authorizes the Executive Director or designee to execute purchase orders, contracts, amendments, and other documents and actions to give effect to this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing these purchases; and
 6. Establishes an aggregate, not-to-exceed limit of \$3 million for FY27 for contracts and amendments authorized pursuant to this Resolution; and
 7. Directs staff to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this Resolution.

Regularly passed and adopted this 4th day of June, 2026, by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Li Zhang, Chief, Commercial and Business Development
For: June 2026 JPB Board of Directors Meeting
Subject: **Authorize the Executive Director to Execute the Master Agreement with California Department of Transportation (Caltrans) for the Transit and Intercity Rail Capital Program (TIRCP)**

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

Purpose and Recommended Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) authorize the Executive Director to execute the Master Agreement, and Program Supplements with the California Department of Transportation (Caltrans) for the Transit and Intercity Rail Capital Program (TIRCP).

Discussion

TIRCP provides grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements. These grants aim to modernize California’s intercity, commuter, and urban rail systems, as well as bus and ferry transit, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and traffic congestion. Caltrain has received numerous TIRCP grants including for the electrification program, electric multiple unit (EMU) purchase and battery electric multiple unit (BEMU) pilot.

The Master Agreement between the JPB and Caltrans expires on June 30, 2026. Caltrans utilizes Master Agreements for State-Funded Transit Projects, along with associated Program Supplements to administer and reimburse state transit funds to local agencies. Renewing this agreement is essential to ensure the uninterrupted reimbursement of project expenditures from the TIRCP program.

Budget Impact

There is no impact to budget; however, the execution of the Master Agreement is critical to receiving TIRCP reimbursement.

Prepared By: Michelle Stewart Director, Grants and Funds Management 05/06/2026

Resolution No.2026-

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

* * *

**Authorize the Executive Director to Execute the Master Agreement with California
Department of Transportation (Caltrans) for the Transit and Intercity Rail Capital Program
(TIRCP)**

Whereas, the Peninsula Corridor Joint Powers Board (JPB) may receive state funding from the California Department of Transportation (Caltrans) now or sometime in the future for transit projects; and

Whereas, substantial revisions were made to the programming and funding process for the transportation projects programmed in the Transit and Intercity Rail Capital Program (TIRCP), by Chapter 36 (Senate Bill 862) of the Statutes of 2014; and

Whereas, the statutes related to state-funded transit projects require a local or regional implementing agency to execute an agreement with Caltrans before it can be reimbursed for project expenditures; and

Whereas, Caltrans utilizes Master Agreements for State-Funded Transit Projects, along with associated Program Supplements, for the purpose of administering and reimbursing state transit funds to local agencies; and

Whereas, the JPB wishes to delegate authorization to execute these agreements and any amendments thereto to the Executive Director.

Now, Therefore, Be It Resolved by the Board of Directors of the Peninsula Corridor Joint Powers Board that the fund recipient agrees to comply with all conditions and requirements set

forth in this agreement and applicable statutes, regulations and guidelines for all state-funded transit projects.

Now, Therefore, Be It Resolved that the Executive Director is authorized to execute the Master Agreement, all Award Agreements, and all Program Supplements for State-Funded Transit Projects and any Amendments thereto with the California Department of Transportation.

Regularly passed and adopted this 4th day of June 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
For: June 2026 JPB Board of Directors Meeting
Subject: **Receive Quarterly Financial Report: Fiscal Year 2026 Quarter 3 Year-to-Date Results and Year End Forecast**

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

Purpose and Recommended Action

The Board of Directors (Board) will receive an update on the financial results for Fiscal Year 2026 (FY26) Quarter 3 (Q3) Year-to-Date; and a FY26 Year End Forecast. This is an informational item.

Discussion

FY26 Q3 Year-to-Date (YTD) Financial Performance

Caltrain ended FY26 Q3 YTD with a surplus of \$32.9 million, which is \$46.1 million (350.8 percent) favorable compared to the budgeted deficit of \$13.1 million.

This favorable position is driven by strong ridership recovery, timing of receipt of revenues attributed to prior years' expenses, higher sales tax revenues, and timing-related savings on expenditures.

Sources: Total sources were \$207.3 million, which is \$30.8 million (17.4 percent) above the budgeted target of \$176.5 million. Major contributing factors include:

- **Caltrain Fare Revenue:** \$12.9 million (40 percent) favorable to budget, attributed to strong ridership recovery reaching 70.3 percent of pre-pandemic levels.
- **State Rail Assistance (SRA):** \$9.4 million, favorable to budget driven by the receipt of the FY23-FY25 SRA allocations for FY24 and FY25 expenses.
- **Measure RR:** \$5.7 million (6.3 percent) favorable to budget. This variance is attributed to growth in consumer spending, which is projected to continue through the end of the fiscal year.

- **Other Income:** \$2.2 million favorable to budget (154.4 percent), primarily driven by one-time insurance reimbursement resulting from retired rolling stock and higher than expected advertising revenue associated with strong ridership recovery.

Uses: Total uses were \$174.3 million, which is 15.3 million (8.1 percent) favorable to the adopted budget of \$189.6 million. Major contributing factors include:

- **Insurance and Risk Management:** \$4.1 million (29.4 percent) favorable to budget due to timing of claims expense.
- **Rail Operations:** \$3.4 million (3.5 percent) favorable to budget driven by the timing of invoices. Rail operations costs are expected to increase in the last quarter as invoices are received and processed.
- **Professional and Contracted Services:** \$2.3 million (28.6 percent) favorable to budget due to timing of invoices and processing activity. Expenses are projected to increase as remaining invoices are received and processed in the next quarter.
- **Maintenance and Facilities:** \$2.1 million (17 percent) favorable to budget attributed to timing difference in Other Contract Services. It is expected that expenditure will increase in the following quarter as invoices are received and processed.
- **Electric Charges for Power Traction:** \$1.5 million (11.9 percent) favorable to budget driven by favorable tax rates and credits from regenerative braking.

FY26 Year-end Outlook

The FY26 Year End Outlook projects Caltrain will end the fiscal year in a balanced position, reflecting an overall \$2.4 million favorable net result.

This improved outlook is primarily driven by the one-time and prior-year funds, combined with strong farebox performance, favorable sales tax revenue, and other income. Additionally, savings from below budget insurance and claims costs further supported the balanced result; partially offsetting elevated labor and security-related costs.

While the current outlook reflects near-term improvement, this temporarily balanced position relies on non-recurring or volatile funding sources. Caltrain's underlying structural deficit remains a critical challenge that cannot be resolved without additional, sustained external funding.

Budget Impact

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

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	Claudette Valbuena	Manager, Budgets	05/01/2026



**PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF SOURCES AND USES
FISCAL YEAR
AS OF MARCH 31, 2026**

(In Thousands)

	YEAR-TO-DATE				ANNUAL
	MARCH				
	BUDGET	ACTUAL	\$	%	BUDGET
			VARIANCE	VARIANCE	
SOURCES					
OPERATING REVENUE:					
Caltrain Fares	32,320	45,249	12,929	40.0%	44,486
Go Pass	11,496	10,643	(853)	(7.4%)	15,200
Parking Revenue	2,529	3,105	575	22.7%	3,207
Rental Income	1,209	1,209		0.0%	1,612
Interest Revenue	1,821	2,724	903	49.6%	2,441
Other Income	1,422	3,616	2,195	154.4%	1,895
TOTAL OPERATING REVENUE	50,797	66,546	15,749	31.0%	68,841
CONTRIBUTED REVENUE:					
Operating Grants	26,003	26,196	193	0.7%	36,518
Measure RR	90,097	95,751	5,654	6.3%	119,500
Member Agency (VTA - Gilroy)	-	-	-	0.0%	3,318
LCFS, LCTOP, SRA	9,592	18,776	9,184	95.8%	15,033
TOTAL CONTRIBUTED REVENUE	125,691	140,723	15,032	12.0%	174,369
TOTAL SOURCES	176,488	207,269	30,781	17.4%	243,210



**PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF SOURCES AND USES
FISCAL YEAR
AS OF MARCH 31, 2026**

(In Thousands)

	YEAR-TO-DATE				ANNUAL
	MARCH				
	BUDGET	ACTUAL	\$	%	BUDGET
			VARIANCE	VARIANCE	
USES					
DIRECT OPERATING EXPENSE:					
Rail Operations	96,817	93,418	3,399	3.5%	128,517
Maintenance & Facilities	12,538	10,405	2,133	17.0%	16,593
Security & Safety	7,233	6,588	646	8.9%	9,833
Fuel & Lubricants	885	822	63	7.1%	1,179
Electric Charges for Power Traction	12,187	10,732	1,455	11.9%	16,000
Insurance & Risk Management	14,059	9,922	4,137	29.4%	18,745
Revenue Collection & Customer Service	1,482	1,304	177	12.0%	1,985
Utilities & Telecommunications	2,789	2,685	103	3.7%	3,718
TOTAL DIRECT OPERATING EXPENSE	147,988	135,875	12,114	8.2%	196,571
ADMINISTRATIVE & OVERHEAD EXPENSE					
Wages & Benefits	17,222	17,270	(48)	(0.3%)	22,864
Professional & Contracted Services	7,909	5,645	2,264	28.6%	10,908
Legal Services	1,970	1,842	128	6.5%	2,627
Other Financing Expense	760	656	104	13.7%	1,013
Administrative & Office Expense	4,171	3,368	803	19.2%	5,564
Board of Directors	97	90	7	7.2%	129
Communications & Marketing	452	288	164	36.3%	608
Training & Employee Development	170	67	103	60.7%	227
TOTAL ADMIN & OVERHEAD EXPENSES	32,751	29,226	3,525	10.8%	43,940
MANAGING AGENCY ADMIN OH COST					
Managing Agency Admin OH Cost*	4,116	4,425	(309)	(7.5%)	5,488
TOTAL OPERATING EXPENSE	184,855	169,526	15,329	8.3%	245,999
DEBT SERVICE EXPENSE	4,763	4,808	(45)	(0.9%)	13,033
TOTAL USES	189,619	174,334	15,285	8.1%	259,032
Projected Contribution to Reserve			-	0.0%	-
NET SURPLUS/ (DEFICIT)	(13,131)	32,935	46,065	350.8%	(15,822)
Draw from Measure RR Reserve for PCEP					30,022
Measure RR for Capital (SOG)					(14,200)
ADJUSTED NET SURPLUS/ (DEFICIT)	(13,131)	32,935	46,065	350.8%	-
Reserve, Beginning Balance					26,879
Projected Contribution to Reserve					-
Claims, Payments, and Reserve					-
Reserve, Ending Balance					26,879



BOARD OF DIRECTORS 2026

RICO E. MEDINA, CHAIR
 PAT BURT, VICE CHAIR
 MARGARET ABE-KOGA
 DAVID CANEPA
 DAVID COHEN
 JEFF GEE
 STEVE HEMINGER
 GREG WAGNER
 SHAMANN WALTON

MICHELLE BOUCHARD
 EXECUTIVE DIRECTOR

**PENINSULA CORRIDOR JOINT POWERS BOARD
 INVESTMENT PORTFOLIO
 AS OF MARCH 31, 2026**

TYPE OF INVESTMENT	INTEREST RATE	BALANCE 3/31/2026
Unrestricted		
Local Agency Investment Fund (LAIF) *	3.826%	410,537
California Asset Mgmt Program (CAMP)	3.800%	15,140,372
County Pool	4.028%	632,080
Liquid Bank Accounts		
	3.608%	144,592,077
Bank of America		23,254,462
Wells Fargo		119,899,659
JP Morgan		1,437,955
Restricted		
	3.388%	71,786,904
Bank of America		-
Wells Fargo		1,748,584
US Bank		70,038,320
	3.730%	232,561,971

* 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.