



BOARD OF DIRECTORS 2021
DEVORA "DEV" DAVIS, CHAIR
STEVE HEMINGER, VICE CHAIR
CINDY CHAVEZ
JEFF GEE
GLENN HENDRICKS
DAVE PINE
CHARLES STONE
SHAMANN WALTON
MONIQUE ZMUDA

JIM HARTNETT
EXECUTIVE DIRECTOR

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

Committee Members: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to the [Governor's Executive Orders N-25-20 and N-29-20](#).

Directors, staff and the public may participate remotely via Zoom at <https://zoom.us/j/93388927360?pwd=SFJranR4KzVURGIzVW5VUXJMZGlxQT09> or by entering Webinar ID: # 933 8892 7360, Passcode: 790810, 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 <http://www.caltrain.com/about/bod/video.html>

Public Comments: Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received after an agenda item is heard will be included into the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html.

Oral public comments will also be accepted during the meeting through *Zoom or via the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Use the Raise Hand feature to request to speak. For public 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 the Hand feature for public comment and press *6 to accept being unmuted when recognized to speak for two minutes or less. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board 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.

February 22, 2021 - Monday

1:30 pm

1. Call to Order/Pledge of Allegiance
2. Roll Call

3. Public Comment on Items not on the Agenda

Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.

- | | |
|---|---------------|
| 4. Approve Meeting Minutes of January 25, 2021 | MOTION |
| 5. Accept Statement of Revenues and Expenses for the Period Ended January 31, 2021 | MOTION |
| 6. Authorize the Filing of Applications with the Metropolitan Transportation Commission for Programming of Federal Transit Administration Formula Funds for Caltrain Capital and Operating Projects | MOTION |
| 7. Authorize Execution of Agreements with the California Department of Tax and Fee Administration for Implementation of Measure RR Transactions and Use Tax and Authorizing Examination of Transactions and Use Tax Records | MOTIONS |
| 8. Clipper START Quarterly Update | INFORMATIONAL |
| 9. Committee Member Requests | |
| 10. Date/Time of Next Regular Finance Committee Meeting:
Monday, March 22, 2021 at 1:30 pm via Zoom | |
| 11. Adjourn | |

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

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com. *Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Fourth Monday of the month, 1:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

Due to COVID-19, the meeting will only be via teleconference as per the information provided at the top of the agenda. The Public may not attend this meeting in person.

*Should Zoom not be operational, please check online at

[http://www.caltrain.com/about/bod/Board of Directors Meeting Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html) for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at [http://www.caltrain.com/about/bod/Board of Directors Meeting Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html). Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM and each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board 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 for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in 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 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 are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

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

MINUTES OF JANUARY 25, 2021

MEMBERS PRESENT: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, M. Bouchard, J. Cassman, S. van Hoften, C. Mau, P. Skinner, K. Yin, J. Sangha, J. Sharma, D. Seamans, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Monique Zmuda called the meeting to order at 1:30 pm and led the Pledge of Allegiance.

2. ROLL CALL

District Secretary Dora Seamans confirmed all Board Committee members were present.

3. SWEARING IN OF GLENN HENDRICKS, SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) REPRESENTATIVE

Director Glenn Hendricks took the Oath of Office.

4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, requested a change of the meeting time from 1:30 pm back to 3:00 pm due to conflicting regional transportation meetings.

Adrian Brandt, San Mateo County, commented on Germany and Austria are requiring N95 masks on public transportation for better protection across all COVID strains instead of cloth masks.

5. APPROVE MEETING MINUTES OF DECEMBER 21, 2020

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

6. FINANCE AND RIDERSHIP UPDATES – COVID-19 (VERBAL UPDATE)

Derek Hansel, Chief Financial Officer, provided an update and noted the execution of the first couple of 2021 GoPass agreements. He stated that ridership was still low and that the Metropolitan Transportation Commission (MTC) will consider releasing the first tranche of additional Federal stimulus funding Wednesday. Mr. Hansel said \$180 million would go to the five agencies that saw shortfalls (Caltrain, BART, Golden Gate Transit,

San Francisco Municipal Transportation Agency, Water Emergency Transportation Authority) and Caltrain would receive \$7 million – covering a month of agency expenses. He stated that they will be advocating for an appropriate share of second tranche funding. Mr. Hansel stated they would need to borrow about \$15 million to balance the budget.

Michelle Bouchard, Chief Operating Officer, stated that they are struggling with excessively low ridership at Caltrain, and will provide information at the Work Program Legislative Planning Committee (WPLP) in regards to recovery planning. She stated they would change the schedule to provide enhanced system access to essential workers, including the connection at Millbrae.

Public comment

Roland Lebrun, San Jose, commented on N95 masks, surgical masks and eliminating baby bullets.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding the \$7 million allocation formula, when the first tranche would be available, what the last passenger count indicates, and the most important factor driving ridership to Caltrain.

7. ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING DECEMBER 30, 2020

Derek Hansel, Chief Financial Officer, noted that there was no presentation and he was available to answer any questions. He stated that there were no surprises in the forecast with the newly adopted budget.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding the negative numbers, expenses decreasing, money left over in the fiscal year to pay back reserve or reduce borrowing, staffing levels, salary expenses, and amount borrowed.

Motion/Second: Gee/Hendricks
Ayes: Gee, Hendricks, Zmuda
Noes: None
Absent: None

8. AUTHORIZATION TO ENTER INTO FUNDING AGREEMENTS FOR THE SAN FRANCISCO DOWNTOWN EXTENSION PROJECT AND INCREASE THE FISCAL YEAR 2021 CAPITAL PROJECT BUDGET BY \$200,000 AND AMEND THE TOTAL FISCAL YEAR 2021 CAPITAL BUDGET TO \$112,559,772

Peter Skinner, Director of Grants and Fund Management, stated that this action will amend the capital budget and provide an additional \$200,000 for operational analysis

work associated with the downtown extension project for a total project cost of \$260,000. He stated that this analysis is required to ensure both Caltrain and California High Speed Rail operational requirements are met and that this is a small portion of the overall funding needed for the downtown extension project, which is estimated at \$4 billion.

Director Jeff Gee stated that there are many moving parts and this was needed to move the project forward.

Public comment

Roland Lebrun, San Jose, commented on not considering an East Bay connection, Pennsylvania Avenue extension (PAX) connection, needing a plausible connection to the tracks on 16th street, and augmenting PAX budget with MTC and high speed rail contributions.

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

9. INCREASE THE CONTRACT CHANGE ORDER AUTHORITY FOR CONSTRUCTION OF THE 25TH AVENUE GRADE SEPARATION PROJECT BY \$12,100,000 AND AMEND TO INCREASE THE FISCAL YEAR 2021 CAPITAL BUDGET TO INCLUDE \$25,900,000 FOR THE PROJECT AND REFLECT A CUMULATIVE INCREASE OF \$26,100,000 FOR A NEW TOTAL BUDGET OF \$112,559,772

Michelle Bouchard, Chief Operating Officer, pointed out previous history with issues on utilities and permitting. She stated that this was one of two projects needed to get out into construction quickly.

Joy Sharma, Senior Project Manager, provided a presentation including the project benefits, current construction completion schedule, and construction challenges, including the PG&E high pressure gas line. Ms. Sharma said they would need additional estimated funds of \$25.9 million, and that they still have major remaining risks (including contaminated soil, traffic control, and relocation of remaining utilities).

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding lessons learned from this experience, whether the money put in now will be enough, how to prevent cost escalation in the future, needing to do additional research with projects involving dirt, and estimated completion dates.

Chair Zmuda stated that this item should go under the March consent calendar.

Public comment

Roland Lebrun, San Jose, commented on having this presentation as a separate item, the managing agency for this project, and previous plans to include passing tracks.

Adrian Brandt, San Mateo County, commented on the bridge thickness, alternatives to digging, and fully elevated viaducts across downtown Redwood City.

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

10. FUEL HEDGING UPDATE

Jayden Sangha, Treasury Manager, said that this was the second quarterly fuel hedge update. He stated the objective of the program, listed the current fuel hedge forecast, and indicated Caltrain's strategy. Mr. Sangha stated that they would be adding more contracts going into fiscal year 2022 with the goal of getting 55-60 percent of the fuel hedged.

Public comment

Roland Lebrun, San Jose, requested fuel cost estimates for extending half of the trains to Gilroy.

The Board members had a discussion and staff provided further clarification in response to the Board comments regarding the perspective of realized gain and future gain, what is a "good number", and current fuel and lubricants budget.

11. COMMITTEE MEMBER REQUESTS

None.

12. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, February 22, 2021 at 1:30 pm via Zoom

13. ADJOURN

The meeting adjourned at 2:45 pm.

An audio/video recording of this meeting is available online at <https://www.caltrain.com/about/bod/video.html?> Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@caltrain.com.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee
THROUGH: Jim Hartnett
Executive Director
FROM: Derek Hansel
Chief Financial Officer
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
JANUARY 31, 2021**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of January 2021.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through January 31, 2021. The statement has been designed to follow the Agency-wide line item rollup as included in the approved budget. The columns have been designed to provide easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

SIGNIFICANCE

Annual Forecast: The annual forecast was updated based on actual revenue and expense trends through January 2021. The forecast was derived by analyzing trends and reviewing details with cost center managers.

Forecast Revenues: Total revenue (page 1, line 17) is forecast \$0.3 million lower than budget. This is driven by lower Shuttles Revenue (page 1, line 3) which is \$0.3 million lower than budget due to lower shuttle service as routes have been reduced or suspended due to low ridership.

Forecast Expenses: Total Expense (page 1, line 48) is \$3.0 million lower than budget. The variance is primarily due to lower expense trends. Shuttles Services (page 1, line 25) is \$0.5 million lower than budget due to reduction or suspended service as result of low ridership. Facilities & Equipment Maintenance (page 1, line 30) is lower than budget by \$0.7 million due to lower Clipper Operator Charges as a result of lower ridership. Managing Agency OH (page 1, line 38) is lower than budget by \$1.6 million due to the change in the cost allocation methodology effective January 1, 2021. This included an update to the basis for the cost allocations. As a result, the managing agency overhead costs allocated to the JPB Operating Budget is expected to decrease. Professional Services (page 1, line 40) is lower than budget by \$0.2 million as a result of under-runs in various planning studies.

Year to Date Revenues: As of January year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$1.2 million lower than the approved budget. This is primarily driven by contributions from JPB Member Agencies (page 1, line 12).

Year to Date Expenses: As of January year-to-date actual, the Grand Total Expense (page 1, line 48) is \$7.3 million lower than the approved budget. This is primarily driven by Rail Operator Service (page 1, line 23), Facilities and Equipment Maintenance (page 1, line 30), Wages and Benefits (page 1, line 37), Managing Agency Admin OH Cost (page 1, line 38), Professional Services (page 1, line 40) and Other Office Expenses and Services (page 1, line 42).

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) in the monthly financial statements. Due to the impact of Covid-19 pandemic, the variance between the current year actual and the budget shows noticeable variances due to the timing of expenditures.

BUDGET IMPACT

There are no budget amendments for the month of January 2021.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By :	Thwe Han, Accountant II	650-508-7912
	Jennifer Ye, Manager, General Ledger	650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2021

January 2021

	% OF YEAR ELAPSED							58.3%
	JULY - JANUARY				ANNUAL			
	CURRENT ACTUAL	APPROVED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE	
REVENUE								
OPERATIONS:								
1 Farebox Revenue	20,746,673	20,792,749	(46,076)	(.2%)	32,029,149	32,029,149	-	1
2 Parking Revenue	204,384	243,718	(39,334)	(16.1%)	372,718	372,718	-	2
3 Shuttles	907,536	1,107,220	(199,684)	(18.0%)	2,031,246	1,773,647	(257,599)	3
4 Rental Income	651,725	654,844	(3,119)	(.5%)	1,111,804	1,111,804	-	4
5 Other Income	903,738	971,299	(67,561)	(7.0%)	1,764,000	1,764,000	-	5
6								6
7 TOTAL OPERATING REVENUE	23,414,056	23,769,830	(355,774)	(1.5%)	37,308,917	37,051,318	(257,599)	7
8								8
CONTRIBUTIONS:								
9								9
10 AB434 Peninsula & TA Shuttle Funding	1,341,949	1,012,033	329,916	32.6%	1,737,950	1,737,950	-	10
11 Operating Grants	2,786,819	2,737,467	49,352	1.8%	12,808,500	12,808,500	-	11
12 JPB Member Agencies	18,213,816	19,482,046	(1,268,230)	(6.5%)	28,809,434	28,809,434	-	12
13 CARES ACT Fund	41,509,536	41,507,983	1,553	0.0%	41,507,983	41,507,983	-	13
14								14
15 TOTAL CONTRIBUTED REVENUE	63,852,120	64,739,529	(887,409)	(1.4%)	84,863,867	84,863,867	-	15
16								16
17 GRAND TOTAL REVENUE	87,266,176	88,509,359	(1,243,183)	(1.4%)	122,172,784	121,915,185	(257,599)	17
18								18
19								19
EXPENSE								
20								20
21								21
OPERATING EXPENSE:								
22								22
23 Rail Operator Service	51,335,279	52,215,014	(879,735)	(1.7%)	85,109,942	85,109,942	-	23
24 Security Services	3,670,469	3,946,114	(275,645)	(7.0%)	6,746,908	6,746,908	-	24
25 Shuttle Services	1,908,362	2,188,776	(280,414)	(12.8%)	4,057,249	3,542,715	(514,534)	25
26 Fuel and Lubricants	3,157,994	3,552,603	(394,609)	(11.1%)	5,930,523	5,930,523	-	26
27 Timetables and Tickets	-	61,388	(61,388)	(100.0%)	110,000	110,000	-	27
28 Insurance	5,209,099	5,237,777	(28,678)	(.5%)	5,410,000	5,410,000	-	28
29 Claims, Payments, and Reserves	284,138	558,862	(274,724)	(49.2%)	960,000	960,000	-	29
30 Facilities and Equipment Maintenance	1,529,779	2,778,605	(1,248,826)	(44.9%)	4,803,563	4,063,563	(740,000)	30
31 Utilities	1,050,305	1,560,790	(510,485)	(32.7%)	2,731,385	2,731,385	-	31
32 Maint & Services-Bldg & Other	679,211	942,917	(263,706)	(28.0%)	1,590,000	1,590,000	-	32
33								33
34 TOTAL OPERATING EXPENSE	68,824,637	73,042,846	(4,218,209)	(5.8%)	117,449,570	116,195,036	(1,254,534)	34
35								35
ADMINISTRATIVE EXPENSE								
36								36
37 Wages and Benefits	5,903,558	6,687,342	(783,784)	(11.7%)	10,926,318	10,926,318	-	37
38 Managing Agency Admin OH Cost	2,146,824	2,997,955	(851,131)	(28.4%)	5,139,352	3,583,761	(1,555,591)	38
39 Board of Directors	8,436	11,025	(2,589)	(23.5%)	11,025	11,025	-	39
40 Professional Services	1,781,631	2,763,294	(981,663)	(35.5%)	5,462,000	5,255,000	(207,000)	40
41 Communications and Marketing	45,955	102,320	(56,365)	(55.1%)	136,000	136,000	-	41
42 Other Office Expenses and Services	511,669	1,458,715	(947,046)	(64.9%)	2,982,254	2,982,254	-	42
43								43
44 TOTAL ADMINISTRATIVE EXPENSE	10,398,074	14,020,651	(3,622,577)	(25.8%)	24,656,949	22,894,358	(1,762,591)	44
45								45
46 Long Term Debt Expense	1,949,529	1,389,355	560,174	40.3%	2,381,752	2,381,752	-	46
47								47
48 GRAND TOTAL EXPENSE	81,172,240	88,452,852	(7,280,612)	(8.2%)	144,488,271	141,471,146	(3,017,125)	48
49								49
50 NET SURPLUS / (DEFICIT)	6,093,936	56,507	6,037,429	10684.4%	(22,315,487)	(19,555,961)	2,759,526	50
51								51

2/10/21 3:50 PM



BOARD OF DIRECTORS 2021

DEVORA "DEV" DAVIS, CHAIR
 STEVE HEMINGER, VICE CHAIR
 CINDY CHAVEZ
 JEFF GEE
 GLENN HENDRICKS
 DAVE PINE
 CHARLES STONE
 SHAMANN WALTON
 MONIQUE ZMUDA

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF JANUARY 31, 2021

JIM HARTNETT
 EXECUTIVE DIRECTOR

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.458%	10,039,230	10,039,230
County Pool (Unrestricted)		Liquid Cash	0.972%	554,964	554,964
Other (Unrestricted)		Liquid Cash	0.050%	59,160,119	59,160,119
Other (Restricted)	**	Liquid Cash	0.050%	13,853,081	13,853,081
				\$ 83,607,394	\$ 83,607,394

Interest Earnings for December 2020 \$ 5,713.22
 Cumulative Earnings FY2021 \$ 22,373.35

* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment. The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

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

SUBJECT: **AUTHORIZE THE FILING OF APPLICATIONS WITH THE METROPOLITAN
TRANSPORTATION COMMISSION FOR PROGRAMMING OF FEDERAL TRANSIT
ADMINISTRATION FORMULA FUNDS FOR CALTRAIN CAPITAL AND
OPERATING PROJECTS**

ACTION

Staff Coordinating Council recommends the Board:

1. Authorize the Executive Director, or designee, to execute and file fund programming applications with the Metropolitan Transportation Commission (MTC) for \$13,673,000 in Fiscal Year (FY) 2021 Federal Transit Administration (FTA) Formula Program funds for systemwide track rehabilitation, systemwide communications and signal rehabilitation, Ticket Vending Machine (TVM) and Clipper® upgrades, and preventive maintenance; and
2. Commit up to \$3,418,250 in local matching funds; and
3. Authorize the Executive Director, or designee, to take all other actions as may be necessary to give effect to this resolution, including executing any agreements, certifications and assurances or other documentation required in order to receive the FTA funds.

SIGNIFICANCE

Staff is proposing to submit fund programming applications to the MTC for FY2021 FTA Formula funds to support state of good repair projects and preventive maintenance in the adopted FY 2021 Operating and Capital budgets. While the funds have already been included in the adopted budgets, the MTC requires each FTA-eligible transit agency to adopt a resolution authorizing the programming of the funds. The table on the following page shows the breakdown of funds between the project categories.

	<u>Federal Funds</u>	<u>Local Funds</u>	<u>Total</u>
Systemwide Track and Related Structure Rehabilitation	\$7,953,000	\$1,988,250	\$9,941,250
Systemwide Signal and Communications Rehabilitation	\$1,200,000	\$300,000	\$1,500,000
TVM and Clipper Upgrades	\$2,300,000	\$575,000	\$2,875,000
Preventive Maintenance	\$2,220,000	\$555,000	\$2,775,000
Total	\$13,673,000	\$3,418,250	\$17,091,250

The amount of funding available to the Peninsula Corridor Joint Powers Board (JPB) is determined by MTC based on the FTA's formula apportionment to the region as well as Caltrain's state of good repair needs. Typically MTC programs multiple years of FTA formula funding associated with the passage of a federal transportation funding bill. However, Congress did not consider a new funding bill in November 2020 and the existing transportation bill, known as the Fixing America's Surface Transportation Act, or FAST Act, was extended until September 30, 2021. As a result, only one year of formula funding can be programmed at this time.

BUDGET IMPACT

There is no budget impact associated with this action. The proposed FTA funding and local match amounts were included in the adopted FY 2021 Capital and Operating Budgets.

BACKGROUND

The selection of projects for funding is based on MTC's Transit Capital Priorities policy and criteria, which is intended to fund transit projects that are most important to the region and consistent with Plan Bay Area, the region's 25-year plan. Future FTA funding will be made available based on congressional appropriations and the FTA's apportionment of funds to the region.

Prepared By: Peter Skinner, Director, Grants and Fund Management 650.622.7818

RESOLUTION NO. 2021 –

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

*** * ***

AUTHORIZING THE FILING OF APPLICATIONS WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR PROGRAMMING OF FEDERAL TRANSIT ADMINISTRATION FORMULA AND SURFACE TRANSPORTATION PROGRAM FUNDS FOR CALTRAIN CAPITAL AND OPERATING PROJECTS, COMMITTING THE NECESSARY LOCAL MATCH FOR THE PROJECTS AND ASSURING COMPLETION OF THE PROJECTS

WHEREAS, the Fixing America's Surface Transportation Act (FAST Act, Public Law 114-94) continues and establishes new Federal Transit Administration (FTA) formula programs (23 U.S.C. §53) and continues the Surface Transportation Program (STP) (23 U.S.C. § 133); and

WHEREAS, pursuant to the FAST Act, and the regulations promulgated thereunder, eligible project sponsors wishing to receive FTA Section 5307 Urbanized Area and Section 5337 State of Good Repair (collectively, FTA Formula Program) grants or (STP grants for a project must first submit an application with the appropriate Metropolitan Transportation Planning Organization (MPO) for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, the Metropolitan Transportation Commission (MTC) is the MPO for the San Francisco Bay region; and

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project sponsor for FTA Formula Program and STP funds; and

WHEREAS, the JPB wishes to submit a grant application for MTC to program funds from the Fiscal Year (FY) 2021 FTA Formula Program and STP for the following Caltrain capital and operating projects:

	<u>Federal Funds</u>	<u>Local Funds</u>	<u>Total</u>
Systemwide Track and Related Structure Rehabilitation	\$7,953,000	\$1,988,250	\$9,941,250
Systemwide Signal and Communications Rehabilitation	\$1,200,000	\$300,000	\$1,500,000
TVM and Clipper Upgrades	\$2,300,000	\$575,000	\$2,875,000
Preventive Maintenance	\$2,220,000	\$555,000	\$2,775,000
Total	\$13,673,000	\$3,418,250	\$17,091,250

WHEREAS, MTC requires, as part of the application, a resolution stating the following:

1. The commitment of necessary local matching funds of at least 20% for FTA Formula Program funds, and 11.47% for STP funds; and
2. That the JPB understands that the FTA Formula Program and STP funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program or STP funds; and
3. The assurance of the JPB to complete the projects as described in the application, and if approved, as programmed in MTC's TIP; and
4. That the JPB understands that FTA Formula Program funds must be obligated within three years of programming and STP funds must be obligated by January 31 of the year that the project is programmed for in the TIP, or the project may be removed from the program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Peninsula Corridor Joint Powers Board is authorized to execute and file applications for funding under the FTA Formula Program and/or Surface Transportation Program in the amount

of \$13,673,000 for Systemwide Track Rehabilitation, Systemwide Signal and Communications Rehabilitation, Ticket Vending Machine and Clipper® upgrades, and preventive maintenance; and

BE IT FURTHER RESOLVED, that Board of Directors by adopting this resolution does hereby state that:

1. The JPB will provide \$3,418,250 in local matching funds; and
2. The JPB understands that the FTA Formula Program and STP funding for the projects is fixed at \$13,673,000, and that any cost increases must be funded by the JPB from local matching funds, and that the JPB does not expect any cost increases to be funded with FTA Formula Program and STP funds; and
3. The JPB will implement the projects as described in this resolution and, if approved, for the amount shown in the MTC TIP with obligation occurring within the timeframe established below; and
4. The program funds are expected to be obligated by January 31 of the year the projects are programmed for in the TIP; and
5. The JPB will comply with FTA requirements and all other applicable federal, state and local laws and regulations with respect to the proposed projects; and

BE IT FURTHER RESOLVED, that the JPB is an eligible sponsor of projects in the program for FTA Formula Program and STP funds; and

BE IT FURTHER RESOLVED, that the JPB is authorized to submit an application for FTA Formula Program and STP funds for Systemwide Track Rehabilitation, Systemwide Signal and Communications Rehabilitation, TVM and Clipper upgrades, and preventive maintenance; and

BE IT FURTHER RESOLVED, that there is no legal impediment to the JPB making applications for FTA Formula Program and STP funds; and

BE IT FURTHER RESOLVED, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of the JPB to deliver such projects; and

BE IT FURTHER RESOLVED, that the JPB agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and

BE IT FURTHER RESOLVED that a copy of this resolution will be transmitted to the MTC prior to MTC programming the FTA Formula Program or STP funded projects in the TIP; and

BE IT FURTHER RESOLVED that the MTC is requested to support the application for the projects described in the resolution and to program the projects, if approved, in MTC's TIP; and

BE IT FURTHER RESOLVED that the Executive Director, or designee, may take all other actions as may be necessary to give effect to this resolution, including executing any agreements, certifications and assurances, or other documentation required in order to receive the FTA funds.

Regularly passed and adopted this 4th day of March, 2021 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: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AUTHORIZE EXECUTION OF AGREEMENTS WITH THE CALIFORNIA
DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF
MEASURE RR TRANSACTIONS AND USE TAX AND AUTHORIZING
EXAMINATION OF TRANSACTIONS AND USE TAX RECORDS**

ACTION

Staff Coordinating Council recommends that the Board of Directors (Board):

1. Approve and authorize the Executive Director to execute agreements with the California Department of Tax and Fee Administration (CDTFA) for: (a) preparation to administer and operate the Resolution of the Peninsula Corridor Joint Powers Board (JPB) imposing a 0.125% transactions and use tax which was approved by the voters of the three Counties served by Caltrain as Measure RR and (b) State administration of the tax.
2. Authorize designees to represent the JPB in examining transactions and use tax records of the CDTFA pertaining to the Measure RR tax.

SIGNIFICANCE

The agreements with CDTFA will allow the State to collect the proceeds of the tax approved by the voters in the three Counties on November 3, 2020 as Measure RR, and transmit such tax revenues to U.S. Bank National Association, the trustee engaged by staff under the Executive Director's authority for these purposes.

More specifically, the Administration Agreement will allow the JPB to examine the records of the CDTFA pertaining to registered businesses in San Francisco, San Mateo and Santa Clara Counties to ascertain the transactions and use taxes collected by the CDTFA. To exercise this right, the Board of Directors must adopt a resolution authorizing one or more designees to examine such records. The proposed resolution concerning examination of records designates the Chief Financial Officer, Director of Treasury, Treasury Manager, and the JPB's consultant, Hinderliter, de Llamas and Associates (HdL) as the JPB's representatives.

The JPB is engaging HdL, on a single source basis and within the Executive Director's contract authority, to conduct the following services:

- **Transaction and Use Tax Audit Program and Sales and Use Tax/Transactions Tax and Use Tax Comparisons**, including actions to identify, research and recover potential misallocations and deficiencies to ensure the JPB receives tax revenues due to it under all applicable tax rules.
- **Transactions and Use Tax Management Analysis**, including economic analysis, budget projections and monitoring, management support, provision of a web-based resource with local tax information that can be used for reports and business analysis, and associated training.

The designation of HdL as a designee of the JPB for the examination of records will allow HdL to perform the services described above.

The proposed agreements must be signed, and all required documentation must be submitted to the CDTFA, before Measure RR can take effect on the planned date of July 1, 2021.

BUDGET IMPACT

The Measure RR tax is expected to generate approximately \$100 million per year.

Under the Preparation Agreement, the JPB will pay the CDTFA's costs to prepare to administer the transactions and use tax in an amount not to exceed \$175,000 upon receipt of an invoice issued by the CDTFA.

Under the Administration Agreement, the JPB will pay the CDTFA's ongoing costs to collect and administer the Measure RR tax in amounts established by State law, as well as the CDTFA's costs related to the examination of CDTFA records pertaining to the tax by the JPB's designees. These costs will be retained by the CDTFA when it transmits tax receipts to the JPB. The net amount of tax receipts will be reflected in the JPB's annual operating and capital budgets.

BACKGROUND

On November 3, 2020, the voters in the Counties of Santa Clara, San Mateo and San Francisco approved Measure RR, imposing a 0.125% retail transactions and use tax for the capital and operating purposes of the Caltrain rail service. The tax revenues from Measure RR will be prioritized as follows:

1. To support the operation of Caltrain service levels throughout the corridor from San Francisco to Gilroy, including, but not limited to, expanded service and increased capacity realized through the operation of an electrified system. The required support includes the maintenance of equipment, infrastructure and systems necessary to sustain and expand the service;
2. To support the infrastructure, rolling stock, and capital projects necessary to advance the expansion of the Caltrain peak hour service from six trains per hour per direction to eight trains per hour per direction, as well as the expansion of the Gilroy service to a minimum of five morning and five afternoon trains;
3. To develop and implement programs to expand access to the Caltrain service and facilitate use of the system by passengers of all income levels,

- including establishing an affordability program with consideration of discounted passes and/or additional means-based fare discounts informed by Caltrain's participation in the regional Means Based Fare Pilot Program;
4. To help leverage other local, regional, state and federal investments to advance capital projects necessary to implement the Caltrain Business Plan's 2040 Service Vision, adopted by the JPB on October 3, 2019, including, but not limited to: the San Francisco Downtown Extension project including the Pennsylvania Avenue alignment, the extension of electrified train service to Gilroy, and grade separations throughout the Caltrain rail corridor; and
 5. To provide the JPB with a steady stream of funding to support the annual operating, maintenance and capital needs of an electrified Caltrain service with increased frequency and capacity, which in turn will reduce traffic congestion and air pollution in the Counties.

Prior to the operative date of a tax resolution such as Measure RR, State law requires the JPB to contract with the CDTFA "to perform all functions incident to the administration and operation of the [tax] ordinance." The statute contemplates that taxing entities will enter into a contract with the CDTFA for its services in preparing for the collection and administration of the tax.

Legal Counsel is completing negotiations with CDTFA on administrative terms and conditions to ensure that they are up-to-date and acceptable from a legal standpoint.

Prepared by: Connie Mobley-Ritter, Director, Treasury
Shayna van Hoften, Legal Counsel

650.508.7765
415.995.5880

**RESOLUTION NO. 2021-
BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

* * *

**AUTHORIZING THE EXECUTIVE DIRECTOR
TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE
ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX**

WHEREAS, on August 6, 2020, the Board of Directors of the Peninsula Corridor Joint Powers Board (JPB) approved Resolution 2020-40 providing for a local transactions and use tax (Caltrain Sales Tax); and

WHEREAS, on November 3, 2020 the voters of San Francisco, San Mateo, and Santa Clara Counties approved the Caltrain Sales Tax by the requisite 2/3 vote; and

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the State; and

WHEREAS, the Department will be responsible to administer and collect the Caltrain Sales Tax for the JPB; and

WHEREAS, the Department requires that the JPB enter into a "Preparatory Agreement" and an "Administration Agreement" prior to implementation of said tax; and

WHEREAS, the Department requires that the JPB's Board of Directors authorize these agreements; and

WHEREAS, U.S. Bank National Association is an FDIC-insured bank providing investment services and investment management with corporate trust as its core business and competency, and will be the financial institution serving as the third party collection and distribution agent for the Caltrain Sales Tax revenues.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Peninsula Corridor Joint Powers Board that the "Preparatory Agreement" and "Administrative Agreement,"

described herein, are hereby approved and the Executive Director is hereby authorized to execute each agreement.

Regularly passed and adopted this 4th day of March, 2021 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

RESOLUTION NO. 2021-

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

* * *

AUTHORIZING THE EXAMINATION OF TRANSACTIONS (SALES) AND USE TAX RECORDS

WHEREAS, pursuant to Resolution No. 2020-40 of the Peninsula Corridor Joint Powers Board (hereinafter called "JPB") and Section 7270 of the Revenue and Taxation Code, the JPB entered into a contract with the California Department of Tax and Fee Administration (CDTFA) to perform all functions incident to the administration and operation of the JPB's Transactions and Use Tax Resolution; and

WHEREAS, the JPB deems it desirable and necessary for authorized representatives of the JPB to examine confidential transactions and use tax records of the CDTFA pertaining to transactions and use taxes collected by the CDTFA for the JPB pursuant to that contract; and

WHEREAS, Section 7056 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of CDTFA records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from, the transactions and use tax records of the CDTFA; and

WHEREAS, the Executive Director recommends, and the Staff Coordinating Council concurs, that the Board of Directors designate the Chief Financial Officer, the Director of Treasury, the Treasury Manager, and the JPB's consultant Hinderliter, de Llamas & Associates (HdL), subject to conditions set forth below, to represent the JPB with authority to examine transactions and use tax records of the CDTFA pertaining to the transactions and use taxes collected for the JPB by the CDTFA pursuant to the contract between the JPB and the CDTFA.

NOW, THEREFORE IT IS RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby appoints the Chief Financial Officer, the Director of Treasury, the Treasury Manager or other officer or employee of the JPB designated in writing by the Executive Director to the California Dept of Tax and Fee Administration (hereafter referred to as the CDTFA) to represent the JPB with authority to examine transactions and use tax records of the CDTFA pertaining to transactions and use taxes collected for the JPB by the CDTFA pursuant to the contract between the JPB and the CDTFA. The information obtained by examination of CDTFA records shall be used only for purposes related to the collection of the JPB's transactions and use taxes by the CDTFA pursuant to the contract.

BE IT FURTHER RESOLVED that Hinderliter, de Llamas & Associates (HdL) is hereby designated to examine the transactions and use tax records of the CDTFA pertaining to transactions and use taxes collected for the JPB by the CDTFA. HdL meets all of the following conditions:

- (a) has an existing contract with the JPB to examine those transactions and use tax records;
- (b) is required by that contract to disclose information contained in, or derived from, those transactions and use tax records only to the JPB's Chief Financial Officer, the Director of Treasury, and the Treasury Manager;
- (c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- (d) is prohibited by that contract from retaining the information contained in or derived from those transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of CDTFA records shall be used only for purposes related to the collection of the JPB's transactions and use taxes by the CDTFA pursuant to the contracts between the JPB and the CDFTA.

Regularly passed and adopted this 4th day of March, 2021.

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **CLIPPER START QUARTERLY UPDATE**

ACTION

This report is for information only. No Board action is required at this time.

SIGNIFICANCE

An effort led by staff from the Metropolitan Transportation Commission (MTC) and regional transit operators, Clipper START is the Bay Area's means-based fare pilot program, and it provides a discount for eligible, low-income transit riders at participating transit agencies. Individuals enrolled in the pilot program receive a 50 percent discount off of adult one-way Clipper card fares on Caltrain.

The 18-month pilot program launched on July 15, 2020, and the attached report provides the Caltrain Board of Directors with the second quarterly report of key pilot program statistics, corresponding to the second quarter of the current fiscal year (or Q2 of FY21, for dates inclusive of October 1, 2020 – December 31, 2020).

BUDGET IMPACT

There is no budget impact associated with receiving this report. Caltrain's revenue statistics associated with the pilot program are presented in the attached report.

NEXT STEPS

Caltrain staff will return with another pilot program quarterly update for the Board in spring 2021 for Q3 of FY21 (January 1, 2021 – March 31, 2021).

Prepared by: Melissa Jones, Principal Planner, Caltrain Planning

650.295.6852

ATTACHMENT A: CALTRAIN QUARTERLY REPORT ON CLIPPER START

Key statistics provided below include Clipper START information related to applicants and enrollees, Caltrain ridership and trip information, and revenue impact for Caltrain. This information is for the second quarter of the pilot program, from October 1, 2020 through December 31, 2020.

As of January 2021, a number of new agencies have enrolled in Clipper START to provide single-ride discounts off of Clipper fares to adults enrolled in the program, as shown in the information below. This report includes information about the six operators who joined in the program during Q2, in addition to the four original participants.

Table 1: Participating Operators and Discount Amount Provided

<i>50% Discount</i>	<i>20% Discount</i>	
Caltrain*	AC Transit^	Santa Rosa CityBus+
Golden Gate Transit and Ferry*	BART*	SolTrans^
Marin Transit+	City Coach^	Sonoma County Transit+
SFMTA*	County Connection^	Tri Delta Transit^
SamTrans^	FAST^	Union City Transit^
San Francisco Bay Ferry (WETA)+	Napa VINE^	WestCAT^
SMART+	Petaluma Transit+	Wheels^
Notes:		
* One of the initial four operators in Clipper START.		
+ Joined Clipper START in November 2020.		
^ Joined Clipper START in January 2021.		

1. How many people were enrolled in Clipper START as of Q2 of FY21?

Bay Area residents who are interested in enrolling in Clipper START must submit an application and be approved to receive their Clipper START card. Applications may be submitted by mail or online at www.clipperstartcard.com (which has both desktop and smart phone functionality).

The information provided in Table 2 shows the total number of applications submitted and approved between October and December 2020. It also shows that nearly 3,000 riders had been approved to participate in the pilot program by the end of Q2. The vast majority of applicants submitted completed their applications online during Q2, and approximately 17 percent of Q2 applicants reported currently riding Caltrain.

Table 2: Applications for Clipper START for Q2 of FY21

<i>Applications</i>	<i>10/01/20 – 10/31/20</i>	<i>11/01/20 – 11/30/20</i>	<i>12/01/20 – 12/31/20</i>	<i>Q2 Total</i>	<i>Q1+Q2 Total</i>
Total Submitted	569	687	452	1,708	3,230
Total Approved	514	621	416	1,551	2,920
Source: MTC, 2021.					

2. Where do applicants live in the region?

Table 3 shows the county of residents of applicants to the Clipper START pilot program in Q2 of FY21. Across the region, residents who applied for Clipper START during Q2 of FY21 primarily lived in San Francisco (67.8 percent of applicants) and Alameda (14.4 percent) counties. Santa Clara and San Mateo counties had 3.8 percent and 3.5 percent of applicants, respectively.

Table 3: County of Residence for Clipper START Applicants from Q2 of FY21

<i>County</i>	<i>Percentage of Total</i>
San Francisco	67.8%
Alameda	14.4%
Contra Costa	6.4%
Santa Clara	3.8%
San Mateo	3.5%
Sonoma	1.6%
Marin	1.5%
Solano	0.9%
Napa	0.2%
Total	100%

Source: MTC, 2021.

3. How many trips were taken using Clipper START in Q1 of FY21?

Table 4 presents the total number of trips that were taken on Clipper START for each month of Q2 for each agency, as well as the total for the region. For comparison, the next Table 5 shows the total number of trips for each agency that were taken during the same time periods.

Table 4 shows substantial ridership gains in Clipper START trips across the quarter. Compared to Q1 of FY21, where the total number of Clipper START trips was 6,020, the number of trips in Q2 increased to 29,033 – an increase of 382 percent. Clipper START ridership on Caltrain increased by 318 percent from Q1 to Q2, from 257 to 1,074 total trips. While these are tremendous gains, it is still worth noting that overall transit ridership, including ridership on Caltrain, remains severely impacted by the coronavirus pandemic.

Table 4: Clipper START Trips in Q2 of FY21

<i>Total Clipper START Trips¹</i>	<i>10/01/20 – 10/31/20</i>	<i>11/01/20 – 11/30/20</i>	<i>12/01/20 – 12/31/20</i>	<i>Q2 Total</i>	<i>Percentage of Q2 Total</i>
Caltrain	327	334	413	1,074	3.7%
BART	4,596	5,364	6,018	15,978	55.0%
SFMTA	2,797	3,786	4,408	10,991	37.9%
GGBHTD (Bus and Ferry)	175	253	445	873	3.0%
SMART	N/A	4	12	16	0.1%
WETA	N/A	-	101	101	0.3%

Petaluma Transit	N/A	-	-	-	0.0%
Santa Rosa	N/A	-	-	-	0.0%
Clipper START Total Trips	7,895	9,741	11,397	29,033	100.0%
Sources: 1. MTC, 2021.					

4. What share of transit trips were taken using Clipper START in Q2 of FY21?

Table 5 shows each transit agency's total ridership for each month in the second quarter of FY21, as well the share of those trips that were made using Clipper START. Petaluma Transit and Santa Rosa are excluded because they did not have any Clipper START ridership in Q2.

Across the region, Table 5 shows that ridership peaked in October and trended downward consistently through the remainder of the quarter, likely due to autumn 2020 changes in public health orders related to the coronavirus pandemic as well as the general annual regional transit trend of lower ridership over the holidays. While ridership trended downwards, however, the percentage share of Clipper START rides out of the total ridership consistently increased over the quarter.

Table 5: Clipper START Trips in Q2 of FY21 as a Percentage of Total Ridership

Agency	October 2020		November 2020		December 2020		Q2 Ridership Total	
	Total Ridership	Clipper START % of Total Rides	Total Ridership	Clipper START % of Total Rides	Total Ridership	Clipper START % of Total Rides	Q2 Total Ridership	Clipper START % Total Rides
Caltrain ¹	103,535	0.32%	91,329	0.37%	78,768	0.52%	273,632	0.39%
BART ²	1,400,213	0.33%	1,251,984	0.43%	1,144,927	0.53%	3,797,124	0.42%
SFMTA ³	4,776,697	0.06%	3,541,188	0.11%	2,360,802	0.19%	10,678,687	0.10%
GGBHTD ⁴	64,566	0.29%	60,854	0.42%	44,749	0.99%	170,169	0.51%
WETA ^{5, 6}	19,712	0.00%	22,830	0.00%	14,818	0.68%	57,360	0.18%

Notes:

1. Source: Caltrain, 2021; MTC, 2021.

2. Source: BART, 2021; MTC, 2021.

3. Source: SFMTA, 2021; MTC, 2021. Note that SFMTA ridership only includes motor coach and trolley coach ridership.

4. Source: GGBHTD, 2021; MTC, 2021.

5. Source: WETA, 2021; MTC, 2021.

6. Note that SMART ridership was unavailable at time of reporting.

5. How many people used their Clipper START cards in Q2 of FY21?

Each individual enrolled in the pilot program receives their own unique Clipper START card, so data on the number of unique cards used in the region shows how many of the enrolled individuals are actually traveling using their Clipper START cards. Table 6 presents the number of unique Clipper START cards in use on each agency, as well as for the overall Clipper system across the region. Petaluma Transit and Santa Rosa are excluded because they did not have any Clipper START ridership in Q2.

Similar to overall trips, the number of unique cards in use is growing as the pilot progresses. As of December 2020, about 35 percent of the Clipper START cards that had been issued were in use across the region (an increase from the total 25 percent of Clipper START cards in use in Q1 of FY21). Of the Clipper START cards in use across the region in December 2020, about five percent of the cards were used on Caltrain.

Table 6: Unique Clipper START Cards in Use by Month for Q2 of FY21

Total Number of Unique Clipper START Cards in Use	10/01/20 – 10/31/20	11/01/20 – 11/30/20	12/01/20 – 12/31/20
Caltrain	47	52	53
BART	379	456	503
SFMTA	343	468	570
GGBHTD (Bus and Ferry)	30	35	39
SMART	0	3	5
WETA	0	0	12
Overall Clipper System	650	847	995

Source: MTC, 2021.

6. Where did Clipper START riders take trips on Caltrain in Q2 of FY21?

Across Q2 of FY21, Clipper data provided by MTC staff shows that the most frequently used Caltrain stations for Clipper START riders are San Francisco Fourth & King, 22nd Street, South San Francisco, Palo Alto, and San Jose Diridon stations.

The number of Clipper START trips involving transfers between transit systems is a small percentage of the overall trips taken. Across Q2, a total of 136 Clipper START rides on Caltrain, or about 13 percent of the total Clipper START trips taken on Caltrain, involved a transfer to another transit system. Regionally, a grand total of 1,879 trips made using a Clipper START card during Q2 involved a transfer to another transit system, or about 7 percent of the total trips made using Clipper START in the region.

7. When did Clipper START riders take trips on Caltrain in Q2 of FY21?

Table 7 shows which day of the week Clipper START card users rode Caltrain during Q2. About 86 percent of Clipper START card trips on Caltrain were made during the weekdays, compared to about 14 percent of trips made on a weekend, across Q2. This finding is consistent across the other participating transit agencies, with the vast majority of Clipper START card trips made during the weekdays in Q2 across the region.

Table 7: Day of Week for Clipper START Trips on Caltrain in Q2 of FY21

Month	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total
October	11	57	47	60	51	71	30	327
November	20	71	52	57	44	56	34	334
December	10	70	84	77	71	66	35	413
Total	41	198	183	194	166	193	99	1,074
Percent of Total	4%	18%	17%	18%	15%	18%	9%	100%

Source: Caltrain, 2021.

Table 8 shows the ridership distribution for each hour during the day, for each month of Q2. About 61 percent of Clipper START trips on Caltrain were made in the peak periods, while about 39 percent of the trips were made in the midday or off-peak hours. In contrast, trips made in the peak periods accounted for 70 percent of the total trips in Q1.

Table 8: Time of Day for Clipper START Trips on Caltrain in Q2 of FY21

Month	AM Peak (6am-10am)	Midday (10am-3pm)	PM Peak (3pm-7pm)	Off-Peak (7pm-6am)	Total
October	89	57	130	51	327
November	102	69	96	67	334
December	127	107	102	77	413
Total	318	233	328	195	1,074
Percent of Total	30%	22%	31%	18%	100%

Source: Caltrain, 2021.

8. How did Clipper START affect Caltrain's revenue in Q2 of FY21?

Caltrain provides participants in Clipper START with a 50 percent discount off of adult one-way Clipper Card fares. To help offset the revenue loss, the Clipper START Means-Based Fare Pilot Program framework allows for transit agencies to seek reimbursements from MTC up to a maximum of 50 percent of a 20 percent fare discount (subject to an annual capped amount); in essence, this amounts to a subsidy valued at approximately 10 percent of the full fare value for each trip.

Table 9 shows the revenue impact for Caltrain for the second quarter of this pilot program. It shows the initial fare revenue collected by Caltrain for Clipper START trips (approximately 50 percent of the adult one-way Clipper Card fare) in Q2, which totaled approximately \$3,502. It also shows the total discount provided by Caltrain for Clipper START trips, or the amount of foregone revenue for these trips (approximately 50 percent of the adult one-way Clipper Card fare), which totaled approximately \$3,527. (Note that rounding rules for Clipper account for the discrepancy between the fare revenue collected against the discount provided) Additionally, the table shows the subsidy that is provided by MTC to help offset Caltrain's revenue loss on Clipper START

trips (approximately 10 percent of the full fare value for adult one-way Clipper Card fares), which totaled approximately \$700. Lastly, the table shows the amount of net revenue for Caltrain for Clipper START trips in Q2, approximately \$4,203.

Table 9: Clipper START Revenue Impact for Caltrain for Q2 for FY21

Month	Total Trips	Initial Fare Revenue Collected by Caltrain (~50% of full value Adult Clipper Card fare)	Total Discount Provided by Caltrain (~50% off of full value Adult Clipper Card fare)	Subsidy for Revenue Loss Provided by MTC (~10% of full value Adult Clipper Card fare)	Total Net Revenue for Caltrain (Initial Fare Revenue + Subsidy)
October	327	\$1,040.05	\$1,048.10	\$208.01	\$1,248.06
November	334	\$1,080.55	\$1,088.50	\$216.11	\$1,296.66
December	413	\$1,382.15	\$1,390.70	\$276.43	\$1,658.58
Total	1,074	\$3,502.75	\$3,527.30	\$700.55	\$4,203.30

Notes:

1. The slight discrepancy between total fare revenue collected and the discount provided is due to rounding rules for the fares with Clipper.
2. Source: Caltrain, 2021.

9. How is Clipper START being promoted?

There is a regional marketing campaign for Clipper START that is being led by MTC in coordination with the participating operators. The regional promotion effort included news releases, e-newsletter, extensive outreach to Community Based Organizations (CBOs) and social service agencies, and paid digital ads.

In addition to this regional campaign, in Q2 of FY21, Caltrain staff was actively engaged in promoting Clipper START using a variety of methods. Staff continued to boost organic social media messaging across all platforms, promote it on Caltrain's website. Additional marketing support included brochures in multiple languages & ad cards onboard the trains and select stations, as well as digital display banners at the San Francisco Station.

Caltrain staff has also partnered with VTA staff to actively promote Clipper START at VTA's transit centers, on passenger information messaging signs, at digital kiosks, offering "take ones" flyers for passengers, and in VTA's stations and vehicles.



Clipper START Quarterly Update Q2 of FY21 (October – December 2020)

JPB Finance Committee
February 22, 2021

Means-Based Fare Pilot Program

- Growing need for discounted transit fares for low-income adults
- 2015 MTC study determined desirability and viability of a means-based pilot
- Commitment to develop a discounted fare program making Bay Area public transit more accessible to low-income adults
- **Launched July 15, 2020 as Clipper START.**

CLIPPER.
START ▶▶▶



Quarterly Updates on Clipper START

- Caltrain staff will be providing an update to the Board each quarter for the 18-month pilot program.
- Updates will include Clipper START information related to applicants and enrollees, Caltrain ridership and trip information, and revenue impact for Caltrain.
 - Data sources: MTC (application and Clipper data) and Caltrain (Clipper and revenue data).
- Today's second update is for:
 - Q2 of FY21: October 1, 2020 – December 31, 2020

Clipper START Expansion: Participating Agencies

Table 1: Participating Operators and Discount Amount Provided

<i>50% Discount</i>	<i>20% Discount</i>	
Caltrain*	AC Transit [^]	Santa Rosa CityBus ⁺
Golden Gate Transit and Ferry*	BART*	SolTrans [^]
Marin Transit ⁺	City Coach [^]	Sonoma County Transit ⁺
SFMTA*	County Connection [^]	Tri Delta Transit [^]
SamTrans [^]	FAST [^]	Union City Transit [^]
San Francisco Bay Ferry (WETA) ⁺	Napa VINE [^]	WestCAT [^]
SMART ⁺	Petaluma Transit ⁺	Wheels [^]

Notes:

* One of the initial four operators in Clipper START.

⁺ Joined Clipper START in November 2020.

[^] Joined Clipper START in January 2021.

How many people were enrolled in Clipper START?

- As of December 2020, nearly 3,000 applications have been approved.

Table 2: Applications for Clipper START for Q2 of FY21

<i>Applications</i>	<i>10/01/20 – 10/31/20</i>	<i>11/01/20 – 11/30/20</i>	<i>12/01/20 – 12/31/20</i>	<i>Q2 Total</i>	<i>Q1+Q2 Total</i>
Total Submitted	569	687	452	1,708	3,230
Total Approved	514	621	416	1,551	2,920
Source: MTC, 2021.					

Where do applicants live in the region?

Table 3: County of Residence for Clipper START Applicants from Q2 of FY21

<i>County</i>	<i>Percentage of Total Applicants</i>
San Francisco	67.8%
Alameda	14.4%
Contra Costa	6.4%
Santa Clara	3.8%
San Mateo	3.5%
Sonoma	1.6%
Marin	1.5%
Solano	0.9%
Napa	0.2%
Total	100%
Source: MTC, 2021.	

How many trips were taken using Clipper START?

Table 4: Clipper START Trips in Q2 of FY21

<i>Total Clipper START Trips¹</i>	<i>10/01/20 – 10/31/20</i>	<i>11/01/20 – 11/30/20</i>	<i>12/01/20 – 12/31/20</i>	<i>Q2 Total</i>	<i>Percentage of Q2 Total</i>
Caltrain	327	334	413	1,074	3.7%
BART	4,596	5,364	6,018	15,978	55.0%
SFMTA	2,797	3,786	4,408	10,991	37.9%
GGBHTD (Bus and Ferry)	175	253	445	873	3.0%
SMART	N/A	4	12	16	0.1%
WETA	N/A	-	101	101	0.3%
Petaluma Transit	N/A	-	-	-	0.0%
Santa Rosa	N/A	-	-	-	0.0%
Clipper START Total Trips	7,895	9,741	11,397	29,033	100.0%

Sources:

1. MTC, 2021.



What share of transit trips were taken using Clipper START?

Table 5: Clipper START Trips in Q2 of FY21 as a Percentage of Total Ridership

Agency	October 2020		November 2020		December 2020		Q2 Ridership Total	
	Total Ridership	Clipper START % of Total Rides	Total Ridership	Clipper START % of Total Rides	Total Ridership	Clipper START % of Total Rides	Q2 Total Ridership	Clipper START % Total Rides
Caltrain ¹	103,535	0.32%	91,329	0.37%	78,768	0.52%	273,632	0.39%
BART ²	1,400,213	0.33%	1,251,984	0.43%	1,144,927	0.53%	3,797,124	0.42%
SFMTA ³	4,776,697	0.06%	3,541,188	0.11%	2,360,802	0.19%	10,678,687	0.10%
GGBHTD ⁴	64,566	0.29%	60,854	0.42%	44,749	0.99%	170,169	0.51%
WETA ^{5, 6}	19,712	0.00%	22,830	0.00%	14,818	0.68%	57,360	0.18%

Notes:

1. Source: Caltrain, 2021; MTC, 2021. 2. Source: BART, 2021; MTC, 2021. 3. Source: SFMTA, 2021; MTC, 2021. Note that SFMTA ridership only includes motor coach and trolley coach ridership. 4. Source: GGBHTD, 2021; MTC, 2021. 5. Source: WETA, 2021; MTC, 2021. 6. Note that SMART ridership was unavailable at time of reporting.



How many people used their Clipper START cards?

- As of December 2020, about 35% of the Clipper START cards that had been issued were in use across the region.
 - Of the cards in use, about 5% of the Clipper START cards were used on Caltrain.

Table 6: Unique Clipper START Cards in Use by Month for Q2 of FY21

<i>Total Number of Unique Clipper START Cards in Use</i>	<i>10/01/20 – 10/31/20</i>	<i>11/01/20 – 11/30/20</i>	<i>12/01/20 – 12/31/20</i>
Caltrain	47	52	53
BART	379	456	503
SFMTA	343	468	570
GGBHTD (Bus and Ferry)	30	35	39
SMART	0	3	5
WETA	0	0	12
Overall Clipper System	650	847	995
Source: MTC, 2021.			

Where did Clipper START riders take trips on Caltrain?

- Top Clipper START rider stations for Q2 of FY21: San Francisco Fourth & King, 22nd Street, South San Francisco, Palo Alto, and San Jose Diridon stations.
- Transfers in Q2 of FY21:
 - About 13% of Clipper START trips on Caltrain involved a transfer to another transit system.
 - Across the region, about 7% of Clipper START trips involved a transfer to another transit system.

When did Clipper START riders take trips on Caltrain?

- During Q2 of FY21, about 86% of Caltrain’s Clipper START trips were made on a weekday.
 - This is consistent across all participating agencies.

Table 7: Day of Week for Clipper START Trips on Caltrain in Q2 of FY21

<i>Month</i>	<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>	<i>Total</i>
October	11	57	47	60	51	71	30	327
November	20	71	52	57	44	56	34	334
December	10	70	84	77	71	66	35	413
Total	41	198	183	194	166	193	99	1,074
Percent of Total	4%	18%	17%	18%	15%	18%	9%	100%

Source: Caltrain, 2021.

When did Clipper START riders take trips on Caltrain?

- During Q2 of FY21, about 61% of Caltrain's Clipper START trips were made during the peak periods.

Table 8: Time of Day for Clipper START Trips on Caltrain in Q2 of FY21

<i>Month</i>	<i>AM Peak (6am-10am)</i>	<i>Midday (10am-3pm)</i>	<i>PM Peak (3pm-7pm)</i>	<i>Off-Peak (7pm-6am)</i>	<i>Total</i>
October	89	57	130	51	327
November	102	69	96	67	334
December	127	107	102	77	413
Total	318	233	328	195	1,074
Percent of Total	30%	22%	31%	18%	100%

Source: Caltrain, 2021.

How did Clipper START affect Caltrain's revenue?

Table 9: Clipper START Revenue Impact for Caltrain for Q2 for FY21

<i>Month</i>	<i>Total Trips</i>	<i>Initial Fare Revenue Collected by Caltrain (~50% of full value Adult Clipper Card fare)</i>	<i>Total Discount Provided by Caltrain (~50% off of full value Adult Clipper Card fare)</i>	<i>Subsidy for Revenue Loss Provided by MTC (~10% of full value Adult Clipper Card fare)</i>	<i>Total Net Revenue for Caltrain (Initial Fare Revenue + Subsidy)</i>
October	327	\$1,040.05	\$1,048.10	\$208.01	\$1,248.06
November	334	\$1,080.55	\$1,088.50	\$216.11	\$1,296.66
December	413	\$1,382.15	\$1,390.70	\$276.43	\$1,658.58
Total	1,074	\$3,502.75	\$3,527.30	\$700.55	\$4,203.30

Notes:

1. The slight discrepancy between total fare revenue collected and the discount provided is due to rounding rules for the fares with Clipper.
2. Source: Caltrain, 2021.

How is Clipper START being promoted?

- Regional marketing effort includes:
 - News releases, e-newsletter, extensive outreach to Community Based Organizations (CBOs) and social service agencies, and paid digital ads
- Caltrain staff are actively promoting the program as well:
 - Social media (all platforms)
 - Caltrain website (including a large center button on the Caltrain homepage)
 - Brochures in multiple languages & ad cards on board the trains and stations
 - Digital display banners at the San Francisco Station
 - Partnering with VTA to help spread the word (for VTA stations, vehicles, etc.)

Next Steps

- Caltrain will continue to promote Clipper START with our partners.
- Caltrain staff will provide an update on Q3 of FY21 in spring 2021 to the JPB.

Thank you!