



Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Clipper Executive Board

Robert Powers, Chair

April Chan, Vice Chair

Monday, March 25, 2024

1:30 PM

Board Room -1st Floor

The Clipper Executive Board is scheduled to meet at 1:30 p.m.

Meeting attendees may opt to attend in person for public comment and observation at 375 Beale Street, Board Room (1st Floor). In-person attendees must adhere to posted public health protocols while in the building. The meeting webcast will be available at <https://mtc.ca.gov/whats-happening/meetings/live-webcasts>. Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://bayareametro.zoom.us/j/84196024621>
iPhone One-Tap: US: +16699006833,,84196024621# US (San Jose)
+14086380968,,84196024621# US (San Jose)

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Detailed instructions on participating via Zoom are available at:
<https://bayareametro.zoom.us/j/84196024621>
<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances, there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

Clerk: Wally Charles

Roster

Robert Powers, Chair; April Chan, Vice Chair

**Members: Eddy Cumins, Andrew B. Fremier, Carolyn M. Gonot, Michael Hursh, Denis Mulligan,
Jeffrey Tumlin, and Christy Wegener**

1. Call to Order / Roll Call / Confirm Quorum

A quorum of the Board shall be a majority of its voting members (5).

2. Consent Calendar

2a. [24-0216](#) Minutes of the February 26, 2024 Meeting

Action: Board Approval

Attachments: [2a 2024 02 26 Clipper Executive Board Meeting Minutes](#)

3. Information

3a. [24-0219](#) Clipper® Schedule, Implementation, and Deployment Update

Update on key developments related to the implementation of the current and Next Generation Clipper System (C2).

Action: Information

Presenter: Kelley Jackson

Attachments: [3a_Clipper Schedule and Implementation Update](#)
[3ai_Next Generation Clipper Program](#)
[3aii_Clipper Next Generation Equipment Pilot Installation Pictures](#)

3b. [24-0220](#) Current Clipper® Operations and Performance Update

Update on current Clipper system operations and performance

Action: Information

Presenter: Edward Meng

Attachments: [3b_Current Clipper Operations and Performance Update](#)
[3bi_Clipper Data Clipper Executive Board](#)

3c. [24-0367](#) Draft Clipper Two Year Budget and Work Plan

Draft Clipper budget and work plan for Fiscal Years (FY) 2024-2025 and 2025-2026 for Executive Board review and discussion

Action: Information

Presenter: Edward Meng

Attachments: [3c Clipper Two Year Budget](#)
 [3ci Operating Revenue and Budget](#)
 [3cii Capital Revenue and Budget](#)

4. Acting Executive Director's Report-Weinstein**5. Public Comment / Other Business**

*Board Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6.*

6. Adjournment / Next Meeting

The next meeting of the Clipper Executive Board will be held on April 22, 2024, 1:30 p.m. at the Bay Area Rapid Transit, Board Room -1st Floor, 2150 Webster Street, Oakland CA 94612. Any changes to the schedule will be duly noticed to the public.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0216 **Version:** 1 **Name:**
Type: Minutes **Status:** Consent
File created: 1/25/2024 **In control:** Clipper Executive Board
On agenda: 3/25/2024 **Final action:**
Title: Minutes of the February 26, 2024 Meeting
Sponsors:
Indexes:
Code sections:
Attachments: [2a_2024_02_26 Clipper Executive Board Meeting Minutes](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:
Minutes of the February 26, 2024 Meeting

Recommended Action:
Board Approval

Attachments:



Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Minutes - Final

Clipper Executive Board

Robert Powers, Chair

April Chan, Vice Chair

Monday, February 26, 2024

1:30 PM

BART Board Room- 1st Floor
2150 Webster Street
Oakland CA 94612

The Clipper Executive Board is scheduled to meet at 1:30 p.m.

Meeting attendees may opt to attend in person for public comment and observation at BART Board Room (1st Floor) 2150 Webster Street, Oakland CA 94612. In-person attendees must adhere to posted public health protocols while in the building. The meeting webcast will be available at <https://mtc.ca.gov/whats-happening/meetings/live-webcasts>. Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://us06web.zoom.us/j/89093937774>

iPhone One-Tap: US: +16694449171,,89093937774# US +16699006833,,89093937774# US (San Jose)

Join by Telephone (for higher quality, dial a number based on your current location) US:
888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 890 9393 7774

International numbers available: <https://us06web.zoom.us/j/kdwKytCt45>

Detailed instructions on participating via Zoom are available at:

<https://bayareametro.zoom.us/j/kdR1hznEgA>

<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

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Clerk: Wally Charles

Roster
Robert Powers, Chair; April Chan, Vice Chair

Members: Eddy Cumins, Andrew B. Fremier, Carolyn M. Gonot, Michael Hursh, Denis Mulligan, Jeffrey Tumlin, and Christy Wegener

1. Call to Order / Roll Call / Confirm Quorum

Present: 9 - Board Member Mulligan, Board Member Hursh, Chair Powers, Board Member Tumlin, Board Member Gonot, Board Member Chan, Board Member Fremier, Board Member Cumins, and Board Member Wegener

2. Consent Calendar

Upon the motion by Board Member Chan and seconded by Board Member Hursh, the Consent Calendar was unanimously approved. The motion carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Hursh, Chair Powers, Board Member Tumlin, Board Member Gonot, Board Member Chan, Board Member Fremier, Board Member Cumins and Board Member Wegener

2a. [24-0147](#) Minutes of the January 22, 2024 Meeting

Action: Board Approval

Attachments: [2a. Minutes of the January 22, 2024 Meeting](#)

3. Approval

3a. [24-0151](#) Election of Clipper Executive Board Chair and Vice Chair

Nomination and Election of the Chair and Vice Chair of the Clipper Executive Board

Action: Board Approval

Presenter: Edward Meng, MTC

Attachments: [3a Election of Clipper Executive Board Chair and Vice Chair](#)

Upon the motion by Board Member Fremier and seconded by Board Member Hursh, Nomination and Election of Chair Robert Powers and Vice Chair April Chan was approved. The motion carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Hursh, Chair Powers, Board Member Tumlin, Board Member Gonot, Board Member Chan, Board Member Fremier, Board Member Cumins and Board Member Wegener

3b. [24-0148](#) Regional Transit Connection (RTC) Clipper Access Replacement Policy Revision

Action: Board Approval

Presenter: Lydia Elias, MTC

Attachments: [3b RTC Clipper Access Replacement Policy Revision](#)
[3bi- RTC Clipper Access Replacement Policy Revision](#)

The following individuals spoke on this Item:
Aleta Dupree.

Upon the motion by Board Member Mulligan and seconded by Board Member Premier, Regional Transit Connection (RTC) Clipper Access Replacement Policy Revision was approved. The motion carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Hursh, Chair Powers, Board Member Tumlin, Board Member Gonot, Board Member Chan, Board Member Premier, Board Member Cumins and Board Member Wegener

4. Information

4a. [24-0149](#) Clipper® Schedule, Implementation, and Deployment Update

Update on key developments related to the implementation of the current and Next Generation Clipper System (C2).

Action: Information

Presenter: Kelley Jackson, MTC

Attachments: [4a Clipper Schedule and Implementation Update 2024-02-26](#)
[4ai CEB Status Report 2024-02-26](#)
[4aii Clipper Next Generation Equipment Pilot Installation Pictures](#)

The following individuals spoke on this Item:
Aleta Dupree.

4b. [24-0150](#) Current Clipper® Operations and Performance Update

Update on current Clipper system operations and performance

Action: Information

Presenter: Edward Meng, MTC

Attachments: [4b Current Clipper Operations and Performance Update](#)
[4bi Clipper Data Clipper Executive Board](#)

The following individuals spoke on this Item:
Aleta Dupree, and Adina Levin.

5. Acting Executive Director's Report- Weinstein

The following individuals spoke on this Item:
Adina Levin.

6. Public Comment / Other Business

The following individuals spoke on this Item:
Aleta Dupree, and Adina Levin.

7. Adjournment / Next Meeting

The next meeting of the Clipper Executive Board will be held on March 25, 2024, 1:30 p.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA. Any changes to the schedule will be duly noticed to the public.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0219 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 1/25/2024 **In control:** Clipper Executive Board

On agenda: 3/25/2024 **Final action:**

Title: Clipper® Schedule, Implementation, and Deployment Update

Update on key developments related to the implementation of the current and Next Generation Clipper System (C2).

Sponsors:

Indexes:

Code sections:

Attachments: [3a Clipper Schedule and Implementation Update](#)
[3ai Next Generation Clipper Program](#)
[3aii Clipper Next Generation Equipment Pilot Installation Pictures](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

Clipper® Schedule, Implementation, and Deployment Update

Update on key developments related to the implementation of the current and Next Generation Clipper System (C2).

Presenter:

Kelley Jackson

Recommended Action:

Information

Attachments:

Clipper® Executive Board

March 25, 2024

Agenda Item 3a

Clipper® Schedule, Implementation, and Deployment Update

Subject:

Update on key developments related to the implementation of the current and Next Generation Clipper System (C2)

Background:

Next Generation Project Schedule

Our current schedule (see top of Attachment A) shows the work remaining in two workstreams:

- Equipment Installation, and
- Account-based System Implementation, which consists of System Testing (shown in light-blue, as this is non-customer facing), a pre-Transition pilot test that will include public participants, and concluding with the transition of all customers to the new Account-based system.

Prior to the full pre-Transition pilot on all Clipper operators, we are currently conducting a smaller pre-Revenue Ready pilot on five operators: Golden Gate Ferry, SFMTA, WETA, SMART, and Caltrain. MTC and Operator staff have generated Account-based system transactions by tapping pre-authorized Clipper and open payments cards on all five operators. Previously selected members of the public are also participating in this phase of pilot testing and providing feedback.

Cubic Transportation Systems' (Cubic) schedule submitted in February generally reflects the schedule in Attachment A, but Cubic's Schedule Narrative indicates that further schedule recovery will be needed to meet the goal of starting Customer Transition in late summer 2024. MTC is working closely with Cubic on this schedule recovery and will continue to recognize the January 2024 Project Schedule as the Approved Project Schedule, pending execution of a future Change Order to true up the milestone dates in the contract. Based on our assessment of the remaining work, we are projecting that on-board equipment installation for the final remaining

bus operator will be complete in early summer 2024 and that Customer Transition will start in late summer 2024. This date is when we expect to have the new Clipper back-office system fully operational, all new equipment installed across 22 transit agencies in the Bay Area, and ancillary equipment such as handheld fare inspection devices and retail sales devices ready for operations. MTC is currently reviewing Cubic's March schedule submittal and is evaluating the other workstreams for discussion in April.

Next Generation Schedule Risk

Risk assessment, mitigation and management are critical to project success. The project team reviews the risks to C2 each month and staff will list the top/key risks based on our current assessment in this section each month to keep the Board apprised:

- Completion of hardware installation at all locations, including installation projects by transit operators (e.g., BART station equipment), and the delivery of Cubic-provided training materials by transit operators to their staff on the operations and maintenance of the Account-based System components.
- Coordination of the various project components with multiple contractors for the various parts of the system. (e.g., working with the customer service contractor, fare media and services suppliers, and transit agency vendors for integration with ticket machines and computer-aided dispatch / automatic vehicle location [CAD/AVL] systems.)

These risks, if realized, have the potential to impact the planned late summer 2024 transition date. Knowing that the current schedule has very limited float, Cubic, MTC and transit operator partners are working closely together to keep making progress on the tasks that are on the critical path. In addition to day-to-day staff efforts to maintain the schedule and manage risks, executives from MTC and Cubic are in close communication to trouble-shoot risk areas. Staff will continue to provide monthly updates to this Board on our progress towards starting customer transition in late summer.

Next Generation Implementation

Included as Attachment A to this memorandum is a summary of recently completed activities related to delivering C2, upcoming activities and deliverables for MTC, Cubic, and the transit operators, and other noteworthy items managed by the project team.

Next Generation Deployment

The installation of stand alone and onboard Clipper readers are substantially complete for all operators except for WestCAT, which is expected to start its Clipper reader installation in early June following the completion of some required CAD/AVL integration tasks. BART has begun the work of installing next generation Clipper readers in its station faregates and Cubic will start installing new readers in the SFMTA faregates this spring. The replacement of legacy Clipper retail sales devices with their Next Generation counterparts at local retailers should be completed regionally by April 2024. Included as Attachment B to this memorandum is a presentation showing recent pictures of Next Generation Clipper device installations.

Issues:

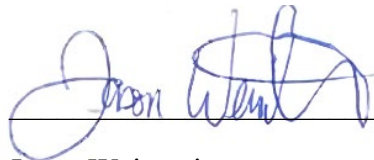
None identified.

Recommendations:

Information

Attachments:

- Attachment A: Next Generation Clipper Program Executive Summary Status Report
- Attachment B: Clipper Next Generation Equipment Installation Pictures

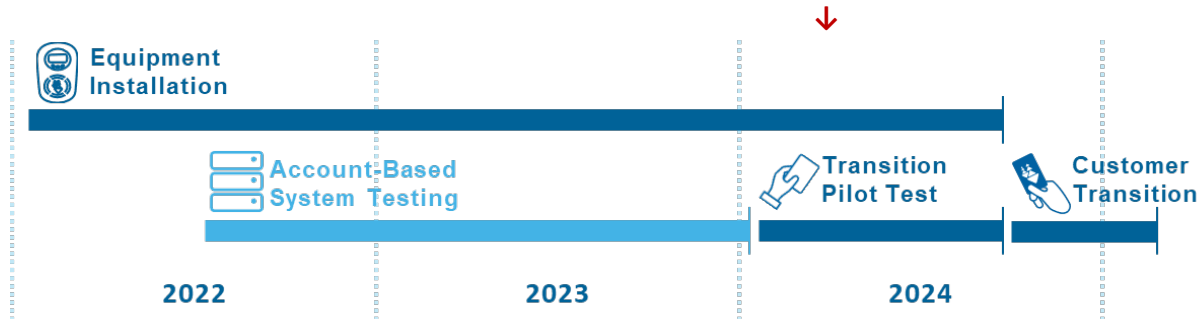


Jason Weinstein



Next Generation Clipper Program

Executive Summary Status Report – March 25, 2024



Summary

- Regionwide installation of onboard validators continues. BART fare gate validator installation underway; BART TVM validator testing in progress.
- Initial Pilot Test continuing. Review of pre-Transition System Integration Testing (SIT) procedures ongoing.
- Review of Operations and Maintenance (O&M) documents resubmittal underway.
- Technical and planning discussions continue with operators on various topics, including new device installation, BART coordination, and paratransit/third-party integration.
- TVM Fare Ticket Supplier proposals under review.
- Joint coordination meetings ongoing between MTC and C2 Contractors Cubic (System Integrator and Fare Media Fulfillment), WSP (Customer Service Center), and Fiserv (Payment Services).

Recently Completed Activities

| | MTC/Arcadis | Cubic | Operators | Date |
|--|-------------|-------|-----------|---------|
| • New Devices: | | | | |
| ○ Regionwide installation (cont'd) | ● | ● | ● | ongoing |
| ○ BART fare gate validator installation (cont'd) | ● | ● | ● | ongoing |
| • Account-based System Testing: | | | | |
| ○ Pre-Revenue-Ready Pilot Testing | ● | ● | ● | ongoing |
| • Account-based System Documentation: | | | | |
| ○ Resubmittal of Back Office Design Document (including Operator Business Rules) | | ● | | Feb 26 |
| ○ O&M Documents resubmittal | | ● | | Feb 27 |
| ○ Confirmation of Operator Business Rules | ● | | ● | Mar 22 |
| • Fare Media: | | | | |
| ○ TVM Fare Ticket Supplier proposals due | ● | | ● | Mar 18 |

Upcoming Activities/Deliverables

| | MTC/Arcadis | Cubic | Operators | Date |
|---|-------------|-------|-----------|---------|
| • New Devices: | | | | |
| ○ BART TVM validator testing (cont'd.) | ● | ● | ● | Mar |
| ○ BART fare gate installation (cont'd.) | ● | ● | ● | Mar–Aug |
| • Account-based System Testing: | | | | |
| ○ Pre-Revenue-Ready Pilot Testing (cont'd.) | ● | ● | ● | Mar–Apr |
| ○ Pre-Transition SIT procedures review | ● | | ● | Mar–Apr |
| • Account-based System Documentation: | | | | |
| ○ O&M Documents resubmittal review | ● | | ● | Mar–Apr |
| • Clipper Executive Board Meeting | ● | | ● | Mar 25 |



Clipper® Next Generation Equipment Installation Pictures

Clipper Executive Board

March 25, 2024

BART Fare Gate Install





Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0220 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 1/25/2024 **In control:** Clipper Executive Board
On agenda: 3/25/2024 **Final action:**
Title: Current Clipper® Operations and Performance Update
Update on current Clipper system operations and performance

Sponsors:

Indexes:

Code sections:

Attachments: [3b Current Clipper Operations and Performance Update](#)
[3bi Clipper Data Clipper Executive Board](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

Current Clipper® Operations and Performance Update

Update on current Clipper system operations and performance

Presenter:

Edward Meng

Recommended Action:

Information

Attachments:

Clipper® Executive Board

March 25, 2024

Agenda Item 3b

Current Clipper® Operations and Performance Update

Subject:

Update on current Clipper system operations and performance; Clipper staff last updated the Clipper Executive Board (CEB) on the ongoing work and projects related to the current Clipper system at the Board's February 2024 meeting.

Background:

Transaction and Sales

In February 2024, Clipper processed over 12 million transactions and settled over \$28 million in revenue, an increase of 20% and 21% respectively compared to February 2023.

Clipper Mobile Card Adoption and Usage

Since the launch of the mobile Clipper card in April 2021, over 2.5 million mobile Clipper cards have been created, and staff has noted a steady increase in both the number of and percentage of trips taken using a Clipper mobile card. In February 2024 alone, over 30% of Clipper trips were taken using a mobile card, compared to 24% in February 2023.

Clipper START Card Issuance and Usage

In February 2024, the program received 172% more Clipper START applications compared to February 2023, and Clipper START trips increased by 77% over the same time period.

Quarterly Fare Change Deadline

Fare changes and updates are scheduled to occur quarterly to limit demands on development and testing resources as work continues porting current Clipper business rules to Next Generation Clipper devices and developing the Next Generation Account-based System. The deadline for requesting fare changes for July 1, 2024 is April 1, 2024.

Issues:

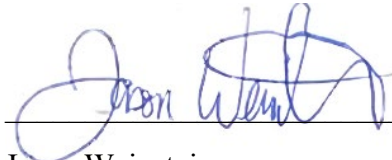
None identified.

Recommendations:

Information.

Attachments:

- Attachment A: Clipper® Operations and Performance Update Charts and Figures



Jason Weinstein



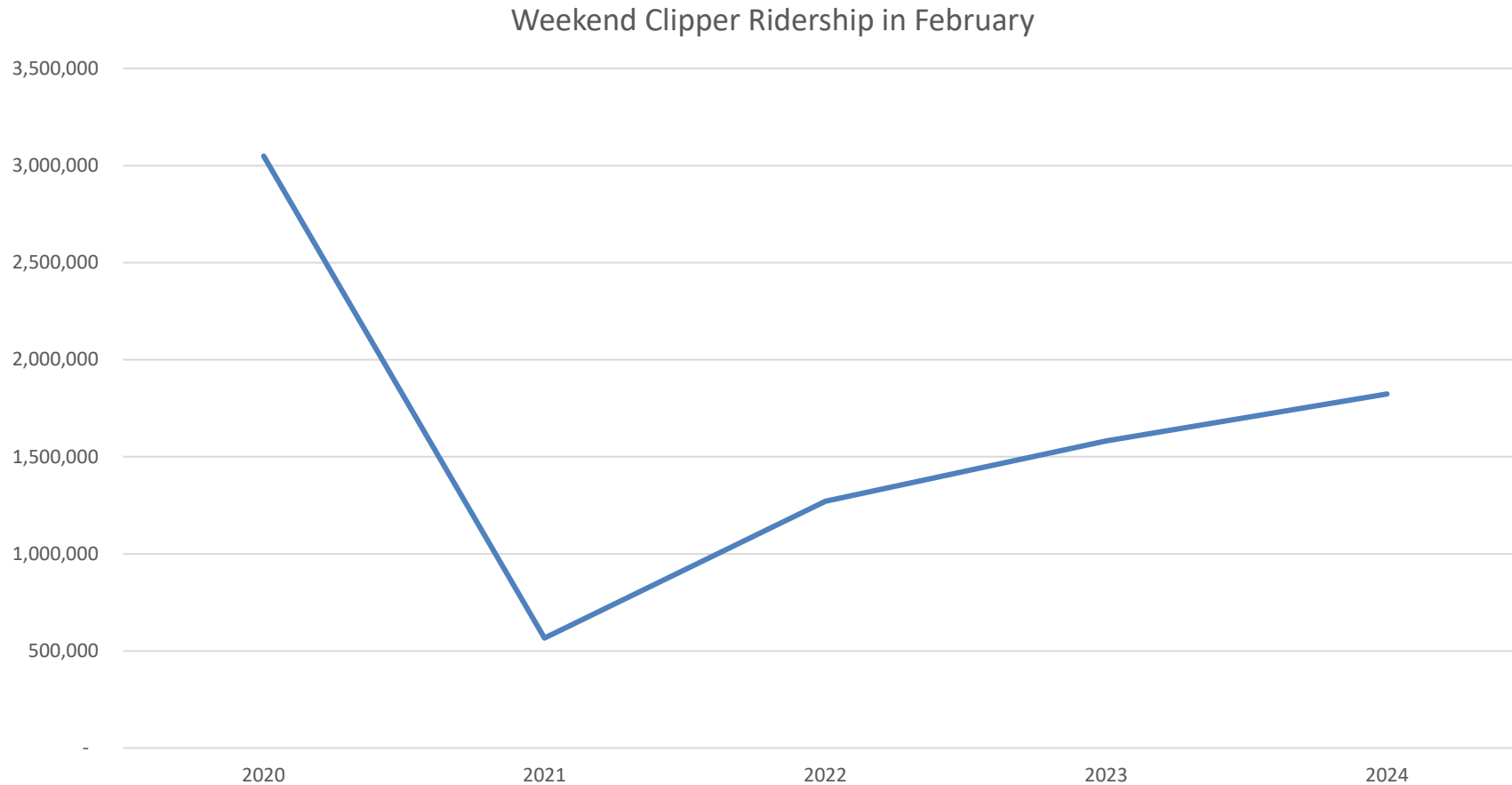
Clipper® Operations and Performance Update

Charts and Figures

Clipper Executive Board

March 25, 2024

Clipper weekend ridership dropped during the pandemic but has steadily grown since 2021



Clipper weekend ridership has almost completely recovered to Feb 2020 levels for several operators

96%

Caltrain
**Clipper Weekend
Ridership
Feb 2024**
compared to Feb 2020

90%

**Golden Gate
Transit**
**Clipper Weekend
Ridership
Feb 2024**
compared to Feb 2020

93%

SamTrans
**Clipper Weekend
Ridership
Feb 2024**
compared to Feb 2020

Clipper weekend ridership has completely recovered from and surpassed pre-Covid levels at WETA

134%

WETA
Clipper Weekend Ridership
Feb 2024
compared to Feb 2020



Clipper® Facts of the Month

60%

Clipper Weekend Ridership
Feb 2024
compared to Feb 2020

322%

Clipper Weekend Ridership
Feb 2024
compared to Feb 2021





Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0367 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 2/29/2024 **In control:** Clipper Executive Board

On agenda: 3/25/2024 **Final action:**

Title: Draft Clipper Two Year Budget and Work Plan

Draft Clipper budget and work plan for Fiscal Years (FY) 2024-2025 and 2025-2026 for Executive Board review and discussion

Sponsors:

Indexes:

Code sections:

Attachments: [3c Clipper Two Year Budget](#)
[3ci Operating Revenue and Budget](#)
[3cii Capital Revenue and Budget](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

Draft Clipper Two Year Budget and Work Plan

Draft Clipper budget and work plan for Fiscal Years (FY) 2024-2025 and 2025-2026 for Executive Board review and discussion

Presenter:

Edward Meng

Recommended Action:

Information

Attachments:

Clipper® Executive Board

March 25, 2024

Agenda Item 3c

Draft Clipper® Two Year Budget and Work Plan

Subject:

The Clipper budget and work plan for Fiscal Years (FYs) 2024-25 and 2025-26 for the Executive Board's review and discussion.

Background:

Under the Memorandum of Understanding, the Executive Board reviews and adopts a biennial Clipper budget. The budget is intended to provide an understanding of the scope and size of major expense categories, proposed funding plan, and overall summary of Clipper program work elements. The budget is updated annually and includes both current Clipper system and next-generation Clipper system costs, as well as costs to operate, maintain, and implement the overall Clipper program, including staffing, customer education and marketing, and estimated costs from other next-generation Clipper procurements.

Attached for your review are the Clipper Draft Operating Budget (Attachment A) and the Clipper Draft Capital Budget (Attachment B) with FYs 2024-25 and 2025-26 bordered in red, along with estimated projections of both the Operating and Capital Budget five years from the current FY to FY 2028-29.

Highlights of the Clipper Draft Two Year **Operating** Budget include:

1. An assumption that full parallel operations of the C1 card-based system and the C2 account-based system must be supported during the entire Fiscal Year 24-25 (July 2024 to June 2025) with a cessation of C1 operations in June 2025, and the termination of the C1 contract thereafter;
2. Assumptions of major account-based milestones based on recent Cubic project schedule submissions, including the beginning of the full account-based Pilot in July 2024, Customer Transition in late summer 2024, and System Completion in May 2025;
3. The inclusion of \$6.5M in Low Carbon Transit Operation Program (LCTOP) funding from the State's Cap and Trade program to support the account-based system as the primary platform to delivering benefits and discounts to transit riders, including Clipper

START, reduced and no-cost inter-operator transfers, fare-capping and accumulators, and other public-facing benefits;

4. The inclusion of \$2.4M in Senate Bill 1 State of Good Repair funds to support start-up operational costs; and
5. The inclusion of \$2.7M in Inactive Card Funds as an unrestricted program fund source to ensure that expected operating costs can be accounted for. Clipper staff expect to request approval for the use of these funds as an operating fund source at the Board's April 2024 meeting.

Highlights of the Clipper Draft Two Year **Capital** Budget include:

1. A continuation of the capital work required to design, test, and ultimately rollout the account-based program, with cost of the system staying consistent but with payment milestones noted in the fiscal years that the Contractor is expected to achieve these milestones based on its last schedule submittal;
2. Capital expenses associated with the other C2 contractors, including Customer Service Center, Fare Media, and Payment Services contracts, as well as estimates of technical consultant support;
3. The full inclusion of Regional Measure 3 (RM3) funds, which completed the final funding gaps for the System Integrator contract;
4. An assumption that Senate Bill 1 State of Good Repair capital funds will not be available to the Clipper program in the long-term; and
5. General estimates of capital expenses, change orders, amendments, and other currently unknown costs after the System Completion milestone has been achieved.

Overall, Clipper staff, in coordination with MTC's Funding, Program, and Policy section, have managed both the Clipper Operating and Capital budget well, as the capital and development work continued and the Clipper system remained active and in use over the duration of the pandemic, and unexpected cost overruns have been limited. The program appears stable over the next several fiscal years.

MTC and transit operator staff will continue to work together to update the operating and capital budgets and plan to return to the Clipper Executive Board next month to obtain approval for the

Clipper Two Year Budget and Work Plan. Staff will also plan to update the Board six months after the approval of the Clipper Budgets on how expected costs align with actual costs.

Issues:

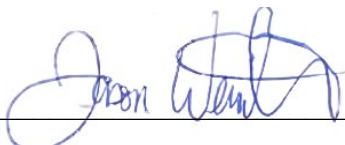
None identified.

Recommendations:

Information

Attachments:

- Attachment A: Clipper Draft Operating Budget – March 13, 2024
- Attachment B: Clipper Draft Capital Budget – March 5, 2024



Jason Weinstein

DRAFT
CLIPPER® OPERATING BUDGET - MARCH 13, 2024

| Item No. | Descriptions | Current FY 23/24 (\$M) | FY 24/25 (\$M) | FY 25/26 (\$M) | FY 26/27 (\$M) | FY 27/28 (\$M) | FY 28/29 (\$M) | 5 YEAR TOTAL - FY 24/25 - 28/29 (\$M) |
|---------------------------------------|---|------------------------|----------------|----------------|----------------|----------------|----------------|---------------------------------------|
| MTC Operating Costs | | | | | | | | |
| 1 | MTC Staff - Current Clipper Operating | 0.8 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| 2 | MTC Staff - Next Gen Clipper Operating | 1.3 | 2.4 | 2.8 | 3.0 | 3.1 | 3.3 | 14.6 |
| 3 | Current Clipper Operating Costs - MTC | 14.7 | 12.0 | 0.0 | 0.0 | 0.0 | 1.0 | 13.0 |
| 4 | Next Gen Clipper SI Operating Costs - MTC | 2.0 | 8.7 | 9.6 | 9.9 | 10.2 | 10.5 | 48.9 |
| 5 | Next Gen Clipper CSC Operating Costs - MTC | 0.0 | 2.1 | 2.2 | 2.2 | 2.3 | 2.4 | 11.1 |
| 6 | Next Gen Clipper Fare Media Operating Costs - MTC | 0.0 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 6.6 |
| 7 | Mobile App Fees - MTC | 1.5 | 1.5 | 1.0 | 1.0 | 2.0 | 3.0 | 8.5 |
| 8 | Clipper Operations - Misc. | 0.6 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 3.6 |
| 9 | In Person Customer Service Centers | 1.1 | 1.2 | 1.2 | 1.3 | 1.3 | 1.4 | 6.4 |
| 10 | Customer Education Program | 2.6 | 2.8 | 2.0 | 2.1 | 2.2 | 2.3 | 11.4 |
| 11 | <i>Subtotal MTC expenses</i> | 24.6 | 32.9 | 20.8 | 21.5 | 23.3 | 26.1 | 124.5 |
| Transit Agency Operating Costs | | | | | | | | |
| 12 | Current Clipper Operating Costs - Transit Agencies | 15.9 | 14.2 | 0.0 | 0.0 | 1.0 | 2.0 | 17.2 |
| 13 | Next Gen Clipper SI Operating Costs - Transit Agencies | 2.0 | 8.7 | 9.6 | 9.9 | 10.2 | 10.5 | 48.9 |
| 14 | Next Gen Clipper CSC Operating Costs - Transit Agencies | 0.0 | 2.1 | 2.2 | 2.2 | 2.3 | 2.4 | 11.1 |
| 15 | Next Gen Clipper Payment Services Operating Costs -Transit Agencies | 0.0 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 | 18.6 |
| 16 | Retail Commissions | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 3.3 |
| 17 | RTC Program | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 4.0 |
| 18 | <i>Subtotal Transit Agency expenses</i> | 19.1 | 29.9 | 16.8 | 17.3 | 18.8 | 20.4 | 103.2 |
| 19 | Total Operating Costs (Rows 11 + 18) | 43.7 | 62.8 | 37.5 | 38.8 | 42.1 | 46.5 | 227.7 |
| Operating Revenues | | | | | | | | |
| 20 | Transit Agency Revenue | 19.1 | 29.9 | 16.8 | 17.3 | 18.8 | 20.4 | 103.2 |
| 21 | Total STA Revenues | 7.7 | 7.8 | 8.0 | 8.0 | 8.0 | 8.0 | 39.8 |
| 22 | Regional Measure 2 (RM2) ¹ | 6.3 | 4.4 | 4.8 | 4.8 | 4.8 | 4.8 | 23.6 |
| 23 | Low Carbon Transit Operations Program (LCTOP) | 6.1 | 6.5 | 6.8 | 0.0 | 0.0 | 0.0 | 13.3 |
| 24 | State of Good Repair (SB1) ² | 5.0 | 2.4 | 0.0 | 0.0 | 0.0 | 0.0 | 2.4 |
| 25 | Card and Fare Media Fees | 2.8 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 6.6 |
| 26 | Inactive Card Funds | 0.0 | 2.7 | 0.0 | 0.0 | 0.0 | 0.0 | 2.7 |
| Total Operating Revenue | | 47.0 | 55.0 | 37.6 | 31.4 | 33.0 | 34.6 | 88.4 |
| 27 | Prior Year Carry Forward | 4.8 | | | | | | |
| 28 | Net Operating Budget | 8.1 | 0.2 | 0.4 | (7.0) | (16.2) | (28.1) | |

¹ Contingent upon availability and MTC Commission Approval

² Used for Next-Gen Clipper Operating Startup Costs

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CLIPPER® CAPITAL BUDGET - MARCH 5, 2024

| Item No. | Description | Current FY 23/24 (\$M) | FY 24/25 (\$M) | FY 25/26 (\$M) | FY 26/27 (\$M) | FY 27/28 (\$M) | FY 28/29 (\$M) | 5 YEAR TOTAL - FY 24/25 - 28/29 (\$M) |
|------------------------|--|------------------------|----------------|----------------|----------------|----------------|-----------------|---------------------------------------|
| Capital Costs | | | | | | | | |
| 1 | MTC Staff | \$3.6 | \$3.7 | \$3.9 | \$4.1 | \$4.3 | \$4.6 | \$20.7 |
| 2 | Current Clipper Cards & Fare Media | \$0.0 | \$1.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$1.0 |
| 3 | Next Gen Clipper Cards & Fare Media | \$3.0 | \$3.4 | \$2.0 | \$1.0 | \$1.0 | \$1.0 | \$8.4 |
| 4 | Consultants | \$2.3 | \$2.3 | \$1.5 | \$1.5 | \$1.5 | \$1.5 | \$8.3 |
| 5 | System Integrator Contract | \$30.2 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 6 | TR4 Integration and Open Payment Deployment | \$1.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 7 | Next Gen Clipper Equipment | \$22.9 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 8 | Operator Paratransit Integration | \$0.0 | \$2.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$2.0 |
| 9 | Customer Service Center / Fare Media | \$6.8 | \$0.0 | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$4.0 |
| 10 | RTC and Clipper START Enhancements and Support | \$1.6 | \$1.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$1.0 |
| 11 | System Enhancements and Infrastructure Replacement | \$1.0 | \$3.0 | \$5.0 | \$5.0 | \$5.0 | \$5.0 | \$23.0 |
| 12 | Total Expenses | \$72.7 | \$16.4 | \$13.4 | \$12.6 | \$12.8 | \$13.1 | \$68.4 |
| Capital Revenue | | | | | | | | |
| 13 | RM3 | \$30.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 14 | SGR | \$11.5 | \$7.4 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$7.4 |
| 15 | Fare Media and Card Fee Revenue | \$6.3 | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$5.0 |
| 16 | STA | \$2.2 | \$2.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$2.0 |
| 17 | Total Annual Revenue | \$50.4 | \$10.4 | \$1.0 | \$1.0 | \$1.0 | \$1.0 | \$14.4 |
| 18 | Capital Carry Forward (prior years) | \$59.8 | | | | | | |
| 19 | Net Surplus / Deficit | \$37.5 | \$31.4 | \$19.0 | \$7.4 | (\$4.5) | (\$16.5) | |