



Agenda Item 4a

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TO: Clipper® Executive Board

DATE: February 19, 2019

FR: Carol Kuester

RE: Clipper® Draft Two Year Budget and Work Plan

This memorandum presents the draft Clipper budget and work plan for FYs 2019-20 and 2020-21 for the Executive Board's review and discussion. Staff plan to bring this item to the Board in March 2019 for approval.

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 and confirm availability of funding. The budget includes a work plan and staffing plan for the following two years and is updated annually. The budget includes both current Clipper system and next generation Clipper items, as well as transit-operator led and funded projects to enhance the current system.

Attached for your review are the budget and work plan for FYs 2019-20 and 2020-21. Included in the attachments are:

- Attachment A: Clipper Projected Operating Budget and Operating Budget Detail;
- Attachment B: Clipper Projected Capital Budget and Capital Budget Detail; and
- Attachment C: Clipper Two Year Budget and Work Plan Highlights.

Highlights

1. Both Operating and Capital Budgets are balanced in the two year timeframe.
2. The Capital Budget is covered and funded through FY 2024-25.
3. A deficit in the Operating Budget is projected to occur in FY 2022-23.
4. At the request of the transit operators, an additional \$600K is included in the annual capital expenses to fund additional investment in the current system, particularly for small operators.
5. The organization chart assumes three additional MTC staff to support the accelerated deployment and continued development and deployment of the next generation Clipper system (See Attachment C pages 5 through 8 for detail on justification.)
6. The capital budget includes an additional \$1.5M in technical consultant support for the next generation Clipper system to deliver accelerated deployment.

Detail Proposed FY 2019-20 and 2020-21 Budget and Work Plan

Details of the Clipper Draft Two Year Budget and Work Plan are listed below.

Detail

1. Since the last approved Clipper Projected Operating Budget, the program has managed to identify several fund sources to help offset short-term Operating deficits. In December 2018, the Clipper Executive Board approved the disbursement of \$1.46M of Inactive Unregistered Funds to the Clipper program, which is now reflected in the current year's Operating Budget (FY 2018-19). Furthermore, at the end of 2018, a portion of Float Account funds deemed not immediately needed for daily

operations were invested in a money market fund and began earning interest. That interest is expected to total an estimated \$1.5M annually based on current returns.

2. Based on this budget, an operating funding shortfall occurs in FY 2022-23, with an operating deficit of \$4.4M that grows larger in the following years. This is largely due to concurrent operating costs for both the current and next generation Clipper systems. MTC and transit agency staff are working to identify potential funding sources and solutions to address this shortfall, which may require changes to MTC and operator contributions.
3. Operating costs and MTC/transit operator contributions in this budget are assumed to be similar to current operating costs. The current assumption is that the current and next generation Clipper systems will operate in parallel in FYs 2019-20 (accelerated deployment) to 2023-24 (full deployment of the next generation system). Operator and Clipper staff are meeting to propose a detailed next generation Clipper cost sharing plan.
4. Since the approval of last year's Clipper Two Year Budget and Work Plan, the full capital cost of approximately \$194M for the next generation Clipper system integrator contract is now included in the capital budget. This budget assumes that expenses are incurred when major milestones and equipment deployment are achieved, and assumes that they occur at the current project schedule.
5. New fund sources in the capital budget include:
 - Regional Measure 3 - \$50M
 - The Regional Measure 3 Bill contains \$50M in funds for the design, development, testing, installation, and transition of the next generation Clipper system.
 - State of Good Repair (SGR) Population-Based Funds - \$10.2M annually beginning FY 2018-19
 - Senate Bill 1 funds \$10.2M annually for the development and deployment of the C2 system. Those funds are assumed in the Clipper budget until capital needs are met.
6. The capital budget assumes three additional MTC staff members to support various initiatives related to transit operator support, next generation Clipper deployment, and other various initiatives, as well as increased next generation Clipper technical advisor support for transit operators in advance of accelerated deployment.
7. At the request of the transit operators, an annual pool of around \$600K in capital funds is budgeted for new capital initiatives in order to support smaller projects, especially for smaller operators.

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.



Carol Kuester

Attachments:

- Attachment A: DRAFT Clipper Projected Operating Budget and Operating Budget Detail
- Attachment B: DRAFT Clipper Projected Capital Budget and Operating Capital Detail
- Attachment C: Clipper Two Year Budget and Work Plan Highlights

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DRAFT CLIPPER® PROJECTED OPERATING BUDGET - FEBRUARY 4, 2019

Item No.	Descriptions	Current FY 18/19 (\$M)	FY 19/20 (\$M)	FY 20/21 (\$M)	FY 21/22 (\$M)	FY 22/23 (\$M)	FY 23/24 (\$M)	FY 24/25 (\$M)
MTC Operating Costs								
1	Annual C1 Operating Costs - MTC	\$8.8	\$9.3	\$9.7	\$10.0	\$5.0	\$1.0	\$0.0
2	Annual Next Gen Clipper SI Operating Costs - MTC	\$0.0	\$0.3	\$0.8	\$1.9	\$6.4	\$7.3	\$7.7
3	Annual Next Gen Clipper Other Operating Costs - MTC ¹	\$0.0	\$0.7	\$1.3	\$2.0	\$2.6	\$2.7	\$2.8
4	MTC Staff	\$1.3	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5	\$1.6
5	Clipper® Operations - Misc.	\$0.6	\$0.6	\$0.7	\$0.7	\$0.7	\$0.8	\$0.8
6	In Person Customer Service Centers	\$1.1	\$1.2	\$1.2	\$1.3	\$1.4	\$1.4	\$1.5
7	Customer Education Program	\$1.4	\$1.8	\$1.8	\$1.9	\$2.0	\$2.1	\$2.2
8	Consultants	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
9	<i>Subtotal MTC expenses</i>	\$13.4	\$15.0	\$16.9	\$19.1	\$19.6	\$16.9	\$16.6
Transit Agency Costs								
10	Annual C1 Operating Costs - Transit Agencies	\$17.6	\$18.5	\$19.4	\$19.9	\$10.0	\$2.0	\$0.0
11	Annual Next Gen Clipper SI Operating Costs - Transit Agencies	\$0.0	\$0.5	\$1.6	\$3.8	\$13.1	\$14.8	\$15.7
12	Annual Next Gen Clipper Other Operating Costs - Transit Agencies ²	\$0.0	\$3.3	\$6.2	\$8.5	\$11.9	\$12.2	\$12.5
13	<i>Subtotal Transit Agency expenses</i>	\$17.6	\$22.4	\$27.2	\$32.3	\$34.9	\$29.0	\$28.1
14	Total Operating Costs (MTC+Transit)	\$31.0	\$37.4	\$44.1	\$51.4	\$54.6	\$45.9	\$44.8
Operating Revenues								
15	Total STA Revenues	\$9.7	\$7.1	\$7.5	\$7.3	\$7.5	\$7.7	\$7.8
16	Total RM2 Marketing Revenue	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1
17	Additional RM2 Marketing Revenue ³	\$1.5	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7
18	Additional RM2 Operating Revenue ³	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
19	Unregistered Inactive Funds	\$1.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
20	Cap and Trade	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
21	Float Account Interest	\$0.0	\$1.5	\$1.5	\$1.5	\$1.5	\$1.5	\$1.5
22	Total Transit Agency Revenue	\$17.6	\$22.4	\$27.2	\$32.3	\$34.9	\$29.0	\$28.1
23	Total Operating Revenue	\$33.4	\$35.8	\$41.0	\$45.9	\$48.7	\$43.0	\$42.2
24	Cumulative Surplus/Deficit⁴	\$8.6	\$7.0	\$3.9	\$1.4	(\$4.4)	(\$7.3)	(\$9.8)

¹ Includes O&M for CSC

² Includes O&M for CSC, Pass Through Fees (incl. Mobile Fees & Third Party Commissions), Payment Gateway Fees, etc.

³ Contingent upon availability and MTC Commission Approval

⁴ Operations Carry Forward From Prior Year = \$6.2M

Assumes continuation of ~ 1/3 MTC, 2/3 Transit Agency split of non-Pass Through Fees in C2 & Agencies can pay their share

Assumes 10% tax, no contingency

TABLE 1A: Operating Budget Detail DRAFT
February 4, 2019

Operating Budget Item #	Category	Project Name	Vendor	Current FY 18/19 (\$M)	FY 19/20 (\$M)	FY 20/21 (\$M)
1	Annual C1 Operating Costs - MTC	MTC share of annual C1 operating costs per the MOU	Cubic	8.82	9.26	9.72
2	Annual Next Generation Clipper System Integrator Operating Costs - MTC	Estimated MTC share of Next-Gen Clipper System Integrator annual operating costs	Cubic	0.00	0.27	0.79
3	Annual Next Generation Clipper Other Operating Costs - MTC	Estimated MTC share of Next-Gen Clipper Other Operating costs	TBD	0.00	0.66	1.32
4	MTC Staff	MTC Staff	MTC	1.35	1.25	1.31
5	Clipper Operations - Misc.	Data Store, ATT Network Services, Storage Fees	Various	0.11	0.12	0.12
		SSAE Audit	Cubic	0.22	0.23	0.24
		Operational Reporting and Analysis	RDA	0.20	0.21	0.22
		Website Maintenance	Cubic	0.08	0.08	0.08
6	In Person Customer Service Centers	AC Transit In Person Customer Service Center	AC Transit	0.25	0.25	0.25
		Embarcadero Kiosk	Fanueil	0.50	0.53	0.56
		Bay Crossings In Person Customer Service Center	Nematode	0.30	0.32	0.34
		Transportation Information Booth	Fanueil	0.08	0.08	0.08
7	Customer Education	Creative design for website and customer education initiatives	MIG	0.55	0.55	0.55
		Ad Campaigns	TBD	0.50	0.50	0.50
		Research/Survey	TBD	0.00	0.15	0.15
		Next-Generation Customer Research	TBD	0.00	0.25	0.25
		Outreach Support	Caribou	0.20	0.25	0.25
		Production costs for signage and collateral	TBD	0.02	0.04	0.04
		Cardholder Materials	Cubic	0.15	0.05	0.10
8	Consultants	Program Mgt. and Strategic Planning	Synapse Strategies	0.03	0.00	0.00
9	TOTAL			13.36	15.04	16.88

DRAFT CLIPPER® PROJECTED CAPITAL BUDGET - FEBRUARY 20, 2019

Item No.	Description								TOTAL FY 18/19 - 24/25 (\$M)
		Current FY 18/19 (\$M)	FY 19/20 (\$M)	FY 20/21 (\$M)	FY 21/22 (\$M)	FY 22/23 (\$M)	FY 23/24 (\$M)	FY 24/25 (\$M)	
Capital Costs (See Table 2 for Cost Detail)									
	Current Clipper® System (C1)								
1	MTC Staff	\$1.2	\$1.3	\$1.3	\$0.7	\$0.0	\$0.0	\$0.0	\$4.5
2	Clipper Cards & Fare Media	\$4.0	\$4.0	\$4.0	\$3.0	\$3.0	\$2.0	\$1.0	\$21.0
3	Consultants	\$0.8	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$0.0	\$5.8
4	System Enhancements	\$1.3	\$0.6	\$0.6	\$0.6	\$0.0	\$0.0	\$0.0	\$3.1
5	System Enhancements - Operator Requested and Paid	\$0.9	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.4
6	Infrastructure Refresh/End-of-Lifecycle Replacement	\$3.5	\$3.0	\$3.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.5
	Next Generation Clipper® System								
7	MTC Staff	\$1.9	\$3.5	\$3.7	\$5.8	\$6.1	\$6.4	\$6.7	\$34.0
8	System Integrator Contract ¹	\$12.9	\$47.8	\$22.4	\$62.0	\$15.6	\$28.5	\$5.2	\$194.3
9	Customer Service Center	\$0.0	\$1.0	\$0.5	\$0.5	\$0.5	\$0.0	\$0.0	\$2.5
10	Integrate Existing TVMs/Faregates	\$0.0	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.0
11	Replace TVMs/Faregates - Operator Paid	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
12	Consultants	\$1.9	\$2.0	\$2.7	\$2.0	\$2.1	\$2.2	\$2.3	\$15.2
13	Total Expenses	\$28.3	\$69.7	\$39.2	\$75.6	\$28.2	\$40.1	\$15.2	\$296.3
Revenue									
14	TCP - FTA	\$5.0	\$0.0	\$14.1	\$15.5	\$15.5	\$15.5	\$15.5	\$81.1
15	TCP - OBAG2-STP/CMAQ	\$5.7	\$8.8	\$20.4	\$0.0	\$0.0	\$0.0	\$0.0	\$34.8
16	TCP - OBAG2-RM2	\$2.6	\$10.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$13.0
17	Fare Media and Card Fee Revenue	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	\$35.0
18	Operator Paid Revenue	\$0.9	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.4
19	Cap and Trade	\$3.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3.1
20	Regional Measure 3	\$0.0	\$0.0	\$0.0	\$50.0	\$0.0	\$0.0	\$0.0	\$50.0
21	SB1 State of Good Repair	\$10.2	\$10.2	\$10.2	\$10.2	\$6.6	\$0.0	\$0.0	\$47.4
22	BATA Rehab	\$9.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.6
23	Total Annual Revenue	\$42.1	\$35.9	\$49.7	\$80.7	\$27.1	\$20.5	\$20.5	\$276.5
24	Cumulative Surplus/Deficit ²	\$38.8	\$5.1	\$15.6	\$20.7	\$19.6	\$0.0	\$5.3	

¹ Assumes Contract Ceiling Price, No Open Payment Deployment, 15% Contingency, 10% tax where applicable

² Capital Carry Forward From Prior Year = \$25.1M

TABLE 1A: Capital Budget Detail **DRAFT**
February 20, 2019

Item #	Category	Project Name	Vendor	Current 2018/19 (\$M)	2019/20 (\$M)	2020/21 (\$M)	Description
Current Clipper System							
1	MTC Staff	MTC Staff	MTC	1.20	1.26	1.32	MTC staff funded with capital funds
2	Clipper Cards	Clipper card order	Cubic	4.00	4.00	4.00	Annual Clipper card order
3	Current System Consultants	Technical Advisor	Jacobs	0.60	0.80	0.80	Tech Advisor support expected to increase in the short term to fulfill current staffing needs and maintain state of good repair of current system
		Capital projects support	TBD - bench contract	0.20	0.20	0.20	As needed support from Consultant Assistance Bench, including data and reporting infrastructure improvements
		Subtotal:	0.80	1.00	1.00		
4	Current System Enhancements	Credit card improvement initiatives	Cubic	0.20	-	-	Card acceptance/fraud reduction, selective card blocking
		Regional Means-Based Discount	Cubic	1.00	-	-	Implementation of a regional means-based discount on Clipper for multiple operators
		Operator Requested Regionally Approved Enhancements	Cubic	-	0.60	0.60	Enhancements to the system specially requested by operators that are approved by the region
		Operator asset management tracking	Cubic	0.10	-	-	Enhancement for automated tracking of bus equipment and maintenance
		Subtotal:	1.30	0.60	0.60		
5	Current System Enhancements - Operator Requested and Paid	Caltrain - TVM Integration	TBD	-	0.1	-	Integrate Caltrain TVMs with Clipper
		GG - Business Rule Simplification	Cubic	0.12	-	-	Implementation of new transfer rules for Golden Gate Transit
		GG - Tiburon	Cubic	TBD	TBD	TBD	Creation of Tiburon Ferry product
		GG - Tiburon	Cubic	TBD	TBD	TBD	Equipment Installation at Tiburon Ferry Terminal for CIDs, TVM, and TDS
		GG - TVM Replacement	Cubic	TBD	TBD	TBD	Third Party Integration with an external TVM supplier, or a solution for a new TVM not tied to SFMTA
		Marin Transit - Standalone Operator	Cubic	-	TBD	TBD	Conversion of business rules from dual-tag to flat fare payment
		SFMTA - Lifeline Pass	Cubic	-	1.5	-	Transition Lifeline Pass to Clipper-only
		VTA - TVM Integration	Cubic	0.16	-	-	Integration of VTA TVMs to dispense Clipper cards
		WETA - Richmond & San Francisco	Cubic	0.60	-	-	Equipment Installation at Richmond Ferry Terminal and expansion at San Francisco Ferry Terminal
		Multiple Operators - Fleet Replacement and Expansion	Cubic	TBD	TBD	TBD	Bus device procurements for fleet replacements and expansion
		Multiple Operators - New Driver Console (DC3) - Single Point Log-on	Cubic	TBD	TBD	TBD	Onboard integration of Clipper and other vehicle systems for operators with new bus devices
		Subtotal:	0.88	1.56	-		
6	Infrastructure Refresh/End-of-Lifecycle	Replace end-of-life equipment as needed	Cubic	3.50	3.00	3.00	Replace obsolete equipment at end of lifecycle
		Subtotal:	3.50	3.00	3.00		
Next Generation Clipper System							
7	MTC Staff	MTC Staff	MTC	1.89	3.50	3.68	MTC staff funded with capital funds eligible for equipment/system replacement
8	System Integrator Contract	Next Generation Clipper System Integrator	Cubic	12.88	47.79	22.35	Replace back end systems and front end devices (retailer devices, ticket office terminals, vehicle and platform card readers, handheld readers)
9	Customer Service Center	Next Generation Clipper Customer Service Center provider	TBD	-	1.00	0.50	Provide customer service functions related to the Next-Generation Clipper fare payment system
10	Integrate TVMs and Faregates	Integrate existing TVMs and faregates	TBD	-	4.00	-	Existing TVMs and faregates will be integrated into the next-generation system. Individual operators are responsible for replacement (see Line 10). Integration estimate assumes Cubic supplies web-based API, all existing hardware is adequate, and no change to credit/debit gateways.
11	Replace TVMs and Faregates	Replace TVMs and faregates	TBD	-	-	-	Replacement of TVMs and faregates is <u>not</u> included in the scope of next-generation Clipper; only integration of the existing TVMs and faregates. Operators are responsible for replacement costs.
12	Consultants	Next Generation Clipper RFP Financial Evaluation	KPMG	0.10	-	-	Financial evaluation and review of vendor proposals for cost realism and cost effectiveness
		Next Generation Clipper Strategic Planning/Advice Contract	Invoke	0.20	0.20	0.20	Strategic planning/advice during next-generation Clipper procurement and implementation
		Next Generation Clipper Legal Support	Thompson Coburn	0.20	-	-	Legal and contracting support for next-generation Clipper procurement and implementation
		Next Generation Clipper Technical Advisor	IBI Group	1.40	1.75	2.50	Next-generation Clipper planning, procurement, management, implementation, and technical support
		Subtotal:	1.90	1.95	2.70		
13		TOTAL		28.35	69.66	39.15	



Clipper Two Year Budget and Work Plan Highlights

February 21, 2019

Funding in Good Shape

Capital

\$25.1M	Prior Year Carry-Over (as planned)
\$50M	Regional Measure 3 (FY 20/21)
\$10.2M/yr	Senate Bill 1 State of Good Repair

Operations

\$6.2M	Prior Year Carry Over (as planned)
\$1.46M	Float Account Release (Inactive Unregistered Cards – FY 18/19)
\$1.5M (est.)/yr	Float Account Interest

Operations deficit begins in FY 22/23



Capital Budget Highlights

DRAFT CLIPPER PROJECTED CAPITAL BUDGET - JANUARY 17, 2019

Item	Current FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	TOTAL FY 19/20 20/25
Capital Costs (Net Value of Project Costs)								
General Support Systems (GSS)								
1. MTC Staff	\$1.0	\$1.2	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	\$4.3
2. Clipper Cards & Fare Media	\$4.0	\$4.0	\$4.0	\$0.0	\$0.0	\$0.0	\$1.9	\$13.9
3. Consultants	\$0.0	\$1.0	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0
4. System Enhancements	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.0
5. System Enhancements - Operator Requested and Paid	\$0.0	\$1.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.4
6. Infrastructure Refresh/End-of-Life Replacement	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Next Generation Clipper® System								
7. MTC Staff	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
8. System Integrator Contract ¹	\$12.9	\$47.9	\$12.4	\$42.0	\$15.6	\$28.5	\$5.2	\$194.2
9. Customer Service Center	\$0.0	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.0
10. Integrated Existing Traffic Signals	\$0.0	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.0
11. Replace TSMU/Engines - Operator Paid	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
12. Consultant ²	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
13. Total Expenses	\$13.9	\$53.6	\$12.4	\$42.0	\$15.6	\$28.5	\$5.2	\$194.2
Revenue								
14. TSP - MTA	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
15. TSP - CBAGG STP/CANAL	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
16. TSP - CBAGG ROAD	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
17. Fare Media and Card Fee Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
18. Operator Paid Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
19. Gas and Fuel	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
20. Regional Measure B	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
21. All State of Good Repair	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$70.0
22. Tax & Fees	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
23. Total Annual Revenue	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$70.0
24. Consolidated Surplus/Deficit ³	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

FY 19/20	FY 20/21
\$1.2	\$1.3
\$4.0	\$4.0
\$1.0	\$1.0
\$0.6	\$0.6
\$1.6	\$0.0
\$3.0	\$3.0
\$3.0	\$3.1
\$47.8	\$22.4
\$1.0	\$0.5
\$4.0	\$0.0
\$0.0	\$0.0
\$2.0	\$2.7
\$69.1	\$38.5

Change

Detail

Next Generation SI
Contract Costs

Executed contract with actual costs

Next Generation
Accelerated
Deployment

Earlier next generation system capital
costs due to accelerated deployment

Consultant
Support

Increased near-term support for
accelerated deployment and strategy

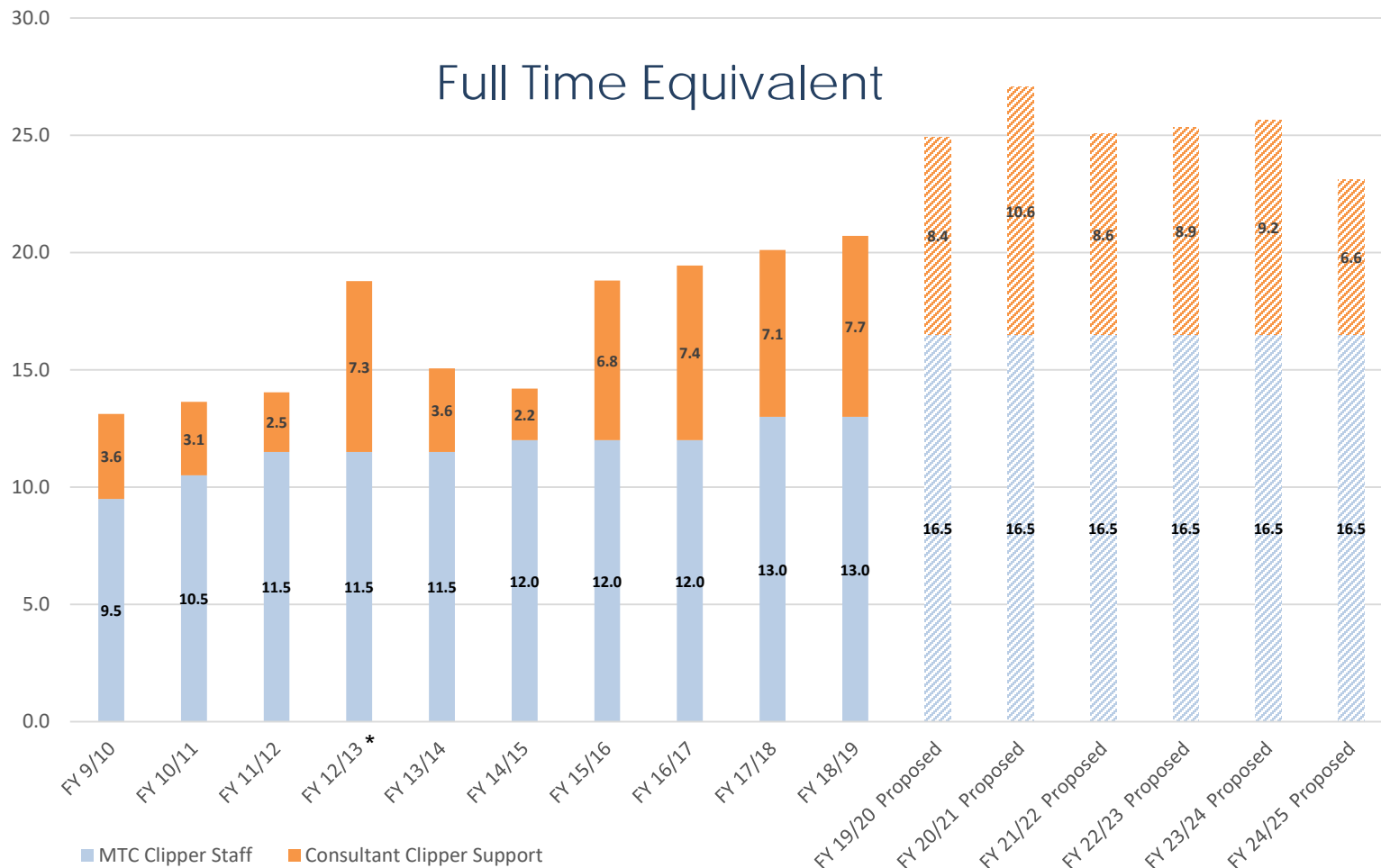
MTC Support

Three additional staff for new contracts,
institutional programs and operator
support

Enhancement Pool

\$600K fund for small projects

Clipper Historical Staffing Resources

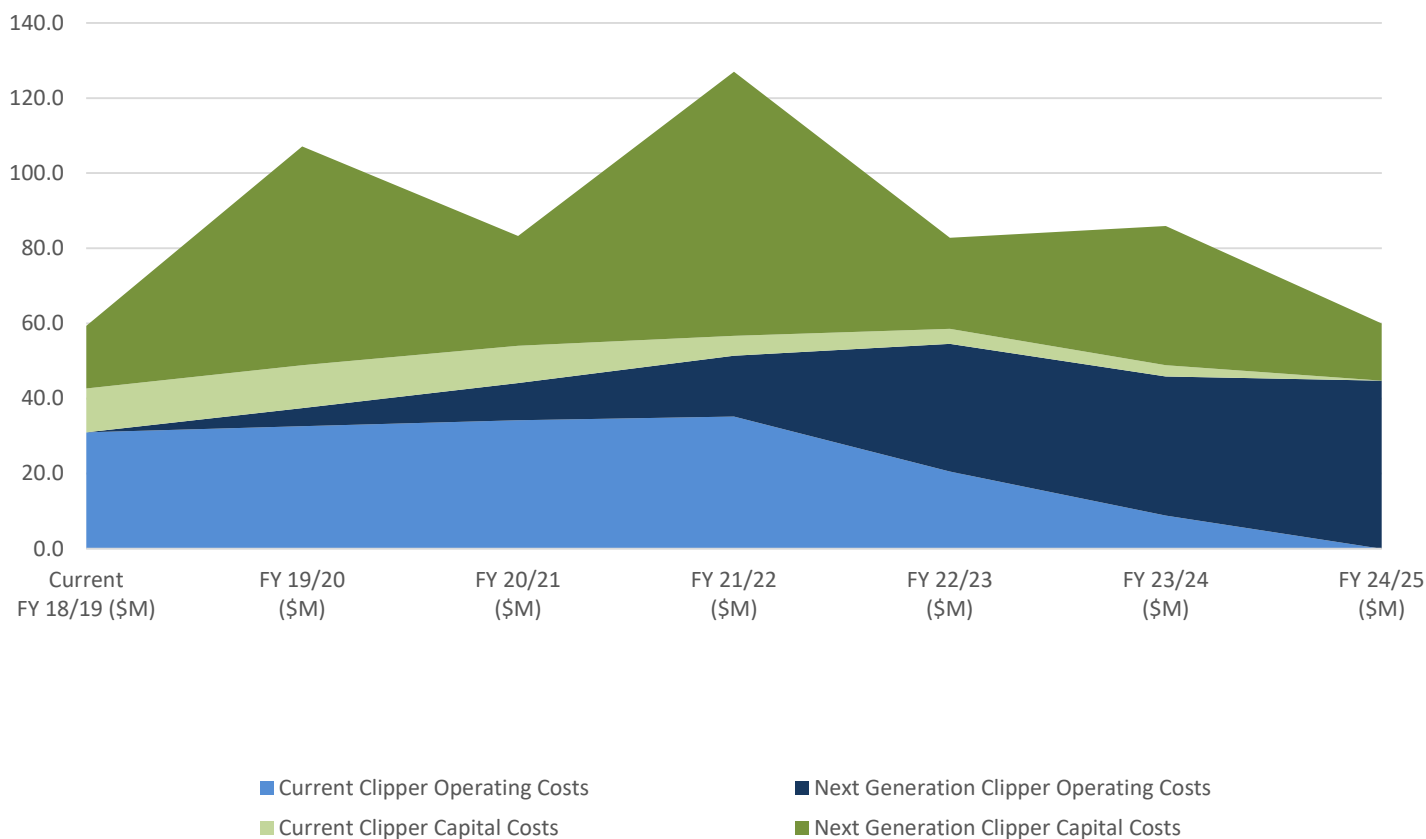


* Bump in consultant staff for support of the SFMTA fare gate and ticket vending machine installation project.

Note: MTC Clipper staff has been consistent at ~12 FTE since 2011. In 2017 one new position was added to support the C2 procurement. Since 2011, the number of active Clipper accounts has grown 225% and the number of monthly transactions has grown 100%.

Clipper Historical Staffing Resources

Capital & Operating Budget Over Time



Clipper Staffing

- Three vacancies – all backfills – in recruitment now. Expected start dates ~ March 2019
 - Two positions under Eric Davis/Operations
 - One position under Lysa Hale/Cust Ed & Service Center
 - Once filled we're at historical status quo: ~12 Clipper FTE

Clipper Staffing

- Three new positions requested for FY 2020-21
 - Recruitment begins July 2019 earliest
 - Positions funded by Clipper program budget
 - Staff needed to assume new assignments (see following slides)

Why Increased Staffing? New Work

#1& 2: Deliver C2/Accelerated Deployment

- Support and coordinate current Clipper and next generation Clipper systems now through ~ 2023
- Deliver on accelerated next gen schedule
 - Accelerated deployment depends on timely review, response
 - Proposal adds FTE to support transit agencies' reviews
- Deliver Clipper multimodal integration in next generation Clipper system
 - Rail, ferries 100% Clipper
 - Parking
 - Mobility as a Service?
- Procure, operate and coordinate three additional contracts;
 - Customer service center
 - Credit/debit gateway
 - Fare media (cards)



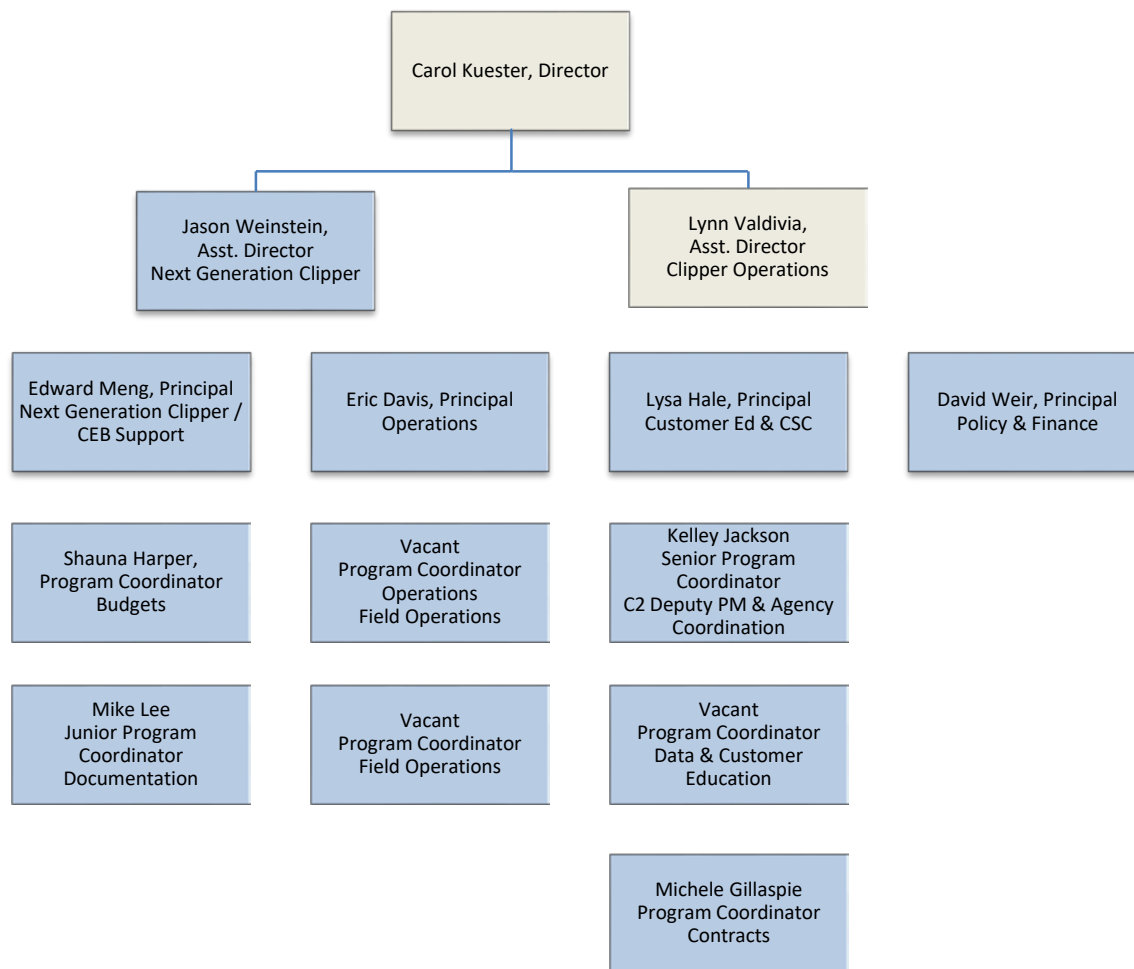
Why Increased Staffing? New Work

#3: Deliver Institutional Programs

- Means-based program delivery and operations
 - Establish and manage online eligibility verification process
 - Create, sustain relationships with social service agencies
 - Oversee operations of program
- Incorporate management of RTC Discount Card program, regional paratransit eligibility database
 - Update policies and procedures
 - Plan for MTC/Clipper to assume regional eligibility verifier contract
- Extend Clipper to paratransit



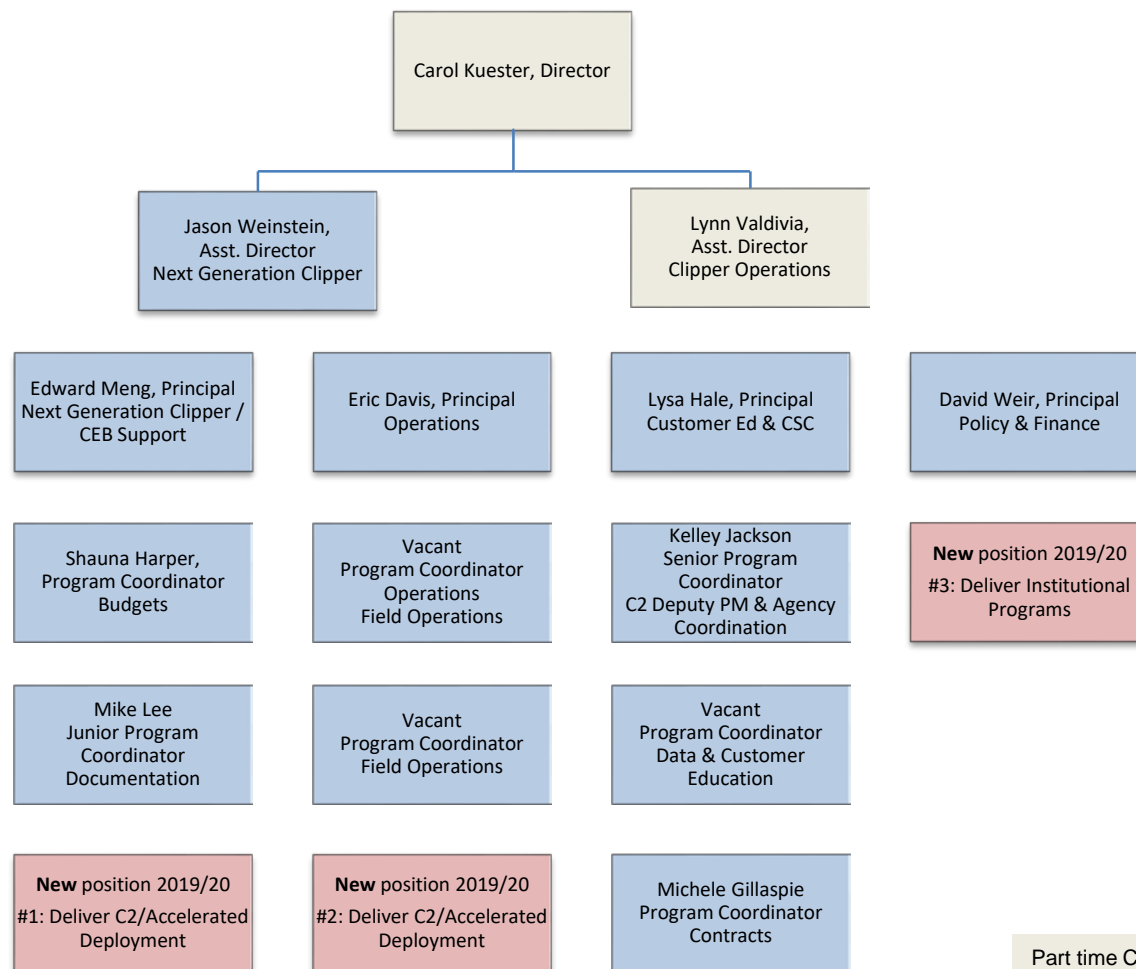
MTC Clipper Staff Today



Part time Clipper staff = 2

Full time Clipper staff = 12

MTC Clipper Staff Justification

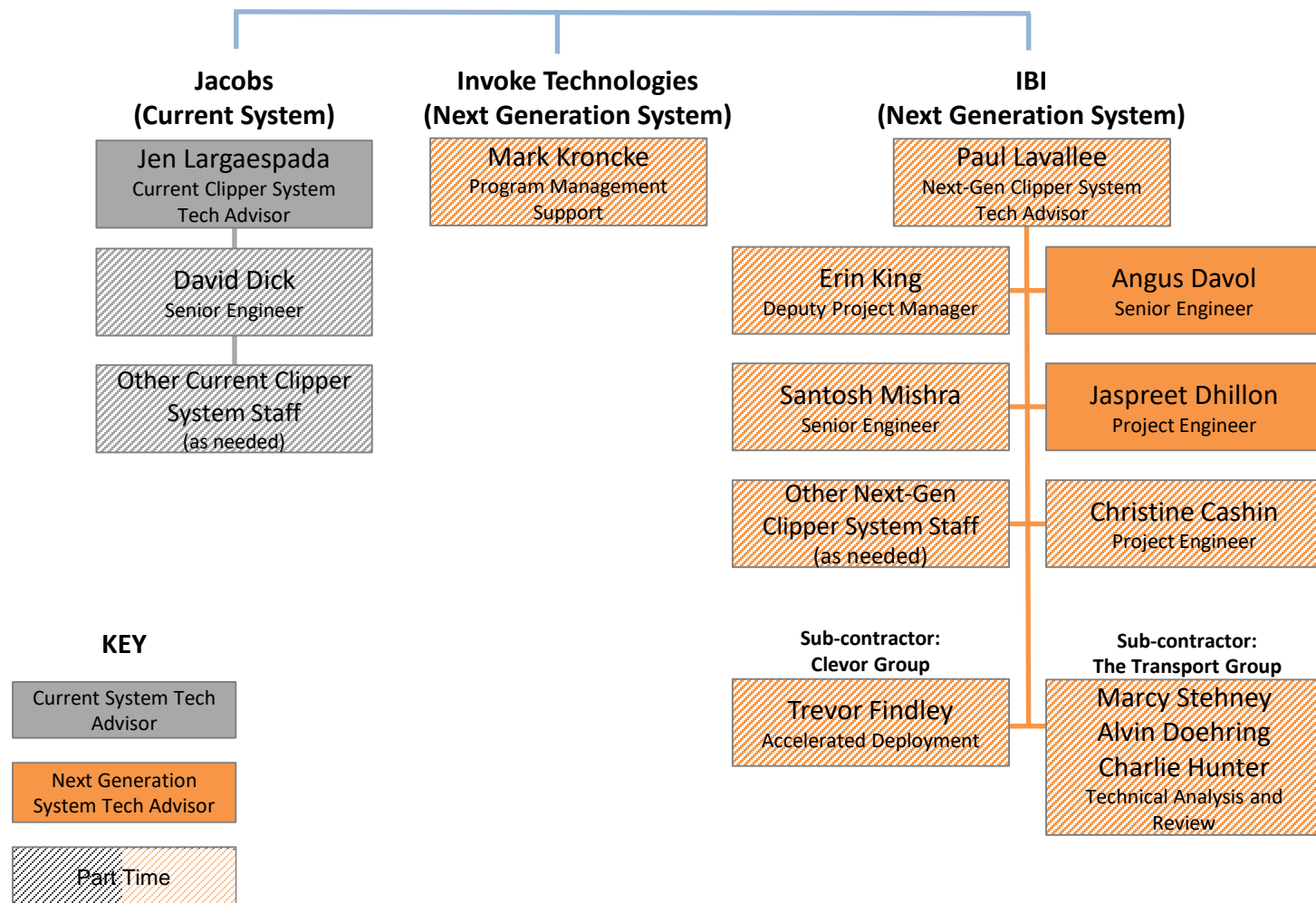


Part time Clipper staff = 2

Full time Clipper staff = 12

Proposed New Clipper staff = 3

Clipper Consultant Staff Chart



MTC Clipper & Consultant Staff

