

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **CALTRAIN GOVERNANCE SPECIAL MEETING #1**

ACTION

It is recommended that the Peninsula Corridor Joint Powers Board (Board) receive a staff presentation providing information for the first Caltrain governance special meeting of 2021, including information on background interviews and key themes and the proposed 2021 governance process. It is also recommended that the Board take action 1) to agree to the 2021 governance process roadmap and objectives, and 2) to agree to the broad structural governance paths under study and consideration through the 2021 governance process.

SIGNIFICANCE

In August of 2019, the Board received a Caltrain Organizational Assessment report from Howard Permut as part of the Caltrain Business Plan effort. In November 2019, the Board held a special workshop to discuss the Caltrain organization and governance issues in greater depth. Following the workshop, at its regular December 2019 meeting, the Board agreed to form a Governance Ad Hoc Committee and hire a special counsel to research and clarify key issues in a fact-finding report. The Governance Ad Hoc Committee met regularly in the first half of 2020, and in July 2020, the special counsel presented their fact-finding report to the full Board.

In August 2020, the Board held a substantial discussion regarding the placement of Measure RR on the November 2020 ballot in San Francisco, San Mateo, and Santa Clara counties. If approved by two-thirds of the voters in all three counties, Measure RR would provide dedicated funding to Caltrain via a 1/8 cent sales tax in each county. At the August 2020 meeting, the Board approved Resolution 2020-42 to authorize placement of Measure RR on the ballot. This resolution also included provisions related to governance, including a commitment by the Board to develop and approve a governance recommendation by December 2021.

Over two-thirds of the voters in San Francisco, San Mateo, and Santa Clara counties approved Measure RR on November 3, 2020. Following its passage, the Board requested that Caltrain staff commence the 2021 governance process to support the

Board in development of its governance recommendation by the end of 2021. A Governance Process Ad Hoc Committee of the Board was established to aid with the process, comprised of four Board members: Chair Davis, Director Chavez, Director Pine, and Director Walton.

The special meeting on March 19, 2020 is the first of at least four special meetings intended to assist the full Board in the process of reaching a governance recommendation by the end of the year. The Governance Process Ad Hoc Committee has met twice in advance of the Board's first special meeting, and it is expected to meet monthly to support the overall 2021 governance process.

Howard Permut, of Permut Consulting LLC, will present at the March 19, 2021 meeting along with staff. He will be joined by Katie Miller, of Left Lane Advisors, to moderate the Board's discussion. The special meeting materials include an extensive powerpoint that presents key themes emerging from background interviews, as well as information about the proposed 2021 governance process.

During the special meeting, Board action is requested to 1) to agree to the 2021 governance process roadmap and objectives, and 2) to agree to the broad structural governance paths under study and consideration through the 2021 governance process.

BUDGET IMPACT

There is no budget impact associated with receiving this report or taking the requested actions.

NEXT STEPS

The Board's second special meeting on governance will be scheduled for later this spring.

Prepared by: Michelle Bouchard, Chief Operating Officer, Caltrain