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ITEM ID:	**2026-354-0**
TRANSMITTAL DATE:	**November 6, 2026**
MEETING DATE:	**November 13, 2026**
TO:	**Board of Directors**
FROM:	**Tom Schamber, Chief Financial Officer**
SUBJECT:	**Third-Party Agreement (TPA) Quarterly Reporting for Q1 FY2027**

Issue

This report provides the Board with an overview of the current Third-Party Agreement portfolio, summarizing the total number of active projects, budget amounts, and remaining balances.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of: Modernizing Business Practices: We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair, investing in the development of our employees and maintaining fiscal sustainability.

Background

SCRRA currently manages various Third-Party Agreements (TPAs) which fund projects outside of the annual Board approved budget. These projects fund activities such as project planning, design and construction services; flagging and inspection services; maintenance; special trains; and permit related requirements.

Historically, reporting on these projects was not done consistently. In February 2026, Internal Audit issued a finding requiring the formalization of reporting practices. This report addresses the associated corrective action plan by establishing a standardized reporting process, with updates to be presented to the Board quarterly going forward.

Discussion

At the end of the quarter ending September 30, 2026, the Authority had 502 active Third Party agreements with a total budget amount of $118,050,141.39, with a remaining balance of $66,356,853.81. These projects are funded outside of the annual budget process.

Next Steps

The Third-Party Agreement report for the quarter ending December 31, 2026, will be presented in February 2027.

Prepared by:	Nancy Perez, Assistant Director, Finance
Approved by:	Tom Schamber, Chief Financial Officer

Attachment(s)

Presentation - FY27 Q1 Third-Party Agreement Report