



ITEM ID: 2026-121-0

TRANSMITTAL DATE: February 20, 2026

MEETING DATE: February 27, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY26 Mid-year Budget Amendment

Issue

Since the adoption of the FY26 Budget on June 27, 2025, events have occurred that require adjustments to the budget.

Recommendation

It is recommended that the Board approve the proposed amendment to the FY26 budget, increasing the Operating Budget by \$914,029, and increasing the Capital Budget by \$500,000.

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 Member Agency support while bringing our system into a state of good repair and investing in the development of our employees. Providing current and accurate information to our Board enhances their oversight, and ability to provide direction based on factual data.

Background

On June 27, 2025, the SCRRA Board of Directors adopted the FY26 Operating Budget for Metrolink. The Budget reflected Operating Revenue of \$76.9M, Expenses of \$352.4M, and Member Agency Support of \$275.5M. On June 27, 2025, the SCRRA Board also adopted the

FY26 Capital Budget in the amount of \$137,502,000 for State of Good Repair (SGR) and \$15,578,000 for New Capital.

As stated in Finance Policy Fin-1.2, Budget Control & Reporting, section 1.2.1, "the Agency works to minimize unanticipated funding requirements of Member Agencies and fulfill objectives within the authorized budget. However, once the fiscal year commences, events may occur which require budgetary reconsideration, or an amendment.

The policy also states in Section 1.2.1.1.1, "In the case that an amendment requires additional funding which is provided by Grant or Third-Party Agreement and does not increase the Member Agency's subsidy, the SCRRA Board of Directors may proceed with approving the amendment."

Discussion

Amendments to the FY26 Operating Budget:

Outside '20 Amendment

The Los Angeles County Metropolitan Transportation Authority (LA Metro) has requested that SCRRA maintain the "Outside '20" portion of the Pasadena subdivision. The scope of work and associated cost of \$314,029 have already been included in an amendment to the Authority's annual MOU with LA Metro.

Amendment for Acquisition of Parts

In order to resolve service disruptions as a result of mechanical failures, staff have identified the need to increase our available supply of critical spare parts, particularly because these parts have proven to have long lead times - sometimes as long as 52 months. In response, we recommend ordering \$3 million or more in additional critical spare parts. We expect to receive and expense \$600,000 of these parts in FY26, requiring a budget amendment of that amount.

The balance of the required parts is expected to be received and expensed in FY27 and FY28, based on expected lead times. Those amounts will be requested when each budget is proposed for adoption.

Amendment to the FY26 Capital Budget:

Seat Cover Replacement

The condition of seat covers on passenger cars had deteriorated to the point that this repair could not be deferred. A \$500,000 addition to the FY26 State of Good Repair Budget is needed to fund the replacement of worn seat covers. Funding for this project has already been identified and approved by the Member Agencies, primarily through the application of surplus support from FY25. In the future, rotating replacements will be made as a part of normal maintenance.

Budget Impact

If approved, these amendments will result in an Amended FY26 Operating Budget. FY26

Operating Revenue will remain at \$76,914,792. Expenses will increase by \$914,029, bringing the total to \$353,337,315. Support will also increase by \$914,029, bringing the revised total from \$275,508,494 to \$276,422,523.

The FY26 State of Good Repair Capital budget will increase by \$500,000, bringing the total from \$137,502,000 to \$138,002,000.

Next Steps

Because actual expenditures for the FY26 Operating Budget are currently under budget, staff will not be requesting additional funds be provided from Member Agencies at this time.

Prepared by: Christine J. Wilson, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Presentation - FY26 Mid-Year Budget Amendment](#)