



ITEM ID: 2024-277-0

TRANSMITTAL DATE: September 6, 2024

MEETING DATE: September 13, 2024

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Amendments to FY25 Arrow Service Operating and Capital Budgets

Issue

A Budget Amendment is needed to increase both the Operating and Capital Budgets as a result of Metrolink's Assumption of the San Bernardino County Transportation Authority (SBCTA) Agreement with Stadler USA, for that portion of the agreement covering maintenance of DMU vehicles, materials, and maintenance of the Arrow Maintenance Facility (AMF).

Recommendation

It is recommended that the Board adopt the amendments to the FY25 Arrow Service Operating and Capital Budgets.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve.
- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving.

- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California.

Background

On June 28, 2024, the SCRRA Boards of Directors adopted the FY25 Operating and Capital Budgets for Arrow Service.

The Operating Budget included the following amounts:

- Revenue: \$0.2M
- Expense: \$15.7M
- Support: \$15.5M

A Capital Budget was adopted in the amount of \$1.5M.

Discussion

Subsequent to the adoption of the FY25 Budget, SBCTA reached an agreement with a new vendor to provide mechanical services for the DMU, including materials, and to provide maintenance for the AMF. Pending Board approval, Metrolink will assume the agreement, requiring an amendment to the FY25 Budget.

This amendment will include the following additions:

Operating Budget

- Mobilization \$1,076,040
- Expenses \$735,948

With the addition of these amounts, the revised Expense total (including Mobilization) will be \$17,539,500. With the addition of this amendment, the Arrow Service Operating Budget will consist of the following:

- Revenue \$211,962
- Expense (Including Mobilization) \$17,539,500
- Support \$17,327,538

Capital Budget

- State of Good Repair \$134,970
- New Capital \$750,000

With the addition of these amounts, the revised totals by Capital will be:

- State of Good Repair \$134,970
- New Capital \$2,250,000

With the addition of this amendment to the Capital Budget, the total revised amount will be \$2,384,970.

Budget Impact

Adoption of this amendment will increase the Arrow Service Operating Budget by \$1,811,988. It will increase the Capital Program Budget by \$884,970.

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

Approved by: Arnold Hackett, Chief Financial Officer

Attachment(s)

[Attachment A - FY25 Capital Program Arrow Amended Budget - New Capital](#)
[Attachment B - FY25 Capital Program Arrow Amended Budget Request - SGR](#)
[Attachment C - Amendments to FY25 Arrow Budget](#)
[Presentation - Arrow Amendment](#)