METROLINK

metrolinktrains.com/meeting

ITEM ID:	**2026-327-0**
TRANSMITTAL DATE:	**November 6, 2026**
MEETING DATE:	**November 13, 2026**
TO:	**Board of Directors**
FROM:	**Lisa Bahr, Chief Customer Experience Officer**
SUBJECT:	**Annual Consideration of Fare Changes**

Issue

At its meeting on June 26, 2026, the Board directed staff to prepare an agenda item regarding the annual consideration by the Board for potential fare changes and discussion of creating a policy so the Board considers potential fare changes every year. This item presents an amendment to Metrolink's Fare Policy for an annual fare policy review.

Recommendation

It is recommended that the Board approve fare policy amendments that include clarifications and a new article 7.1 to consider potential changes to fares as part of the annual budget development process. This review will consider budget requirements and the share of operating expenses that are covered by fare revenue.

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 and investing in the development of our employees. Updating the Authority's Fare Policy provides for an annual review of fares as part of the budget process.

Background

On June 26, 2026, the Board voted for a limited fare increase to help reduce a shortfall in the FY27 operating budget. Since fares had not increased since 2013, it required a double-digit increase for several ticket types. On October 5, 2026, the prices for One-way Tickets increased by 14% and for SoCal Day Passes from $15 to $19 on weekdays, and from $10 to $12 on weekends and holidays.

Discussion

The Authority has avoided increasing fares for 13 years until the FY27 budget shortfall required raising fare revenue in addition to a reduction in service levels. During that time, overall prices have increased by 44% since 2013 due to inflation. The 2026 fare increase marks the longest period in the Authority's history without a fare increase and necessitated a more substantial increase for certain ticket types. During the prior 13 years, between 2000 and 2013, the Authority raised fares every 1.4 years on average. The average fare increase was 5%. For comparison, US commuter rail agencies change fares approximately three years (based on a review of APTA fare databases between 2010 and 2026).

To reduce the need for infrequent but large fare increases, staff recommends an amendment to the Authority's Fare Policy for an annual review of fare policy performance and revenue requirements as part of the annual budget development process. This is not intended to recommend annual fare changes, but to provide the Board with the necessary information to make informed budget decisions.

This is supported by research which suggests that customers are more accepting of fare increases if they are small and predictable (L. M. Spock: Fare Policy Regarding Regular and/or Inflation-related "Programmed" Price Increases, NYU Wagner Rudin Center for Transportation Policy & Management. NY, NY 2007). A 2013 BART study finds that "approximately 60% of respondents would rather have predictable small increases over time than large erratic hits to their wallets" (https://www.bart.gov/news/articles/2013/news20130228-0).

The attachment includes the updated fare policy document with the new article "ANNUAL FARE POLICY REVIEW" and several clarifications to existing policies.

Budget Impact

There is no budget impact as a result of this recommendation.

Next Steps

If the Board adopts the staff recommendation the amended fare policy will take effect and a regular Board consideration of fares will be made part of the annual budget review.

Prepared by: Henning Eichler, Senior Manager, Market Insights & Analytics

Approved by:	Lisa Bahr, Chief Customer Experience Officer Tom Schamber, Chief Financial Officer

Attachment(s)

Attachment A - Fare Policy
Attachment B - Fare Policy Redline
Presentation - Fare Policy Amendment