



ITEM ID: 2026-244-0

TRANSMITTAL DATE: June 18, 2026

MEETING DATE: June 26, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: Approval for Continuation of Spending on FY27 Carryforward of Capital Projects Approved in Prior Years

Issue

The Board is being asked to approve the carryforward of authority for prior-year capital appropriations that will remain unspent at the beginning of each subsequent future fiscal year. Because the FY27 Capital Budget will not be adopted by June 30, 2026, this action by the Board is required in order to continue spending on such projects without interruption.

Recommendation

Budget, Audit, and Finance Committee recommended (3-0) that the Board approve continued spending of Capital Carryover, not to exceed project amounts approved in prior years.

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.
- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board.
- **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.

- **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.
- **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 April 24, 2026, the Board of Directors requested bifurcation of Metrolink's FY27 Capital Budget from the Operating Budget so the Capital Budget could be adopted while the Operating budget was under further development. However, based on Board direction received at its May meeting, the FY27 Capital Budget will no longer be adopted by June 30, 2026.

Absent a policy stating otherwise, capital project appropriations are considered to expire at the end of each fiscal year. The Board must reauthorize the continued spending of capital project appropriations previously approved by both the Member Agencies and the Board to ensure that spending can continue on projects already underway. This is referred to as the capital carryforward.

The capital carryforward is traditionally approved at the same time as the capital budget, authorizing a new program of projects. Given that the FY27 Capital Budget will no longer be adopted by June 30, 2026, this separate action is necessary to ensure the continued execution of previously approved capital projects.

Discussion

The carryover of prior-year capital program appropriations expected to remain unspent by June 30, 2026 is estimated to be \$377,903,019 for State of Good Repair projects and \$52,213,538 for New Capital Projects.

Attachment A is the listing of State of Good Repair Projects included in this carryforward request.

Attachment B is the listing of New Capital Carryover Projects included in this carryforward request.

Board adoption of this request will allow work on these projects to continue uninterrupted, avoiding costly schedule delays.

Budget Impact

There is no budget impact as a result of the adoption of this item by the Board.

Prepared by: Christine Wilson, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - FY27 SGR Carryover Projects](#)

[Attachment B - FY27 New Capital Carryover Projects](#)

[Presentation - Approval of Carryforward Spend](#)