

FY
26



Annual Report

Getting you where you want to go



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About Us

Mountain Line is the transit agency in northern Arizona operating fixed route bus service on nine routes, paratransit service, vanpool, and seasonal Mountain Express service to Arizona Snowbowl. Established in 2001, Mountain Line has grown into a system that employs more than 100 people and transports almost two million riders a year.

Message from the CEO and General Manager

August 31, 2026

Honorable Chair and Members of the Board:

In accordance with A.R.S. 28-9101 et seq. to establish an intergovernmental public transportation authority and the amended and restated Master IGA signed on September 12, 2025, this annual report will serve to advise the Board of Directors of the activities, transactions, and finances for the preceding fiscal year.

Staff has prepared the FY2026 Annual Report. The report contains a summary of the activities, including performance data from the City of Flagstaff and Coconino County public transportation systems. The report provides an overview of revenue and expenditures along with a financial statement for FY2026. During the fiscal year 2026, operations included planning services for multiple jurisdictions and management and oversight of the City of Flagstaff and Coconino County's public transit systems.

In addition to operating these services, Mountain Line continues to work with other transit systems and public agencies to create coordinated services between and within communities. In conclusion, the FY2026 Annual Report provides a summary of the program activities, the respective revenues received, along with expenditure of funds.

Respectfully,



Kate Morley

Interim CEO and General Manager

Mountain Line

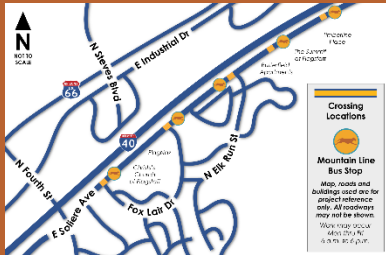
Year In Review



Maintenance Facility: Mountain Line broke ground on the grant-funded maintenance facility in summer 2025, followed by site prep in winter 2025, demolition of the current maintenance building (a converted Toyota dealership garage) in spring 2026, and project completion expected in summer 2027. This will mark the first time Mountain Line's fleet team has had space designed to accommodate the size and complexity of transit vehicles, offering a safe and efficient environment to ensure buses maintain their state of good repair.

Workforce Housing Project: Mountain Line owns a parcel of land adjacent to the Kaspar facility, and through a site planning process, determined that the land was not needed for transit purposes. In recognition of the housing crisis declared by Flagstaff City Council, the Mountain Line board directed staff to pursue a workforce housing project on the parcel. Following a competitive procurement process, Mountain Line contracted with Servitas to lease the land and develop workforce housing. There are still many steps before anything breaks ground, but the partners are committed to bringing workforce housing to the community while maintaining a long-term funding source for Mountain Line.





First Mile Last Mile Project: Mountain Line received a federal grant to partner with the City of Flagstaff on a First Mile Last Mile project, which is aimed at improving pedestrian and bicycle access to bus stops to cover the first mile and last mile of a transit journey, as most people start and end their transit trip on foot or bike. The first project under this grant is complete, which is sidewalk improvements at the Fanning and Industrial intersection to improve access to bus stops on Route 66 from social service providers in the Huntington and Industrial corridor. Additionally, several pedestrian crossings on US 180 and Soliere Ave broke ground in summer 2026.

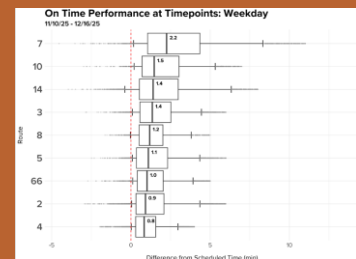
Bus Stop Upgrades: Mountain Line received \$6 million in Federal Transit Administration (FTA) grants to upgrade bus stops and crossings to improve safety and access to the transit system. Using adopted Transit Guidelines, Mountain Line identified bus stops throughout the system that would warrant upgrades, and the Board prioritized these stops based on factors like ridership, access for vulnerable populations, and topography. Mountain Line began rolling out improvements in summer 2026.





Mountain Line GO! Service Hours: Mountain Line extended microtransit service hours in summer 2025 to match the fixed route buses. Microtransit is an on-demand, flexible, shared-ride service operating on a more flexible schedule than a traditional bus. By expanding the service hours, Mountain Line GO! riders now have expanded access and connections to social service providers, making it easier for clients of these agencies to access jobs, medical appointments, and other services.

Operational Assessment: Supported by an Arizona Department of Transportation (ADOT) planning grant, Mountain Line kicked off an Operational Assessment project in January 2026 designed to guide the future growth and evolution of public transit over the next five to ten years. The Operational Assessment aims to deliver a flexible, data-driven framework that enables Mountain Line to expand service frequency, coverage, and hours in a responsive and sustainable way, positioning the system to meet future community needs while maintaining high performance and operational efficiency.



Fixed Route Bus

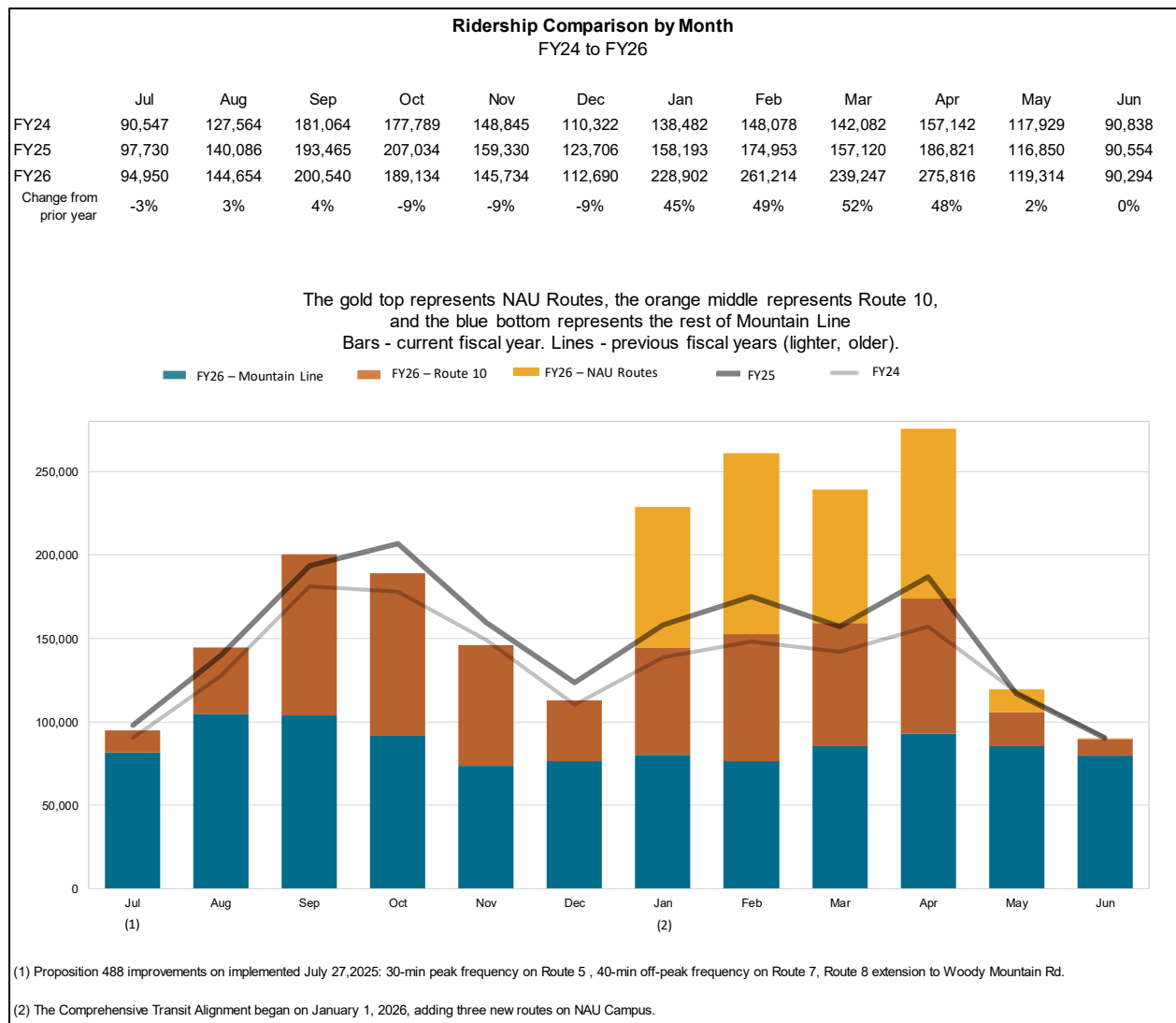


Service

Service runs **363 days of the year, 7 days a week**. Services operate Monday through Friday between 5:30 am to 10:30 pm and weekend service between 7 am to 8 pm. Nine routes and 180 bus stops connecting the Flagstaff community are listed below:

Route	Peak Frequency	Off Peak/Weekend/Holiday Frequency
Route 2	20 Minute	30/60 Minute
Route 3	30 Minute	60 Minute
Route 4	20 Minute	40 Minute
Route 5	60 Minute	60 Minute
Route 7	20 Minute	60 Minute
Route 8	30 Minute	60 Minute
Route 10	8-10 Minute	20 Minute
Route 14	30 Minute	30 Minute
Route 66	30 Minute	60 Minute

In FY2026, Mountain Line operated for a total of 88,733 revenue hours and 1,039,164 revenue miles. Passengers per revenue hour was 19.56, which is 2% higher than our peer agency's average of 18.24. Total passengers for the year were 1,735,561, a 4% decrease from FY2025.



Financial and Service Performance Benchmarks

	2023	2024	2025	2026
Cost per Trip	\$6.36	\$6.53	\$8.00	\$8.58
Cost per Hour	\$137.10	\$147.55	\$174.54	\$167.78
Trips per Hour	21.57	22.61	21.83	19.56

Student Ridership

Since reducing school bus eligibility in 2024, Flagstaff Unified School District (FUSD) has partnered with Mountain Line to provide annual bus passes to middle and high school students. The partnership has been a success, with many students and parents becoming increasingly familiarized and comfortable with Mountain Line. 2,537 passes were obtained by FUSD families in FY2026. Trips taken by FUSD students increased 45% compared to last year.



Nine percent of all trips taken on Mountain Line were by K-12 students, a 3% increase over last year.

Additionally, charter school bus pass use increased 25%. These data show that having more FUSD students taking the bus encourages charter students and/or parents that riding the bus is a good alternative. Nine percent of all trips taken on Mountain Line in FY2026 were by K-12 students, a 3% increase over last year.

Passenger Shelter Rehabilitation Program



79 of Mountain Line's 180 bus stops are shelter stops, including 10 shared shelter stops with Northern Arizona University.

Mountain Line has continued to run a passenger shelter rehabilitation program, aimed at providing an excellent passenger experience with amenities. These include better accessibility, covered waiting, seating and trash receptacles. Some locations have been outfitted with bike racks.

Mountain Express

Mountain Line operated the Mountain Express route for the 11th year, providing ski-season transit service between downtown Flagstaff and Arizona Snowbowl. This service includes a free Park-n-Ride facility at Flagstaff High School through a partnership with Flagstaff Unified School District. The total ridership was 6,975 over 34 days of service. Mountain Express continues to provide congestion relief along US 180 and is an attractive option to driving.

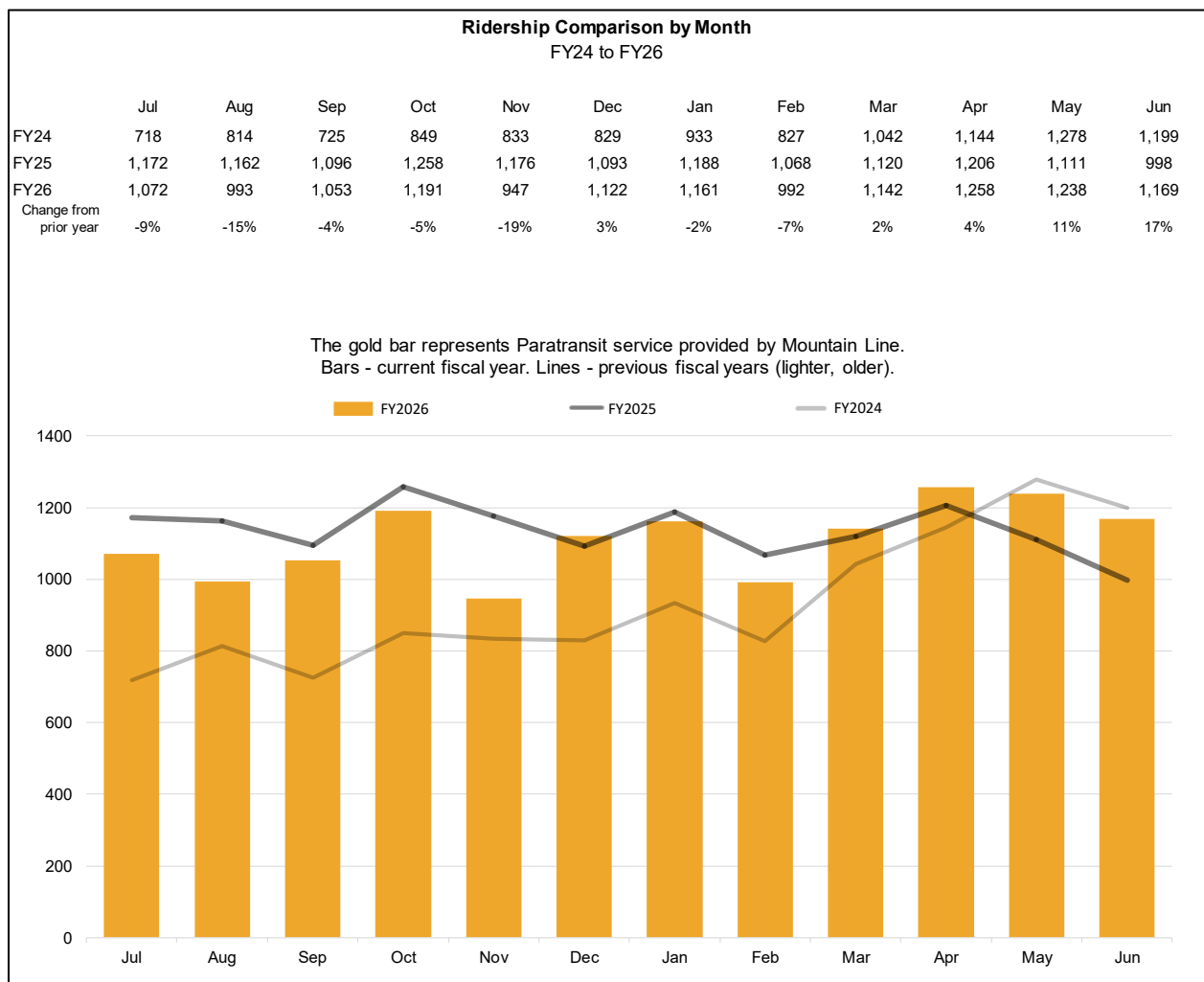


Mountain Express operated daily between December 26th-January 4th, and weekends in January, February, and March.

On Demand

Paratransit

In cooperation with the Americans with Disabilities Act and the Federal Transit Administration, Mountain Line Paratransit provides an “ADA Guaranteed Ride Area”. This is an origin to destination, demand-responsive paratransit service that mirrors Mountain Line fixed-route service in terms of service times and areas. The service is only for people with disabilities who do not have the functional ability to ride fixed-route buses, either permanently or under certain conditions. This service aims to promote independence, integration, and self-sufficiency.





Paratransit service aims to promote independence, integration and self-sufficiency.

Mountain Line Paratransit fleet consists of seven cutaway vans available during peak service. Mountain Line guarantees trips with an advance reservation but strives to provide same-day service when capacity allows. Mountain Line Paratransit is a shared-ride program, meaning multiple individuals' trips are grouped together to meet all trip requests and improve efficiency. In FY2026 Mountain Line averaged 2.18 trips per revenue hour, with a total of 13,338 trips provided for more than 400 clients.

Quick Facts and Statistics



83,567
Revenue Miles



6,124
Revenue Hours



13,338
Trips



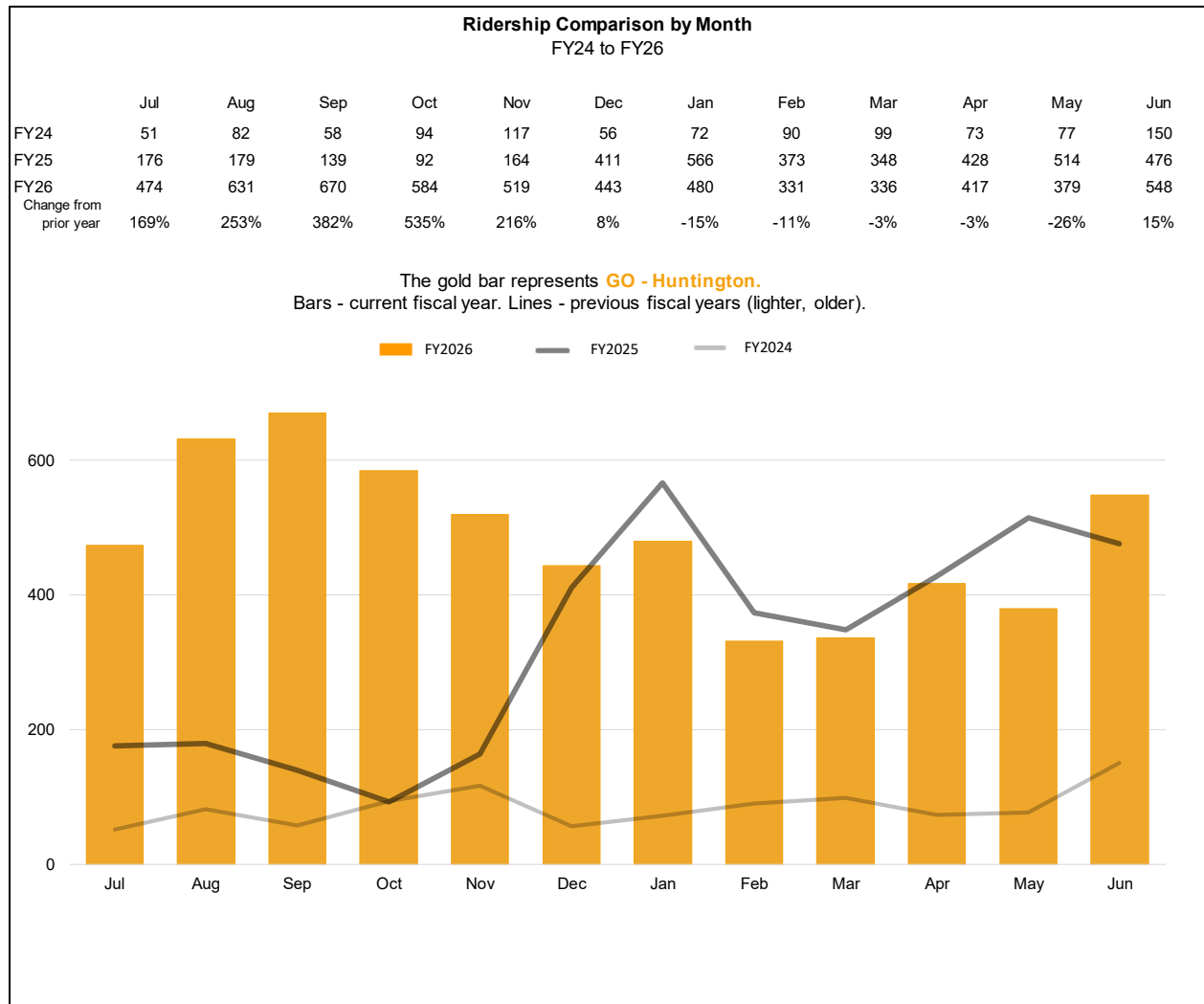
400
Clients

Financial and Service Performance Benchmarks

	2023	2024	2025	2026
Trips per Hour	1.97	1.97	2.20	2.18
Cost per Trip	\$53.97	\$75.57	\$54.28	\$73.56
Cost per Hour	\$106.26	\$148.83	\$119.40	\$160.20

On Demand

GO! Microtransit



Mountain Line launched a targeted first mile-last mile microtransit service, Mountain Line GO!, as a pilot program in 2022, and made it a permanent service in 2023. This service provides key access to many non-profits, human service agencies, and clinics within the Huntington and Industrial corridor, a location with poor transit access area due to railroad tracks, Interstate 40, and lack of sidewalks causing physical barriers. Riders can book a trip

through the Mountain Line GO! app for \$1.25, or by calling Mountain Line dispatch, and the program connects the corridor to fixed routes.

In November 2025, all on demand vans were equipped with pass validators, which allowed bus passes to be used on microtransit trips. This has enabled vulnerable community members to use issued bus passes to access services in the Huntington-Industrial area and increased ridership by 50% over FY2025. According to Spare, the technology provider for Mountain Line GO!, **87%** of riders indicated that **the service enabled them to access locations they would otherwise have trouble getting to.**



**Sandra W., Mountain
Line Go! Rider**

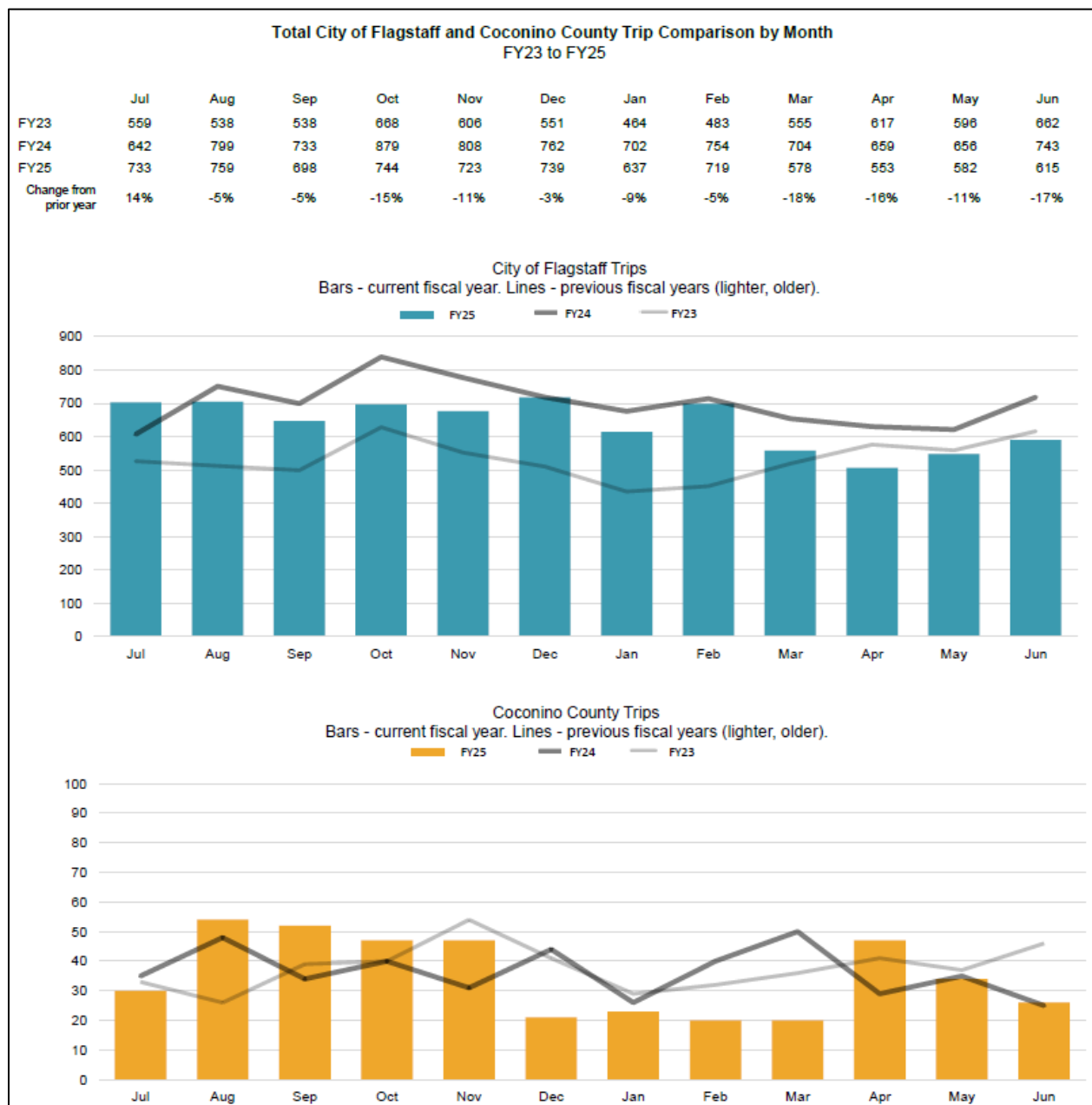
"I am 86 years old, and I go to Walmart to get 1 – 2 weeks' worth of groceries. It is very difficult for me to maneuver my cart on the regular bus. I love [Mountain Line Go!]. It is easier to get my cart on there since there is more room and the driver puts the lift down for me. The people on there are also very friendly and the drivers are wonderful."

Financial and Service Performance Benchmarks

	2023	2024	2025	2026
Cost per Trip	\$28.19	\$16.94	\$54.05	\$22.49
Total Trips	1,306	1,019	3,866	5,812

Taxi Program

The Mountain Line Taxi Program is a subsidy program for residents who live within the Mountain Line Service Area and qualify for Mountain Line Paratransit service. The purpose of this program is to provide a transportation alternative that is flexible, within the control of the



client, and relatively affordable. This program is not intended to serve all people or all trips but is intended to give Mountain Line Paratransit clients another option for their trips. In FY2026, there was a continued focus on growing the Paratransit Taxi Travel program for our paratransit clients, encouraging trips in a taxi or rideshare whenever possible.



Mountain Line's Paratransit Taxi program provided 7,039 trips for paratransit clients within city limits, expanding the options of clients beyond the services offered by the ADA paratransit service. The taxi travel program trips are cost-effective, saving the City of Flagstaff approximately \$396,157 annually or approximately \$56.28 per trip if provided in a paratransit van. The graphs on page 15 demonstrate the changing demands of the Mountain Line taxi program over the last several years.

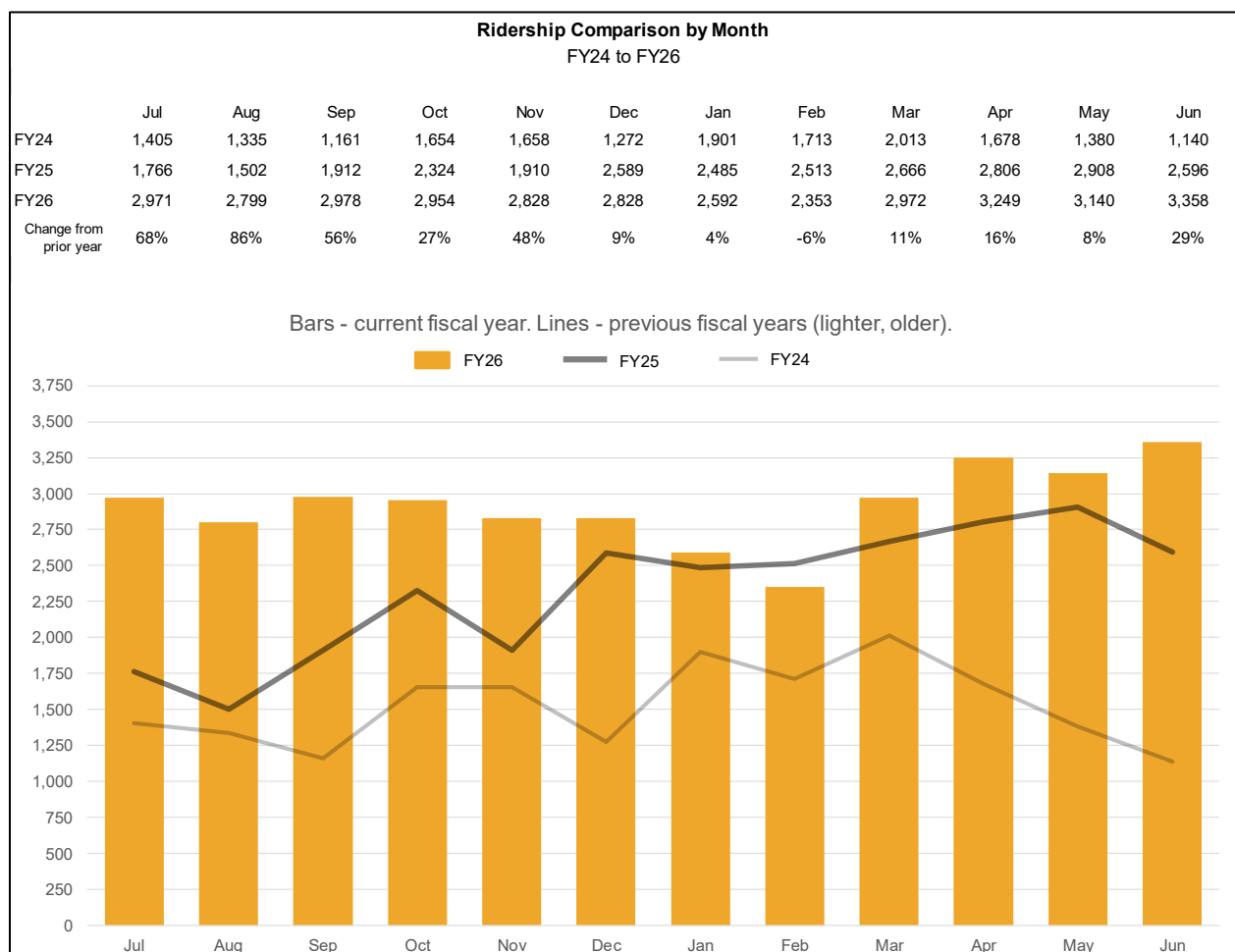
On behalf of Coconino County, Mountain Line also operates a Taxi Program for paratransit clients in surrounding areas. Coconino County does not offer any type of bus system or paratransit system, opting to support the taxi program to meet the specific needs of identified travelers to meet mobility demands.

Financial and Service Performance Benchmarks

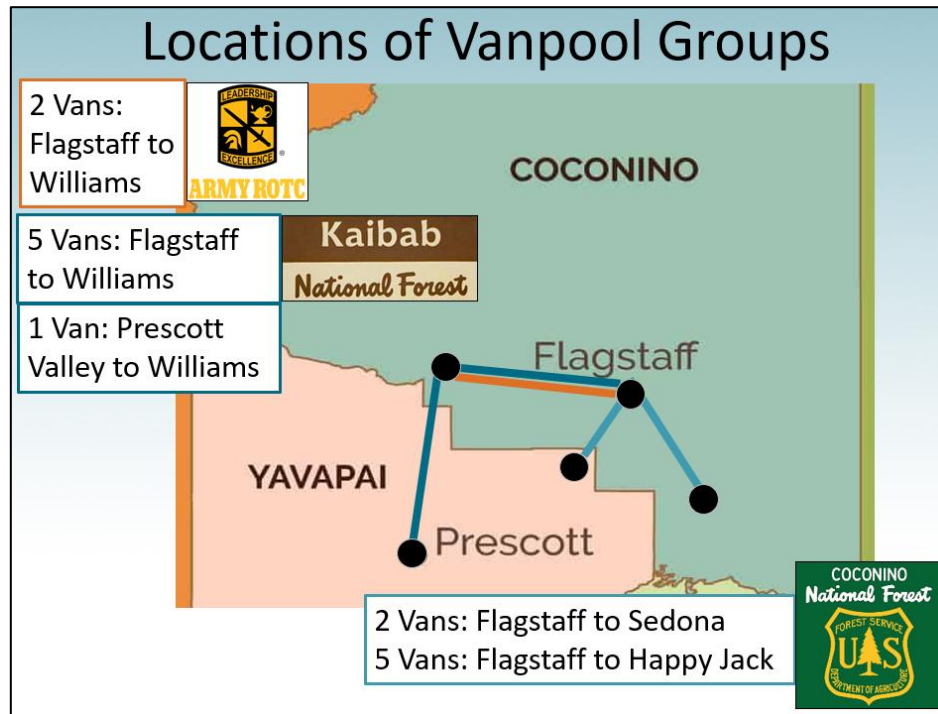
		2023	2024	2025	2026
City Taxi	Cost per Trip	\$19.60	\$19.03	\$16.94	\$17.28
	Total Trips	6,383	8,404	7,659	7,039
County Taxi	Cost per Trip	\$28.63	\$33.03	\$31.70	\$21.90
	Total Trips	454	437	421	696

Vanpool

The Mountain Line Vanpool program connects travelers with common origin or destinations and reduces single occupancy vehicle use as well as increases mobility options for those without other means of transportation. Vanpool is an option for commuters who travel more than 20 miles on a regular basis, with an origin or destination within Coconino County. In FY2026, Coconino County supported 15 vanpool groups and continues to be a great service for workers who live or work in nearby towns (i.e., Williams, Happy Jack, Winslow) and connect to Flagstaff. Some employers support the costs of these vanpools in addition to the County subsidy of \$400 per van per month. In FY2026, the Mountain Line Vanpool program had 89 riders in 15 vans and provided 35,022 trips covering 325,780 miles.



Coconino County funds a \$400 per month subsidy to each vanpool group. Some employers also support the costs of these vanpools.



Financial and Service Performance Benchmarks

	2023	2024	2025	2026
Cost per Trip	\$3.63	\$2.91	\$2.59	\$2.71
Total Trips	14,972	19,309	27,977	35,022

Summary of Revenue & Expenditures

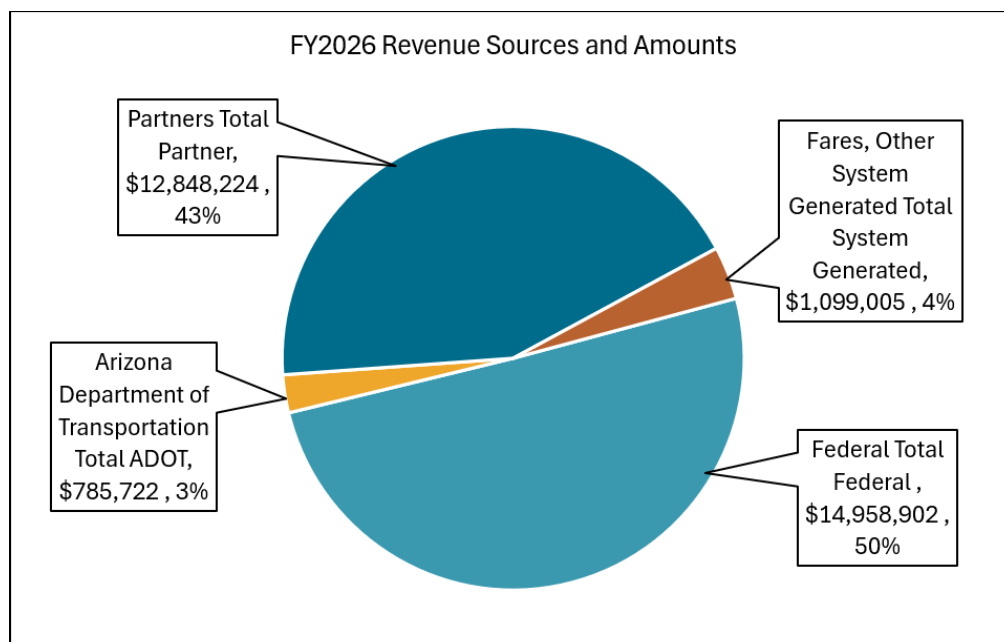
Mountain Line's revenue sources include contributions from each agency with service, the Arizona Department of Transportation, the Federal Transit Administration, and fares and contract fees. The revenues are paid directly to Mountain Line and tracked by service.

Mountain Line pays for the operations of services for the City of Flagstaff and Coconino County. Expenditures related to services include salary and benefits, indirect administrative costs, operations and maintenance, travel, and capital programs.

Revenue

Mountain Line collects revenue for operations from partners based on approved annual budgets as indicated in the Service Agreements signed by each agency. The revenue is generated in each community and paid to Mountain Line monthly, with an annual 3-month deposit at the beginning of each year based on the approved budget to create a fund balance. At the end of the fiscal year, Mountain Line reconciles actual expenses to budgets and adjusts the deposit for the next fiscal year based on the payments received.

In FY2026, Mountain Line received a total of \$29,691,853 from various sources. The FY2026 breakdown of revenue is as follows:



Federal		
	5307 Urbanized Area - Flagsta	\$ 5,969,252
	5339 Bus and Bus Facilities *	\$ 8,989,650
Federal	Total Federal	\$ 14,958,902
Arizona Department of Transportation		
	5310 Mobility Management	\$ 702,402
	5311 Rural Transit	\$ 83,320
Arizona D	Total ADOT	\$ 785,722
Partners		
	City of Flagstaff	\$ 10,070,629
	Northern Arizona University	\$ 642,429
	Coconino County	\$ 23,913
	State of Arizona	\$ 2,111,253
Partners	Total Partner	\$ 12,848,224
Fares, Other System Generated		
	Fares	\$ 754,345
	Other (Interest, Misc)	\$ 344,660
Fares, Oth	Total System Generated	\$ 1,099,005
	Total Revenues	\$ 29,691,853

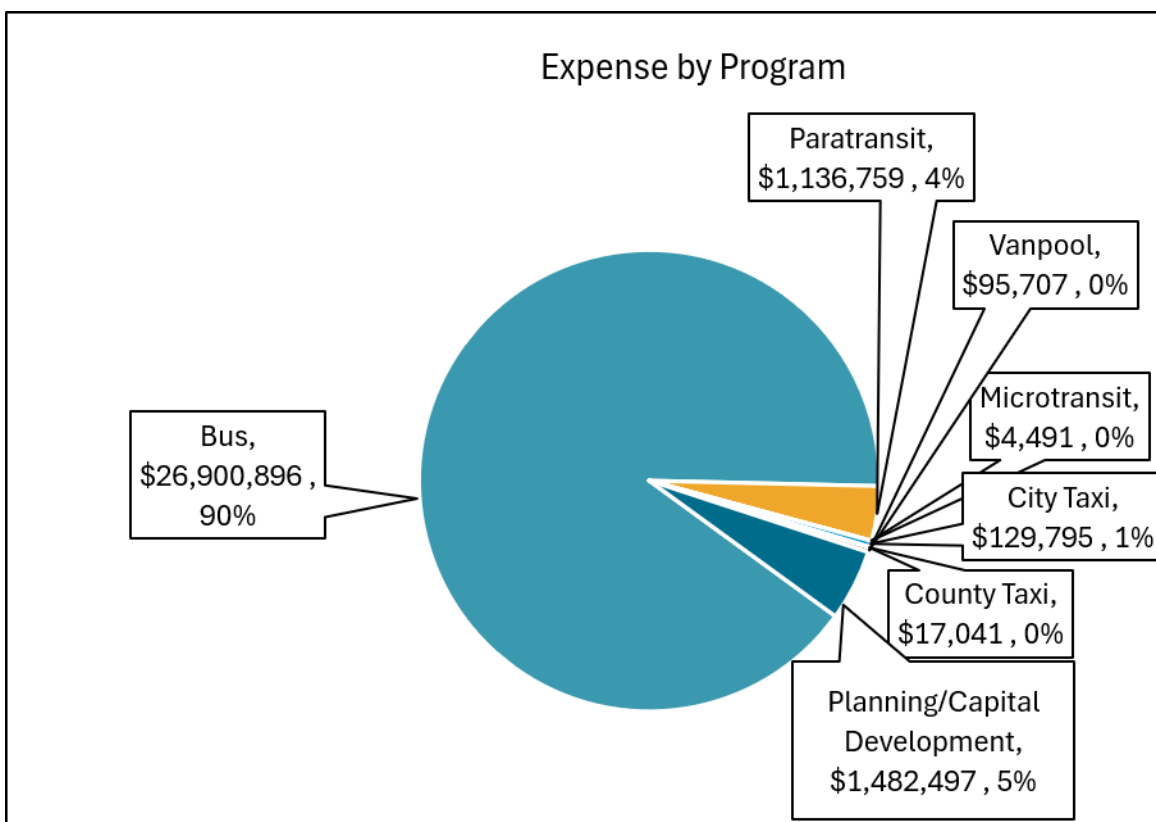
All revenue received by Mountain Line must be used as approved by each partner agency and must be used for the purpose of operating public transportation services.

Expenditures

Mountain Line is responsible for paying all costs associated with operating and maintaining the public transportation services in the City of Flagstaff and Coconino County. The expenditures for Northern Arizona University are associated with the operation of Route 10 and are paid in lieu of fares for students on Route 10. The revenue received from private partnerships for Mountain Express is paid in lieu of fares for passengers using this seasonal service. The actual expenses are tracked and compared to the budget monthly, with regular financial reports to the partner agencies.

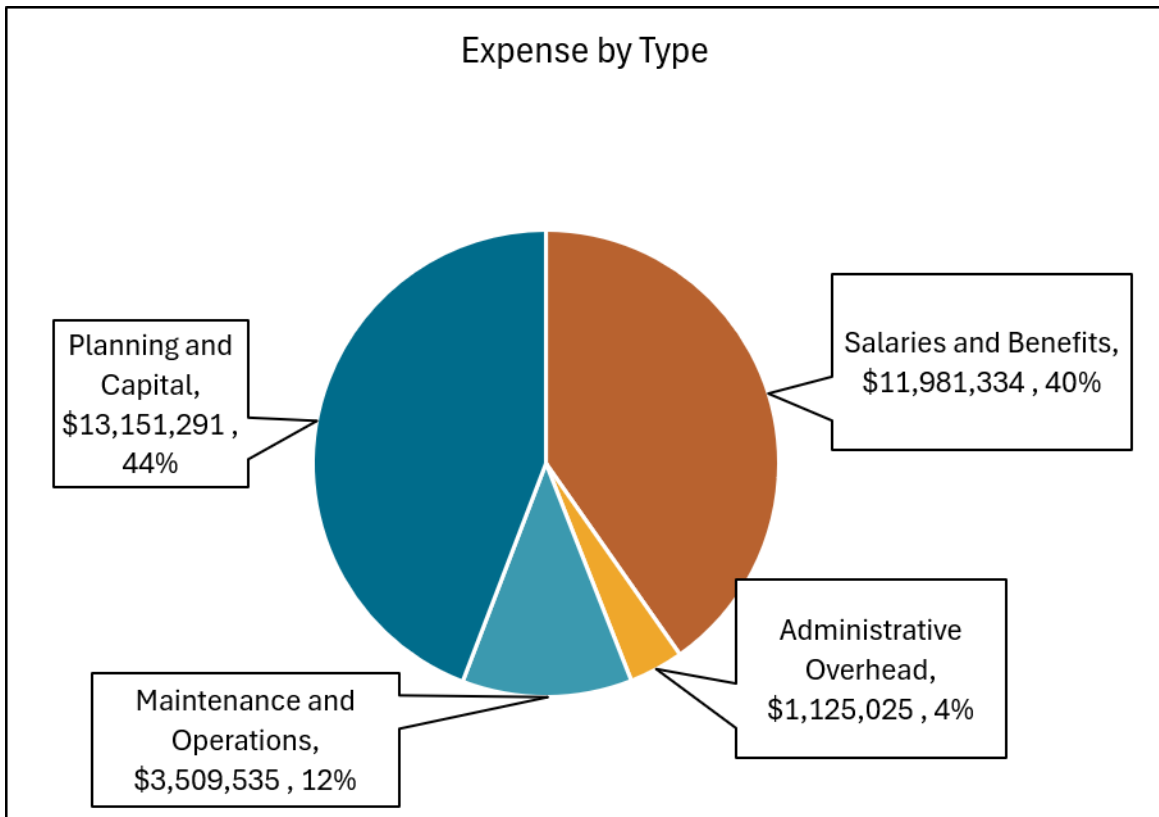
Mountain Line paid salaries and benefits to 10 salaried employees as well as 102 regular full-time and multiple part-time or temporary employees. Employees are broken into three categories: indirect administrative positions, administration/operation support positions, and operation positions. Benefits for all regular full-time positions include enrollment and contribution of 12.00% into the Arizona State Retirement System, 100% employee coverage for Health, Dental, and Vision insurance, portion or share of employee dependent coverage for health insurance, and employee life insurance plan.

Expenses by program are as follows:



Mountain Line's total expenditure was \$29,767,186 for all operations and capital expenses.

The breakdown of expenditures are as follows:





Contact Us

For further information, please reach out to us at transportation@mountainline.az.gov.

Mountain Line (NAIPTA)

Getting You Where You Want To Go

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