

metrolinktrains.com/meeting

ITEM ID: 2025-337-0

TRANSMITTAL DATE: October 3, 2025

MEETING DATE: October 10, 2025

TO: Audit and Finance Committee

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY26 Monthly Report of Ridership, Revenue, and Financial Results for August 2025

Issue

Our strategy is to transform Metrolink into a regional provider of transit for every purpose. Primary among the initiatives to accomplish this transformation is the Optimized Service Schedule, which took effect on October 21, 2024. FY26 will be the first full year of the Optimized Service. This report covers monthly reporting on Ridership, Revenue, and Financial Operating Performance for the two months ended August 31st, 2025, with an emphasis on "By Line" performance. This more nuanced view may help point the way to future success.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments 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.
- **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. Our close monitoring of our ridership is a reflection of our unflagging concern for ridership trends, and to ensure our actions are serving their needs, understanding their needs and finding new and innovative ways to bring them on board. Our close monitoring of our ridership is a reflection of our unflagging concern for ridership trends, and to ensure our actions are serving their needs.

Background

For FY26, Sperry Capital/KPMG was again engaged to provide additional expertise to our ridership forecasting. Sperry Capital/KPMG provided an analysis to determine the change in ridership and revenue that can be expected as a result of our Optimized Service Schedule.

Employment, fares, gas prices, service levels, and seasonal factors were taken into consideration in compiling this forecast.

Year-to-Date actual Ridership and Revenue are shown with comparisons to last year and to the forecast, both Systemwide and by each Line. A separate section of charts will show Farebox Revenue by Month by Line

Revenue shown as Pro-Forma Farebox Revenue, includes Farebox Revenue plus all Farebox subsidies. Note that in presentations from prior years, only the Student Adventure Pass Subsidy was included in revenue presentations.

Expenses as adopted in the FY26 Operating Budget will be shown in comparison to the actual expenditures and to last year.

Board Adopted Operating Budgets for FY26

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.

Additionally, the Board adopted the FY26 Operating Budget for Arrow Service, which reflects Operating Revenue of \$690K, Expenses of \$18.2M, and Member Agency Support of \$17.5M.

Discussion

Ridership

For the two months ended August 2025, FY26 ridership was forecasted at 1.5M boardings, while the actual boardings were 1.1M, below forecast by 333K, and lower than last year by 59K or 5%.

Proforma Farebox Revenue

For the two months ended August 2025, the Authority's Proforma Farebox Revenue is budgeted at \$8.9M or a 64% recovery, while the actual Proforma Farebox Revenue is \$7.2M, a 51% recovery, under budget by \$1.8M or 20%, and less than last year by \$0.1M or 2%. Unsubsidized Farebox Revenue is up 10% over last year, however, Proforma Farebox Revenue (Subsidized Revenue) is lower than last year by 2.3%, as a result of the ending of Student Adventure Pass.

Ridership and Revenue by Line

Results by Line for ridership show that only three lines have year-to-date increased ridership over last year: the Ventura Line by 6K riders and the Orange County Line by 15K, and the 91/PVL Line by 2K. To some degree, increases or lack thereof are related to the proportion of ridership that was attributed to the Student Adventure Pass. There are certainly other factors to be considered (increase in the number of trains), and a close review of those factors will be included in future reports.

Results by Line for revenue show Proforma Farebox Revenue for three lines increasing over last year: Ventura County Line up by \$23K, Orange County Line up by \$112K, and the 91/PVL Line up \$95K. Again, this appears to be related to some degree to the proportion of last year's revenue which was attributed to the Student Adventure Pass.

The charts by line include the number of trains on each line. This is important from a financial point of view because it provides insight into the revenue production of each train. As an example, the San Bernardino Line runs 76 trains with revenue of \$1.8K for the two-month period - or \$23K per train, while the Orange County Line runs 42 trains with revenue of \$1.8M or \$43K per train for the two months. This simplified analysis does not take into account train miles, additional repairs related to topography, etc., but this is a start into an in-depth analysis of what will affect our Farebox return ratio, a critical element to reducing Member Agency support requirements.

Operating Results for Metrolink

- Operating Revenue is \$10.7M, \$1.3M or 11% under budget, and \$60K or 1.0% less than last year. Interest Income in the miscellaneous category is over budget, offsetting a portion of the weaker Farebox Revenue.
- Expenses are \$53.9M, below budget by \$4.8M or 8.1%, and greater than last year by \$6.6M or 14%. Some expenses may contain accruals.
- Support required is \$43.2M, below budget by \$3.4M, or 7.4%, but greater than last year by \$6.7M or 18.5%.

The Metrolink Operating Statement for the period ended August 31, 2025, is attached for further review.

Cash Issues

Outstanding Receivables Past due are \$50.4M. A portion of this amount is related to Member Agency MOUs currently in process. Available Cash as of August 31 is \$53.9M, only slightly above the \$50M threshold.

Arrow Service

Ridership

Through August 2025, Arrow Service ridership was forecasted at 27K boardings, while the actual ridership is 19K boardings, 8K or 30% under forecast, and 3K or 14% less than last year.

Proforma Farebox Revenue

For the two months ended August 2025, Arrow Service Proforma Farebox Revenue was budgeted at \$69K, Actual Proforma Farebox revenue was \$37K, under budget by \$33K or

47%, and less than last year by \$24K or 40%.

Operating Results

- Operating Revenue is \$78K, under budget by \$34K or 30.6%.
- Expenses are \$2.7M, below budget by \$332K or 10.9%, and over last year by \$232K or 9.4%. Some expenses may include accruals.
- Support required is \$2.6M, below budget by \$298K or 10.2%, and over last year by \$323K or 14%.

The Arrow Service Operating Statement for the period ended August 31, 2025, is attached for further review.

Next Steps

Staff will continue to provide monthly reporting.

Prepared by: Christine Wilson, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - Metrolink August Operating Statement](#)

[Attachment B - August Arrow Operating Statement](#)

[Presentation - August 2025 Financial Results](#)