



ITEM ID: 2026-177-0

TRANSMITTAL DATE: March 20, 2026

MEETING DATE: March 27, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY26 Report of Ridership, Revenue and Financial Results for February 2026

Issue

Our goal is to transform Metrolink into a regional public transit service provider. Primary among the initiatives to accomplish this transformation is the Optimized Service Schedule, which took effect on October 21, 2024. An additional critical objective is to control expenses in an operating environment which is driven by structural maintenance required by safety considerations whose costs are fixed.

This report covers monthly Ridership, Revenue, and Financial Operating Performance for the eight months ended February 28, 2026. You will note that staff is reporting on the performance of an immediately previous month. Understanding the value of the most current information for governance of the organization, we are committed to bringing the immediately previous month to you whenever the scheduled board meeting and the monthly financial closing allow us the time to do so.

The Ridership and Revenue data emphasizes "By Line" performance. The reporting also displays the effect of farebox subsidies in this year compared to last year. This more focused view may help identify opportunities for accelerating ridership growth.

Financial performance reporting emphasizes adherence to budget, particularly at the Member Agency Support Line.

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 based on factual data to our Board enhances their oversight and ability to provide direction.
- **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 unflinching efforts to ensure our actions are serving their needs.

Background

KPMG/Sperry Capital has updated its forecasting model to better capture changes in ridership patterns during the post-COVID recovery period. Instead of a single model, they have created line-specific models to capture local nuances in ridership patterns. Using these new models, they have updated their FY26 forecast. While the adopted budget will remain the budget, we are now providing comparisons of actual ridership and revenue results to both the adopted budget and the updated forecast.

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

Revenue shown as Fare Revenues, includes Farebox Revenue plus all Farebox subsidies. In prior years, only the Student Adventure Pass Subsidy was included in farebox revenue presentations. Now, all subsidies are included in the Fare Revenues number.

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

The Board of Directors also 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.

On February 27, 2026, the Board of Directors adopted an amendment to the FY26 Metrolink Operating Budget in the amount of an addition to operating expense of \$914,029.

On February 27, 2026, the Board of Directors also adopted an amendment to the FY26 Metrolink Capital Budget (State of Good Repair) in the amount of an additional \$500,000.

Discussion

Ridership

For the eight months ended February 2026 ridership was forecasted at 6.1M boardings, a 77% recovery, while the actual boardings were 4.6M, a 58% recovery, below original forecast by 1.5M. However, the actual is over the refreshed forecast by 24K riders.

Fare Revenue

For the eight months ended February 2026, the Authority's Fare Revenues are budgeted at \$37.5M or a 69% recovery, while the actual Fare Revenues are \$28.6M, a 52% recovery, under budget by \$8.9M. Compared to the refreshed Revenue forecast, Revenues are higher by \$238K. Unsubsidized Farebox Revenue is up 14% over last year, however, Farebox Revenue inclusive of subsidies is lower than last year, as a result of the ending of Student Adventure Pass, by only .02%.

Ridership and Revenue by Line

Results by Line for ridership thru February show that most lines (5 out of 7) have increased Unsubsidized ridership compared to last year. They also show that ridership is very much in line with the refreshed forecast.

Results by Line for revenue show every line has increased its Unsubsidized Revenue over last year. Five of the seven lines have combined Subsidized and Unsubsidized Revenue higher than last year. The two lines that were below last year for combined revenue received a greater proportion of Revenue from the now-expired Student Adventure Pass subsidy.

To date, the refreshed Forecast is in alignment to Actuals.

The charts by line show the number of trains on each line. This is important from a financial perspective because it provides insight into each train's revenue generation.

Operating Results for Metrolink

Operating Revenue is \$41.8M, under budget by \$8.1M or 16.3%, \$548K or 1.29% less than last year. Variances from budget are driven by Farebox Revenues, while the comparison to prior year is driven by the expiration of the Student Adventure Pass subsidy and lower interest earned.

Expenses are \$215.0M, below budget by \$20.0M or 8.5%. Some expenses may contain accruals.

Member Agency Support required is \$173.2M, below budget by \$11.9M, or 6.4%.

The Metrolink Operating Statement for the period ended February 28, 2026, is attached for further review.

Arrow Service

Ridership

Through February 2026, Arrow Service ridership was forecasted at 114K boardings, while the actual ridership is 95K boardings, 19K or 17% under forecast.

Fare Revenues

For the eight months ended February 2026, Arrow Service Fare Revenues were budgeted at \$275K, Actual Farebox revenues were \$169K, under budget by \$106K or 38%.

Operating Results

Operating Revenue through February 2026 for Arrow Service is \$333K, under budget by \$112K or 25%.

Expenses are \$10.0M, below budget by \$2.1M or 17%. Some expenses may include accruals.

Support required is \$9.7M, below budget by \$2.0M or 17%.

The Arrow Service Operating Statement for the period ended February 28, 2026, is attached for further review.

Next Steps

Staff will continue to report on Ridership, Revenue and Financial results monthly.

Prepared by: Christine Wilson, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - February 2026 Supplemental Reports](#)
[Attachment B - Metrolink February Operating Statement](#)
[Attachment C - Arrow February Operating Statement](#)
[Presentation - February 2026 Financial Results](#)