



ITEM ID: 2025-377-0

TRANSMITTAL DATE: December 5, 2025

MEETING DATE: December 12, 2025

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

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

Issue

Our strategy 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; the first full year of the Optimized Schedule has been completed this month.

This report covers monthly Ridership, Revenue, and Financial Operating Performance for the four months ended October 31, 2025, with an emphasis on "By Line" performance. The reporting also displays the effect of subsidies in this year compared to last year. This more focused view may help identify opportunities for 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 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 unflagging efforts to ensure our actions are serving their needs.

Background

For FY26, KPMG/Sperry Capital was again engaged to provide additional expertise to our ridership forecasting. KPMG/Sperry Capital 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 original 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 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.

Upon reviewing the actuals for the recent months compared to the budget, both for ridership and revenue, staff felt that the variances were not within an acceptable level. Staff has contacted KPMG/Sperry Capital to request a refresh of the forecast. Staff anticipates using this new forecast to make adjustments at the mid-year budget review.

Discussion

Ridership

For the four months ended October 2025, FY26 ridership was forecasted at 3.0M boardings, while the actual boardings were 2.3M, below forecast by 648K.

Fare Revenues

For the four months ended October 2025, the Authority's Fare Revenues are budgeted at \$17.9M or a 64% recovery, while the actual Fare Revenues are \$14.5M, a 52% recovery, under budget by \$3.4M or 19%, and less than last year by \$0.6M or 4%. Unsubsidized Farebox Revenue is up 10% over last year, however, the Subsidized portion of Farebox Revenue is lower than last year, as a result of the ending of Student Adventure Pass.

Ridership and Revenue by Line

Results by Line for ridership show a considerable change between this year and last and a considerable variance between this year actual and the forecast we received from KPMG/Sperry Capital; this variance is most extreme in only a few of the lines. Some of the variance increases or lack thereof seem related to the proportion of ridership that was attributed to the Student Adventure Pass last year. The variances are extreme enough to indicate that we should get a refresh of the Ridership Forecast.

Results by Line for revenue show the same anomalies as the ridership. 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. Regardless of that, every line shows an increase of Unsubsidized Revenue over last year.

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.

Further analysis will be performed once KPMG/Sperry Capital provides the revised forecast.

Operating Results for Metrolink

Operating Revenue is \$20.8M, under budget by \$3.3M or 14%, and \$1.2M or 6% less than last year. This is primarily the result of fare revenue variances.

Expenses are \$106.3M, below budget by \$10.7M or 9%. Some expenses may contain accruals.

Member Agency Support required is \$85.6M, below budget by \$7.3M, or 8%.

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

Cash Issues

As of October 31, 2025, Outstanding Receivables Past due are \$75.5M. This is almost entirely related to Member Agency contributions, some of which have been paid as of this writing. Available Cash as of October 31, is \$54.5M, above the \$50M threshold.

Arrow Service

Ridership

Through October 2025, Arrow Service ridership was forecasted at 56K boardings, while the actual ridership is 50K boardings, 6K or 11% under forecast.

Fare Revenues

For the four months ended October 2025, Arrow Service Fare Revenues were budgeted at \$129K, Actual Farebox revenue was \$80K, under budget by \$50K or 38%.

Operating Results

Operating Revenue through October 2025 is \$161K, under budget by \$52K or 24%.

Expenses are \$5.1M, below budget by \$924K or 15%. Some expenses may include accruals.

Support required is \$5.0M, below budget by \$872K or 15%.

The Arrow Service Operating Statement for the period ended October 31, 2025, 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 - Metrolink October Operating Statement](#)

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

[Presentation - October 2025 Financial Results](#)