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METROLINK

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ITEM ID:	**2026-301-0**
TRANSMITTAL DATE:	**September 4, 2026**
MEETING DATE:	**September 11, 2026**
TO:	**Budget, Audit, and Finance Committee**
FROM:	**Tom Schamber, Chief Financial Officer**
SUBJECT:	**Report of FY27 Financial Results for the One Month Ended July 2026**

Issue

This report covers monthly Ridership, Revenue, and Financial Operating Performance for the first month of FY27. 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. 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 unflagging efforts to ensure our actions are serving their needs.

Background

The fiscal year FY27 is a unique one for Metrolink. The organization is endeavoring to find ways to provide the desired level of service while achieving a sustainable level of support from our Member Agencies.

This year's attempts at budgeting have seen 8 versions of service levels and 6 budget scenarios. We are hopeful that we will soon settle upon a scenario that will satisfy the requirements of our Member Agencies. While finding an acceptable service plan, it has been necessary to adopt continuing resolutions to fund current operations through the extended development period.

On June 26, 2026, the Board of Directors approved a three-month Continuing Appropriations Resolution to provide funding for continuing operations for both Metrolink and Arrow Service through September 30, 2026. The Appropriation was set equal to the first quarter of FY26 plus necessary prepaid Insurance coverage.

On July 24, 2026, the Board of Directors approved a three-month extension of the Continuing Appropriations Resolution to provide funding for continuing operations for both Metrolink and Arrow Service through December 31, 2026. The Appropriation was set at the amount equal to the second quarter of FY26.

Discussion

It has been our normal practice to make comparisons of Actual Ridership and Revenue to our Budget for Ridership and Revenue. This year, because the Board has not yet adopted a budget, we will make comparisons to last year's performance.

Ridership

For the month of July 2026 ridership was 675K boardings, showing a 16% increase over last year. Ridership increased in both the base and the subsidized riders.

Looking at performance by line, every line increased ridership in July compared to last year. The increases range from 7% to 22%, with the largest % increases on the 91/Perris Valley and IEOC Lines.

Fare Revenue

For the month of July, Fare revenue, including subsidies, is also an increase over last year, totaling $3.9M or a 10.6% increase. With a definite increase in base revenue, total receipts were also boosted by a 48% increase in use of the Mobility for All program. The addition of the ability to use the Mobile App to take advantage of the Mobility for All program has boosted its usage. Revenue increased over last year on every line, with increases ranging from 3% to 18%. IEOC ranked first with an 18% increase.

Operating Results for Metrolink
Operating Revenue is $5.6M, over FY26 Actual by $63K or 1.1%.
Expenses are $28.3M, over the FY26 Actual by $2.0M or 7.6%. Some expenses may contain accruals.
Overall Net Loss is $22.8M, over FY26 Actual by $1.9M, or 9.3%.

The Metrolink Operating Statement for July 31, 2026, is attached for further review, in addition to graphs of individual line performance by month.

Arrow Service

Ridership
For the first month of FY27, Arrow Service ridership was14K boardings, while the boardings for July FY26 were 9K boardings, a 56% increase over last year. Both subsidized and unsubsidized ridership showed increases. The increase is driven largely be a very successful Free College Student program which is subsidized by SBCTA.

Fare Revenues
July 2026, Arrow Service Fare Revenues were $24K while the Actual for FY26 was $20K, an increase of 16.6%.

Operating Results
Operating Revenue for July 2026 for Arrow Service is $46K, over FY26 Actuals by $5K or 11.9%.
Expenses are $1.3M, over FY26 Actuals by $28K or 2.2%. Some expenses may include accruals.
Support required is $1.2M, over FY26 Actuals $23K or 1.9%.

The Arrow Service Operating Statement for the period ended July 31, 2026, is attached for further review.

Next Steps

Staff will report financial results monthly.

Prepared by: Christine Wilson, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

Attachment A - Metrolink Operating Statement
Attachment B - Arrow July Operating Statement
Attachment C - Ridership By Line
Presentation - July 2026 Financial Results