



**ITEM ID:** 2026-105-0

**TRANSMITTAL DATE:** January 16, 2026

**MEETING DATE:** January 23, 2026

**TO:** Board of Directors

**FROM:** Tom Schamber, Chief Financial Officer

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

### **Issue**

The Authority's 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 started on October 21, 2024; the first full year of the Optimized Schedule was completed last month. This report covers monthly Ridership, Revenue, and Financial Operating Performance for the five months ended November 30, 2025, with an emphasis on "By Line" performance. The reporting also displays the effect of subsidies in this fiscal 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.

Given the consistent unfavorable variances when compared to budget for both ridership and revenue, staff has engaged KPMG/Sperry Capital to recalibrate their forecasting model and generate a revised forecast that more accurately reflects the trends seen in recent months. The process is nearing completion, and the results will be shared once they are finalized.

## **Discussion**

### **Ridership**

For the five months ended November 2025, FY26 ridership was forecast at 3.7M boardings, while the actual boardings were 2.9M, below forecast by 830K.

### **Fare Revenues**

For the five months ended November 2025, the Authority's Fare Revenues were budgeted at \$22.5M or a 65% recovery, while the actual Fare Revenues were \$18.1M, a 52% recovery,

under budget by \$4.4M or 19.6%. Unsubsidized Farebox Revenue (the amount actually paid by the rider) is up 10% over last year, however, the Subsidized portion of Farebox Revenue (revenue from grantors or member agencies to replace revenue forgone as the result of fare discounts) 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's actual and the forecast we received from KPMG/Sperry Capital; this variance is most extreme in specific lines.

Results by Line for revenue show the same anomalies as for the ridership. However, note that every line shows an increase of Unsubsidized Revenue over last year. Student Ridership and Revenue still appear in the "Subsidized" categories, since student fares are discounted by the 50% Youth Fare discount.

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

#### Operating Results for Metrolink

**Operating Revenue is \$26.1M**, under budget by \$4.2M or 14%. This is primarily the result of the fare revenue shortfall.

**Expenses are \$132.8M**, below budget by \$13.5M or 9.2%. Some expenses may contain accruals.

**Member Agency Support required is \$106.7M**, below budget by \$9.3M, or 8%.

The Metrolink Operating Statement for the period ended November 30, 2025, is attached for further review.

#### Cash Issues

As of November 30, 2025, Outstanding Receivables Past due are \$47.0M. This is almost entirely related to support payments due from Member Agencies. Available Cash as of November 30, is \$75.6M, above the \$50M threshold.

#### Arrow Service

##### Arrow Ridership

Through November 2025, Arrow Service ridership was forecast at 70K boardings, while the actual ridership is 57K boardings, 13K or 19% below forecast.

##### Arrow Fare Revenues

For the five months ended November 2025, Arrow Service Fare Revenues were budgeted at \$165K, Actual Farebox revenue was \$102K, under budget by \$63K or 38%.

##### Arrow Operating Results

Operating Revenue through November 2025 is \$204K, under budget by \$66K or 24%.

Expenses are \$6.2M, below budget by \$1.3M or 18%. Some expenses may include accruals.

Support required is \$6.0M, below budget by \$1.3M or 18%.

The Arrow Service Operating Statement for the period ended November 30, 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 November Operating Statement](#)

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

[Presentation - November 2025 Financial Results](#)