



ITEM ID: 2025-313-0

TRANSMITTAL DATE: September 19, 2025

MEETING DATE: September 26, 2025

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY26 Monthly Report of Ridership, Revenue, and Financial Results for July 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 began 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 one month ended July 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.

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.

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 month of July 2025, FY26 ridership was forecast at 652.3K boardings, while the actual boardings were 553.3K, below forecast by 99.0K or 15%, and lower than last year by 34K or 6%.

Revenue

For the July 2025, the Authority's Proforma Farebox Revenue is budgeted at \$4.0M, while the actual Proforma Farebox Revenue is \$3.5M, under budget by \$0.5M or 13%, and less than last year by \$0.1M or 3%.

Ridership and Revenue by Line

Results by Line for ridership show that only two lines have increased ridership over last year: the Ventura Line and the Orange County Line. 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 four lines increasing over last year: Ventura County Line, Orange County Line, IEOC Line, and 91 Line. 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 also 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 \$859K - or \$11.3K per train, while the Orange County Line runs 42 trains with revenue of \$866K or \$20.6K per train. 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

The Metrolink Operating Statement is based on accruals not actuals.

- Operating Revenue is \$5.5M, \$0.1M or 1.2% under budget, and \$0.2M or 3.0% greater than last year.
- Expenses are \$26.7M, below budget by \$1.7M or 6%, and greater than last year by \$3.8M or 16.5%.
- Support required is \$21.2M, below budget by \$1.6M, or 7.0%, greater than last year by \$3.6M or 20.7%.

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

Cash Issues

Outstanding Receivables

As of July 31, 2025, Metrolink had \$44.9M of past due receivables outstanding. 93% of this amount was unpaid Member Agency Support. Annual MOUs are under review.

Available Cash

As of July 31, 2025, cash available was \$83.7M, which exceeds the \$50.0M threshold established by the Board.

Arrow Service

Ridership

For July 2025, Arrow Service ridership was forecasted at 12K boardings, while the actual ridership is 8K boardings, 4k or 35% under forecast, and 3K or 38% less than last year.

In July 2025, Arrow Service Proforma Farebox Revenue was budgeted at \$32.4K, Actual farebox revenue was \$20.3K, under budget by \$12.1K or 37%, and less than last year by \$10.8K or 35%.

Operating Results

The Arrow Service July 2025 Operating Statement is based on accruals not actuals.

- The July 2025 Operating Statement for Arrow Service is based on accruals, not actuals.
- Expenses are \$1.3M, below budget by \$220K or 14.9%, and over last year by \$47.4K or 3.9%.
- Support required is \$1.2M, below budget by \$207K or 14.5%, and over last year by \$58K or 5%.

The Arrow Service Operating Statement for the period ended July 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 July Operating Statement](#)

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

[Presentation - July 2025 Financial Results](#)