



ITEM ID: 2024-272-0

TRANSMITTAL DATE: September 6, 2024

MEETING DATE: September 13, 2024

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: FY25 Financial Results for the One Month Ended July 31, 2024
- Ridership, Revenue, and Operating Results

Issue

"Metrolink Reinvented" is Metrolink vernacular for the transition from commuter rail-based service to a regional provider of general transport. Initiatives designed to realize that transition require timely review of Ridership, Revenue, and Operational Performance to provide assessment of the effectiveness of our efforts. Primary among these initiatives are the optimized services we will be providing beginning in October of 2024.

This report covers monthly reporting on Ridership, Revenue, and Operational Performance.

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 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 unflinching concern for ridership trends, and to ensure our actions are serving their needs.

Background

This item will report on the ridership and revenue recovery as measured against FY2018-19 (FY19) Revenue, which was the last full year of operations pre-pandemic. Comparisons and variance are shown between the forecast and actual recovery.

Comparisons will also be shown between the Ridership, Revenue and Expenses as adopted in the FY25 Budget and actual performance.

For the FY25, Staff continued its engagement with Sperry Capital/KPMG to lend assistance and additional expertise to our ridership forecasting. Sperry Capital/KPMG provided an analysis to determine the change in ridership and revenue which can be expected as a result of our Optimized Service Schedule. The Farebox Revenue in the FY25 Budget is based on the forecast provided. Ridership and Revenue from the Student Adventure Pass Program are not included in the FY25 Budgeted Revenue.

Operating Statement Comparisons

On June 28, 2024, the SCRRA Board of Directors adopted the FY25 Operating Budget for Metrolink. The FY25 Operating Budget reflected Operating Revenue of \$68.0M, Expense of \$332.1M, and Member Agency Support of \$264.0M.

On June 28, 2024, the SCRRA Board of Directors also adopted the FY25 Operating Budget for Arrow Service. The FY25 Arrow Service Budget reflects Operating Revenue of \$212K, Expense of \$15.7M, and Member Agency Support of \$15.5M.

Discussion

Ridership

For the month of July 2024 ridership recovery was forecast at 58% or 0.6M boardings, while the actual recovery fiscal for July is 59% or 0.6M boardings, within 0.2% of the Forecast. Total ridership generated by the Student Adventure Pass program for July was 0.2 M.

Revenue

For the month of July 2024, the Authority's farebox revenue actuals were less than the revenue as budgeted for FY24. Farebox revenue is budgeted at \$3.7M or a 57% recovery, while the actual farebox revenue is \$3.3M, a 52% recovery, a budget shortfall of \$0.3M. Amounts include the Student Adventure Pass program. The total amount of revenue from the Student Adventure Pass program for the month of July is \$0.5M.

Operating Results

The Metrolink Operating Statement for July 2024 is based on accruals not actuals.

- Operating revenue is \$5.3M, a shortfall from budget of \$0.3M.
- Expenses are \$22.9M, under budget by \$3.9M.

- Support required is \$17.6M, under budget by \$3.6M.

Outstanding Receivables

As of July 2024, Metrolink had \$35.6M of past due receivables outstanding. Staff is currently working with LA Metro to remit \$29.3M of this amount for the Working Capital Fund.

Available Cash

In July 2024, cash available is \$81.3M, which is over the threshold established by the Board.

Arrow Service

Ridership

For the month of July 2024 ridership was forecast at 11K boardings, while the actual ridership for July is 11K boardings, in agreement with the Forecast. Total ridership generated by the Student Adventure Pass program for July was 5K boardings.

Revenue

In July 2024, Arrow Service farebox revenue was budgeted at \$15K. Actual farebox revenue was \$19K, over budget by \$3K. This revenue includes \$12K generated by the Student Adventure Pass program.

Operating Results

The Arrow Service July 2024 Operating Statement is based on accruals not actuals.

- Total Operating Revenue is \$52K, over budget by \$35K.
- Expenses are \$1.2M, under budget by \$62K.
- Support required is \$1.2M under budget by \$98K.

Next Steps

Staff will continue to report Financial Results monthly.

Prepared by: Christine J. Wilson, Assistant Director, Finance

Approved by: Arnold Hackett, Chief Financial Officer

Attachment(s)

[Attachment A - Metrolink Operating Statement July 2024](#)
[Attachment B - Arrow Service Operating Statement July 2024](#)
[Presentation - July 2024 Financial Results](#)