



Finance and Capital Committee

Item II

September 25, 2025

**Finance and Capital Committee
Minutes of
September 11, 2025**

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Chair McAndrew called the meeting to order at 11:12 a.m. Present were:

Committee Members Present

Mr. Joe McAndrew, Chair
Dr. Tracy Hadden Loh, Vice Chair
Mr. Paul Smedberg

Other Members Present

Mr. Walter Alcorn
Ms. Debbi Jarvis
Ms. April Rai
Ms. Valerie Santos

* designated jurisdictional representative

The agenda was approved as presented.

The minutes of the July 10, 2025, Finance and Capital Committee meeting were approved as presented.

Information Item

A. FY2025 Year End Financial Results, Pre-Audit

The Chief Financial Officer presented pre-audit Fiscal Year 2025 year-end financial results, including key areas of operating efficiencies, ridership growth, and capital utilization. Metro ended Fiscal Year 2025 with \$120M in savings. Passenger revenue is favorable to budget and has an overall 29.9% increase compared to Fiscal Year 2024, driven by a 9% year-over-year ridership growth. Three operating efficiencies include the implementation of an additional \$50 million in ongoing operating expense savings; freezing wages of all non-represented employees and two of the authority's largest collective bargaining units; and aligning peak service periods with ridership levels. The \$120M savings from Fiscal Year 2025 will be reinvested in two areas: \$28M in Fiscal Year 2026 Operating Budget and \$92M in the Six-Year Capital Improvement Program. On the capital side, 82% of the Capital Budget was utilized. That is \$1.75B expenditure against \$2.13B budgeted. Three key capital program and project highlights include the launch of Tap-Ride-Go; the completion of rail vehicle scheduled maintenance, replacement of 7000-series wheelset for 358 railcars, and the procurement of 185 minivans and 49 next-generation vehicles for MetroAccess. Capital budget utilization is driven by scope and schedule changes as well as market conditions. The Authority expects Fiscal Year 2029 to be the last year for Dedicated Funding debt to be issued.

B. Fare Modernization

The Chief of Planning & Performance Officer presented on Fare Modernization, including a call to action for fare collection integration and coordination with other regional operators. SmarTrip had been accepted and adopted as a fare payment method for about 92% of all public transit trips with our regional partners. However, the regional fare policy across operators was inconsistent and fragmented. An example included the Free K-12 Student Pass, through which students could only travel for free on their local bus operators. The free pass was invalid cross-jurisdictions. Inconsistent regional fare policy created customer confusion, service planning difficulties, higher paratransit subsidies, to name a few challenges. Metro currently advances several fare modernization payment technologies, including Mobile SmarTrip, Tap.Ride.Go. The concept of a coordinating authority was put forward to develop regional fare policy and administer the fare collection infrastructure and technology.

The meeting was adjourned at 12:09 p.m.