



Finance and Capital Committee

Item II

December 11, 2025

**Finance and Capital Committee
Minutes of
November 20, 2025**

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Chair McAndrew called the meeting to order at 12:58 p.m. Present were:

Committee Members Present

Mr. Joe McAndrew, Chair
Dr. Tracy Hadden Loh, Vice Chair
Mr. Paul Smedberg
Ms. April Rai*

Other Members Present

Ms. Valerie Santos
Mr. Walter Acorn

*designated jurisdictional representative

Mr. McAndrew moved to amend the agenda to remove the Rail Modernization item. The agenda was approved as amended without objection.

The minutes of the October 9, 2025, Finance and Capital Committee meeting were approved as presented.

Action Item

North Bethesda and Braddock Rd Joint Development Authorizations

Mr. Acorn moved, seconded by Mr. Smedberg, committee authorization to: (1) hold a Compact Public Hearings and issue a joint development solicitation for proposed changes at Braddock Rd station, and (2) hold a Compact Public Hearing for proposed changes at North Bethesda station.

Information Item

FY2026 Q1 Financial Results

Staff presented Metro's FY2026 Quarter 1 (Q1) financial results to the committee. Results show stronger-than-expected revenue growth, with revenue from rail ridership offsetting increases in operating expenses, keeping Metro \$2 million favorable to budget. Operating highlights for Q1 include the extension of Metrorail's weekend hours and the implementation of the Better Bus Network and additional updates to nine Metrobus routes. Capital program highlights include an investment of \$425 million in delivery of new MetroAccess vehicles, rehabilitation of Metrobuses, and completion of payment upgrades to support Tap. Ride. Go.

Passenger and parking revenue is up \$25 million or 22 percent compared to Q1 of last year. Metrorail's passenger revenue increase of \$21.8 million was driven by an additional 5.2 million passenger trips compared to the previous year. Metrobus

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passenger revenue increased by more than three percent compared to Q1 of last year thanks to growth in paid ridership. Parking revenue grew \$2.8 million compared to Q1 of last year thanks to a parking utilization increase of 59 percent. Passenger and parking revenue totaled \$138 million, \$18 million above budget. The Tap. Ride. Go payment option generated \$10.3 million through 3.2 million trips.

As a result of the federal government shutdown, weekday rail ridership in October was down seven percent from September; SmartBenefits trips were down 35 percent, and parking transactions were down 20 percent. Increases in overtime, propulsion, and fringe benefits are anticipated for the remainder of the year. Total revenue forecast through year-end is \$68 million above budget while gross expenses are forecast at \$43 million above budget. Metro is revising its FY2026 Capital Budget year-end forecast from \$2.1 billion to \$1.9 billion based on revised estimates and updated execution activity. Staff will present the FY2027 Proposed Budget in December and continue to provide quarterly financial results to the Board.

FY2027 Budget and FY2027-2032 Capital Program Preview

Staff provided the Board of Directors with a preview of Metro's FY2027 Operating Budget and FY2027 to FY2032 Capital Program. Predictable regional investment in Metro has enabled service enhancements that have driven ridership and revenue growth. Metro continues to look for operational savings and reinvestments, with current opportunities for increased efficiencies and revenues including workforce optimization, bus scheduling efficiencies, automatic train operations (ATO), and revenue growth through increased ridership and parking. Opportunities for reinvestment include delivering more service, organizational modernization initiatives, and continuing to reduce reliance on capital funding for operating maintenance expenses. Service and fare improvements in the last five years have already helped lead to substantial growth in combined ridership, from 81 million in FY2021 to a projected 268 million in FY2026.

Ridership is expected to increase in FY2027. This projection is driven by continued general ridership increases, momentum for student pass programs, and stable federal ridership. Potential FY2027 Metrobus service improvement concepts include schedule optimization, better on-time performance, increased frequency and enhanced span and coverage. Potential FY2027 Metrorail service improvement concepts include enhancing operational efficiency through the targeted use of eight-car trains, providing more frequent weekday morning, midday, and evening service on the blue, orange, and silver lines, and increasing late-night service on the Red Line. The MetroAccess service area will meet federal requirements making only mandated increases to cover new service areas. Taking these service changes into account, Metro expects ridership to grow to 282 million trips, nearly five percent above FY2026 forecast levels of 268 million. FY2027 revenue is expected to grow from a previously forecasted \$506 million to \$525 million. Headwinds include higher inflation and tariffs, volatility in energy markets and higher pension and healthcare benefits.

Metro is developing the proposed FY2027-FY2032 Capital Program for submission to the Board in December, preparing two Capital Program scenarios: 1. Draft proposed scenario that assumes no new regional investment; and 2. DMVMoves recommended scenario that assumes additional regional investment of \$460 million annually (indexed and bond) recommended by the DMVMoves Task Force to increase the capital program.

The meeting was adjourned at 1:23 p.m.