

Skagit County
Public Works Department
Ferry Division

Draft 2024 Ferry Fare Revenue Target Report

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Draft 2024 Ferry Fare Revenue Target Report

- Revenue target methodology
- 2024 revenue target
- 2023 revenue target & fare box revenue
- Road fund subsidy
- Historical fare box revenue
- Revenue sources
- Trends
- Revenue target variance
- Summary
- Recommendations



2024 Revenue Target Methodology

- Resolution R20230152 (signed by BCC July 27, 2023)
- Evaluation period - 2022 through 2026
- 5-year average methodology
- 65% fare recovery requirement by December 31, 2028
- Capital expenditures not included



2025 Revenue Target

Revenue Target Calculation						
	Actual		Adjusted Budget	Projected		Five Year Average
Year	2022	2023 ⁽¹⁾	2024	2025	2026	
O&M Expenditures	\$ 2,904,594	\$ 3,672,133	\$ 4,169,792	\$ 4,690,434	\$ 4,830,678	\$ 4,053,526
MVFT ⁽²⁾	\$ 132,992	\$ 150,119	\$ 132,051	\$ 132,051	\$ 132,051	\$ 135,853
WSDOT Deficit Reimbursement ⁽²⁾	\$ 451,672	\$ 212,507	\$ 244,828	\$ 244,828	\$ 244,828	\$ 279,733
Adjusted O&M	\$ 2,319,930	\$ 3,309,507	\$ 3,792,913	\$ 4,313,555	\$ 4,453,799	\$ 3,637,941
Fare Recovery Requirement						65%
2025 Ferry Fare Revenue Target						\$ 2,364,662

⁽¹⁾ Source: Skagit County Cayenta Financial Report (May 08, 2023) & 2023 County Ferry System Operations Report

⁽²⁾ 5-year average (2019-2023) used for 2024, 2025, and 2026 projected



Base Year Expenditures

	Actual		Adjusted	Projected ⁽²⁾	
	2022	2023	2024	2025	2026
Salaries & Wages	\$ 941,967	\$ 1,104,080	\$ 1,366,585		
Personnel Benefits	\$ 362,589	\$ 393,678	\$ 501,832		
Supplies & Consumables	\$ 414,904	\$ 326,418	\$ 418,850		
Services & Pass-throughs	\$ 1,185,134	\$ 1,847,957	\$ 1,174,713		
Subtotal	\$ 2,904,594	\$ 3,672,133	\$ 3,461,980		
2024 Est. haul out, maintenance, & repair			(\$ 400,000)		
Without haul out/maintenance, & repair			\$ 3,061,980	\$ 3,553,376	\$ 3,659,622
Annualized haul out, maintenance, & repair ⁽¹⁾			\$ 1,107,812	\$ 1,137,058	\$ 1,171,056
Total			\$ 4,169,792	\$ 4,690,434	\$ 4,830,678

⁽¹⁾ Annualized haul out, maintenance, and repair includes \$750,000 for haul out and \$357,812 for 2022/2023 average non-haul out maintenance expenditures

⁽²⁾ Projections for 2025 and 2026 include cost escalations adjusted for recent inflation projections – Seattle area Consumer Price Index (CPI); 2025 (0.0264) and 2026 (0.0299)



2023 Revenue Target

2023 Revenue Target	
Ferry Fare Revenue Target	\$ 1,888,207
Fare Box Revenue ⁽¹⁾	\$ 1,250,681
Surplus/(Shortfall) From Revenue Target	\$ (637,526)

⁽¹⁾Fare box revenue does not include vessel replacement surcharge revenue.



2023 Road Fund Subsidy

2023 Road Fund Subsidy	
O&M Expenditures	\$ 3,672,133
WSDOT Deficit Reimbursement	\$ (212,507)
Motor Vehicle Fuel Tax (MVFT)	\$ (150,119)
Subtotal (Adjusted O&M Expenditures)	\$ 3,309,507
Fare Box Revenue	\$ (1,250,681)
Subtotal	\$ 2,058,826
FHWA FBP Funding	\$ (350,740)
Road Fund Subsidy	\$ 1,708,086

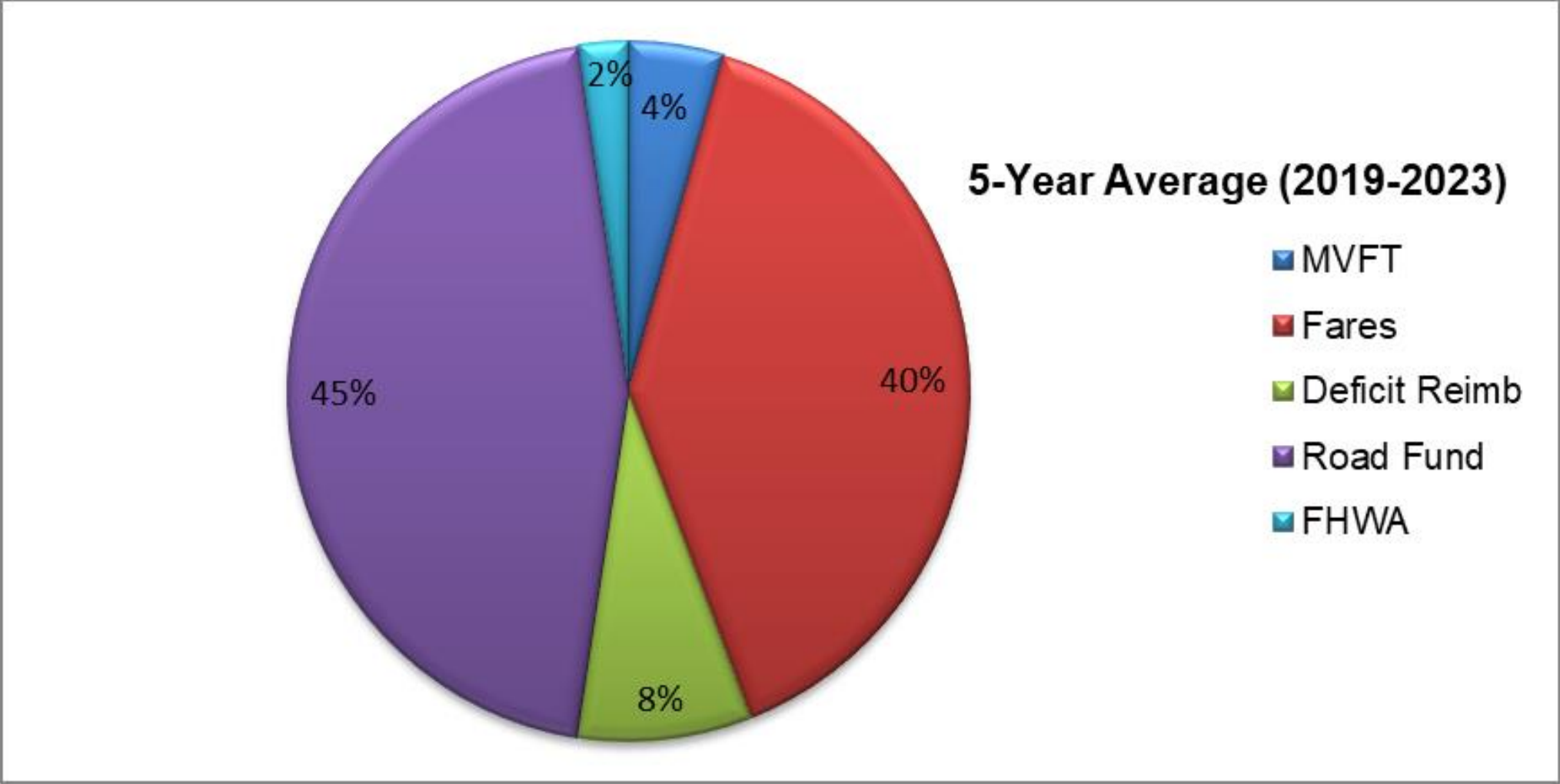


Historical Fare Box Revenue

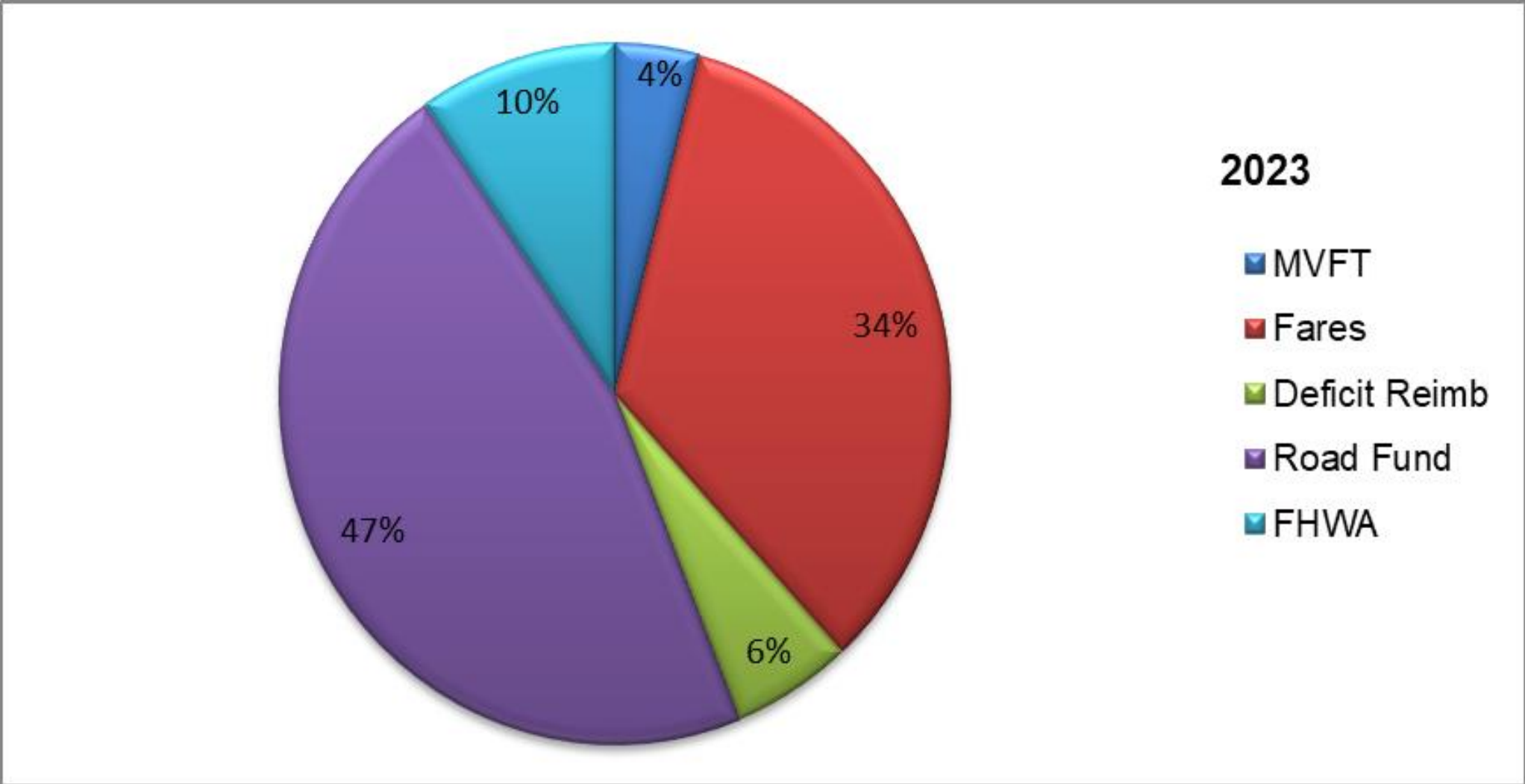
Fare Box Revenue (2019 – 2023)	
2019	\$ 1,172,643
2020	\$ 1,090,088
2021	\$ 1,115,037
2022	\$ 1,201,719
2023	\$ 1,250,681



Revenue Sources – 5-Year Average

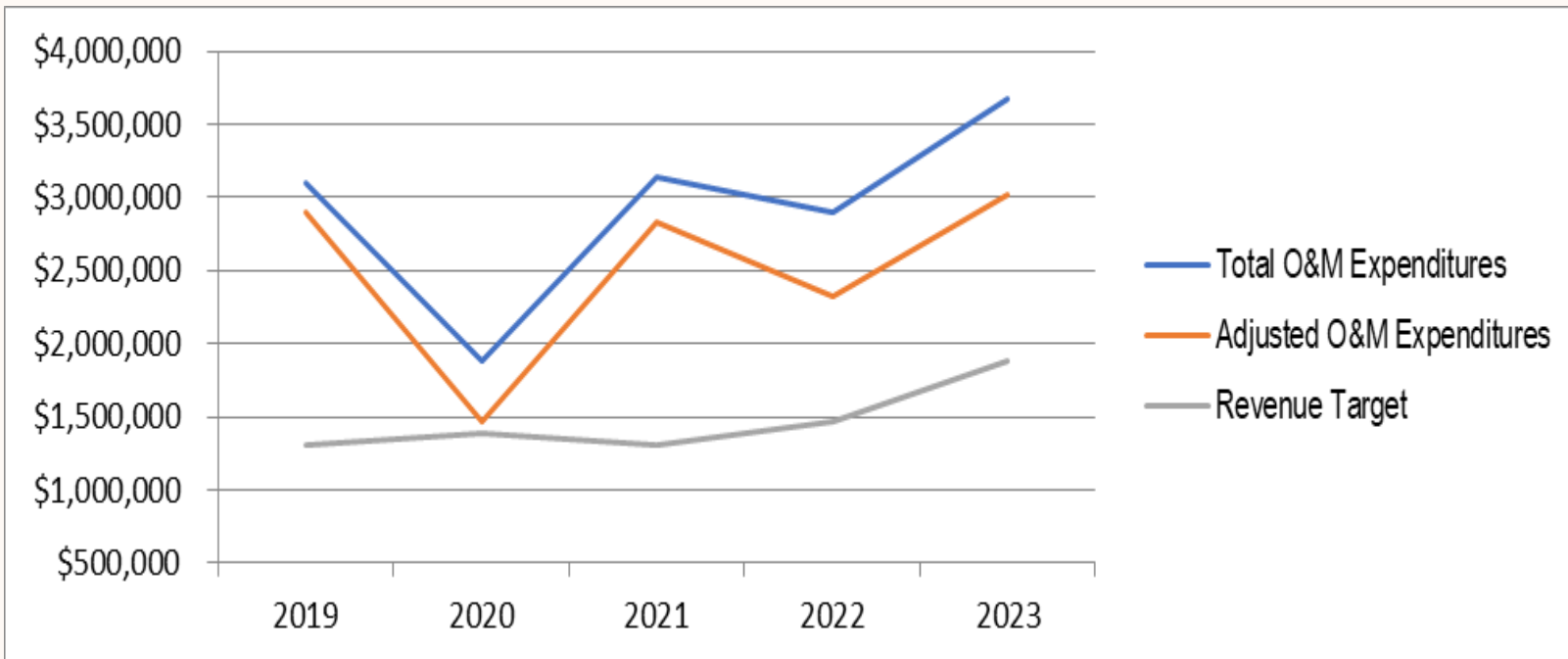


Revenue Sources – 2023



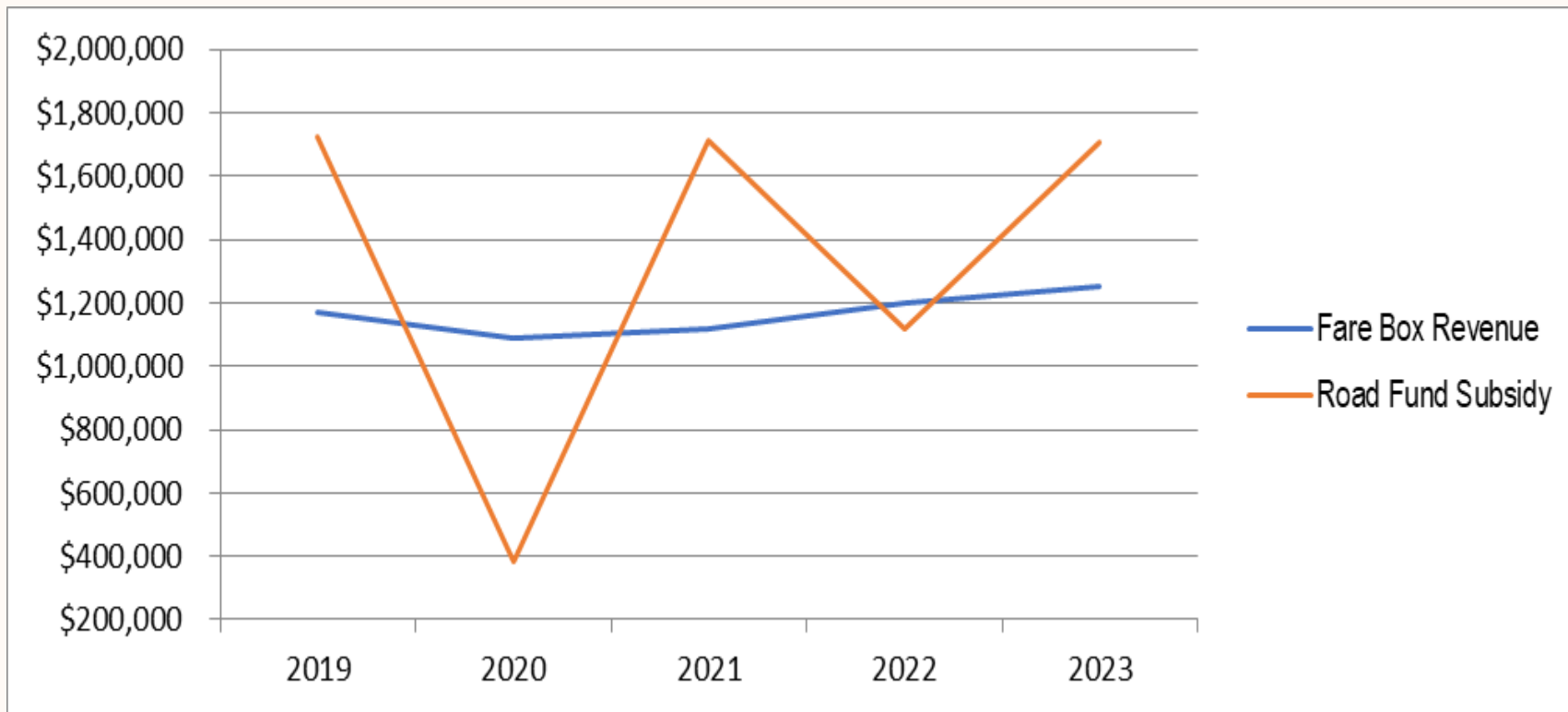
Trends – 65% Methodology Applied

65% Methodology Applied					
	2019	2020	2021	2022	2023
Total O&M Expenditures	\$ 3,103,772	\$ 1,886,139	\$ 3,144,332	\$ 2,904,594	\$ 3,672,134
Adjusted O&M Expenditures	\$ 2,898,533	\$ 1,472,252	\$ 2,826,710	\$ 2,319,930	\$ 3,012,901
Revenue Target	\$ 1,302,372	\$ 1,386,935	\$ 1,300,624	\$ 1,463,031	\$ 1,888,207



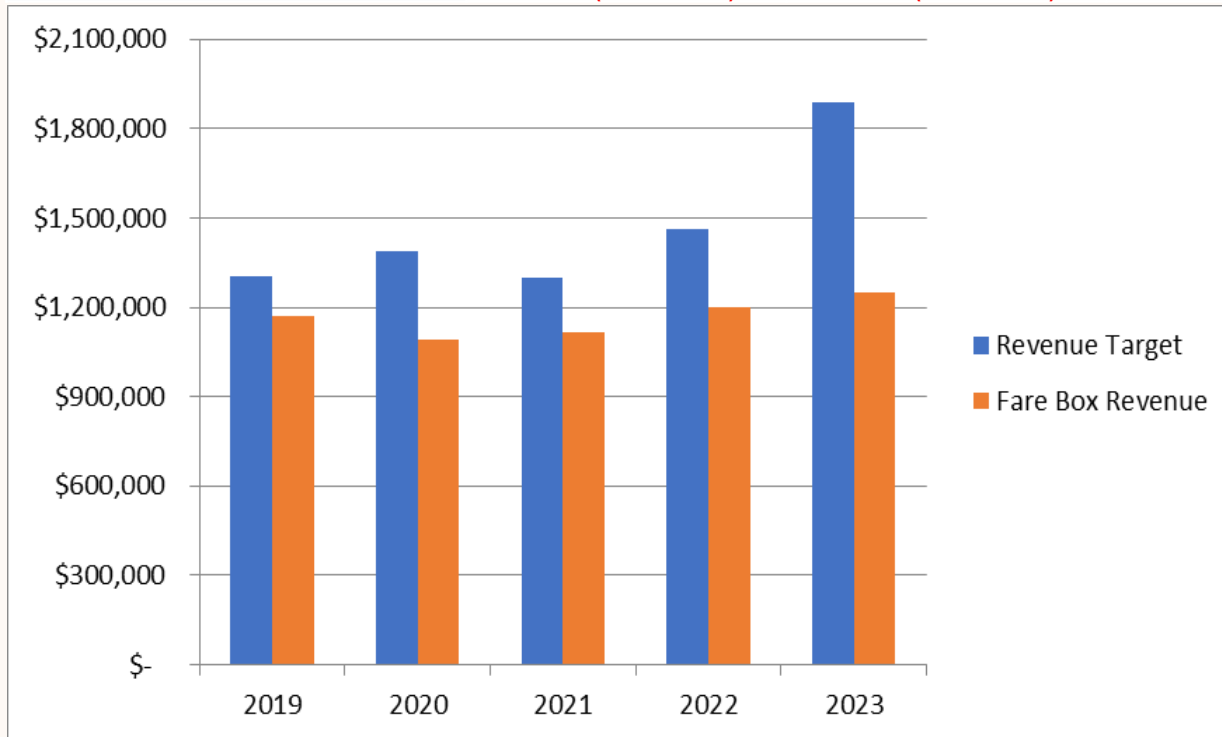
Trends – Fare Box Revenue Vs. Road Fund Subsidy

Trend of Fare Box Revenue Vs. Road Fund Subsidy					
	2019	2020	2021	2022	2023
Fare Box Revenue	\$ 1,172,643	\$ 1,090,088	\$ 1,115,037	\$ 1,201,719	\$ 1,250,681
Road Fund Subsidy	\$ 1,725,890	\$ 382,164	\$ 1,711,318	\$ 1,118,211	\$ 1,708,086



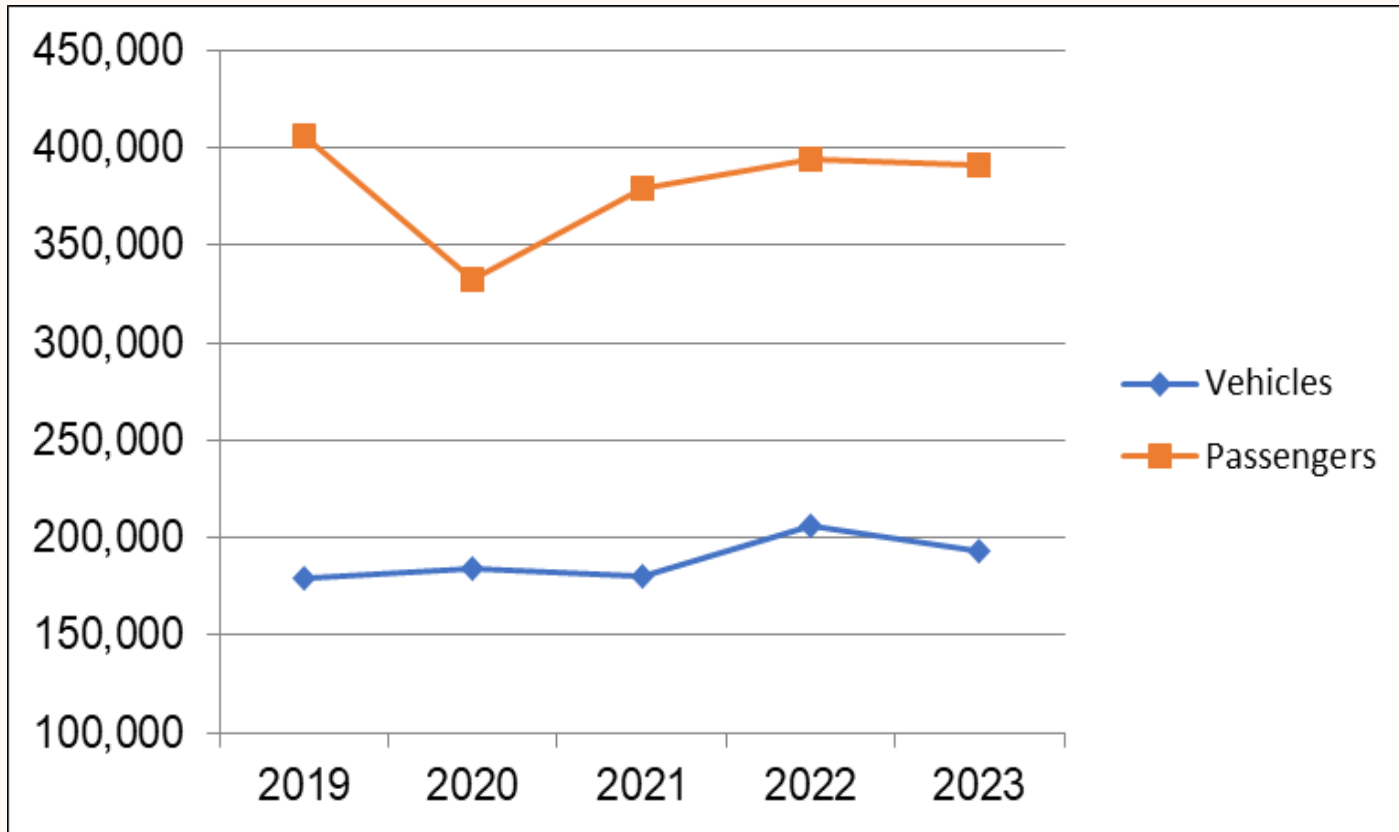
Revenue Target Variance – 2019 - 2023

Revenue Target Variance 2019 – 2023					
	2019	2020	2021	2022	2023
Revenue Target	\$ 1,302,372	\$ 1,386,935	\$ 1,300,624	\$ 1,463,031	\$ 1,888,207
Fare Box Revenue	\$ 1,172,643	\$ 1,090,088	\$ 1,115,037	\$ 1,201,719	\$ 1,250,681
Variance	\$ (129,729)	\$ (296,847)	\$ (185,587)	\$ (261,312)	\$ (637,526)



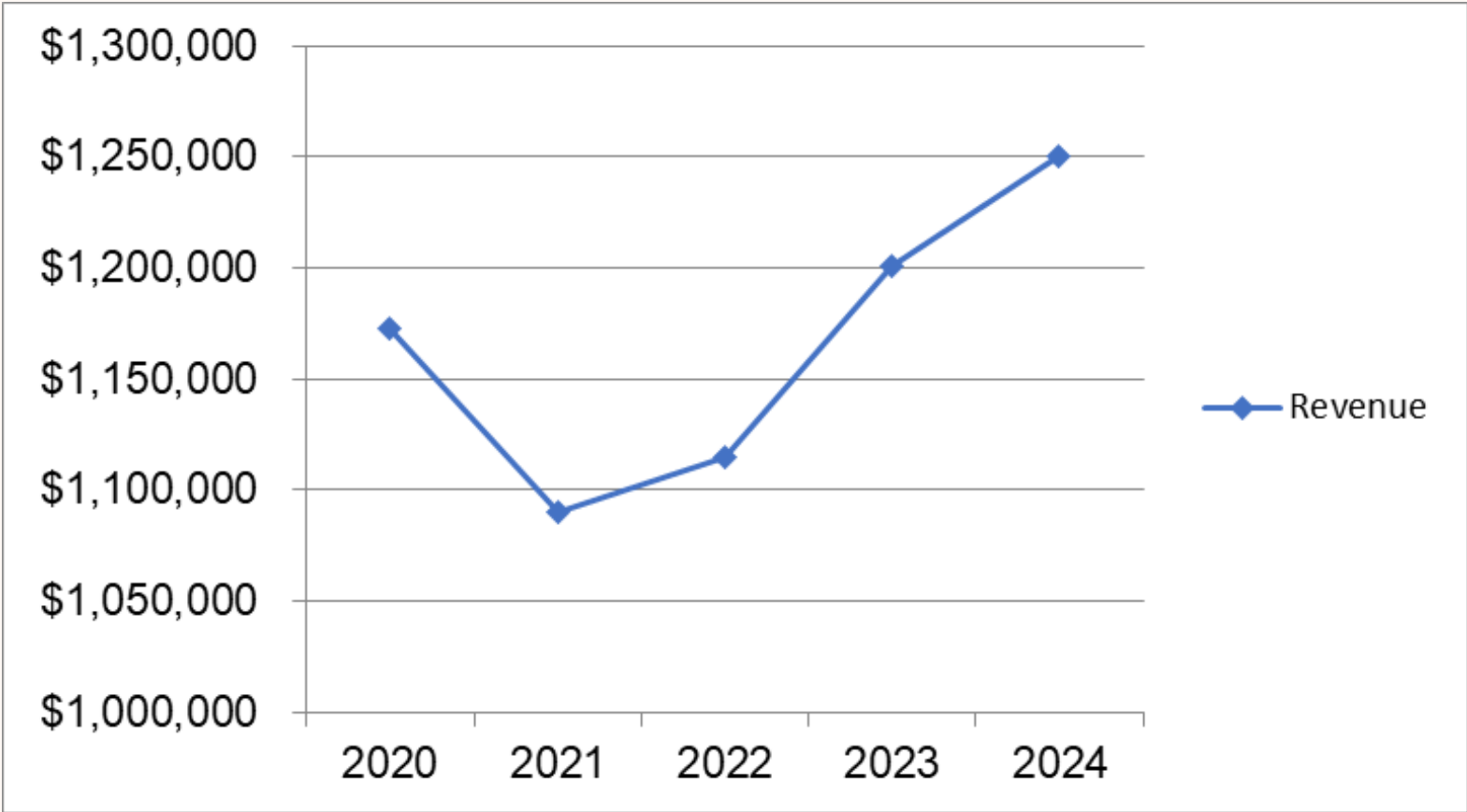
Ridership 2019 - 2023

Ridership 2019-2023					
	2019	2020	2021	2022	2023
Vehicles	179,301	183,852	179,983	205,802	193,310
Passengers	405,887	332,360	379,092	393,937	391,346



Revenue 2019 - 2023

Fare Box Revenue 2019-2023					
	2019	2020	2021	2022	2023
Revenue	\$ 1,172,643	\$ 1,090,088	\$ 1,115,037	\$ 1,201,719	\$ 1,250,681



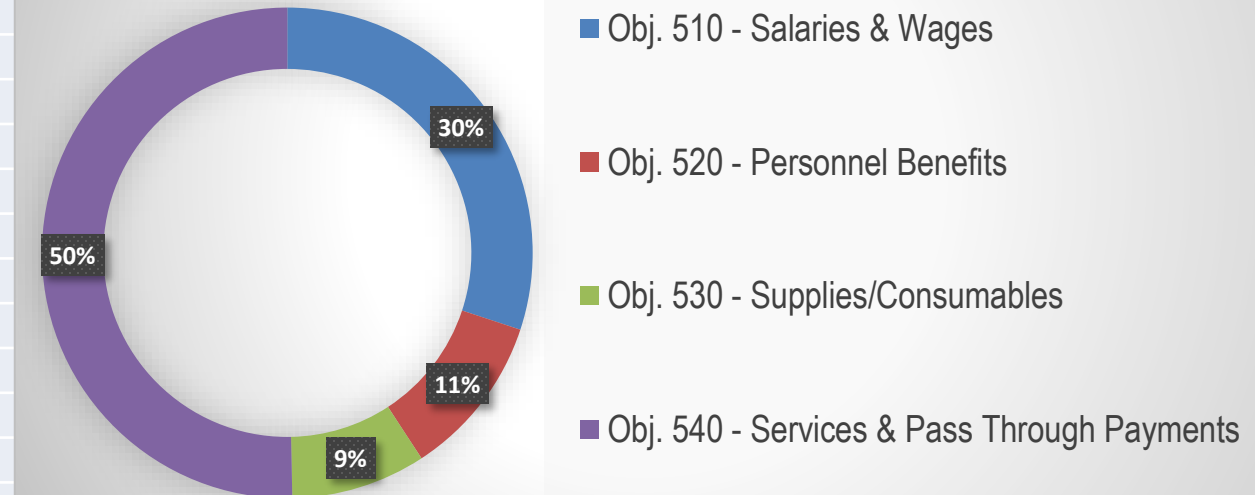
Expenditures 2023

Dept. 0053 - County Roads

Div. 004 - Ferry

Expenditures	2023 Actual
Obj. 510 - Salaries & Wages	\$ 1,104,080.33
Obj. 520 - Personnel Benefits	\$ 393,678.18
Obj. 530 - Supplies/Consumables	\$ 326,418.37
3120 - Operating Supplies	\$ 100,604.73
3200 - Fuel	\$ 221,270.31
3412 - Interfund Parts & Materials	\$ 1,866.85
3510 - Small Tools & Minor Equipment	\$ 2,676.48
Obj. 540 - Services & Pass-Through Payments	\$ 1,847,957.31
4110 - Professional Services	\$ 121,148.24
4153 - Intergovernmental Professional Services	\$ 5,709.86
4155 - External Taxes & Ops Assessment	\$ 32,454.22
4190 - Interfund Information Services	\$ 62,532.40
4230 - Communications	\$ 5,903.50
4310 - Travel	
4361 - Meals	\$ -
4410 - Advertising	\$ 1,877.62
4510 - Rentals	\$ 112,859.61
4511 - Interfund Equipment Rental	\$ 14,236.30
4610 - Insurance	\$ 271,802.00
4700 - Utilities	\$ 41,977.62
4810 - Repairs & Maintenance	\$ 1,088,531.36
4811 - Interfund Shop Labor	\$ 20,406.74
4910 - Miscellaneous	\$ 68,517.84
O&M Total	\$ 3,672,134.19

2023 Expenditures



Summary

2023 O&M expenditures over budget by 8%

2023 Budget	\$ 3,383,191
<u>2023 O&M Expenditures</u>	<u>\$ 3,672,134</u>
Difference	\$ (288,943)

2023 revenue target shortfall - \$637,526

2023/2024 Revenue Target	\$ 1,888,207
<u>2023 Fare Box Revenue</u>	<u>\$ 1,250,681</u>
Shortfall	\$ (637,526)

Revenue fell short of projections by \$110,807

2023 Projected Revenue	\$ 1,361,488
<u>2023 Fare Box Revenue</u>	<u>\$ 1,250,681</u>
Shortfall	\$ (110,807)



Recommendations

Increase fares by 30% over 2023/2024 rates

- 2025 Fare Box Recovery 50%

2025 Adjusted O&M Exp. (5-year avg. 2022-2026)	\$ 3,637,941
<u>Projected 2025 Fare Box Revenue (with 30% increase)</u>	<u>\$ 1,795,842</u>
2025 Fare Box Recovery	49.4%

2025 Road Fund Subsidy estimated at \$2,517,713

2025 Projected O&M Expenditures	\$ 4,690,434
Motor Vehicle Fuel Tax (MFVT)	\$ (132,051)
WSDOT Deficit Reimbursement	\$ (244,828)
Subtotal (Adjusted O&M Expenditures)	\$ 4,313,555
<u>2025 Projected Fare Box Revenue</u>	<u>\$ (1,795,842)</u>
2025 Projected Road Fund Subsidy	\$ 2,517,713



2025 Proposed Fare Schedule

PROPOSED POSTED FARES	2023/2024 NON-PEAK	2023/2024 PEAK	2025 NON-PEAK	2025 PEAK
PASSENGERS				
Adult	4.50	5.50	5.50	6.75
Senior (+65)/Disabled	2.25	3.25	3.00	4.00
Youth - 18 and under (includes youth with bicycles)	Free	Free	Free	Free
Rider & Bicycle	5.50	6.75	6.75	8.50
Riders & Bicycle senior/disabled	3.50	4.50	4.50	5.75
PASSENGER MULTI RIDE (Valid for 90 days from purchase date)				
25 trip adult passengers	84.50	84.50	105.75	105.75
25 trip senior/disabled	53.75	53.75	69.75	69.75
VEHICLE (22 FT OR LESS INCLUDING OVERHANG)				
Motorcycle & rider	7.75	11.25	9.75	14.00
Vehicle/driver under 22 feet	13.50	16.75	17.00	21.00
Vehicle/driver senior/disabled under 22 feet	11.25	13.50	14.00	17.00
VEHICLE & DRIVER MULTI-RIDE (Valid for 90 days from purchase date)				
20 trip under 22 feet	221.50	221.50	281.00	281.00
20 trip under 22 feet senior/disabled	177.25	177.25	224.00	224.00
20 trip Motorcycle	129.75	129.75	163.75	163.75
VEHICLE NEEDS BASED (Valid for 90 days from purchase date)				
5 trip convenience needs based only	44.25	44.25	56.00	56.00
OVERSIZED VEHICLES				
Over 22 feet under 30 feet	21.50	27.25	27.75	33.25
Under 40 feet	42.25	52.00	51.25	60.75
Under 50 feet	63.00	80.25	77.25	91.00
Under 60 feet	93.25	109.25	100.50	120.00
Each 10 foot over 60	16.25	18.25	21.25	23.25
Over width charge (over 8 feet 6 inches)	Double Length Charge		Double Length Charge	
OVERSIZED VEHICLES 5 TRIP CONVENIENCE CARD (Valid for 90 days from purchase date)				
Over 22 feet under 30 feet	107.50	136.25	138.75	166.25
Under 40 feet	211.25	260.00	256.25	303.75
Under 50 feet	315.00	401.25	386.25	455.00
Under 60 feet	466.25	546.25	502.50	600.00

