

SKAGIT COUNTY
PUBLIC WORKS DEPARTMENT
Ferry Operations Division

Draft 2020 Ferry Fare Revenue Target Report
13APR2020



The following report is prepared annually for submittal to the Board of Skagit County Commissioners pursuant to Resolution R20100050, amended by Resolution R20110382, which establishes the Guemes Island Ferry fare revenue target methodology.

Resolution R20110382 states that, “It is the desire of the Board that the County’s ferry fare revenue target be calculated as a percentage of the overall system operating and maintenance costs as computed in the annual deficit reimbursement report provided to the state less revenues from the motor vehicle fuel tax and state ferry deficit reimbursement. In order to balance and mitigate potential large variations in year-to-year maintenance costs and revenues from the motor vehicle fuel tax and state deficit reimbursement, these costs and revenues will be averaged over the previous five county calendar fiscal year periods.”

The ferry fare revenue target shall be calculated, using data from January 1 through December 31 of each calendar year, as follows:

“The five (5) calendar year average of ferry operating and maintenance costs as computed in the prior annual deficit reimbursement reports submitted to the State. For purposes of this resolution, capital expenditures are not included in the ferry operating and maintenance costs and shall be defined as all capital expenditures defined in WAC 136-400-030 and other capital costs including financing and depreciation expenses applied to the replacement, expansion, or creation of ferry system physical elements, less the five (5) year average of the state motor vehicle fuel tax received by the County for operation and maintenance of the ferry system, less the five (5) year average of the State Ferry Deficit Reimbursement received by the County, the total of the above multiplied by 65%.”

Table 1 states the 2020 ferry fare revenue target utilizing figures from 2015 through 2019.

TABLE 1: 2020 REVENUE TARGET CALCULATION						
FARE REVENUE TARGET METHODOLOGY: R20100050, amended by R20110382						
Fiscal Year	2015	2016	2017	2018	2019	5-Year Ave
Operation & Maintenance Expenditures	\$2,623,854	\$1,942,226	\$2,863,906	\$1,995,242	\$3,103,772 ⁽¹⁾	\$2,505,800
Attributable State Motor Vehicle Fuel Tax (MVFT)	(\$138,411)	(\$149,293)	(\$168,399)	(\$84,683)	(\$102,636) ⁽¹⁾	(\$128,684)
WSDOT Ferry Deficit Reimbursement Payment	(\$349,260)	(\$215,862)	(\$159,051)	(\$390,074)	(\$102,603) ⁽¹⁾	(\$243,370)
Adjusted O&M Expenditure	\$2,136,183	\$1,577,071	\$2,536,456	\$1,520,485	\$2,898,533	\$2,133,746
Fare Recovery Requirement						65%
2020 Ferry Fare Revenue Target						\$1,386,935

⁽¹⁾ Source: County Ferry System Operations Report (Appendix C)

In 2015, 2017 and 2019, increased expenditures were due to maintenance performed during the annual haul-out each of those years. There were no haul-out and maintenance periods in 2016 or 2018. The next haul-out is tentatively scheduled for fall, 2020; however, it may be postponed to spring, 2021.

Table 2 shows the 2019 fare box revenue and the shortfall from the revenue target that occurred utilizing the current fare recovery methodology. The 2019 fare box revenue fell short of the revenue target by \$129,729.

TABLE 2: 2019 REVENUE TARGET	
Ferry Fare Revenue Target	\$ 1,302,372
Fare Box Revenue ⁽¹⁾	\$ 1,172,643
Surplus/(Shortfall) From Revenue Target	\$ (129,729)

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

Summarized in Table 3 is the total road fund subsidy for 2019. The road fund subsidy is calculated utilizing 2019 O&M expenditures, less the motor vehicle fuel tax (MVFT), less the WSDOT deficit reimbursement, less the fare box revenue. The total road fund subsidy for 2019 was \$1,725,890.

TABLE 3: 2019 ROAD FUND SUBSIDY	
O&M Expenditures	\$ 3,103,772
WSDOT Deficit Reimbursement	\$ (102,603)
Motor Vehicle Fuel Tax (MVFT)	\$ (102,636)
Subtotal (Adjusted O&M Expenditures)	\$ 2,898,533
Fare Box Revenue	\$ (1,172,643)
Road Fund Subsidy	\$ 1,725,890

Table 4 shows fare box revenue for the years 2015 through 2019.

TABLE 4: FARE BOX REVENUE 2015 – 2019	
2015	\$ 1,006,793
2016	\$ 1,189,654
2017	\$ 1,160,205
2018	\$ 1,232,411
2019	\$ 1,172,643

A vessel replacement surcharge was implemented Aug. 1, 2018; surcharge revenue is shown separately in Table 9. In the last 10 years, there have been two general fare increases on October 1, 2015 and June 1, 2011.

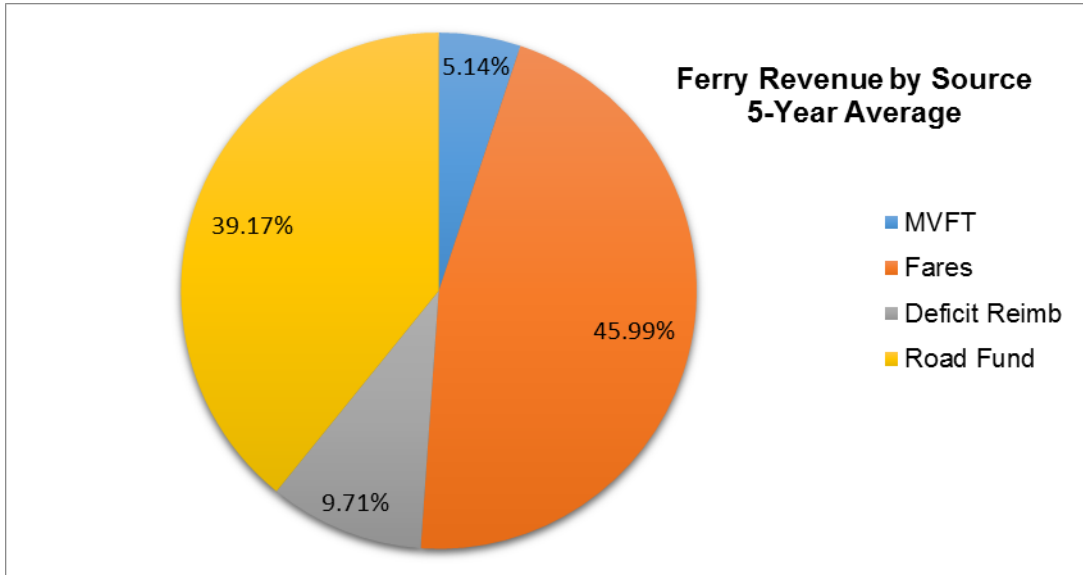
Table 5 contains total revenue and the road fund subsidy for the years 2015 through 2019. Revenue sources include fares, the state motor vehicle fuel tax, the WSDOT ferry deficit reimbursement and the road fund.

TABLE 5: TOTAL REVENUE 2015 – 2019						
	2015	2016	2017	2018	2019	5-Year Average
Fares	\$ 1,006,793	\$ 1,189,654	\$ 1,160,205	\$ 1,232,411	\$ 1,172,643	\$ 1,152,341
MVFT	\$ 138,411	\$ 149,293	\$ 168,399	\$ 84,683	\$ 102,636	\$ 128,684
WSDOT Deficit Reimbursement	\$ 349,260	\$ 215,862	\$ 159,051	\$ 390,074	\$ 102,603	\$ 243,370
Road Fund	\$ 1,129,390	\$ 387,417	\$ 1,376,251	\$ 288,074	\$ 1,725,890	\$ 981,404
Total	\$ 2,623,854	\$ 1,942,226	\$ 2,863,906	\$ 1,995,242	\$ 3,103,772	\$ 2,505,800

The road fund subsidy in 2015, 2017 and 2019 was significantly higher due to haul-out costs. Increased maintenance expenditures since 2014 have resulted from major maintenance projects

such as piping, engine foundation replacements and hull/car deck steel plate replacements that were completed during the shipyard periods.

As shown in the chart below, over a five-year average (2015-2019), fare box revenue, motor vehicle fuel tax and the WSDOT ferry deficit reimbursement collectively contributed an average of 61 percent of total revenue, while the road fund contributed 39 percent.



There is a 65 percent fare recovery requirement, per Resolution R20100050, amended by R20110382. The current 65 percent methodology states that fare box revenue must equal 65 percent of the five-year average of the adjusted O&M expenditures (refer to Table 1, page 1).

The following chart shows total revenue, by source, for 2019. As shown below, in 2019, fare box revenue, motor vehicle fuel tax and the deficit reimbursement collectively contributed 44 percent of total revenue, while the road fund contributed 56 percent.

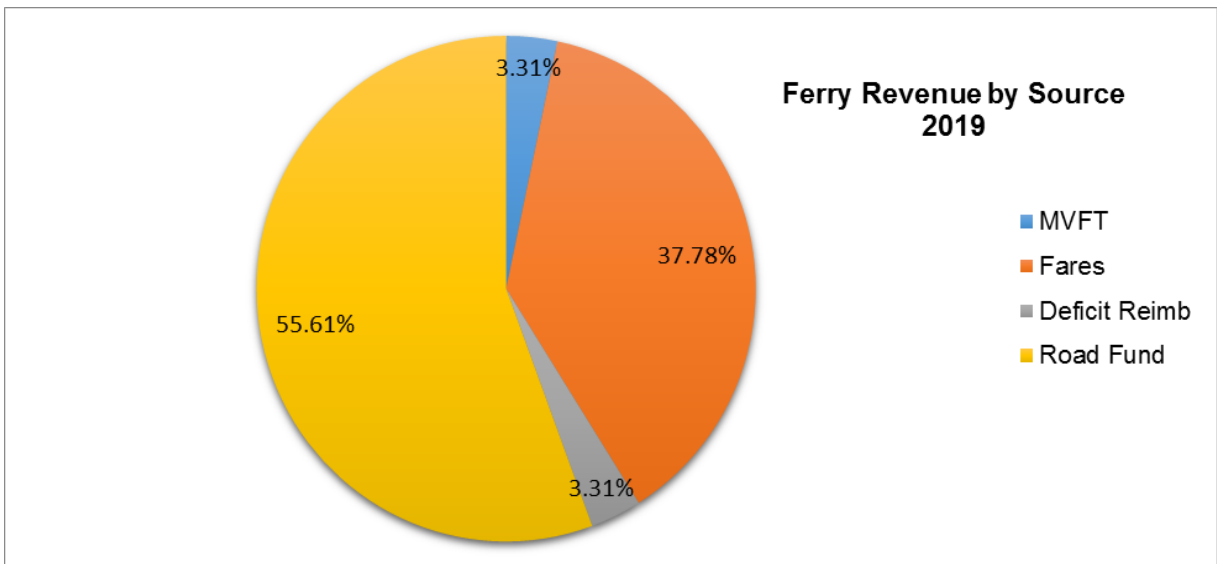
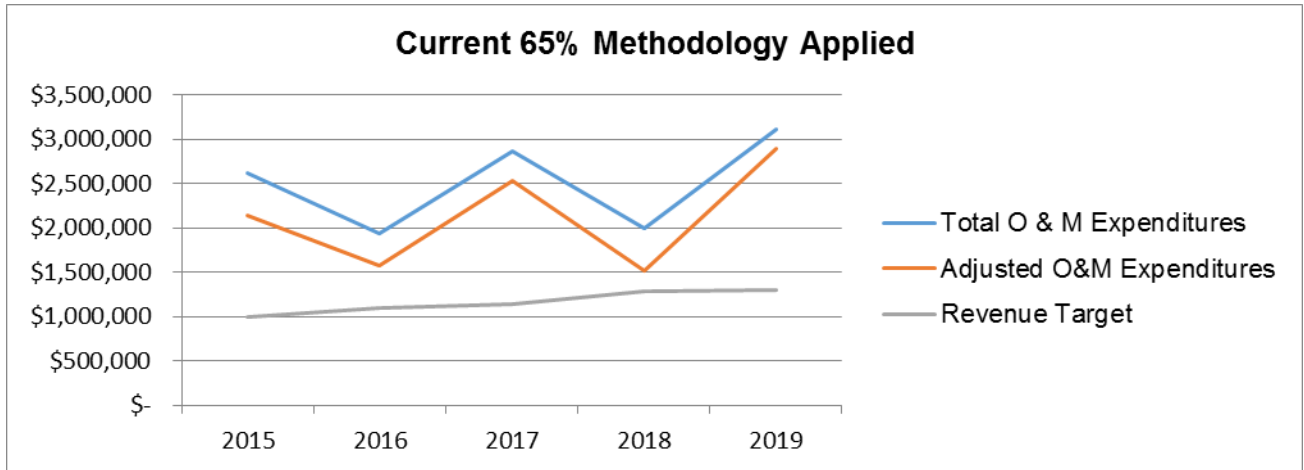


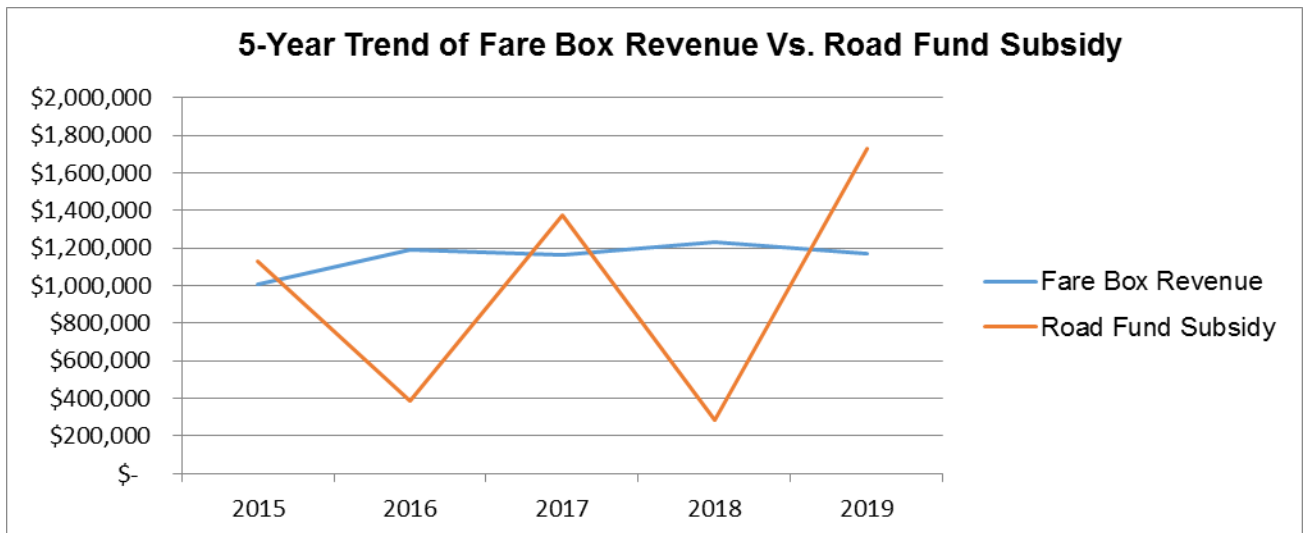
Table 6 shows the total O&M expenditures and the adjusted O&M expenditures from 2015 through 2019. The adjusted O&M expenditures represent total O&M expenditures, less MVFT, less the WSDOT deficit reimbursement. The five-year average of the adjusted O&M expenditures is then multiplied by 65 percent to determine the revenue target.

	2015	2016	2017	2018	2019	5-Year Avg.
Total O & M Exp.	\$ 2,623,854	\$ 1,942,226	\$ 2,863,906	\$ 1,995,242	\$ 3,103,772	\$ 2,505,800
Adjusted O&M Exp.	\$ 2,136,183	\$ 1,577,071	\$ 2,536,456	\$ 1,520,485	\$ 2,898,533	\$ 2,133,746
Revenue Target	\$ 996,788	\$ 1,095,557	\$ 1,144,694	\$ 1,282,491	\$ 1,302,372	\$ 1,164,380



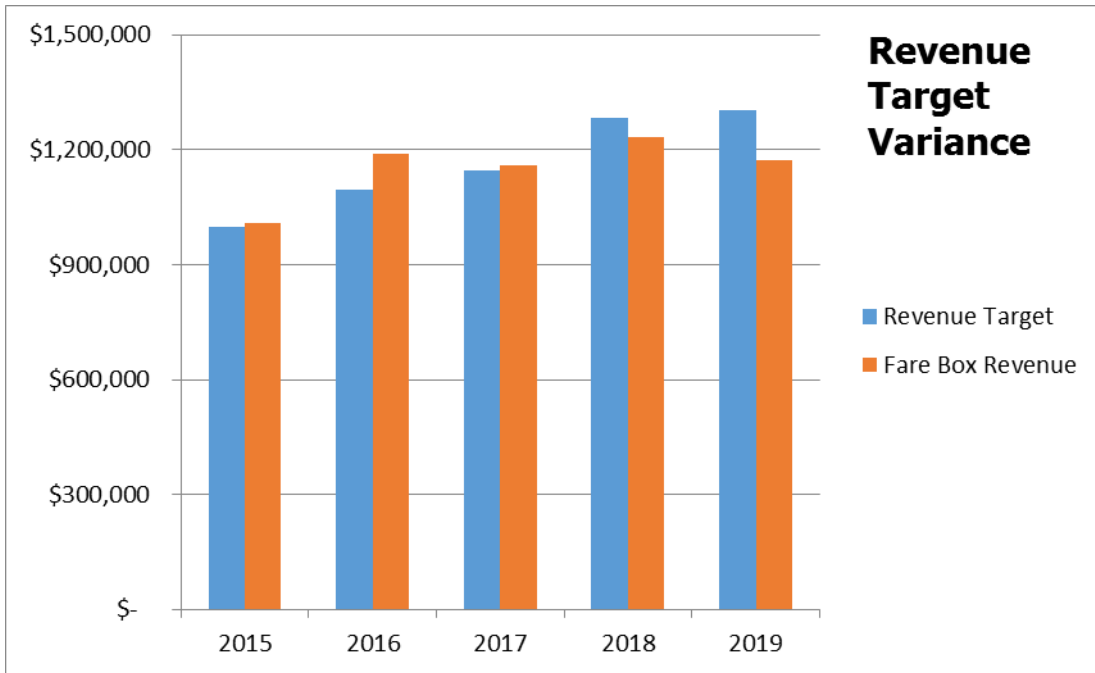
The current, five-year average methodology allows the revenue target to remain relatively stable regardless of whether O&M expenditures increase or decrease in any given year. Therefore, years with higher O&M expenditures result in increased subsidy from the road fund.

	2015	2016	2017	2018	2019
Fare Box Revenue	\$ 1,006,793	\$ 1,189,654	\$ 1,160,205	\$ 1,232,411	\$ 1,172,643
Road Fund Subsidy	\$ 1,129,390	\$ 387,417	\$ 1,376,251	\$ 288,074	\$ 1,725,890



As shown in Table 8, between 2015 and 2019, fare box revenue exceeded the revenue target by as much as \$94,097 in 2016. In fact, the shortfall in 2018 represents the first time annual fare box revenue has not met the revenue target since 2012.

Table 8: Revenue Target Variance 2015 - 2019					
	2015	2016	2017	2018	2019
Revenue Target	\$ 996,788	\$ 1,095,557	\$ 1,144,694	\$ 1,282,491	\$ 1,302,372
Fare Box Revenue	\$ 1,006,793	\$ 1,189,654	\$ 1,160,205	\$ 1,232,411	\$ 1,172,643
Variance	\$ 10,005	\$ 94,097	\$ 15,511	\$ (50,080)	\$ (129,729)



On June 18, 2018, the Board of Skagit County Commissioners passed Resolution R20180123, establishing a vessel replacement surcharge. The surcharge, imposed on every fare sold, was implemented August 1, 2018. Table 9 shows the surcharge revenue from 2019 and budgeted surcharge revenue for 2020.

Table 9: Vessel Replacement Surcharge	
2019 Actual	\$ 241,721
2020 Projected	\$ 225,000

In accordance with RCW 36.54.200, resulting revenue can only be used for the construction or purchase of ferry vessels, and to pay the principal and interest on bond authorized for the construction or purchase of ferry vessels. This revenue is accounted for separately and is not included in the fare box revenue figures included in this report.

Summary:

The year 2019 was a typical year for ferry operations; however, operations and maintenance (O&M) expenditures were over budget by roughly 7 percent. Expenditures were over budget for salaries, wages and benefits due to retroactive cost of living adjustments to staff following union negotiations. Expenditures were also over budget for maintenance and marine engineering services during the haul-out mostly related to the unanticipated outdrive bracket repair and car deck steel replacement. More detailed 2019 O&M expenditures are included in Appendix D.

2019 Budget	\$ 2,881,639
<u>2019 O&M Expenditures</u>	<u>\$ 3,103,772</u>
Difference	\$ 222,133

Capital expenditures are not included in this report or in the O&M expenditures shown. However, capital expenditures for the ferry winch replacement project in 2019 were \$102,494.28. These expenditures are not reported to the state per [Contract C20170245 between WSDOT and Skagit County](#) for the deficit reimbursement. Section 1.3 of the contract defines allowable reportable O&M expenditures as:

- Routine cost of operating and maintaining the ferry, including salaries, benefits, fuel, supplies, utilities, repairs, inspection, advertising, taxes, small tools, land leases, rentals, postage, printing, etc.
- Routine anticipated replacement of piling, wing-wall facing, repairing docks, etc. which does not extend the useful life, nor increase the efficiency or capacity of an asset.
- Routine dry-docking and associated repairs to maintain the vessel's certification.
- Routine engine repair or rebuilding.
- Other work not defined as capital and agreed to in writing by WSDOT.

Section 1.4 excludes the following from O&M expenditures:

- Depreciation
- Interest
- Other work or repairs that are considered capital in nature.

These contractual definitions are what Skagit County uses to differentiate capital and O&M expenditures.

In 2019, Fare box revenue fell short of the revenue target by \$129,729.

2019 Revenue Target	\$ 1,302,372
<u>2019 Fare Box Revenue</u>	<u>\$ 1,172,643</u>
Shortfall	\$ (129,729)

During the evaluation period of this report (2015 through 2019), O&M expenditures averaged \$2.5 million and the road fund subsidy averaged \$981,404. Expenditures were consistently \$500,000 to \$1 million higher in years with haul-outs.

Despite variations in expenditures from year to year, the revenue target has remained relatively stable over the five-year evaluation period. The reason for this stability is the utilization of a five-year average when calculating the revenue target.

The road fund subsidy has ranged between \$288,000 and \$1.7 million; this is due to variations from year to year in expenditures and the relative stability of the revenue target. When expenditures

increased to over \$2.5 million in 2015, 2017 and 2019, the road fund subsidy was over \$1 million each year. In contrast, in 2016 and 2018 expenditures were \$1.9 million, and the road fund subsidy was less than \$400,000 each year.

Budgeted expenditures for 2020 are \$3,315,285 (approximately 7 percent higher than 2019 expenditures). A haul-out has been budgeted in 2020; however, it may be postponed until spring 2021.

Fare box revenue is not projected to meet the 2020 revenue target. Revenue projections include anticipated lost revenue due to a haul-out. However, it is too early to tell if the projected shortfall will be accurate.

2020 Fare Revenue Target	\$ 1,386,935
<u>2020 Projected Fare Box Revenue</u>	<u>\$ 1,189,633</u>
Projected Shortfall	\$ (197,302)

Additionally, there will be lost fare box revenue to the system in 2020 due to the COVID-19 pandemic and the elimination of fare collection for a period of time. The estimated lost revenue due to COVID-19 is not included in the 2020 projected fare box revenue. Skagit County will pursue federal or other available programs for reimbursement should there be opportunities. In the event programmatic reimbursable funding is unavailable, postponing the haul-out is one strategy for offsetting lost revenue to the system.

Recommendations:

Fare box revenue did not meet the 2019 revenue target; therefore, Public Works is recommending a 15 percent fare increase take effect on October 1, 2020. Calculated annually since the last general fare increase on October 1, 2015, it represents an average increase of 3 percent per year. A proposed fare structure has been included in Appendix F. It should be noted that fares increased in 2018 for the addition of a vessel replacement surcharge. However, this was not a general fare increase attributable to fare box revenue; therefore, revenue generated from the surcharge is accounted for separately outside of the fare increase conversation.

If a 15 percent fare increase goes in to effect in 2020, it is estimated that fare box revenue may still not meet the 2020 revenue target but would likely meet the 2021 and 2022 revenue targets. Therefore, additional fare increases should not be necessary for the next several years.

Public Works is committed to implementing electronic fare collection by the end of 2020. Work on this effort has already begun. Recently, the Ferry Division worked with BERK, KPFF, ferry staff and the Ferry Committee to gauge and evaluate the public/crew interest in using and paying for electronic ticketing. Rough cost estimates were put together, and an online survey was conducted. The results of that survey, at publicinput.com/N602, indicated there is interest in having electronic ticketing, but the public generally does not want to pay more per ticket. Therefore, the Ferry Division is currently looking at systems that require very little infrastructure or upfront capital cost. It is feasible that an all-new ticketing system could be in place in October, 2020 when the fare increase (if approved by the Board) is proposed to take effect.

In order to implement electronic fares, Public Works is recommending streamlining fare categories and eliminating categories that represent less than 1% of total ticket sales. More information about ticket types as a percentage of overall sales can be found in Appendix E.

Public Outreach:

According to Resolution R20100050, amended by R20110382, Public Works is to, “Report annually to the Board during the month of April regarding the Guemes Island Ferry Fare Revenue Target Report and include fare recommendations.” However, due to the COVID-19 crisis, and the Governor’s Stay at Home Order, the report will not be presented in the Commissioners’ Hearing Room. Additionally, Public Works will not hold a public forum or meet with the Guemes Island Ferry Committee to discuss the Draft 2020 Ferry Fare Revenue Target Report. However, the Ferry Committee will have the opportunity to comment by email during the open public comment period.

A draft report will be available at www.skagitcounty.net/ferry from Monday, April 13 through Wednesday, April 22. A public comment period will be open for the same time, with written comments due to ferrycomments@co.skagit.wa.us, subject line “Draft 2020 Ferry Fare Revenue Target Report” by 4:00 p.m. Wednesday, April 22.

Comments can also be mailed to:
Skagit County Public Works
Attn: Ferry Division
1800 Continental Place
Mount Vernon, WA 98273

The Public Works Department will plan to hold a future public comment period for the recommended fare increase and proposed fare structure. The Board of Skagit County Commissioners will not make any decisions about fares based solely upon recommendations in this report.

Public Works will submit the final report to the County Road Administration Board (CRAB) by the due date of April 30, 2020.

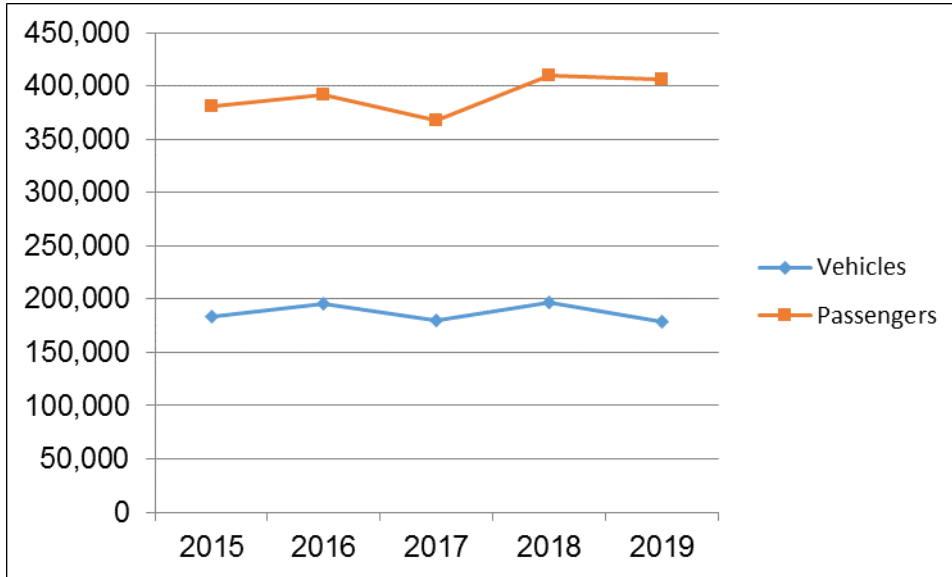
APPENDIX A

RIDERSHIP & REVENUE STATISTICS

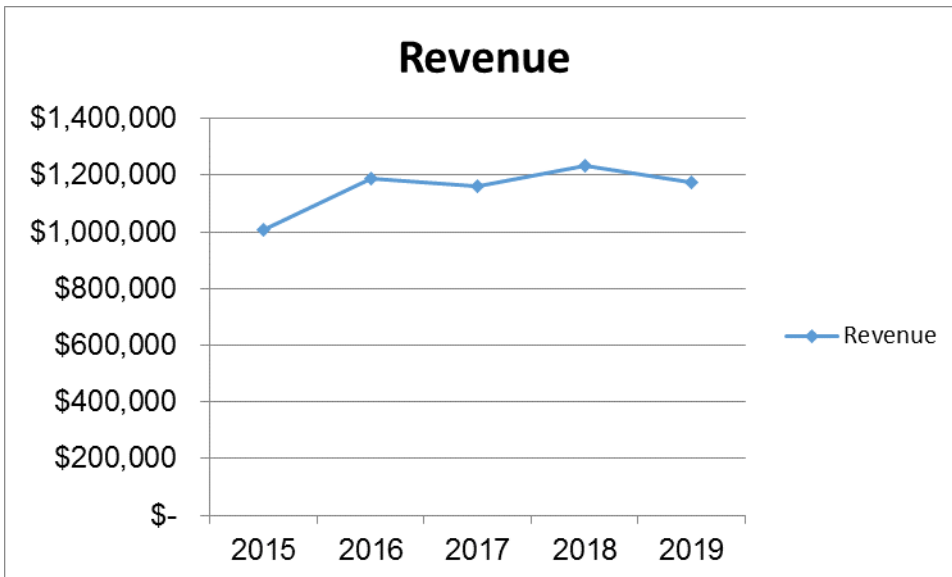
2015 - 2019

Skagit County Public Works Department
 Draft 2020 Ferry Fare Revenue Target Report

Ridership 2015-2019					
	2015	2016	2017	2018	2019
Vehicles	183,130	195,257	179,642	196,383	179,301
Passengers	381,559	392,441	368,212	410,177	405,887



Fare Box Revenue 2015-2019					
	2015	2016	2017	2018	2019
Revenue	\$ 1,006,793	\$ 1,189,654	\$ 1,160,205	\$ 1,231,829	\$ 1,172,643



APPENDIX B

RESOLUTION REFERENCES

R20100050	<u>Resolution rescinding R20040393 & 20080018, directing the formation of a Guemes Island Ferry Operations Public Forum, and reestablishing a Guemes Island Ferry Ticket Fare Methodology</u>
R20110382	<u>Resolution amending R20100050 (At Attachment "A" & "B") and also establishing the administration and Public Works calendar of events for the public forum, and reporting requirements for the Guemes Island Ferry Fare Revenue Target Report</u>
R20150261	<u>Resolution revising the Skagit County Ferry Fare structure and rescinding Resolutions R20110099, R20120139 & R20130190</u>
R20180123	<u>Resolution rescinding R20150261, establishing a vessel replacement surcharge & establishing the Skagit County Ferry fare schedule</u>

APPENDIX C

2019 COUNTY FERRY SYSTEM OPERATION REPORT

COUNTY FERRY SYSTEM OPERATIONS REPORT

Submitting County: Skagit Pertaining to Calendar Year: 2019

Expenditures		
	(*)(1)Operation and Maintenance	\$3,103,772.00
	Capital	
	Other Work and Repairs considered Capital	
	Interest	
	Depreciation	
Total Expenditures		\$3,103,772.00

(*)WSDOT / Ferry Deficit Reimbursement - Net Amount Claimed	
(1)O&M(+)	\$3,103,772.00
(2)Tolls(-)	\$1,413,676.00
(3)MVFT(-)	\$102,636.89
Net Claimed	\$1,587,459.11

Revenues		
	(*)(2)Ferry Toll Receipts	\$1,413,676.00
	Ferry Deficit Reimbursement (334.03 or 336.00)	\$102,603.00
	Other Revenues	\$687.00
Total Revenues		\$1,516,966.00

MVFT General Distribution	(**)CRAB Calculated MVFT Distribution Factor:	2.2164
	Total MVFT - County Roads (336.00.89)	\$3,235,909.00
MVFT Attributable to the Ferry System	(**)CRAB Calculated MVFT Distribution Factor w/o Ferry System	2.1461
	(*)(3)Calculated MVFT Attributable to the Ferry System	\$102,636.89

(*)Utilized by WSDOT to calculate the Pierce, Skagit, and Whatcom County Deficit Reimbursement payments for: 2020

(**)CRAB provided data

Ferry System - Current and Replacement Values					
	Year Built	Current Value	Replacement Value	Year Replacement Value Established	IPD Adjusted Replacement Value for Report Year
VESSELS					
M/V Guemes	1979	\$3,175,000.00	\$17,685,000.00	2017	\$17,260,560.00
FACILITIES					
Mainland Dock	2011	\$3,485,182.00	\$5,618,182.00	2014	\$5,668,745.64
Mainland Terminal	2010	\$778,316.00	\$871,714.00	2014	\$879,559.43
Mainland Parking	2004	\$1,067,948.00	\$1,324,256.00	2014	\$1,336,174.30
Island Dock	2011	\$3,795,744.00	\$4,985,713.00	2014	\$5,030,584.42
Passenger Shelter	1979	\$1,000.00	\$10,000.00	2014	\$10,090.00
Island Parking	1979	\$150,000.00	\$250,000.00	2014	\$252,250.00
Dolphin Wing Walls	2010	\$2,054,736.00	\$2,213,304.00	2014	\$2,233,223.74
Ferry System Total Current Value:					\$14,507,926.00
Ferry System Total Replacement Value:					\$32,671,187.52

I hereby certify that the above County Ferry Operations Report is true and accurate and that I have reviewed and approved the report for submission to the County Road Administration Board (CRAB) and the Washington State Department of Transportation - Highways & Local Programs (WSDOT). I hereby acknowledge and accept the Motor Vehicle Fuel Tax (MVFT) Distribution Factors determined by CRAB to calculate the MVFT attributable to the ferry system, and the application of the Implicit Price Deflator for Washington to determine the adjusted system replacement values for the report year.

Consistent with RCW 47.56.725, I certify that the receipts and costs shown in this voucher are true and correct; that the ferry tolls are at least equal to the tolls in place on January 1, 2015, excluding surcharges; that the net amount claimed is due and payable from the County share of the gas tax under the terms of the State/County Interagency Agreement and all applicable laws, rules, and regulations; and, that I am authorized to sign for the claimant.

Signed:  Date: 03.09.20
 County's Interagency Agreement Program Manager

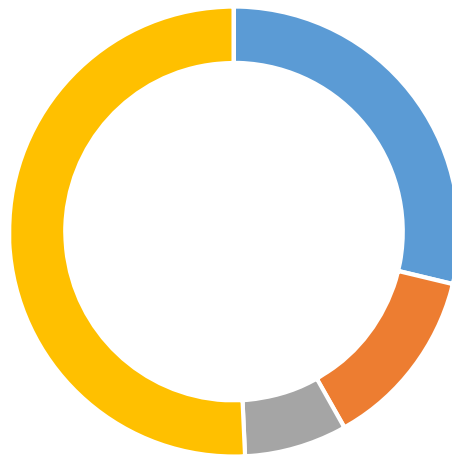
Signed:  Date: 3.18.20
 County Engineer

APPENDIX D

2019 FERRY DIVISION EXPENDITURES

Dept. 0053 - County Roads			
Div. 004 - Ferry			
	Expenditures		2019 Actual
	Obj. 510 - Salaries & Wages		\$ 892,853.91
	Obj. 520 - Personnel Benefits		\$ 406,687.55
	Obj. 530 - Supplies/Consumables		\$ 229,114.87
		3120 - Operating Supplies	\$ 71,430.61
		3200 - Fuel	\$ 133,823.02
		3412 - Interfund Parts & Materials	\$ 1,455.84
		3510 - Small Tools & Minor Equipment	\$ 22,405.40
	Obj. 540 - Services & Pass Through Payments		\$ 1,577,561.50
		4110 - Professional Services	\$ 256,208.27
		4153 - Intergovernmental Professional Services	\$ 1,953.25
		4155 - External Taxes & Ops Assessment	\$ 31,864.51
		4190 - Interfund Information Services	\$ 58,791.07
		4230 - Communications	\$ 9,386.81
		4310 - Travel	\$ 11,366.34
		4361 - Meals	\$ 391.65
		4410 - Advertising	\$ 1,715.14
		4510 - Rentals	\$ 107,461.15
		4511 - Interfund Equipment Rental	\$ 12,695.14
		4610 - Insurance	\$ 93,612.00
		4700 - Utilities	\$ 27,376.26
		4810 - Repairs & Maintenance	\$ 910,821.92
		4811 - Interfund Shop Labor	\$ 16,099.00
		4910 - Miscellaneous	\$ 37,818.99
	Obj. 560 - Capital Expenditures		\$ -
		Total ⁽¹⁾	\$ 3,106,217.83

2019 Expenditures



- Obj. 510 - Salaries & Wages
- Obj. 520 - Personnel Benefits
- Obj. 530 - Supplies/Consumables
- Obj. 540 - Services & Pass Through Payments
- Obj. 560 - Capital Expenditures

Source: Skagit County Cayenta Financial System Reports - April 8, 2020

⁽¹⁾ Total expenditures differ from the County Ferry Operations Report due to transactions credited between the time financial reports were pulled. The O&M figures used to calculate the ferry fare revenue target are from the County Ferry Operations Report submitted to the County Road Administration Board (Appendix C).

Cell: F7

Comment: 3120 - Operating Supplies:

Office supplies, construction materials & supplies, publications, electrical supplies, paints, lubricants, cleaning supplies, chemicals, filters, etc.

Cell: F8

Comment: 3200 - Fuel:

Diesel fuel for the vessel & standby spill response

Cell: F9

Comment: 3412 - Interfund Parts & Materials:

Parts & materials purchased from ER&R

Cell: F10

Comment: 3510 - Small Tools & Minor Equipment:

Office furniture, tools, shop equipment, wheelhouse electronics & safety supplies

Cell: F12

Comment: 4110 - Professional Services:

Professional services provided by outside consultants

Cell: F13

Comment: 4153 - Intergovernmental Professional Services:

Professional services provided by other government agencies

Cell: F14

Comment: 4155 - External Taxes & Ops Assessment:

DNR lease and excise taxes

Cell: F15

Comment: 4190 - Interfund Information Services:

Skagit County IT Department support & equipment

Cell: F16

Comment: 4230 - Communications:

Telephones; specifically: terminal land lines, fax line, manager/staff cell phones, iPhones for credit card processing

Cell: F17

Comment: 4310 - Travel:

Lodging, mileage, per diem for employee travel/training/haul-out

Cell: F18

Comment: 4361 - Meals:

Refreshments for public meetings

Cell: F19

Comment: 4410 - Advertising:

Legal notices for projects or advertising for hiring

Cell: F20

Comment: 4510 - Rentals:

Passenger-only service & other rentals

Cell: F21

Comment: 4511 - Interfund Equipment Rental:
Vehicle & equipment rentals

Cell: F23

Comment: 4700 - Utilities:
Water, sewer, garbage, electricity for Anacortes ferry terminal building, docks & facilities

Cell: F24

Comment: 4810 - Repairs & Maintenance:
Contracted labor for the repair & maintenance of the vessel, buildings, structures & equipment

Cell: F25

Comment: 4811 - Interfund Shop Labor:
ER&R shop mechanic's labor for vessel & equipment repairs & maintenance

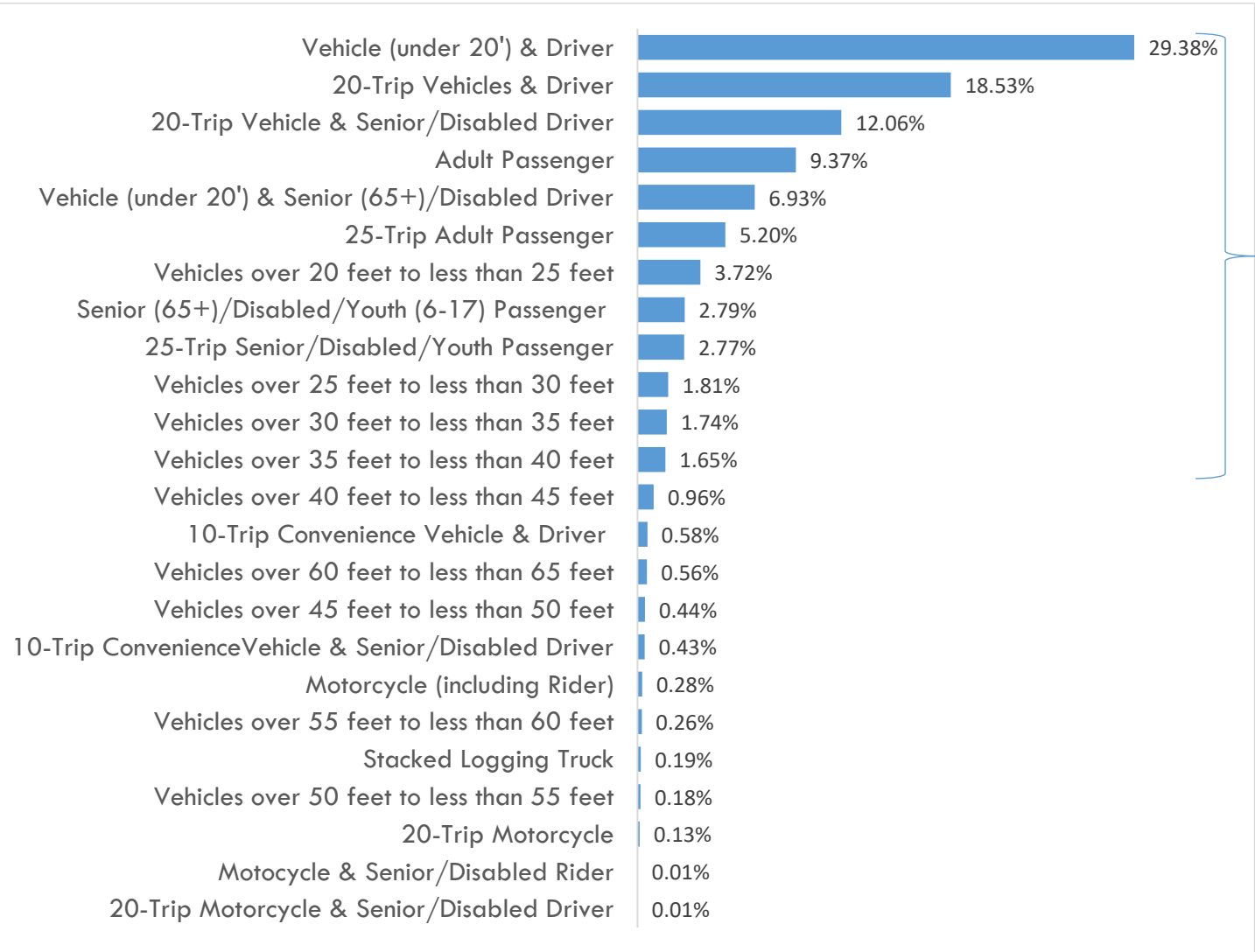
Cell: F26

Comment: 4910 - Miscellaneous:
Services & supplies for ticketing, uniforms, armored car services, pest control, printing & mailing, laundry, locksmith, conference/training registration fees, USCG documentation fees, association membership fees, merchant services fees, credit card transaction fees, etc.

APPENDIX E

**TICKET TYPES AS A
PERCENTAGE OF OVERALL SALES**

Ticket Types by % of Total Sales



Top 12 types make up 96% of sales

Source: BERK – Guemes Ferry Operations & Service Analysis, Stakeholder Meeting #1 slide deck, June 13, 2019

APPENDIX F

GUEMES ISLAND FERRY FARE STRUCTURE PROPOSAL & REVENUE PROJECTIONS

Skagit County Proposed Guemes Island Fare Structure

Proposed effective date: October 1, 2020

TICKET TYPE ⁽²⁾	Est. % of Total Sales ⁽¹⁾	Current Non-Peak	Proposed Non-Peak	Current Peak	Proposed Peak	Whatcom County Ferry	Pierce County Ferry Non-Peak	Pierce County Ferry Peak	Washington State Ferry Clinton Mukilteo	Non-Peak Percentage Increase	Peak Percentage Increase
Vehicle (under 22') & Driver	30.52%	12.00	13.80	15.00	17.25	13.00	18.35	23.85	18.80	15%	15%
Vehicle (under 22') & Senior (65+)/Disabled Driver	7.36%	10.00	11.50	12.00	13.80		15.25	19.80	16.20	15%	15%
Adult Passenger	9.37%	4.00	4.60	5.00	5.75	7.00	5.45	5.45	5.20	15%	15%
Senior (65+)/Disabled/Youth (6-17) Passenger	2.79%	2.00	2.30	3.00	3.45		2.70 (S/D) & 3.25 (Y)		2.60	15%	15%
Motorcycle (including Rider)	0.41%	7.00	8.05	10.00	11.50	8.00	9.95	12.95	8.20	15%	15%
Motorcycle & Senior/Disabled Rider	0.02%	6.00	6.90	9.00	10.35		8.25	10.75	5.60	15%	15%
20-Trip Vehicle (under 22') & Driver	18.53%	196.00	225.40	196.00	225.40					15%	15%
20-Trip Vehicle (under 22') & Senior/Disabled Driver	12.06%	156.00	179.40	156.00	179.40					15%	15%
25-Trip Adult Passenger	5.20%	77.00	88.55	77.00	88.55					15%	15%
25-Trip Senior/Disabled/Youth Passenger	2.77%	46.00	52.90	46.00	52.90					15%	15%
Vehicles 22 feet to less than 30 feet	5.54%	25.00	25.00	30.00	30.00					0%	0%
Vehicles 30 feet to less than 40 feet	3.39%	42.00	42.00	51.00	51.00					0%	0%
Vehicles 40 feet to less than 50 feet	1.40%	64.00	64.00	78.00	78.00					0%	0%
Vehicles 50 feet to less than 60 feet	0.44%	90.00	90.00	109.00	109.00					0%	0%
Monthly Trip Charge - Over 60 feet	0.01%	8.00	10.00	8.00	10.00					25%	25%
Stacked Logging Truck	0.19%	120.00	145.00	124.00	150.00					21%	21%
Extended Run (1 run at end of day) plus fare		120.00	150.00	120.00	150.00					25%	25%
Guemes Special (crew call out) plus fare		500.00	600.00	500.00	600.00					20%	20%
Charter Rate (3 hour min) plus fare		1,200.00	1,500.00	1,200.00	1,500.00					25%	25%
\$ per hour, Charter Rate, plus fare		400.00	500.00	400.00	500.00					25%	25%
	100.00%								Average Increase	15%	15%

⁽¹⁾ Proposal estimates sales of eliminated fare categories moving to other categories.

⁽²⁾ Proposed eliminated fare categories are any categories that represented less than 1% of total sales. Proposal also includes re-structuring oversized categories.

5' increments for oversized vehicles eliminated; proposal suggests 10' increments and oversized categories start at 22'

20-trip motorcycle & rider punch cards eliminated (0.01% of total sales)

20-trip motorcycle & senior/disabled rider eliminated (0.01% of total sales)

10-trip convenience vehicle & driver punch cards eliminated (0.58% of total sales)

10-trip convenience vehicle & senior/disabled driver punch cards eliminated (0.43% of total sales)

2021 Projected Revenue

2021 Projected Revenue ⁽¹⁾

TICKET TYPE	Est. % of Total Sales	Current Non-Peak	Proposed Non-Peak	Difference	Current Peak	Proposed Peak	Difference	2021 Revenue No Fare Increase	2021 Revenue with Proposed Increase	Percent Increase
Vehicle (under 20') & Driver	30.52%	12.00	13.80	1.80	15.00	17.25	2.25	431,746	496,508.24	15%
Vehicle (under 20') & Senior (65+)/Disabled Driver	7.36%	10.00	11.50	1.50	12.00	13.80	1.80	104,117	119,734.62	15%
Adult Passenger	9.37%	4.00	4.60	0.60	5.00	5.75	0.75	132,551	152,433.89	15%
Senior (65+)/Disabled/Youth (6-17) Passenger	2.79%	2.00	2.30	0.30	3.00	3.45	0.45	39,468	45,388.53	15%
Motorcycle (including Rider)	0.41%	7.00	8.05	1.05	10.00	11.50	1.50	5,800	6,670.00	15%
Motorcycle & Senior/Disabled Rider	0.02%	6.00	6.90	0.90	9.00	10.35	1.35	283	325.37	15%
20-Trip Vehicles & Driver	18.53%	196.00	225.40	29.40	196.00	225.40	29.40	262,132	301,451.43	15%
20-Trip Vehicle & Senior/Disabled Driver	12.06%	156.00	179.40	23.40	156.00	179.40	23.40	170,597	196,186.65	15%
25-Trip Adult Passenger	5.20%	77.00	88.55	11.55	77.00	88.55	11.55	73,546	84,578.38	15%
25-Trip Senior/Disabled/Youth Passenger	2.77%	46.00	52.90	6.90	46.00	52.90	6.90	39,124	44,993.17	15%
Vehicles 22 feet to less than 30 feet	5.54%	25.00	28.75	3.75	30.00	34.50	4.50	78,371	90,126.33	15%
Vehicles 30 feet to less than 40 feet	3.39%	42.00	48.30	6.30	51.00	58.65	7.65	47,956	55,149.51	15%
Vehicles 40 feet to less than 50 feet	1.40%	64.00	73.60	9.60	78.00	89.70	11.70	19,805	22,775.61	15%
Vehicles over 55 feet to less than 60 feet	0.44%	90.00	103.50	13.50	109.00	125.35	16.35	6,224	7,158.05	15%
Monthly Trip Charge - Over 65 feet	0.01%	8.00	9.20	1.20	8.00	9.20	1.20	157	180.21	15%
Stacked Logging Truck	0.19%	120.00	145.00	25.00	124.00	150.00	26.00	2,755	3,330.77	21%
	100.00%		-				Total	1,414,633	1,626,991	15%

⁽¹⁾ Projections assume 41% peak and 59% non-peak trips

2021 Projected Surcharge Revenue (225,000) (225,000)

2021 Projected Farebox Revenue 1,189,633 1,401,991