

SKAGIT COUNTY
PUBLIC WORKS DEPARTMENT
Ferry Operations Division

2024 Ferry Fare Revenue Target Report
30 Oct 2024



Overview

The following report is prepared for submittal to the Board of Skagit County Commissioners (Board) pursuant to [Resolution R20230152](#), which establishes the Guemes Island ferry fare revenue target methodology. The purpose of this report is to make recommendations for the 2025 fare schedule following analysis of ferry Operations and Maintenance (O&M) expenditures and system revenue. This is the first such report since a new ferry rate schedule, and 14.1 percent fare increase, went into effect on August 15, 2023.

Before Resolution R20230152 was signed by the Board on July 27, 2023, a 65 percent fare revenue target methodology was in effect for the Skagit County ferry system. Essentially, the methodology required that 65 percent of the 5-year average of O&M expenditures for the ferry system be borne by the fare payers, Motor Vehicle Fuel Tax (MVFT), and the Washington State Department of Transportation (WSDOT) deficit reimbursement. The remaining 35 percent was to be borne by the Skagit County road fund. The formula used a 5-year “look-back” methodology to calculate the revenue target for the upcoming year.

Following an extensive rate study and consultant recommendations in 2023, the Board eliminated the 5-year “look-back” model in favor of a formula that considers past, current, and future projected costs of operating the ferry system and its facilities.

Ferry Fare Revenue Target

Per Resolution R20230152, it is the desire of the Board to implement fare increases to reach a 65 percent fare box revenue target phased over a 5-year period from August 15, 2023, through December 31, 2028, as follows:

- Implement the first fare increase in summer 2023, to be effective through December 2024.
- Adjust fares on an annual basis beginning in January 2025 to achieve a 65 percent fare box recovery by 2028. Such fare adjustments shall be made subject to an annual public hearing.
 - Update the 2028 5-year average annual O&M cost with new expenditure data and updated cost escalation rates.
 - Re-run the fare model to confirm the required fare adjustment to achieve the updated 2028 average O&M and establish new fare levels.

The methodology establishes a 5-year average O&M expenditure projection using the past two years’ actual expenditures, the current year’s approved budget, and the next two year’s projected expenditures using cost escalation factors.

Additional assumptions

Other tax revenue:

- Contributions from the MVFT attributable to the ferry system and the WSDOT deficit reimbursement will be applied before the 65 percent revenue target is calculated.

Reporting Requirements

During the annual preparation of the department’s budget, Public Works will prepare and submit a report to the Board that calculates the County’s ferry fare revenue target, pursuant to the above formula, and will recommend a ferry rate schedule for the upcoming calendar year with an estimate of revenues based on those rates. The first evaluation and report shall be prepared in summer 2024 in preparation for the January 1, 2025, fare adjustment.

Table 1 shows the revenue target calculation for 2025, which results in a fare revenue target of \$2,364,662. The MVFT and the WSDOT deficit reimbursement are subtracted from the O&M expenditures to figure adjusted O&M expenditures, which are then multiplied by 65 percent.

Table 1 - 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

The adjusted budget for 2024 includes expenditures from the 2024 adopted budget and an annualized haul-out & maintenance cost of \$1,107,713. At the direction of the Board, following a public comment period, haul out and maintenance expenditures are annualized for current and future years in the model avoiding variances in expenditures year-to-year. The 2024/2025 ferry division O&M expenditures will differ from the 2025 preliminary ferry division budget due to the use of the formula per Resolution R20230152 and the annualization of haul-out and maintenance expenditures.

Figure 1 – 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)

In 2023, increased expenditures were due to maintenance performed during the vessel haul out. The next planned haul out must take place by March 31, 2025. During this haul out, the vessel will undergo the first phase of a re-power of all major propulsion machinery. Haul out estimates include the rental of a passenger-only vessel and other associated costs. Haul out estimates do not include the capital procurement and installation of two new engines, estimated at \$633,000, and two new outdrives, estimated at \$1M.

Table 2 shows the 2023 fare box revenue and the shortfall from the revenue target, using the current fare recovery methodology.

Table 2 - 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.

Summarized in Table 3 is the total road fund subsidy for 2023. The road fund subsidy is calculated using 2023 O&M expenditures, less MVFT, WSDOT deficit reimbursement, and fare box revenue. The road fund subsidy in 2023 is further reduced after deducting the [Federal Highway Administration Ferry Boat Program \(FHWA FBP\)](#) funding used to fund operations for the first time. Therefore, the total road fund subsidy for was \$1,708,086.

Table 3 - 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⁾	\$ 1,708,086

⁽¹⁾ The road fund subsidy of \$2,058,826 was offset by \$350,740 in FHWA FBP funding.

Table 4 shows fare box revenue for the years 2019 through 2023. Farebox revenue does not include revenue from the capital vessel replacement surcharge implemented August 1, 2018. Surcharge revenue is shown separately in Table 9. The last fare increase took effect August 15, 2023.

Table 4 - 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

Table 5 contains total revenue for the years 2019 through 2023. Revenue sources include fares, MVFT, WSDOT ferry deficit reimbursement, road fund, and FHWA FBP funding.

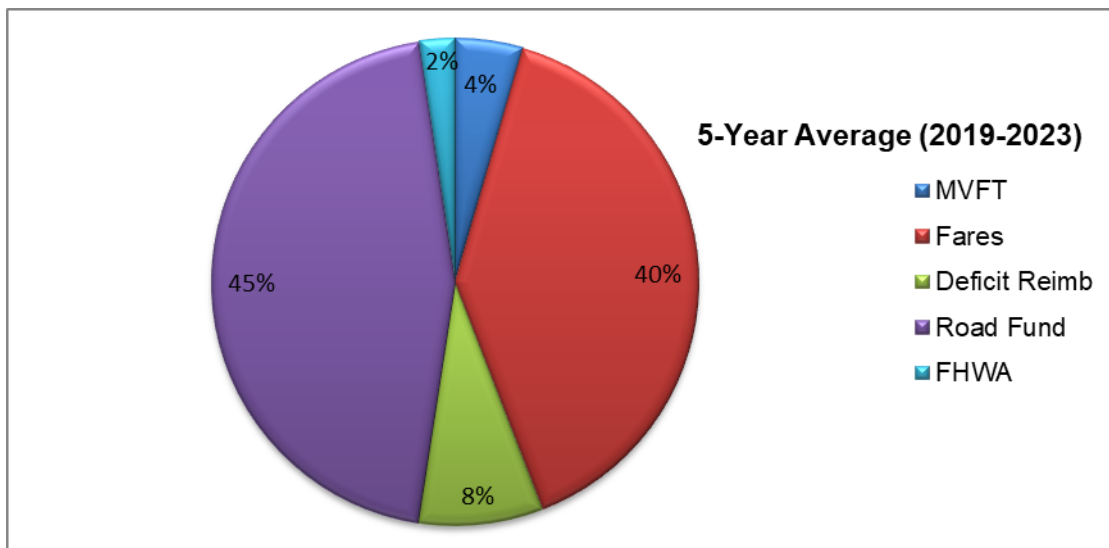
Table 5 - Total Revenue (2019 – 2023)						
	2019	2020	2021	2022	2023	5-Year Average
Fares	\$ 1,172,643	\$ 1,090,088	\$ 1,115,037	\$ 1,201,719	\$ 1,250,681	\$ 1,166,034
MVFT	\$ 102,636	\$ 141,089	\$ 133,417	\$ 132,992	\$ 150,119	\$ 132,051
WSDOT Deficit Reimbursement	\$ 102,603	\$ 272,798	\$ 184,560	\$ 451,672	\$ 212,507	\$ 244,828
Road Fund ⁽¹⁾	\$ 1,725,890	\$ 382,164	\$ 1,711,318	\$ 1,118,211	\$ 1,708,086	\$ 1,329,134
FHWA FBP ⁽²⁾					\$ 350,740	\$ 70,148
Total	\$ 3,103,772	\$ 1,886,139	\$ 3,144,332	\$ 2,904,594	\$ 3,672,133	\$ 2,942,194

⁽¹⁾ The road fund subsidy in 2019, 2021, and 2023 was significantly higher due to haul out and maintenance costs.

⁽²⁾ The FHWA FBP funding was used for operational expenditures for the first time in 2023.

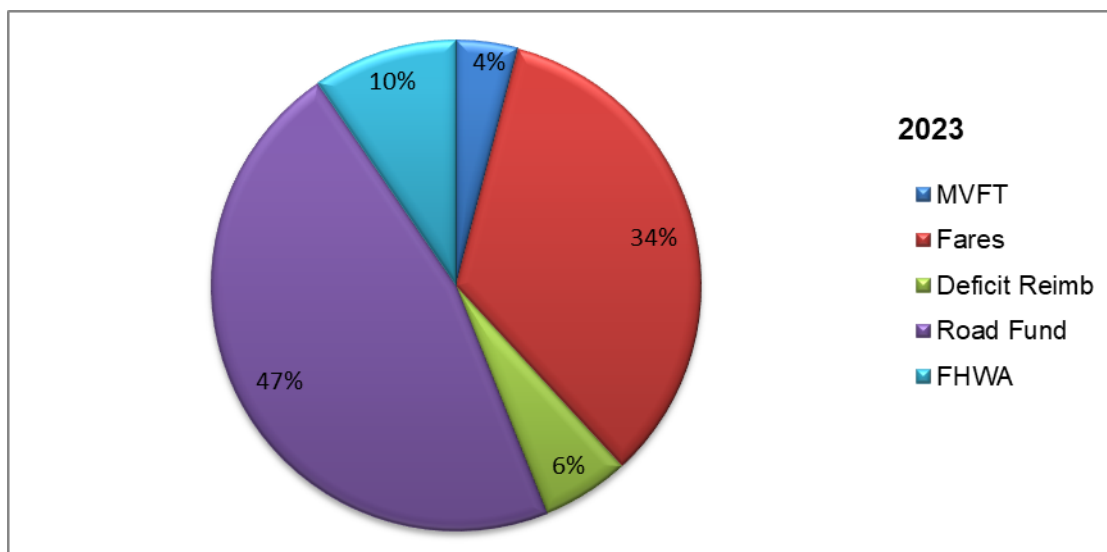
As shown in the chart below, over a five-year average (2019-2023), fare box revenue, MVFT, and the WSDOT ferry deficit reimbursement collectively contributed an average of 52 percent of total revenue, while the road fund contributed 45 percent. The FHWA FBP funding contributed 2 percent.

Figure 2 – Revenue by source (5-Year Average)



The following chart shows total revenue, by source, for 2023. As shown below, fare box revenue, MVFT, and the WSDOT deficit reimbursement collectively contributed 44 percent of total revenue, while the road fund contributed 47 percent. The FHWA FBP funding contributed 10 percent.

Figure 3 – Revenue by source (2023)

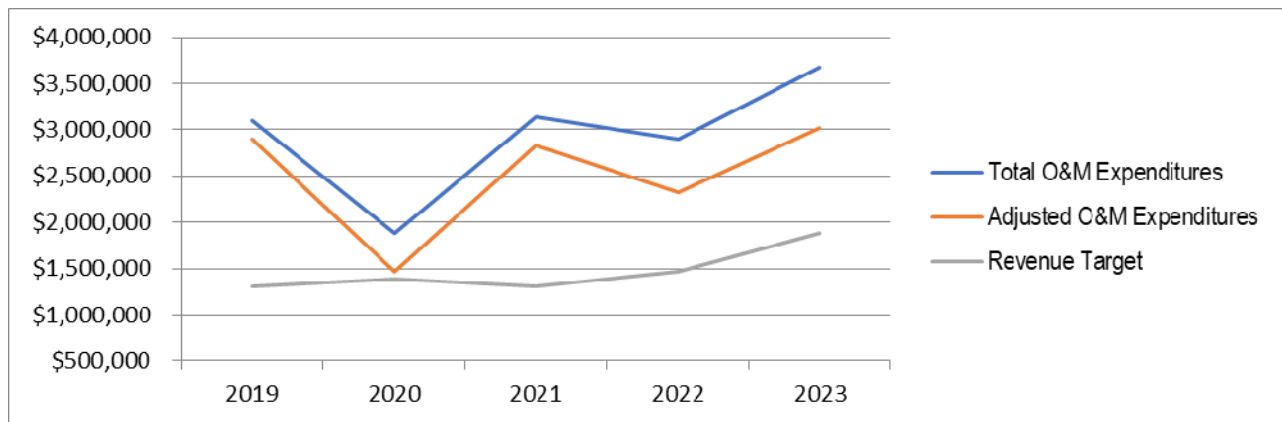


To reach the 65 percent fare recovery requirement by December 31, 2028, the contributions from fare box revenue, MVFT, and the WSDOT deficit reimbursement need to increase by approximately 5 percent per year for the years 2025 through 2028.

Table 6 shows the total O&M expenditures and the adjusted O&M expenditures from 2019 through 2023. The adjusted O&M expenditures represent total O&M expenditures, less MVFT and the WSDOT deficit reimbursement. The five-year average of adjusted O&M expenditures is then multiplied by 65 percent to determine the revenue target.

Table 6 - 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

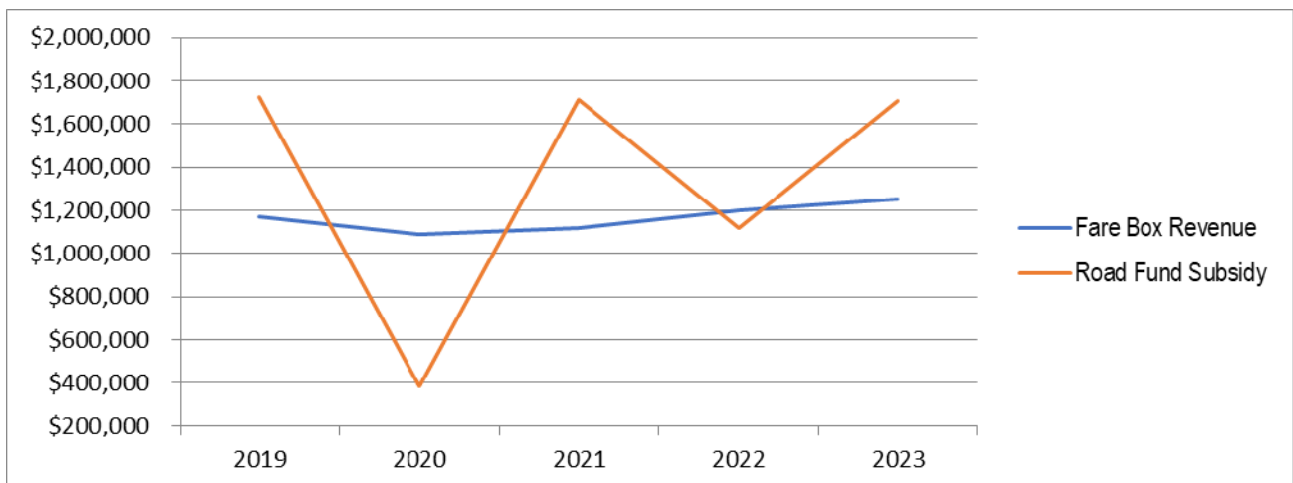
Figure 4 – 65 Percent Methodology applied



The outdated, five-year look-back methodology allowed the revenue target to remain relatively stable regardless of whether O&M expenditures increased or decreased in any given year. Since 2013 the new methodology shows the revenue target increases as expenditures increase.

Table 7 - 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

Figure 5 – 65 Percent Trend of Fare Box Revenue Vs. Road Fund Subsidy

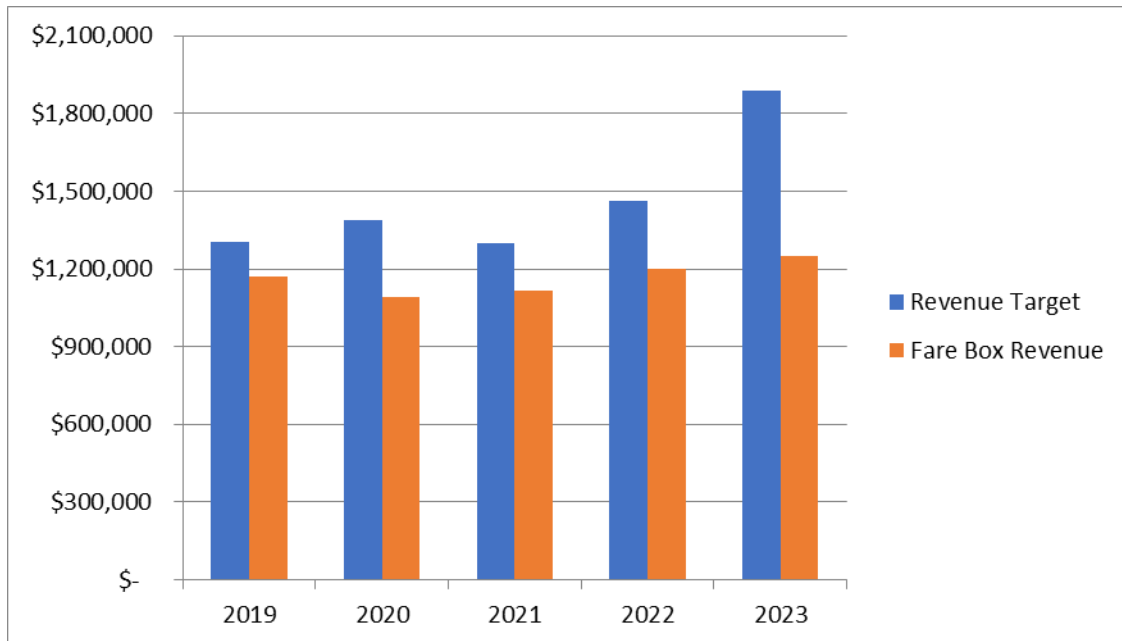


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As shown in Table 8, since 2019, the annual fare box revenue has not met the revenue target. A 14.1 percent fare increase went in to effect August 15, 2023.

Table 8: 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)

Figure 6 – Revenue Target Variance



On June 18, 2018, the Board of Skagit County Commissioners passed Resolution R20180123, establishing a capital vessel replacement surcharge. The surcharge, imposed on every fare sold, was implemented August 1, 2018. Table 9 shows the surcharge revenue from 2019 through 2023.

Table 9: Vessel Replacement Surcharge	
2019 Actual	\$ 241,721
2020 Actual	\$ 217,445
2021 Actual	\$ 224,642
2022 Actual	\$ 246,852
2023 Actual	\$ 241,957
Total	\$ 1,172,617

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 bonds authorized for the construction or purchase of ferry vessels. This revenue cannot be used for O&M expenditures, is accounted for separately, and is not included in the fare box revenue figures included in this report.

Summary

In 2023, O&M expenditures were over budget by 8 percent. Detailed 2023 expenditures are included in Appendix D.

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

Expenditures were over budget because during the preparation of the 2023 budget, \$200,000 was eliminated from the maintenance budget to cut costs. The actual haul out expenditures came in at what was projected before the budget cut.

Capital expenditures are not included in this report or in the O&M expenditures shown. Capital expenditures are not reported to the state per [Contract C20210293 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 2023, fare box revenue fell short of the revenue target by \$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)

It is the opinion of the ferry division that the following factors contributed to the fare box revenue shortfall in 2023.

- Fare increase was only in effect August 15 through December 31, 2023
- Use of expired punch cards
- Ferry haul-out, March 2023
- Decrease in oversize vehicle sales due to reconfiguration of oversize categories (specifically the 20-25' category)

- Decrease in vehicle and driver single-ride ticket sales
- Increase in discounted 20-trip vehicle punch card sales

Budgeted farebox revenue for 2024 is \$1,341,290 and is currently at \$921,749 through August 2024. The 2024 revenue target is \$1,888,207. It is estimated fare box revenue will fall short of the target by \$546,917.

Since August 15, 2023, the effective date of the last fare increase, ridership is down only slightly. For the period August 2023 through June 2024, vehicle ridership is down an average of 7 percent and passenger ridership is down roughly 1 percent. It should be noted on December 30, 2023, the ferry went of service for 9 days in 2024 for an emergency repair, which resulted in a significant drop in vehicle ridership during that time. Removing January from the equation, 2024 vehicle ridership was down 3 percent.

During the evaluation period of this report (2019 through 2023), O&M expenditures averaged \$2,942,194, and the road fund subsidy averaged \$1,329,134. Expenditures were consistently \$500,000 to \$1 million higher in years with haul-outs.

With the new methodology (calculating actual expenditures and revenue for 2022 and 2023, adjusted budget for 2024, and inflated budget for 2025 and 2026), the five-year average of O&M expenditures is \$4,053,526. The new methodology annualizes haul out and maintenance costs starting in 2023.

In 2022, Skagit County hired a consultant to conduct a rate study and make recommendations for a fare increase and adjustments to fare policy that were implemented 2023. The Board agreed to a goal of 65 percent farebox recovery by December 31, 2028. To reach that goal, the fare box recovery must increase by 5 percent per year for the years 2025 through 2028. In 2023, the farebox recovery was 44 percent. It is estimated farebox recovery in 2024 will be 45 percent. Therefore, farebox recovery must be at least 50 percent in 2025; 55 percent in 2026, 60 percent in 2027, and 65 percent in 2028. During the budget process, in summer 2025, a new report will evaluate 2024 expenditures and revenue in accordance with Resolution R20230152.

Recommendations

In line with the revenue target goal of 65 percent by December 31, 2028, a fare adjustment that produces a 50 percent farebox recovery in 2025 will be needed. This results in a 30 percent increase over 2023/2024 ferry rates. With a 30 percent fare increase, effective January 1, 2025, the projected revenue at the proposed rate schedule, provided in Appendix A, is estimated to produce a 50.2 percent fare box recovery, without future elasticity factored in.

2025 Adjusted O&M Exp. (5-year avg. 2022-2026)	\$ 3,637,941
<u>Projected 2025 Fare Box Revenue (with 30% increase)</u>	<u>\$ 1,827,812</u>
2025 Fare Box Recovery	50.2%

With a 30 percent fare increase in 2025, the road fund subsidy for operations and maintenance is estimated at \$3M using the 2025 preliminary ferry division O&M budget.

2025 Budgeted O&M Expenditures Only ⁽¹⁾	\$ 5,124,245
Motor Vehicle Fuel Tax (MVFT) & WSDOT Reimbursement	\$ (303,189)
Subtotal (Adjusted O&M Expenditures)	\$ 4,821,056
<u>2025 Projected Fare Box Revenue</u>	<u>\$ (1,827,812)</u>
2025 Projected Road Fund Subsidy	\$ 2,993,244

(1) Capital expenditures are not included, such as:

- \$633,000 budgeted in 2024 by amendment for the purchase of 3 new engines
- \$200,000 budgeted in 2025 for improvements to the vessel for the re-power
- \$1 million for the purchase of 3 new outdrives in 2025

Timeline

A draft of this report was presented to the Board on Monday, August 5, at 10:00 a.m. at 1800 Continental Place, Mount Vernon, WA 98237, with a virtual attendance option.

A public hearing was held Tuesday, September 17, for the purposes of soliciting input on the following:

- The 2024 Ferry Fare Revenue Target Report
- The proposed 2025 ferry fare schedule
- Expiration dates for single-ride tickets
- Offering standard 15% discount on multi-ride passes year-round
- Eliminating multi-ride passes (therefore eliminating the expiration date)
- Changing the expiration date on multi-ride passes from 90 days to 45 days
- Eliminating mid-day service
- Charter rate (emergency services – outside/inside service) and HAZMAT runs
- Charging for parking – Anacortes side

This report contains recommendations for the 2025 ferry fare schedule with a 30% increase over 2023/2024 rates. A resolution containing the 2025 proposed fare schedule, as shown in Appendix A, is scheduled for possible Board motion at 8:45 a.m. on Tuesday, November 26, 2024.

APPENDIX A

2025 PROPOSED FARE SCHEDULE

Proposed Fare Schedule for January 1, 2025, Implementation

All tickets valid through December 31, 2025 | No refunds | Non-peak tickets cannot be used during peak season | Posted fares include capital vessel replacement surcharge

PROPOSED POSTED FARES	2023/2024	2023/2024	2025	2025
Posted fares include vessel replacement surcharge	NON-PEAK	PEAK	NON-PEAK	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				
25-trip adult passengers	84.50	84.50	105.75	132.25
25-trip senior/disabled	53.75	53.75	69.75	80.50
VEHICLE - 22 FT OR LESS INLCUDING 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				
20-trip under 22 feet	221.50	221.50	281.00	332.00
20-trip under 22 feet senior/disabled	177.25	177.25	224.00	275.00
20-trip Motorcycle	129.75	129.75	163.75	219.00
VEHICLE NEEDS BASED				
5 trip convenience needs based only	44.25	44.25	56.00	68.75
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				
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

Not shown on the chart above is the charter/extra trip/after-hours rate, which is currently \$500.00 per trip, which includes any trips outside the published sailing schedule if the ferry is available. A "trip" means a round-trip.

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The 2025 proposed rate for a private charter or extra trip after-hours, if the ferry is available, is \$1,500/trip, plus fare. Additional trips for the same party immediately following the first trip will be \$500 each if the ferry is available. This includes private citizens or private commercial users regardless of the purpose of the trip.

For intergovernmental emergency services dispatched by 911 or Sheriff/Fire Dispatch after-hours (outside the published sailing schedule), when the ferry is available, the proposal is for the ferry division to bill for actual hourly costs, plus fare for each vehicle and passenger. Actual costs are proposed to include hourly overtime salaries, wages, benefits, fuel, supplies, consumables, and fixed costs associated with operating the ferry system. Fuel, supplies, consumables, and fixed costs will be based on the cost per hour calculation from the 2025 preliminary budget as follows.

2025 Cost Per Hour

Operating supplies - \$6.91
Fuel - \$12.62
Fixed costs - \$54.00

Note, after-hours ferry service is not guaranteed. If the request for services is cancelled by 911 or Sheriff/Fire Dispatch, or if the ferry is unavailable, an invoice will be generated for any costs incurred up until cancellation or notice of unavailability.

In accordance with Resolution R20120140, the hours of operation for the Guemes Island Ferry are:

Peak Season (May 20 through September 30)

Monday-Thursday	6:30 a.m. to 8:30 p.m.
Friday-Saturday	6:30 a.m. to 11:00 p.m.
Sunday	8:00 a.m. to 10:00 p.m.

Non-Peak Season (October 1 through May 19)

Monday-Thursday	6:30 a.m. to 8:30 p.m.
Friday-Saturday	6:30 a.m. to 11:00 p.m.
Sunday	8:00 a.m. to 8:00 p.m.

After-hours service is defined as any services requested outside the hours of operation listed above. These times coincide with the published sailing schedule.

It is proposed any charter/special/extra trip during the regular hours of operation/published sailing schedule will be \$750, plus fare. This includes, but is not limited to, private trips and Hazardous Materials (HAZMAT) trips on which no other vehicles and passengers may travel.

Other proposed changes include:

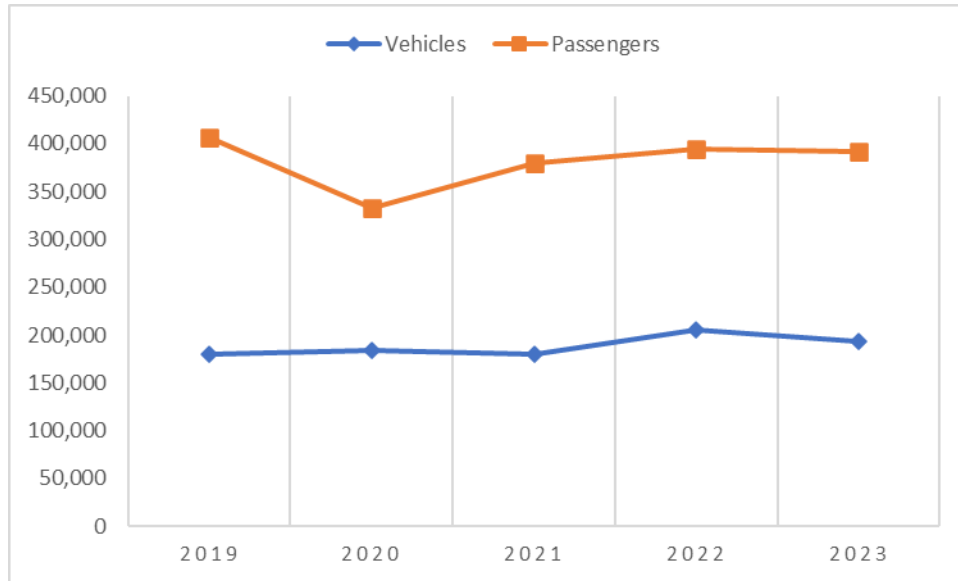
- Peak pricing on multi-ride passes, with the standard 15% discount remaining.
- Non-peak tickets and multi-ride passes may not be used during peak season (May 20 through September 30).
- All tickets, including multi-ride passes, expire December 31, 2025, and each year on December 31, pending Board decision for years after 2025.
- No refunds.

APPENDIX B

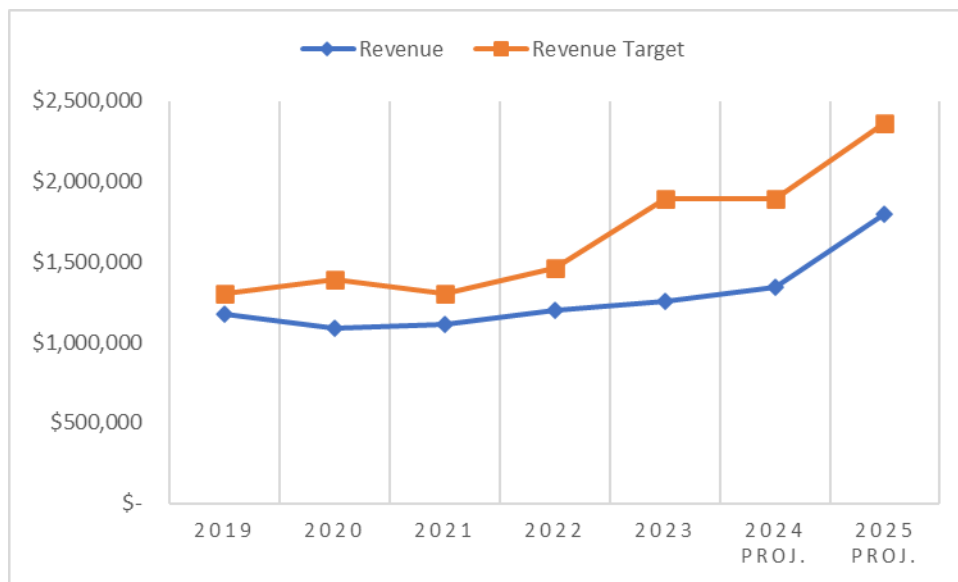
RIDERSHIP & REVENUE STATISTICS

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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



Fare Box Revenue 2019-2025							
	2019	2020	2021	2022	2023	2024 Proj.	2025 Proj.
Revenue	\$1,172,643	\$1,090,088	\$1,115,037	\$1,200,489	\$1,250,681	\$1,341,290	\$1,827,812
Revenue Target	\$1,302,372	\$1,386,935	\$1,300,624	\$1,463,031	\$1,888,207	\$1,888,207	\$2,364,662



APPENDIX C

2023 COUNTY FERRY SYSTEM OPERATION REPORT

County Ferry System Operations Report

Skagit
2023

Expenditures

(*)(1) Operation and Maintenance	\$3,671,477.00
Capital	
Other Work and Repairs Considered Capital	
Interest	
Depreciation	

(*) WSDOT / Ferry Deficit Reimbursement (Net Claimed)

(1) O&M(+)	\$3,671,477.00
(2) Tolls(-)	\$1,250,681.00
(3) MVFT(-)	\$150,119.00
Net Claimed	\$2,270,677.00

Revenues

(*)(2) Ferry Toll Receipts	\$1,250,681.00
Ferry Deficit Reimbursement (334.03 or 336.00)	\$212,507.00
Other Revenues	\$350,740.00
Total Revenues	\$1,813,928.00

MVFT General Distribution

(**) CRAB Calculated MVFT Distribution Factor	2.2090
Total MVFT - County Roads (336.00.89)	\$2,916,560.00

MVFT Attributable to the Ferry System

(**) CRAB Calculated MVFT Distribution Factor w/o Ferry System	2.0953
(*)(3) Calculated MVFT Attributable to the Ferry System	\$150,119.00

Vessels

Name	Year Built	Current Value	Replacement Value	Year Replacement	IPD Adj Replacement Value
M/V Guemes	1979	\$2,200.00	\$22,200,000.00	1	\$22,200,000.00

Facilities

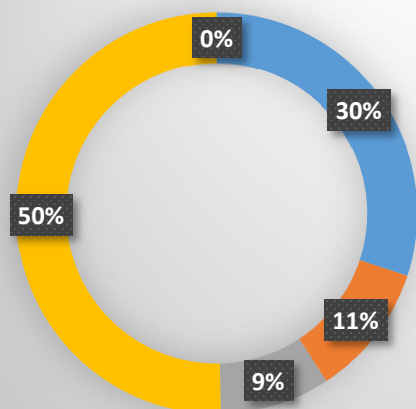
Name	Year Built	Current Value	Replacement Value	Year Replacement	IPD Adj Replacement Value
Guemes Dock	2011	\$1,424,008.00	\$1,566,409.00	1	\$1,566,409.00
Guemes Transfer Span	1979	\$1,317,000.00	\$2,000,000.00	1	\$2,000,000.00
Guemes Dolphins/Wingwalls	2010	\$954,736.00	\$1,069,304.00	1	\$1,069,304.00
Guemes Headframe & Towers	1979	\$100,000.00	\$550,000.00	1	\$550,000.00
Guemes Passenger Shelter	1979	\$1,000.00	\$20,000.00	1	\$20,000.00
Guemes Parking Lot	1979	\$150,000.00	\$280,000.00	1	\$280,000.00
Anacortes Dock	2011	\$1,368,182.00	\$1,505,000.00	1	\$1,505,000.00
Anacortes Transfer Span	1979	\$1,317,000.00	\$2,000,000.00	1	\$2,000,000.00
Anacortes Breakwater	2016	\$200,000.00	\$462,000.00	1	\$462,000.00
Anacortes Dolphins/Wingwalls	2014	\$1,100,000.00	\$1,144,000.00	1	\$1,144,000.00
Anacortes Headframe & Towers	1979	\$100,000.00	\$550,000.00	1	\$550,000.00
Anacortes Terminal Buildings	2010	\$778,316.00	\$871,714.00	1	\$871,714.00
Anacortes Parking Lots	2004	\$1,067,948.00	\$1,196,102.00	1	\$1,196,102.00
Anacortes Walkway	2010	\$68,481.00	\$76,699.00	1	\$76,699.00

APPENDIX D

2023 FERRY DIVISION EXPENDITURES

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
	Obj. 560 - Capital Outlays	\$ -
	6110 - Land Acquisitions	\$ -
	6210 - Buildings and Structures	\$ -
	6310 - Other Improvements	
	6411 - Equipment > \$5,000	
	Total ⁽¹⁾	\$ 3,672,134.19

2023 Expenditures



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

⁽¹⁾ Source: Skagit County Cayenta Financial System Report FY23 Budget Monitoring 117-4 (July 08, 2024)

Cell: E7

Note: 3120 - Operating Supplies:

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

Cell: E8

Note: 3200 - Fuel:

Diesel fuel for the vessel & standby spill response

Cell: E9

Note: 3412 - Interfund Parts & Materials:

Parts & materials purchased from ER&R

Cell: E10

Note: 3510 - Small Tools & Minor Equipment:

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

Cell: E12

Note: 4110 - Professional Services:

Professional services provided by outside consultants

Cell: E13

Note: 4153 - Intergovernmental Professional Services:

Professional services provided by other government agencies

Cell: E14

Note: 4155 - External Taxes & Ops Assessment:

DNR lease and excise taxes

Cell: E15

Note: 4190 - Interfund Information Services:

Skagit County IT Department support & equipment

Cell: E16

Note: 4230 - Communications:

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

Cell: E17

Note: 4310 - Travel:

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

Cell: E18

Note: 4361 - Meals:

Refreshments for public meetings

Cell: E19

Note: 4410 - Advertising:

Legal notices for projects or advertising for hiring

Cell: E20

Note: 4510 - Rentals:

Passenger-only service & other rentals

Cell: E21

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

Cell: E23

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

Cell: E24

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

Cell: E25

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

Cell: E26

Note: 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.

Cell: E29

Note: 6110 - Land Acquisitions: Costs incurred in the purchase of Land, Easements, Rights of Way. Includes incidental costs such as legal, appraisal, brokerage fees, title fees, land preparation costs, etc.

Cell: E30

Note: 6210 - Buildings and Structures: Costs incurred in the acquisition, construction and improvements of Buildings and Structures that are purchased by the County or constructed using contracted (external) labor and supplies. Includes incidental costs of same.

Cell: E31

Note: 6310 - Other Improvements: Costs incurred in the acquisition, construction or improvement of Bridges, Culverts, Water/Sewer Systems, Fuel Depots, Parking Areas, Roadways, Storm Drains, Lighting Systems, Sidewalks etc. that are purchased by the County or constructed using contracted (external) labor and supplies. Includes incidental costs of same.

Cell: E32

Note: 6411 - Equipment > \$5,000: Purchase of Ferry Machinery and Equipment over \$5,000 including shipping, tax, and any other costs to place equipment in service