

Skagit County
Public Works Department
Ferry Division

2026 Draft Ferry Fare Revenue Target Report

Draft Slides for August 18, 2026, 8:30 a.m.



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Ferry Division Manager

2027 Revenue Target Methodology

- Resolution R20230152 (signed by BCC July 27, 2023)
- Evaluation period - 2024 through 2028
- 5-year average methodology
- 65% fare recovery requirement by December 31, 2028
- Capital expenditures not included



2027 Revenue Target

Table 1 - Revenue Target Calculation Table

Year	Actual		Adjusted Budget	Projected		Five-Year Average
	2024	2025	2026	2027	2028	
O&M Expenditures	\$ 2,892,256	\$ 4,694,137	\$ 5,005,064	\$ 5,168,230	\$ 5,295,368	\$ 4,611,011
MVFT	\$ 62,400	\$ 93,103	\$ 114,406	\$ 114,406	\$ 114,406	\$ 99,744
Deficit Reimbursement	\$ 269,830	\$ 291,086	\$ 281,931	\$ 281,931	\$ 281,931	\$ 281,342
Youth Ride Free Reimbursement	\$ 11,641	\$ 14,774	\$ 29,302	\$ 30,000	\$ 30,000	\$ 23,143
Adjusted O&M	\$ 2,548,385	\$ 4,295,174	\$ 4,579,425	\$ 4,741,892	\$ 4,869,031	\$ 4,206,781
2027 Fare Recovery %						60%
2027 Ferry Fare Revenue Target						\$ 2,524,069



Annualized Expenditures

Figure 1 – Annualized Maintenance Expenditures

Annualized Drydock & Non-drydock maintenance/repairs	2027/2028 Est.	2026 Adjusted
2027/2028 Planned Drydock (Total for 2 years) ⁽¹⁾	\$ 1,035,153	
Annualized Drydock		\$ 517,576
Average Non-Drydock Maintenance/Repair ⁽²⁾		\$ 388,628
Annualized Base Year Maintenance		\$ 906,204

⁽¹⁾ Based on actual O&M cost for 2025 drydock (\$900,634) and YTD expenditures for pier side maintenance (\$134,519)

⁽²⁾ Annualized Non-Drydock Maintenance/Repair	2024 Actual	2025 Actual	Average
Maintenance expenditures other than drydock	\$ 244,042	\$ 533,215	\$ 388,628



2026 Base Year Expenditures

Figure 2 – Base Year Expenditures

	Actual		Current Year Adopted Budget as of 6/30	Projected	
	2024	2025	2026	2027	2028
Obj. 510 - Salaries & Wages	\$ 1,171,006	\$ 1,338,537	\$ 1,564,402		
Obj. 520 - Personnel Benefits	\$ 384,785	\$ 482,100	\$ 488,370		
Obj. 530 - Supplies & Consumables	\$ 255,441	\$ 282,491	\$ 482,223		
Obj. 540 - Services & Pass-throughs	\$ 1,081,024	\$ 2,591,009	\$ 2,685,865		
Sub-Total	\$ 2,892,256	\$ 4,694,137	\$ 5,220,860		
Haul-Out & Maintenance Expenditures			(\$1,122,000)		
Without haul out & maintenance expenditures			\$ 4,098,860	\$ 4,232,483	\$ 4,336,602
Annualized repair, maintenance & haul out			\$ 906,204	\$ 935,747	\$ 958,766
Plus annualized haul out & maintenance			\$ 5,005,064	\$ 5,168,230	\$ 5,295,368
Total	\$ 2,892,256	\$ 4,694,137	\$ 5,005,064	\$ 5,168,230	\$ 5,295,368



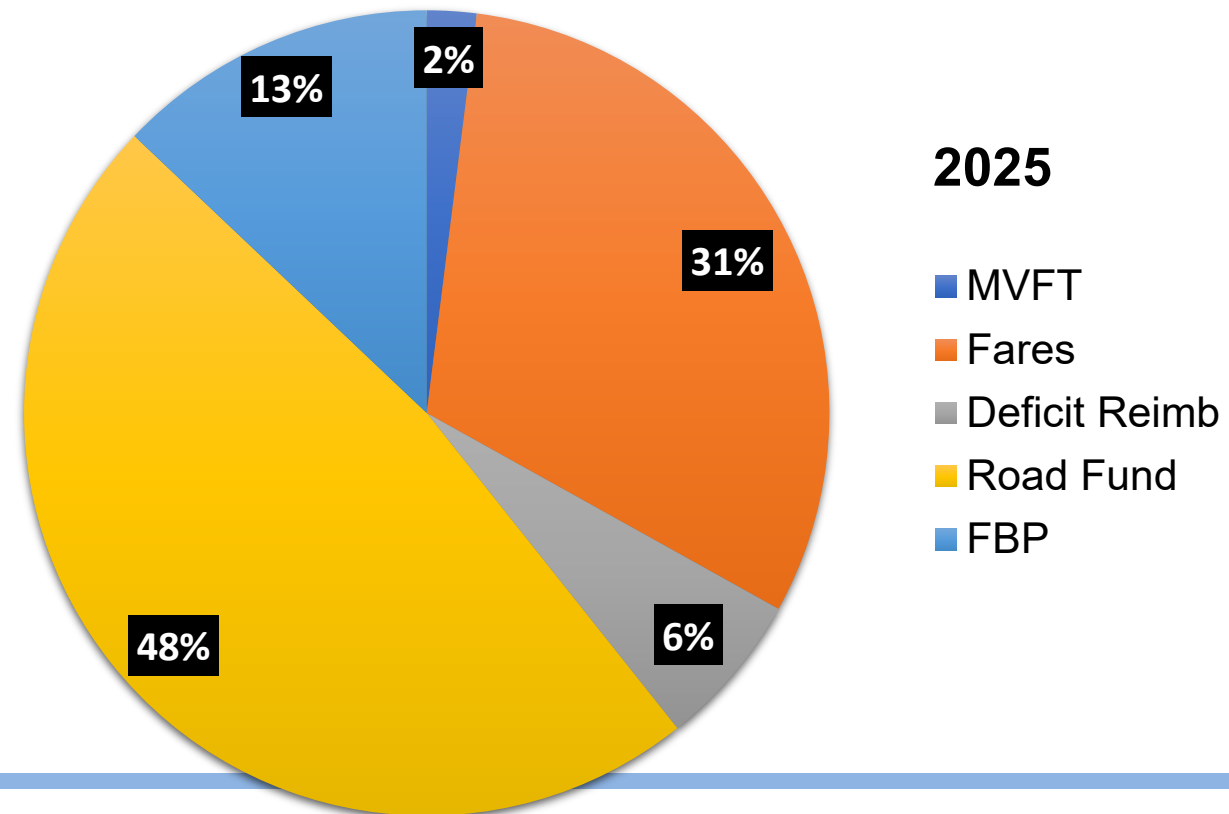
2025 Revenue Target

TABLE 2 - 2025 REVENUE TARGET	
Ferry Fare Revenue Target	\$ 1,818,971
Fare Box Revenue	\$ 1,455,098
Surplus/(Shortfall) from Revenue Target	\$ (363,873)



2025 Ferry Funding Breakdown

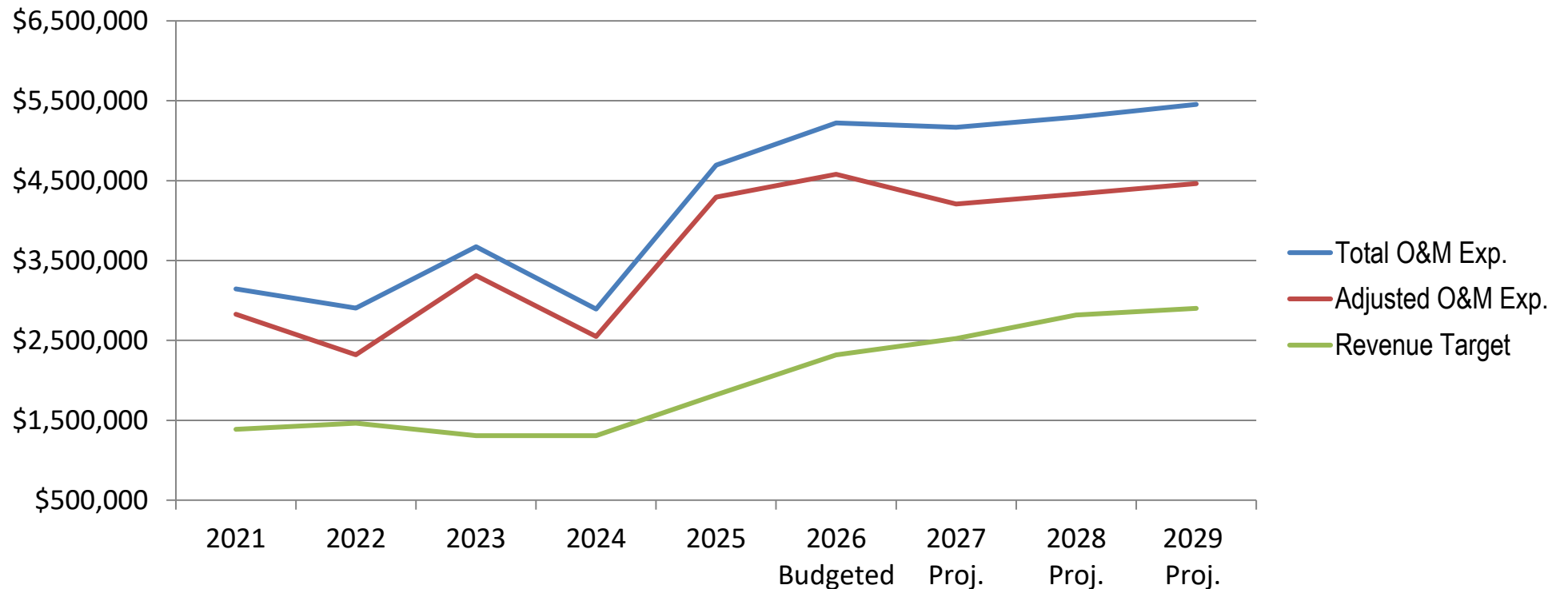
TABLE 3 - ROAD FUND SUBSIDY 2025	
O&M Expenditures	\$ 4,694,137
Deficit Reimbursement	\$ (291,086)
Motor Vehicle Fuel Tax	\$ (93,103)
Youth Ride Free	\$ (14,774)
Adjusted O&M Expenditures	\$ 4,295,174
Fare Box Revenue	\$ (1,455,098)
Subtotal	\$ 2,840,076
FHWA FBP Funding	\$ (604,964)
Road Fund Contribution	\$ 2,235,112



Trends - Historical & Current Farebox Recovery Methodology Applied

TABLE 6 - Variation between O&M, adjusted O&M, and revenue target

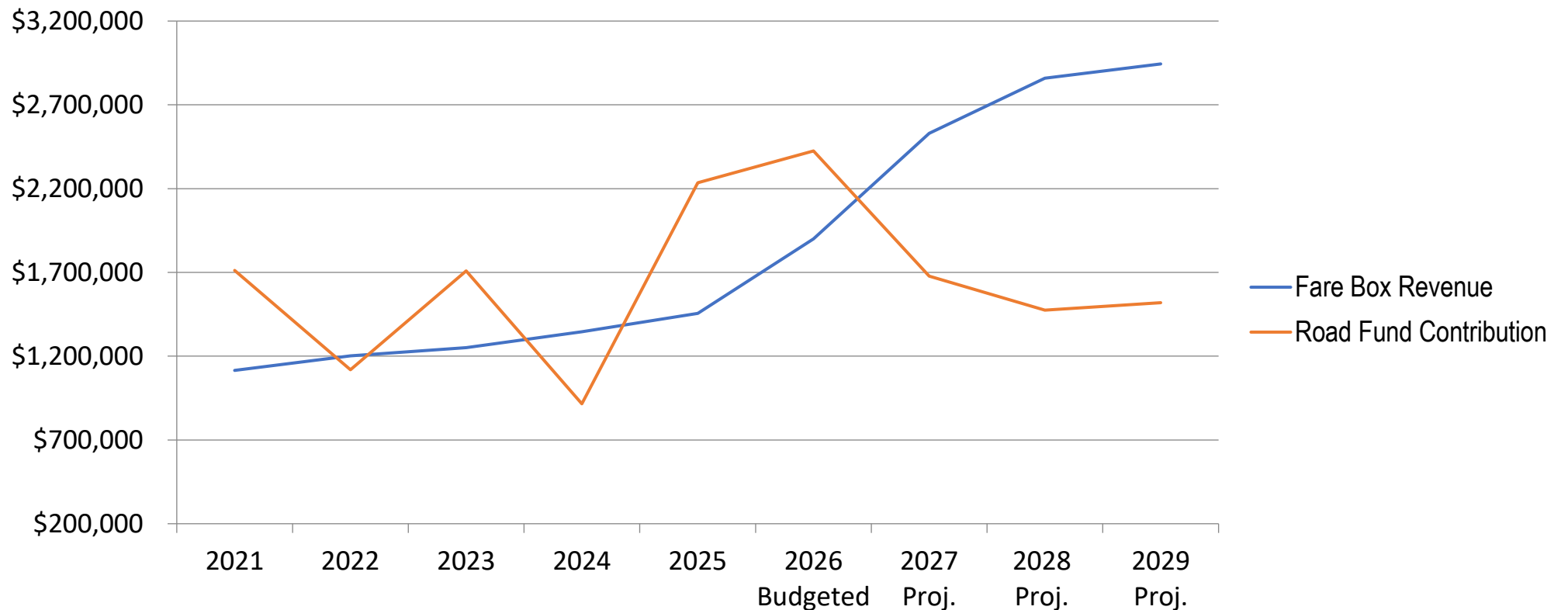
	2021	2022	2023	2024	2025	2026 Budgeted	2027 Proj.	2028 Proj.	2029 Proj.
Total O&M Exp.	\$3,144,332	\$2,904,594	\$3,672,134	\$2,892,256	\$4,694,137	\$5,220,860	\$5,168,230	\$5,295,368	\$5,454,229
Adjusted O&M Exp.	\$2,826,710	\$2,319,930	\$3,309,507	\$2,548,385	\$4,295,174	\$4,579,425	\$4,206,781	\$4,332,985	\$4,462,974
Revenue Target	\$1,386,935	\$1,463,031	\$1,307,220	\$1,307,220	\$1,818,971	\$2,319,876	\$2,524,069	\$2,816,440	\$2,900,933



Trends – Fare Box Revenue Vs. Road Fund Contribution

Table 7: Five-Year Trend of Fare Box Revenue Vs. Road Fund Contribution

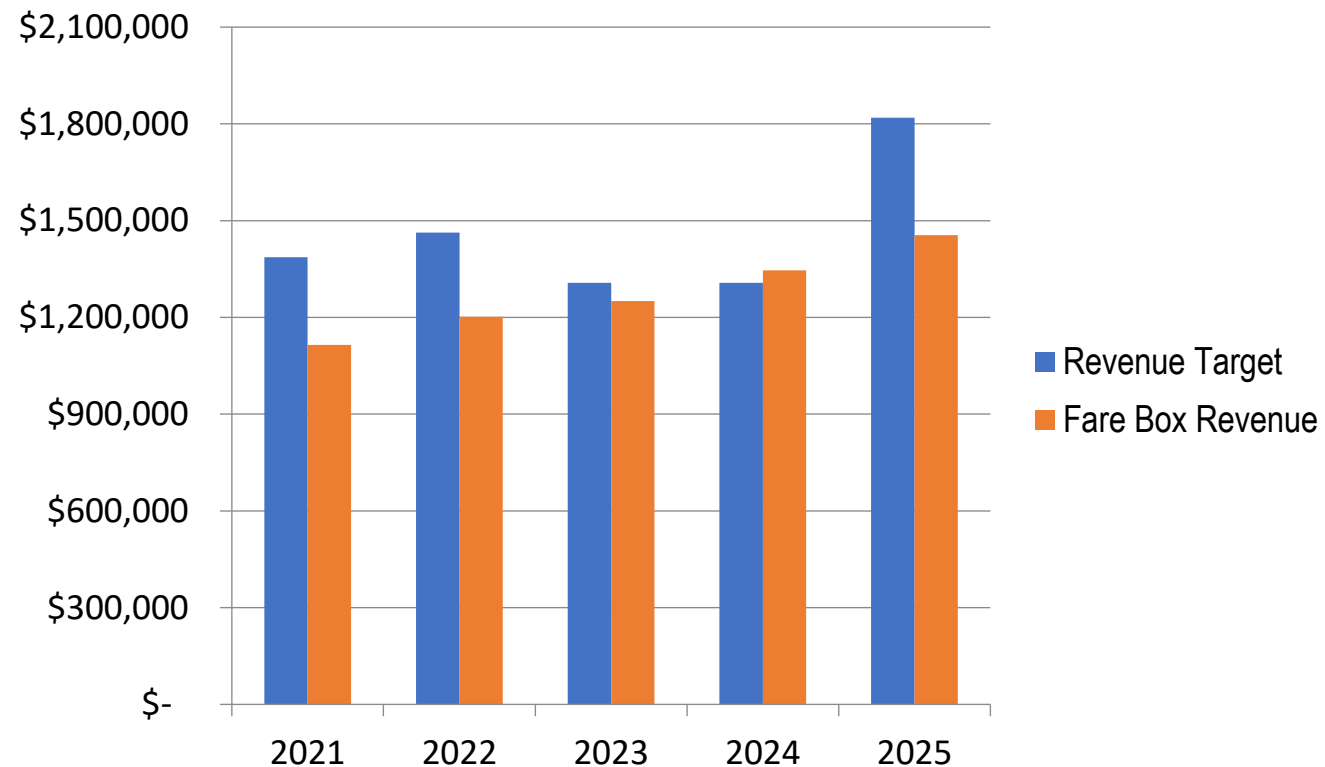
	2021	2022	2023	2024	2025	2026 Budgeted	2027 Proj.	2028 Proj.	2029 Proj.
Fare Box Revenue	\$ 1,115,037	\$ 1,201,719	\$ 1,250,681	\$ 1,346,019	\$ 1,455,098	\$ 1,900,000	\$ 2,529,428	\$ 2,858,253	\$ 2,944,001
Road Fund Contribution	\$ 1,711,318	\$ 1,118,211	\$ 1,708,086	\$ 915,636	\$ 2,235,112	\$ 2,424,810	\$ 1,677,354	\$ 1,474,732	\$ 1,518,973



Revenue Target Variance

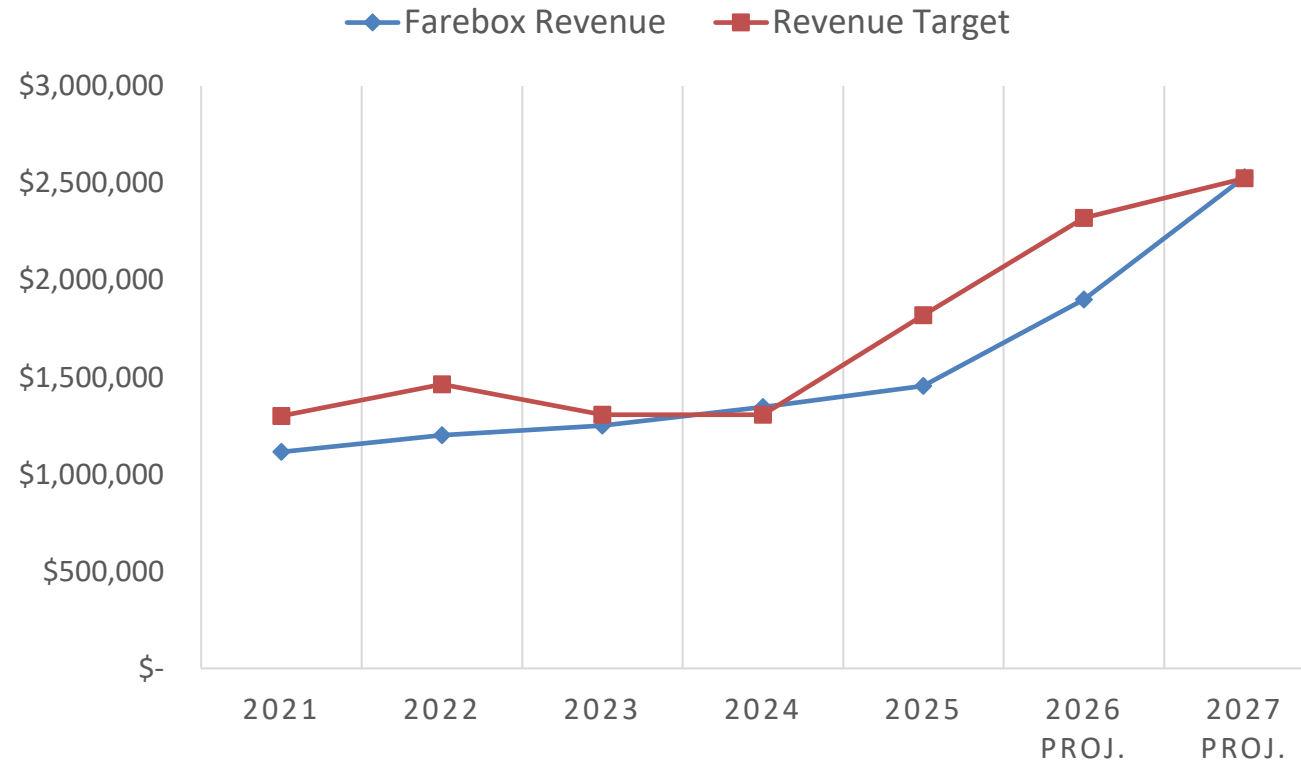
Table 8 - Revenue Target Variance

	2021	2022	2023	2024	2025
Revenue Target	\$ 1,386,935	\$ 1,463,031	\$ 1,307,220	\$ 1,307,220	\$ 1,818,971
Fare Box Revenue	\$ 1,115,037	\$ 1,201,719	\$ 1,250,681	\$ 1,346,019	\$ 1,455,098
Variance	\$ (271,898)	\$ (261,312)	\$ (56,539)	\$ 38,799	\$ (363,873)



Revenue 2021 - 2027

Fare Box Revenue 2021-2027							
	2021	2022	2023	2024	2025	2026 Proj.	2027 Proj.
Farebox Revenue	\$ 1,115,037	\$ 1,200,489	\$ 1,250,681	\$ 1,346,019	\$ 1,455,098	\$ 1,900,000	\$ 2,529,869
Revenue Target	\$ 1,386,935	\$ 1,463,031	\$ 1,307,220	\$ 1,307,220	\$ 1,818,971	\$ 2,319,876	\$ 2,524,174



Summary

2025 O&M expenditures under budget by 16%

2025 Budget	\$ 5,601,136
<u>2025 O&M Expenditures</u>	<u>\$ 4,964,137</u>
Difference	\$ (906,999)

2025 revenue target shortfall - \$363,873

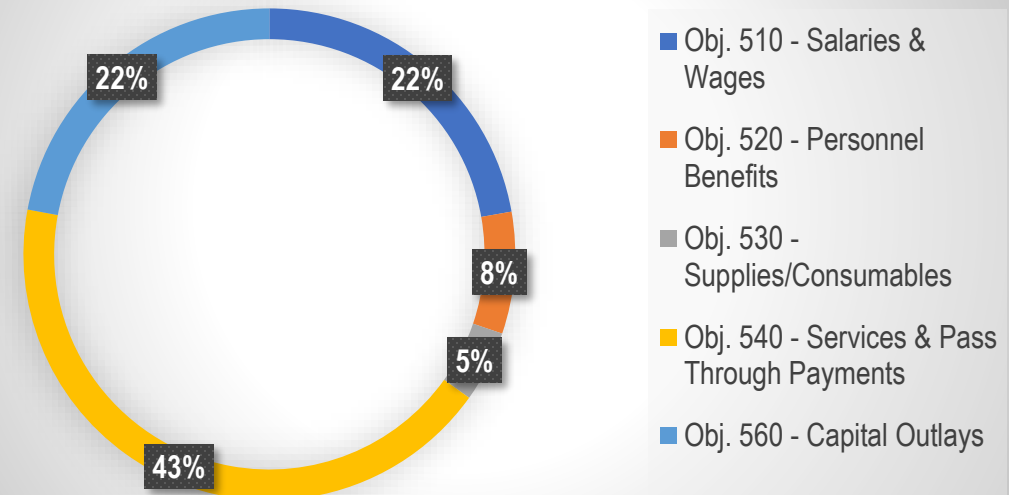
2025 Revenue Target (50%)	\$ 1,818,971
<u>2025 Fare Box Revenue</u>	<u>\$ 1,455,098</u>
Shortfall	\$ (363,873)



Ferry Division Expenditures – 2025

Expenditures	2025 Actual	2025 Budgeted	% Difference
Obj. 510 - Salaries & Wages	\$ 1,338,537.09	\$ 1,441,153.00	-7%
Obj. 520 - Personnel Benefits	\$ 482,100.43	\$ 530,199.00	-9%
Obj. 530 - Supplies/Consumables	\$ 282,491.57	\$ 445,850.00	-37%
3120 - Operating Supplies	\$ 101,972.34	\$ 150,000.00	-32%
3200 - Fuel	\$ 159,964.08	\$ 273,850.00	-42%
3412 - Interfund Parts & Materials	\$ 54.23	\$ 2,000.00	-97%
3510 - Small Tools & Minor Equipment	\$ 20,500.92	\$ 20,000.00	3%
Obj. 540 - Services & Pass Through Payments	\$ 2,591,008.81	\$ 3,183,934.00	-19%
4110 - Professional Services	\$ 294,086.66	\$ 310,040.00	-5%
4218 - Professional Services (Other)	\$ 663.70		
4153 - Intergovernmental Professional Svcs.	\$ -	\$ 12,000.00	-100%
4154 - Interfund Payment for Service	\$ 13,978.48		
4155 - External Taxes & Ops Assessment	\$ 33,144.50	\$ 35,000.00	-5%
4190 - Interfund Information Services	\$ 98,644.52	\$ 85,127.00	16%
4230 - Communications	\$ 11,501.27	\$ 10,000.00	15%
4310 - Travel	\$ 4,989.52	\$ 8,018.00	-38%
4361 - Meals	\$ 580.46	\$ 500.00	
4410 - Advertising	\$ 731.68	\$ 5,000.00	-85%
4510 - Rentals	\$ 463,803.50	\$ 445,300.00	4%
4511 - Interfund Equipment Rental	\$ 18,472.77	\$ 15,000.00	23%
4610 - Insurance	\$ 99,341.00	\$ 376,400.00	-74%
4700 - Utilities	\$ 38,754.42	\$ 35,000.00	11%
4810 - Repairs & Maintenance	\$ 1,433,848.72	\$ 1,776,549.00	-19%
4811 - Interfund Shop Labor	\$ 17,451.50	\$ 5,000.00	249%
4910 - Miscellaneous	\$ 61,016.11	\$ 65,000.00	-6%
O&M Total	\$ 4,694,137.90	\$ 5,601,136.00	-16%
Obj. 560 - Capital Outlays	\$ 1,330,090.15	\$ 1,743,083.00	-24%
6310 - Other Improvements		\$ 200,000.00	-100%
6411 - Equipment > \$5,000	\$ 1,330,090.15	\$ 1,543,083.00	-14%
Total ⁽¹⁾	\$ 6,024,228.05	\$ 7,144,219.00	-16%

2025 Expenditures



Source: Skagit County Cayenta Financial System Report Budget Monitoring 117-4 FY25

2027 Fare Increase (14%) & Est. Road Fund Contribution

2027 Fare Box Recovery Goal - 60%

Average Adjusted O&M Exp. (2024-2028)	\$ 4,206,781
Projected 2027 Fare Box Revenue (with 14% increase)	\$ 2,529,428
2026 Estimated Fare Box Recovery	60.1%

2027 Road Fund Contribution

2027 Budgeted O&M Expenditures Only	\$ 5,626,000
Est. Motor Vehicle Fuel Tax (MFVT) & Deficit Reimbursement	\$ (421,176)
Est. Youth Ride Free Reimbursement	\$ (30,000)
<u>2026 Budgeted Fare Box Revenue</u>	<u>\$ (2,150,000)</u>
Road Fund Contribution Est.	\$ 3,024,284



2026 Current & 2027 Proposed Fares

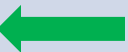
2026 Current & 2027 Proposed Fares	O&M Fares Do Not Include Surcharge				Posted Fares Include Surcharge					
	2026 Current		2027 Proposed		Surcharge		2026 Current		2027 Proposed	
	O&M		O&M		for Vessel Replacement		Posted		Posted	
	Non-Peak	Peak	Non-Peak	Peak	Non-Peak	Peak	Non-Peak	Peak	Non-Peak	Peak
PASSENGER (1)										
Adult	5.75	7.50	6.50	8.50	1.00	1.00	6.75	8.50	7.50	9.50
Senior/Disabled/Youth	4.00	4.50	4.50	5.25	0.50	0.50	4.50	5.00	5.00	5.75
Under 5	Free	Free	Free	Free			Free	Free	Free	Free
Rider & Bicycle	7.50	9.75	8.50	11.00	1.00	1.00	8.50	10.75	9.50	12.00
Riders & Bicycle senior/disabled/youth	6.00	6.75	6.75	7.75	0.50	0.50	6.50	7.25	7.25	8.25
PASSENGER CONVENIENCE PASS (2)										
25-Trip adult passengers	143.75	187.50	162.50	212.50	10.00	10.00	153.75	197.50	172.50	222.50
25-Trip senior/disabled/youth	100.00	112.50	112.50	131.25	6.00	6.00	106.00	118.50	118.50	137.25
VEHICLE & DRIVER (1)										
Motorcycle & rider	11.50	15.50	13.00	17.75	1.00	2.00	12.50	17.50	14.00	19.75
Vehicle/driver under 22 feet	19.50	23.50	22.25	26.75	2.00	3.00	21.50	26.50	24.25	29.75
Vehicle/driver senior/disabled under 22 feet	15.50	19.50	17.75	22.25	2.00	2.00	17.50	21.50	19.75	24.25
VEHICLE & DRIVER CONVENIENCE PASS (2)										
20-Trip under 22 feet	390.00	470.00	445.00	535.00	26.00	26.00	416.00	496.00	471.00	561.00
20-Trip under 22 feet senior/disabled	310.00	390.00	355.00	445.00	20.00	20.00	330.00	410.00	375.00	465.00
20-Trip Motorcycle	230.00	310.00	260.00	355.00	15.00	15.00	245.00	325.00	275.00	370.00
VEHICLE & SENIOR/DISABLED NEEDS-BASED PASS (2)										
5-Trip needs based	66.00	83.00	75.50	94.50	5.00	5.00	71.00	88.00	80.50	99.50
OVERSIZED VEHICLE & DRIVER (1)										
Over 22 feet under 30 feet	29.50	36.00	33.75	41.00	4.00	6.00	33.50	42.00	37.75	47.00
Under 40 feet	58.25	69.50	66.50	79.25	8.00	11.00	66.25	80.50	74.50	90.25
Under 50 feet	88.00	105.25	100.25	120.00	11.00	18.00	99.00	123.25	111.25	138.00
Under 60 feet	125.50	145.50	143.00	165.75	19.00	23.00	144.50	168.50	162.00	188.75
Each foot over 60	20.75	24.50	23.75	28.00	4.00	4.00	24.75	28.50	27.75	32.00
Over width charge							Double Length Charge		Double Length Charge	
OVERSIZED VEHICLE & DRIVER CONVENIENCE PASS (2)										
Over 22 feet under 30 feet	147.50	180.00	168.75	205.00	20.00	30.00	167.50	210.00	188.75	235.00
Under 40 feet	291.25	347.50	332.50	396.25	40.00	55.00	331.25	402.50	372.50	451.25
Under 50 feet	440.00	526.25	501.25	600.00	55.00	90.00	495.00	616.25	556.25	690.00
Under 60 feet	627.50	727.50	715.00	828.75	95.00	115.00	722.50	842.50	810.00	943.75

(1) For single-ride tickets: 14% fare increase applied to 2026 current O&M fare; rounded to the nearest quarter

(2) For multi-ride passes: the 2027 proposed fare is equal to the 2027 proposed O&M fare for that category multiplied by the number of trips, except needs-based pass has 15% discount applied

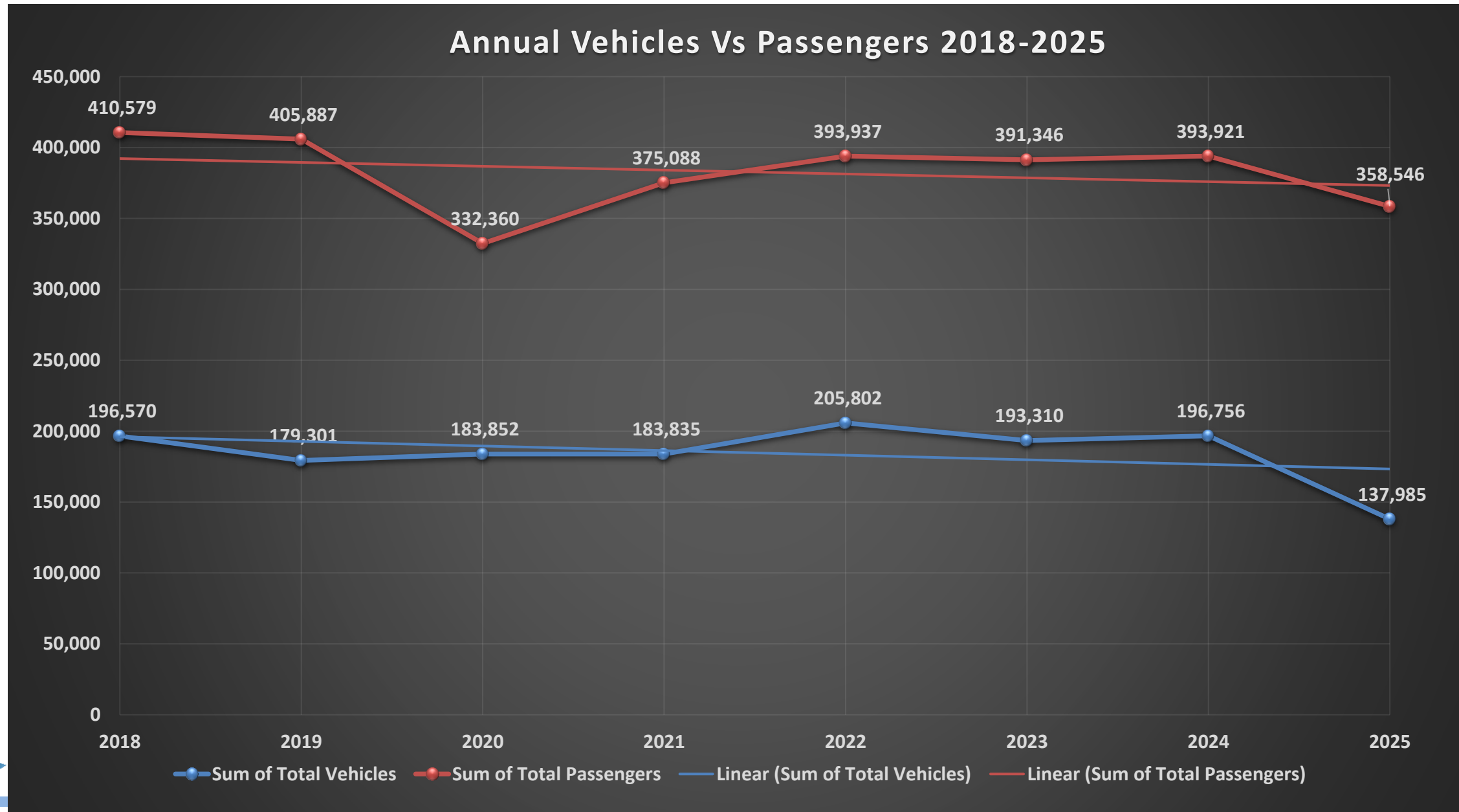


Timeline (subject to change)

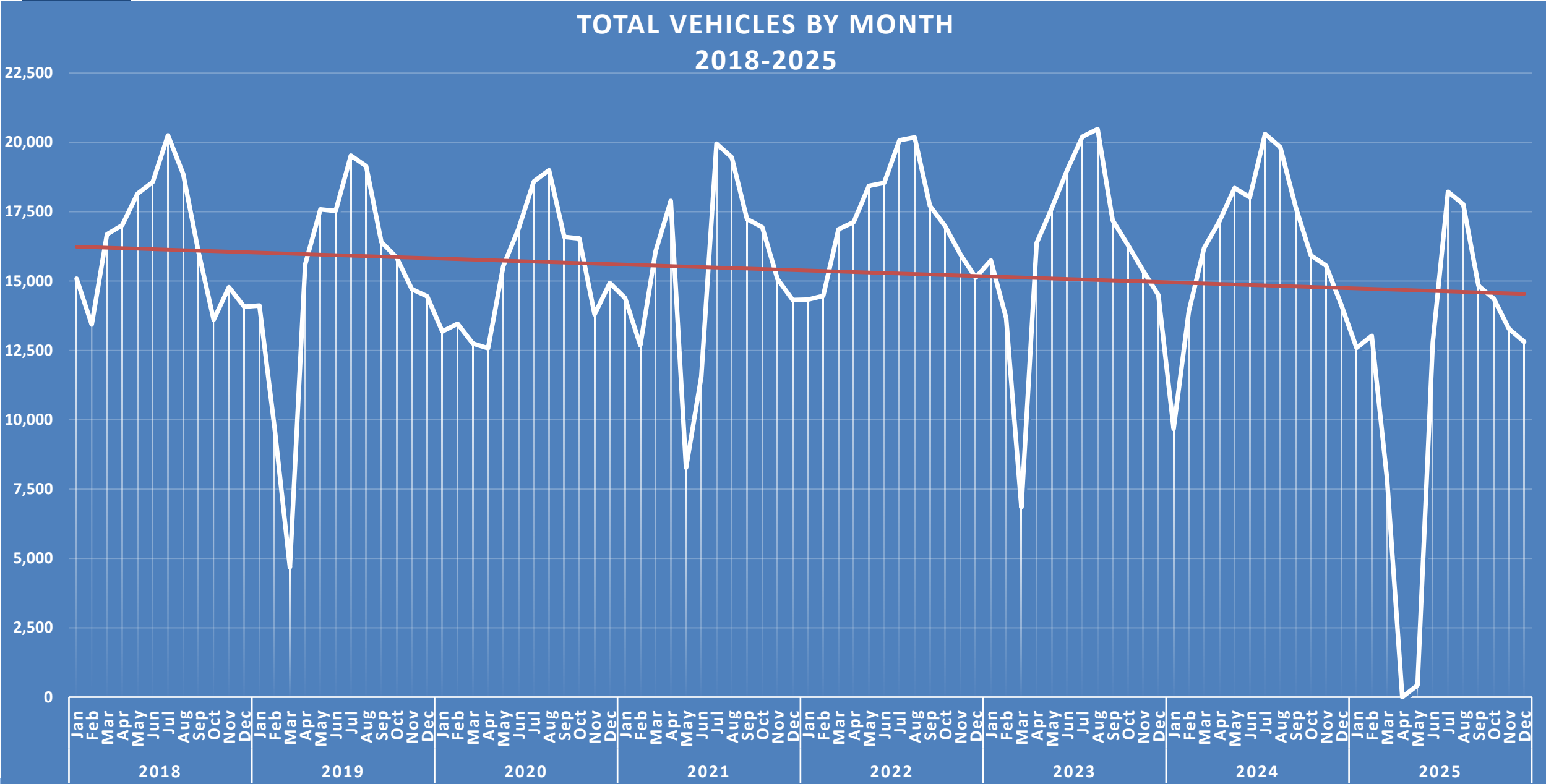
Milestone	Target Date
Post 2026 Draft Revenue Target Report & 2027 Proposed Fare Schedule Online	Aug. 4
Early Opportunity for Public Feedback	Aug. 4 - 18
Work Session with Board of Skagit County Commissioners Discuss 2026 Draft Ferry Fare Revenue Target Report	Aug. 6; 9:30 a.m. 
Presentation to the Board of Skagit County Commissioners 2026 Ferry Fare Revenue Target Report	Aug. 18; 8:30 a.m.
Community Meeting	Aug. 19; 3-4:30 p.m.
Public Comment Period Prior to Public Hearing	Sept. 3-22
Public Hearing – Public Comment Closes at the Close of the Public Hearing	Sept. 22; 8:30 a.m.
Public Comment Evaluation/Final Resolution Prep	Sept. 23-Oct. 2
Resolution on stand-alone agenda for request for motion for adoption	Oct. 20; 8:30 a.m.
File Application for Certification of Tolls with WSDOT (60 days prior to implementation)	Oct. 29
New Fares (if approved) Take Effect	Jan. 1, 2027



Ridership 2021 - 2025



Ridership 2018 - 2025



Ridership 2018 - 2025

