

Skagit County  
Public Works Department  
Ferry Operations Division

# **Draft 2021 Ferry Fare Revenue Target Report**

## **April 19, 2021, 2:30 p.m.**

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# Draft 2021 Ferry Fare Revenue Target Report

- Revenue target methodology
- 2021 revenue target
- 2020 revenue target & fare box revenue
- Road fund subsidy
- Historical fare box revenue
- Revenue sources
- Trends
- Revenue target variance
- Summary
- Recommendations



# 2021 Revenue Target Methodology

- Resolution R20110382, Attachment “B”
- Evaluation period - 2016 through 2020
- 5-year average
- 65% fare recovery requirement
- Capital expenditures are not included



# 2021 Revenue Target

2021 Revenue Target Calculation	
	5-Year Average
O&M expenditures	\$2,358,257
State Motor Vehicle Fuel Tax (MVFT)	(\$129,220)
WSDOT deficit reimbursement	(\$228,078)
Adjusted O&M expenditures	\$2,000,959
Fare Recovery Requirement	65%
<b>2021 Ferry Fare Revenue Target</b>	<b>\$1,300,624</b>



# 2020 Revenue Target

<b>2020 Revenue Target</b>	
Ferry fare revenue target	\$1,386,935
Fare box revenue	\$1,090,088
Shortfall from revenue target	<b>\$(296,847)</b>



## 2020 Road Fund Subsidy

2020 Road Fund Subsidy	
O&M expenditures	\$1,886,139
WSDOT deficit reimbursement	(\$272,798)
Motor Vehicle Fuel Tax (MVFT)	(\$141,089)
Subtotal	\$1,472,252
Fare box revenue	(\$1,090,088)
Road fund subsidy	\$382,164

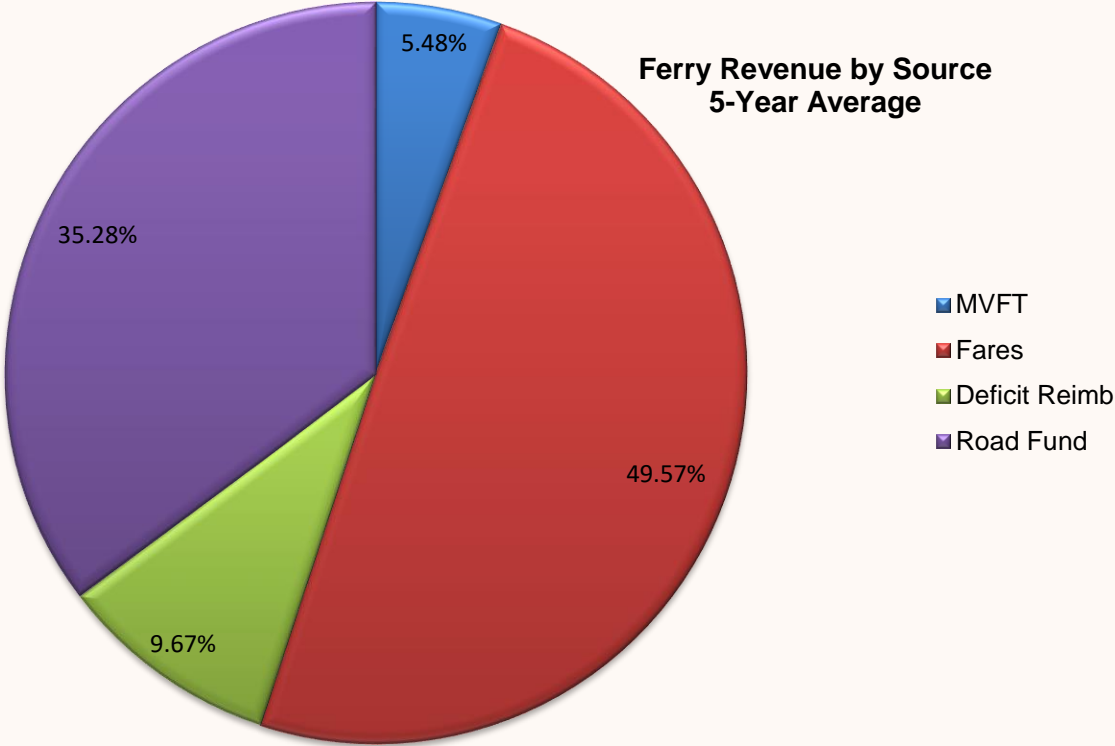


# Historical Fare Box Revenue

Fare Box Revenue 2016 - 2020	
2016	\$1,189,654
2017	\$1,160,205
2018	\$1,232,411
2019	\$1,172,411
2020	\$1,090,088
2021 Projected	\$1,195,328

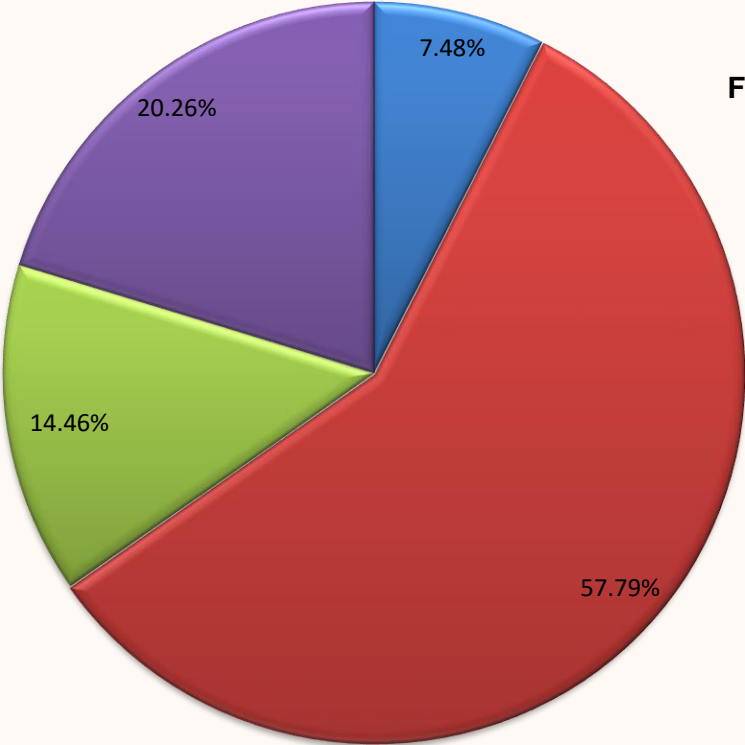


# Revenue Sources – 5-year average





# Revenue Sources – 2020

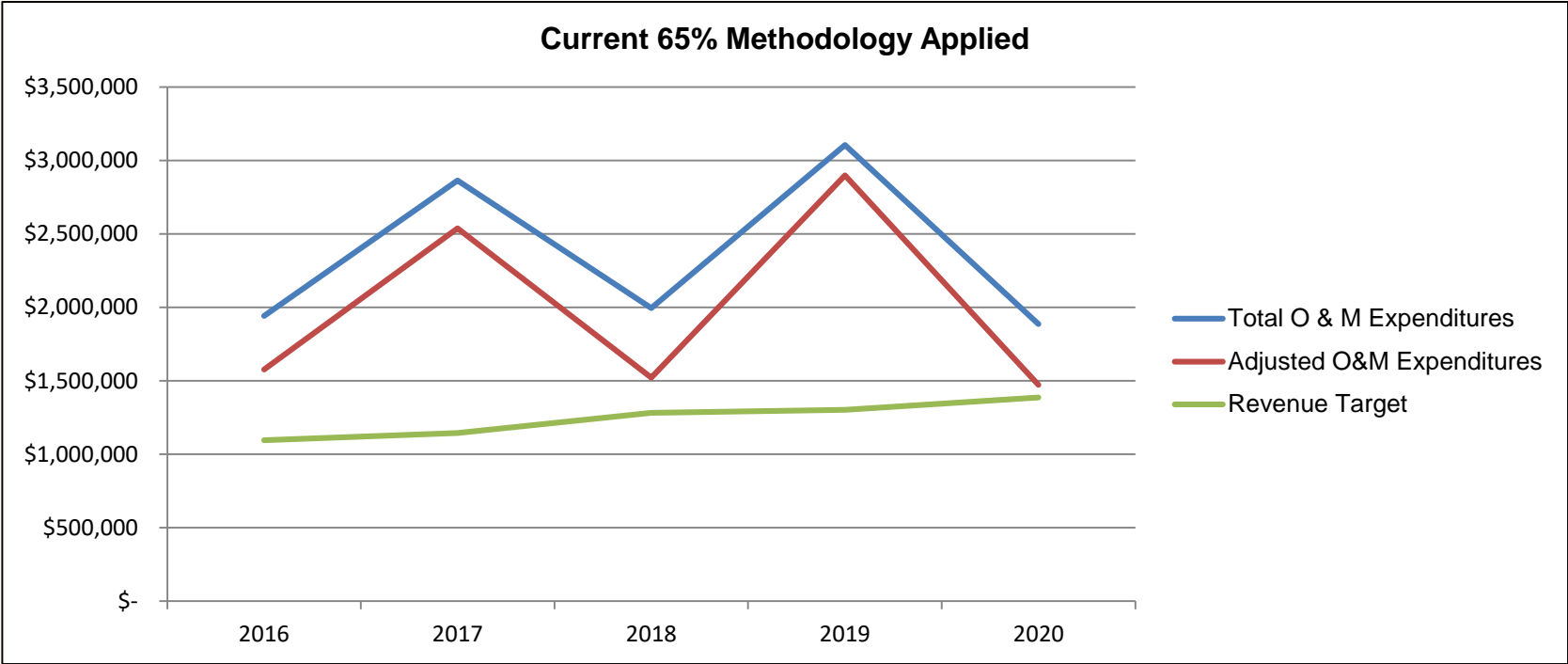


Ferry Revenue by Source  
2020

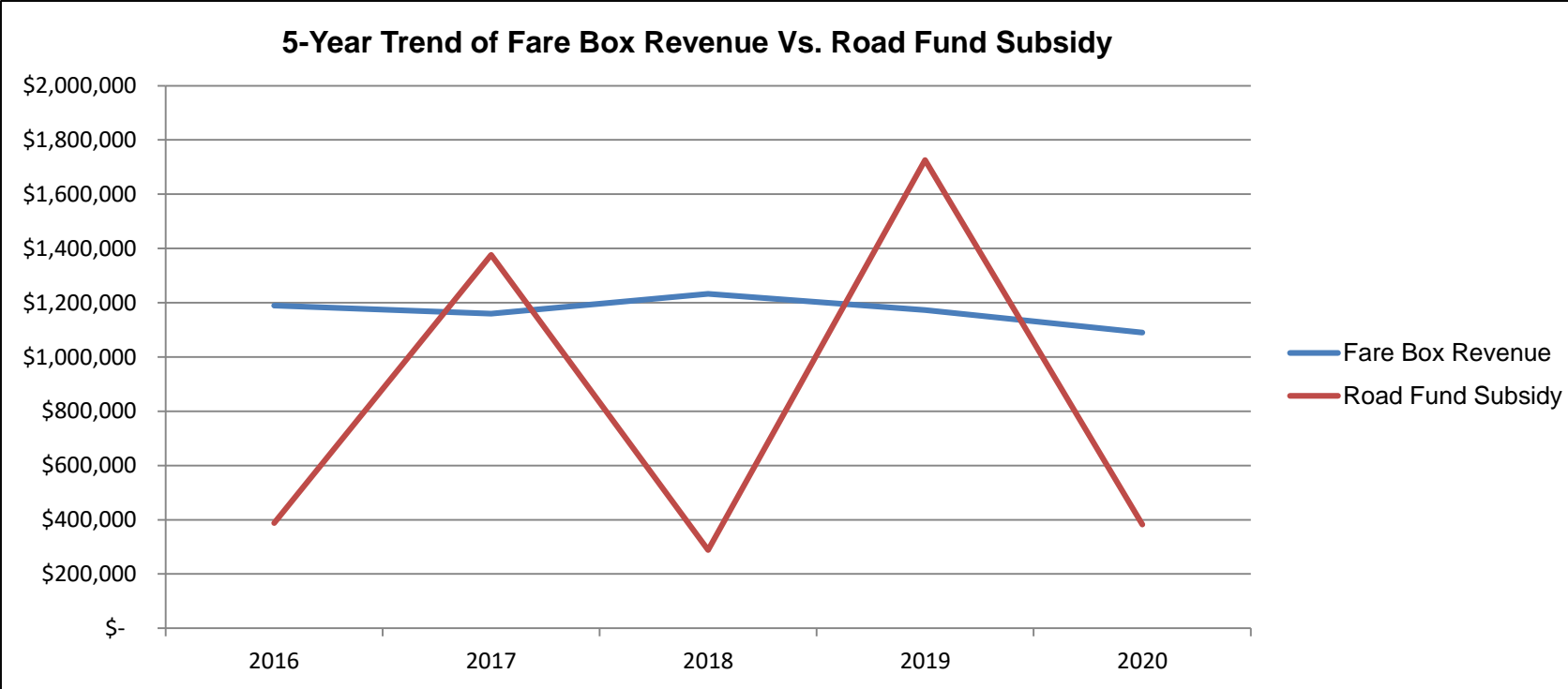
- MVFT
- Fares
- Deficit Reimb
- Road Fund



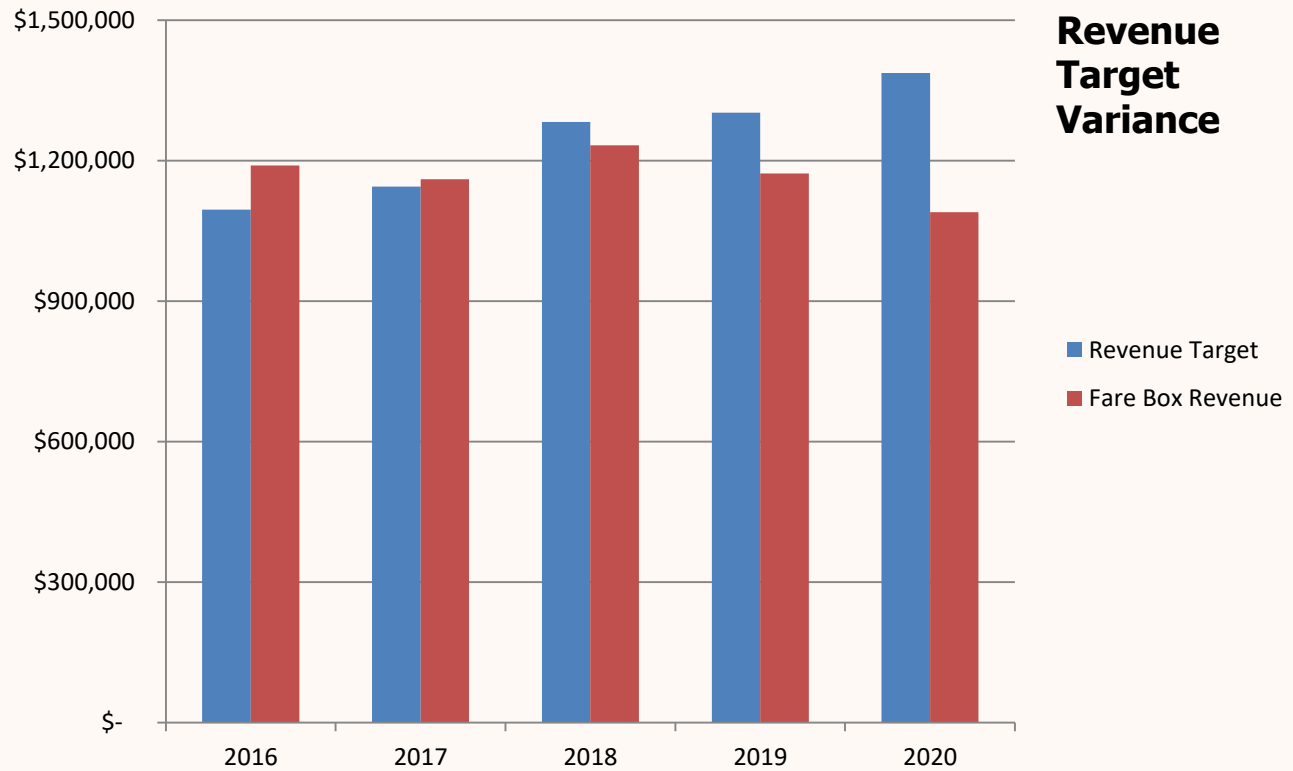
# Trends – 65% Methodology Applied



# Trends – Fare Box Revenue Vs. Road Fund Subsidy



# Revenue Target Variance – 2016 - 2020



# Summary

- 2020 O&M expenditures
  - \$1,886,139 (under budget by 43%)
- 2020 revenue target shortfall
  - \$296,847
- O&M expenditures (5-year average)
  - \$2.4 million
- Road fund subsidy (5-year average)
  - \$831,959
- Haul-outs increase costs by roughly \$1 million/year



# Recommendations

- Since 2018, fare box revenue has not met the target
  - Fare methodology is problematic
- 2021 fare box revenue is not projected not meet target

2021 Fare Revenue Target	\$ 1,300,624
<u>2021 Projected Fare Box Revenue</u>	<u>\$ 1,195,328</u>
Projected difference	\$ (105,296)

- A fare increase and other fare changes are recommended in 2021
  - Rescind and replace methodology
  - Streamline fare categories
  - Standardize discounts



# Timeline – Public Comment Period

- Draft report
  - Available at [www.skagitcounty.net/ferry](http://www.skagitcounty.net/ferry)
  - Presented to BCC – April 19, 2021
  - No public forum due to COVID-19
  
- Public comment period open
  - April 15 through April 29, 2021
  - Instructions for comments at [www.skagitcounty.net/ferry](http://www.skagitcounty.net/ferry)

