

Skagit County
Public Works Department
Ferry Operations Division

Draft 2022 Ferry Fare Revenue Target Report

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Draft 2022 Ferry Fare Revenue Target Report

- Revenue target methodology
- 2022 revenue target
- 2021 revenue target & fare box revenue
- Road fund subsidy
- Historical fare box revenue
- Revenue sources
- Trends
- Revenue target variance
- Summary
- Recommendations



2022 Revenue Target Methodology

- Resolution R20110382, Attachment “B”
- Evaluation period - 2017 through 2021
- 5-year average
- 65% fare recovery requirement
- Capital expenditures are not included



2022 Revenue Target

2022 Revenue Target Calculation	
	5-Year Average
O&M expenditures	\$2,598,678
State Motor Vehicle Fuel Tax (MVFT)	(\$126,045)
WSDOT deficit reimbursement	(\$221,817)
Adjusted O&M expenditures	\$2,250,816
Fare Recovery Requirement	65%
2022 Ferry Fare Revenue Target	\$1,463,031



2021 Revenue Target

2021 Revenue Target	
Ferry fare revenue target	\$1,300,624
Fare box revenue	\$1,115,037
Shortfall from revenue target	\$(185,587)



2021 Road Fund Subsidy

2021 Road Fund Subsidy	
O&M expenditures	\$3,144,332
WSDOT deficit reimbursement	(\$184,560)
Motor Vehicle Fuel Tax (MVFT)	(\$133,417)
Subtotal	\$2,826,355
Fare box revenue	(\$1,115,037)
Road fund subsidy	\$1,711,318

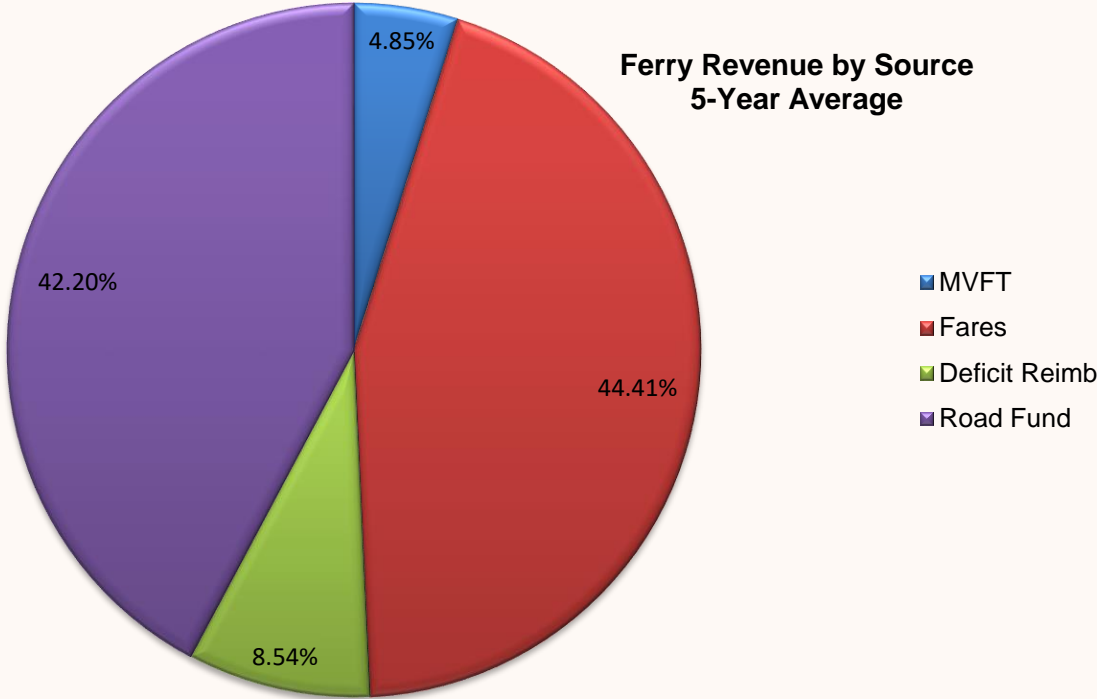


Historical Fare Box Revenue

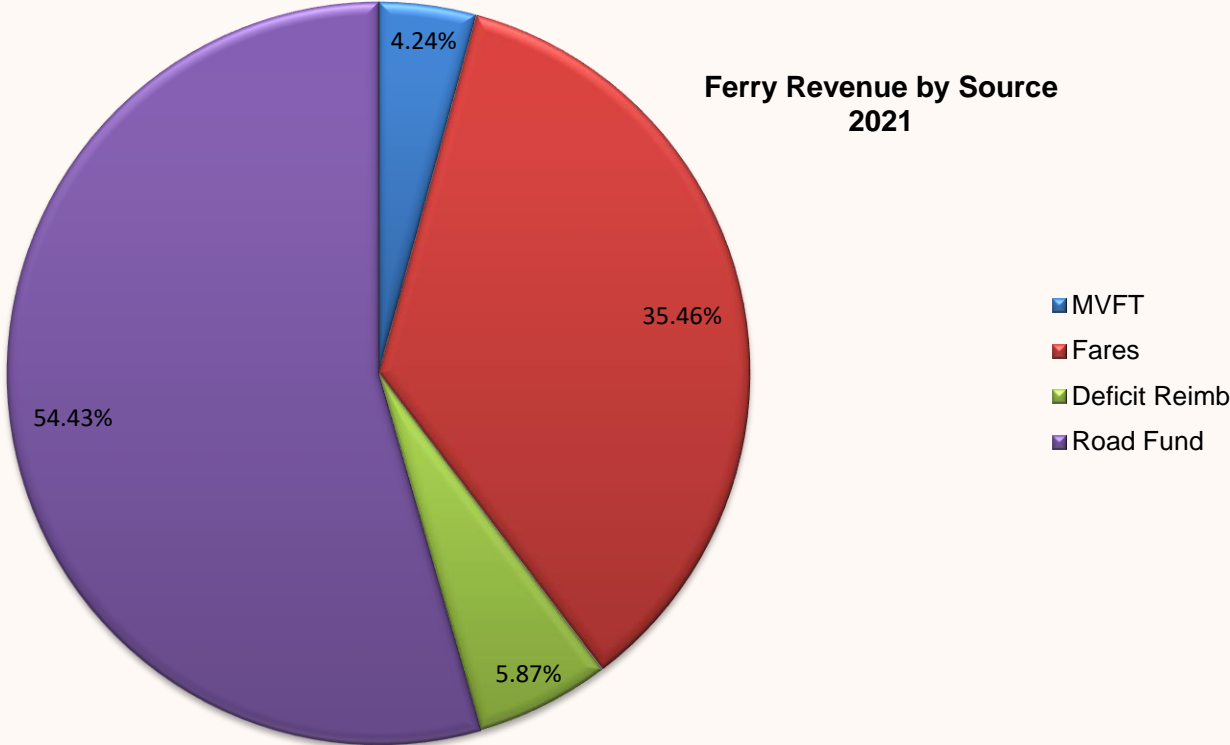
Fare Box Revenue 2017 - 2021	
2017	\$1,160,205
2018	\$1,232,411
2019	\$1,172,411
2020	\$1,090,088
2021	\$1,115,037
2022 Budgeted	\$1,380,000



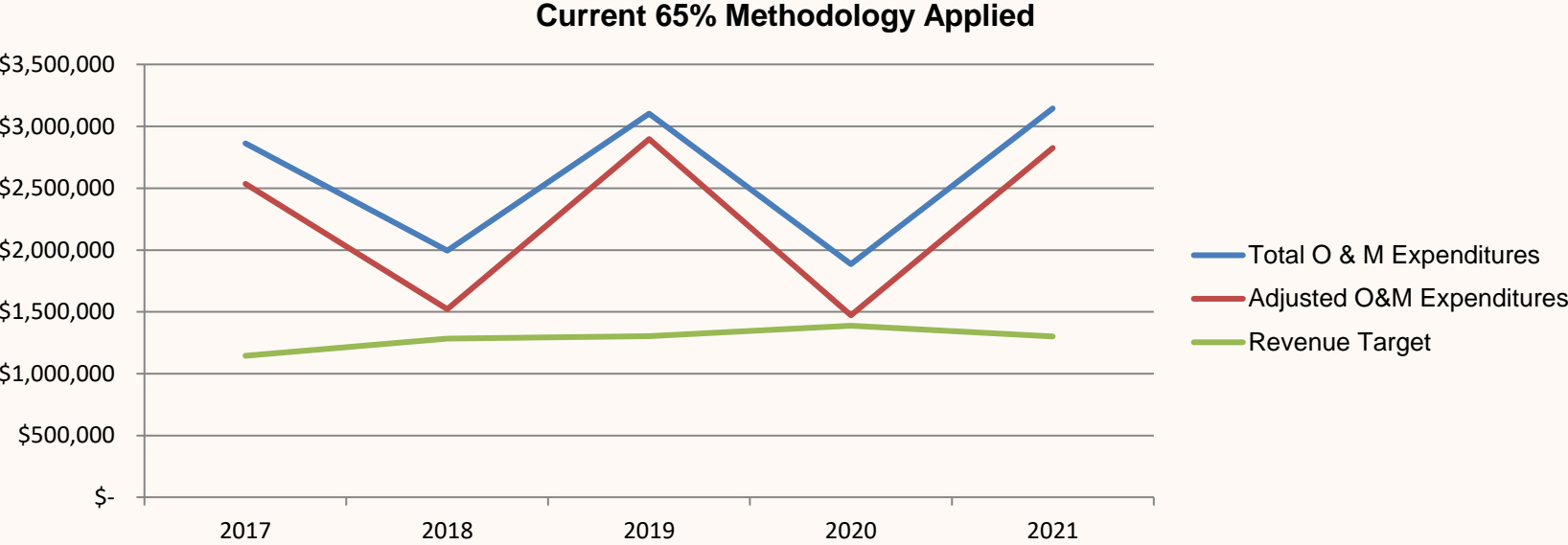
Revenue Sources – 5-year average



Revenue Sources - 2021

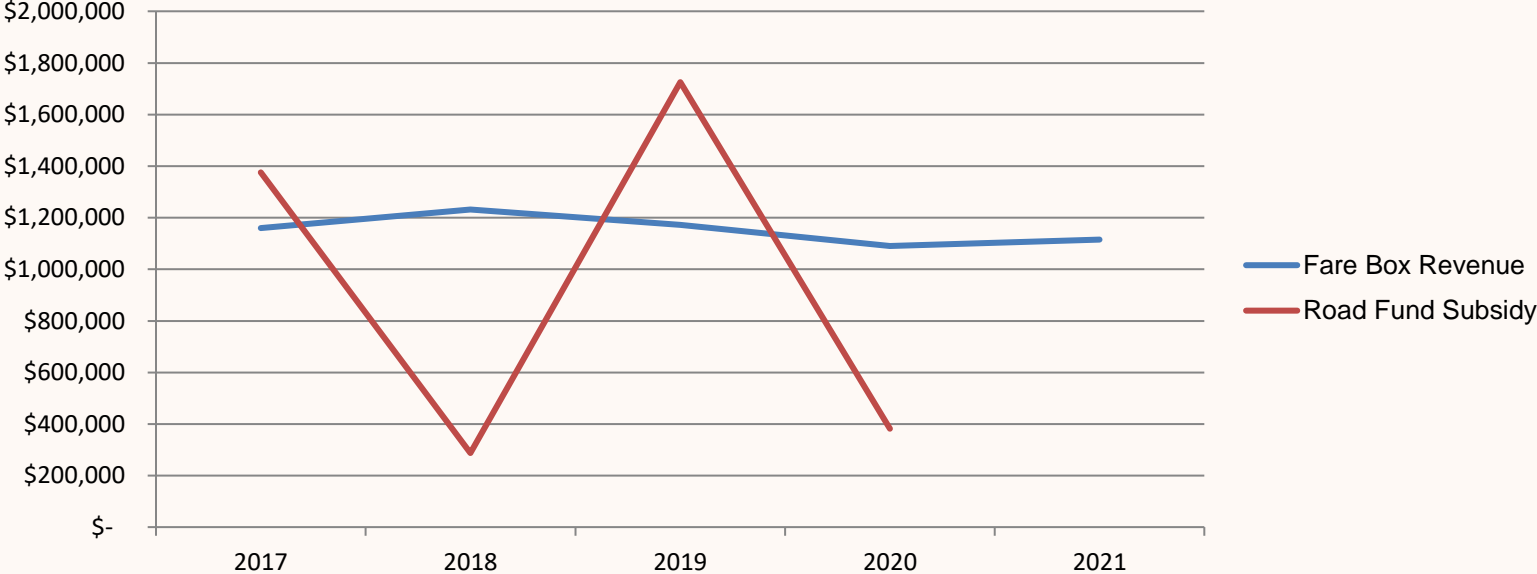


Trends – 65% Methodology Applied

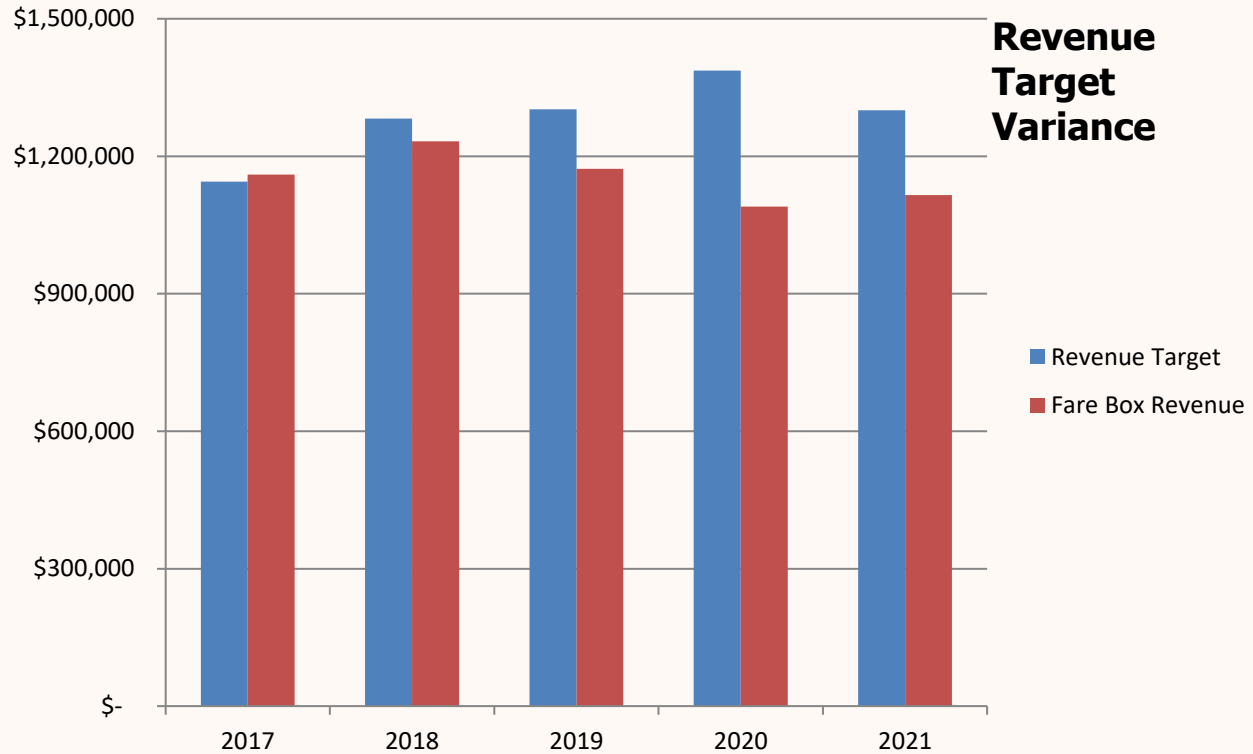


Trends – Fare Box Revenue Vs. Road Fund Subsidy

5-Year Trend of Fare Box Revenue Vs. Road Fund Subsidy



Revenue Target Variance – 2017 - 2021



Summary

- 2021 O&M expenditures
 - \$3,144,332 (under budget by 5%)
- 2021 revenue target shortfall
 - \$185,587
- O&M expenditures (5-year average)
 - \$2,250,816
- Road fund subsidy (5-year average)
 - \$1,096,739
- Haul-outs increase costs by roughly \$1,000,000/year



Recommendations

- Since 2018, fare box revenue has not met the target
 - Fare methodology is problematic
- 2022 fare box revenue is not projected not meet target

2022 Fare Revenue Target	\$ 1,463,031
<u>2022 Projected Fare Box Revenue</u>	<u>\$ 1,380,000</u>
Projected difference	\$ (83,031)

- Work with stakeholders to determine next steps
 - Use BERK/KPFF study as guiding document
 - [Guemes Island Ferry Operations and Service Study \(skagitcounty.net\)](https://www.skagitcounty.net/transportation/guemes-island-ferry-operations-and-service-study)

