

SKAGIT COUNTY
PUBLIC WORKS DEPARTMENT
2016 Ferry Fare Revenue Target Report

Board of Skagit County Commissioners
1800 Continental Place, Mount Vernon, WA 98273

Tuesday, April 26, 2016, 8:30 a.m.



2016 REVENUE TARGET CALCULATION

FARE REVENUE TARGET METHODOLOGY: R20100050, amended by R20110382

Fiscal Year	2011	2012	2013	2014	2015	5-Year Ave
O&M Expenditures	\$1,378,232	\$1,786,750	\$1,617,612	\$2,504,800 ⁽¹⁾	\$2,623,854 ⁽¹⁾	\$1,982,250
State Motor Vehicle Fuel Tax (MVFT)	(\$119,969)	(\$154,610)	(\$160,843)	(\$138,592)	(\$138,411)	(\$142,485)
WSDOT Deficit Reimbursement	(\$98,490)	(\$116,337)	(\$89,216)	(\$118,156)	(\$349,260) ⁽²⁾	(\$154,292)
Adjusted O&M Expenditures ⁽³⁾	\$1,159,773	\$1,515,803	\$1,367,553	\$2,248,052	\$2,136,183	\$1,685,473
Fare Recovery Requirement						65%
2016 Ferry Fare Revenue Target						\$1,095,557

(1) 2014 & 2015 Expenditures over \$2.5 million due to increased maintenance costs

(2) 2015 WSDOT Deficit Reimbursement increased due to amendment to RCW 47.56.725

(3) New Term – Adjusted O&M Expenditures

2015 REVENUE TARGET	
Ferry Fare Revenue Target	\$996,788
Fare Box Revenue	\$1,006,793
Surplus from Revenue Target ⁽¹⁾	\$10,005

⁽¹⁾ A fare increase went into effect Oct. 1, 2015; without it, fare box revenue would not have met the 2015 revenue target.

2015 ROAD FUND SUBSIDY	
O&M Expenditures ⁽¹⁾	\$2,623,854
WSDOT Deficit Reimbursement	(\$349,260)
Motor Vehicle Fuel Tax (MVFT)	(\$138,411)
Subtotal	\$2,136,183
Fare Box Revenue	(\$1,006,793)
Road Fund Subsidy ⁽²⁾	\$1,129,390

⁽¹⁾ Increased O&M Expenditures due to haul-out; \$684,150

⁽²⁾ Road Fund Subsidy was higher due to increased O&M Expenditures

Ferry Revenue by Source

2015:

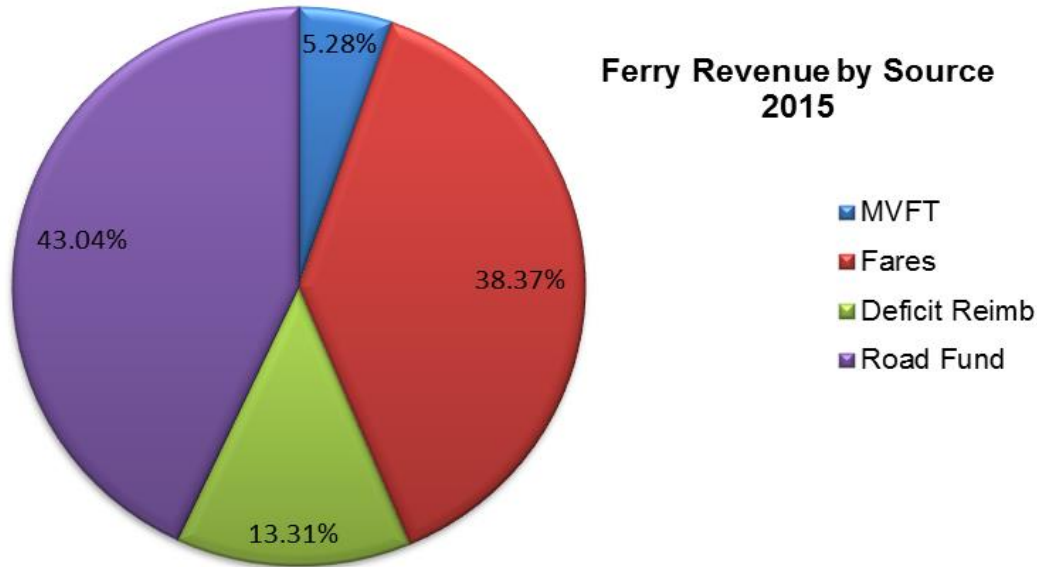
MVFT = 5.28%

Fares = 38.37%

WSDOT = 13.31%

Total = 56.96%

Road Fund = 43.04%



Ferry Revenue by Source

5-Yr. Avg. (2011-2015):

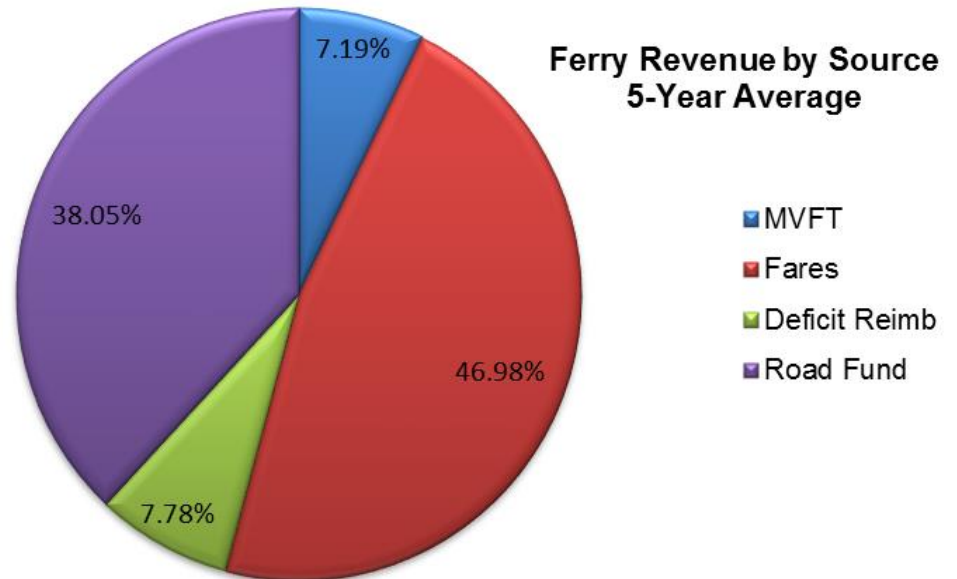
MVFT = 7.19%

Fares = 46.98%

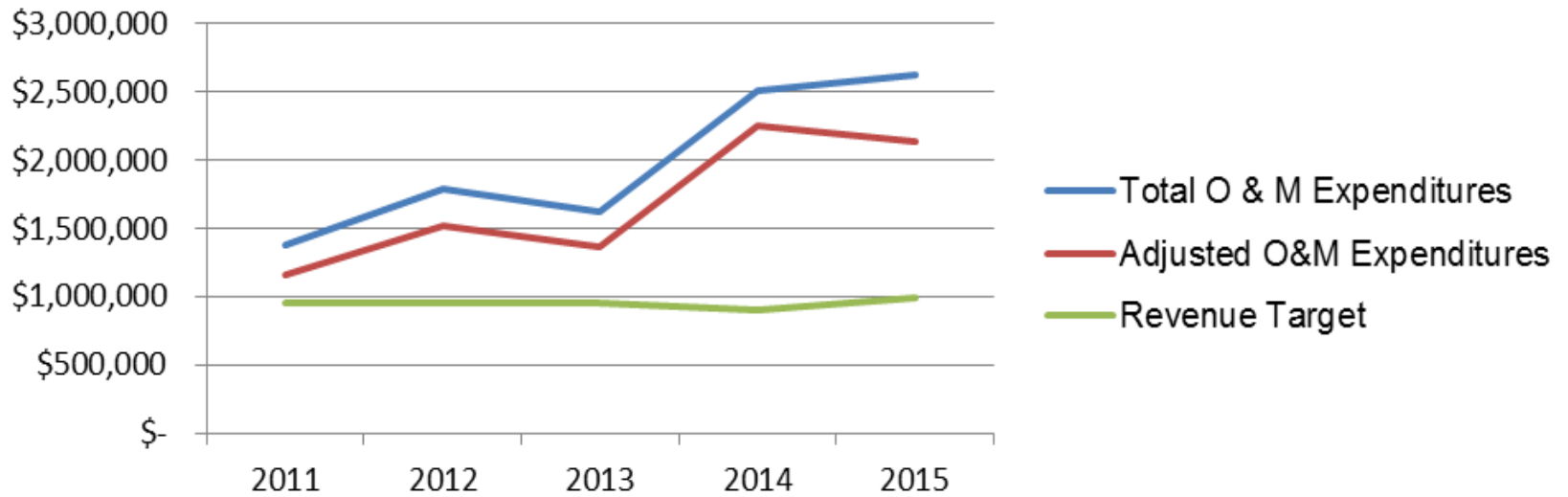
WSDOT = 7.78%

Total = 61.95%

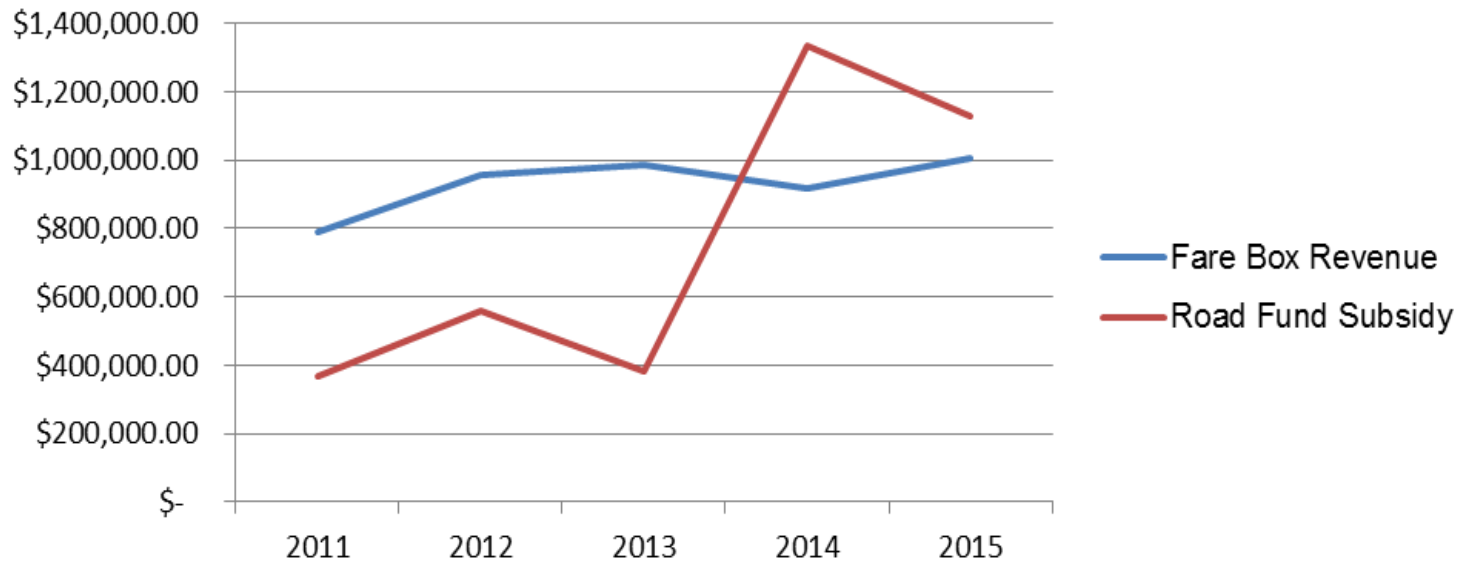
Road Fund = 38.05%



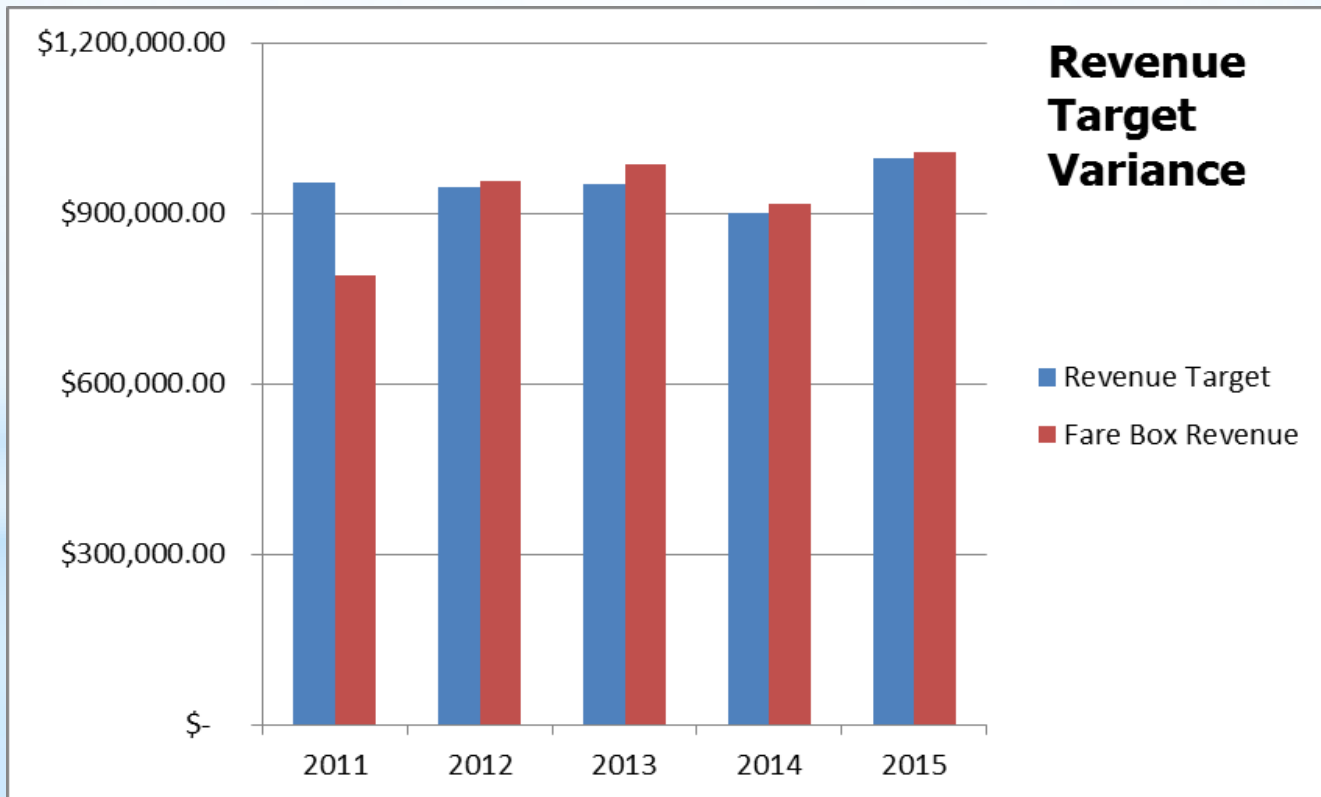
Current 65% Methodology Applied



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

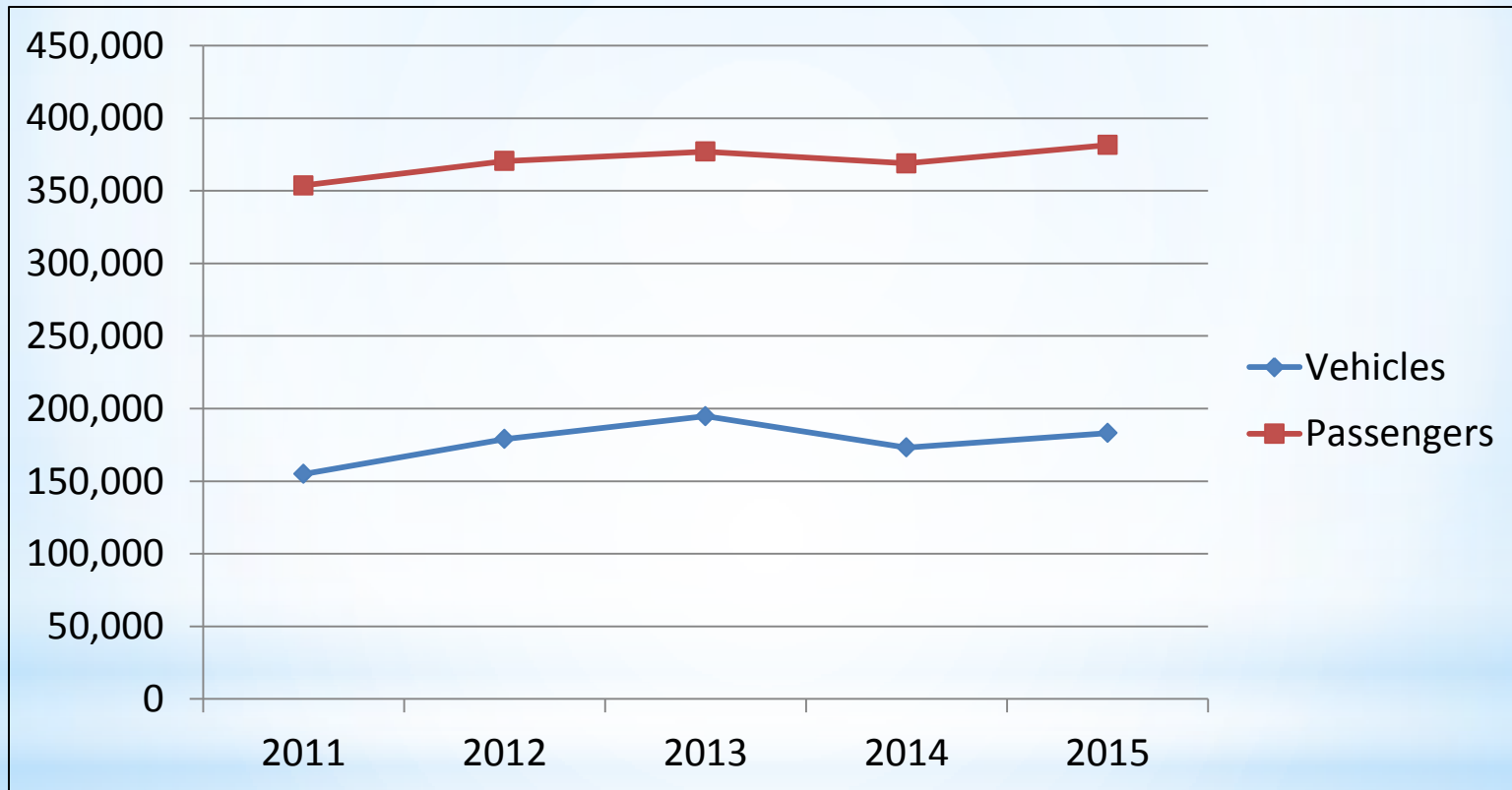


Revenue Target Variance 2011-2015					
	2011	2012	2013	2014	2015
Revenue Target	\$ 954,920	\$ 947,251	\$ 950,793	\$ 899,491	\$ 996,788
Fare Box Revenue	\$ 791,897	\$ 955,670	\$ 985,791	\$ 915,871	\$ 1,006,793
Variance	\$ (163,032)	\$ 8,419	\$ 34,998	\$ 16,380	\$ 10,005



Ridership 2011-2015

	2011	2012	2013	2014	2015
Vehicles	155,002	179,042	194,786	173,145	183,130
Passengers	353,702	370,465	376,941	368,856	381,559

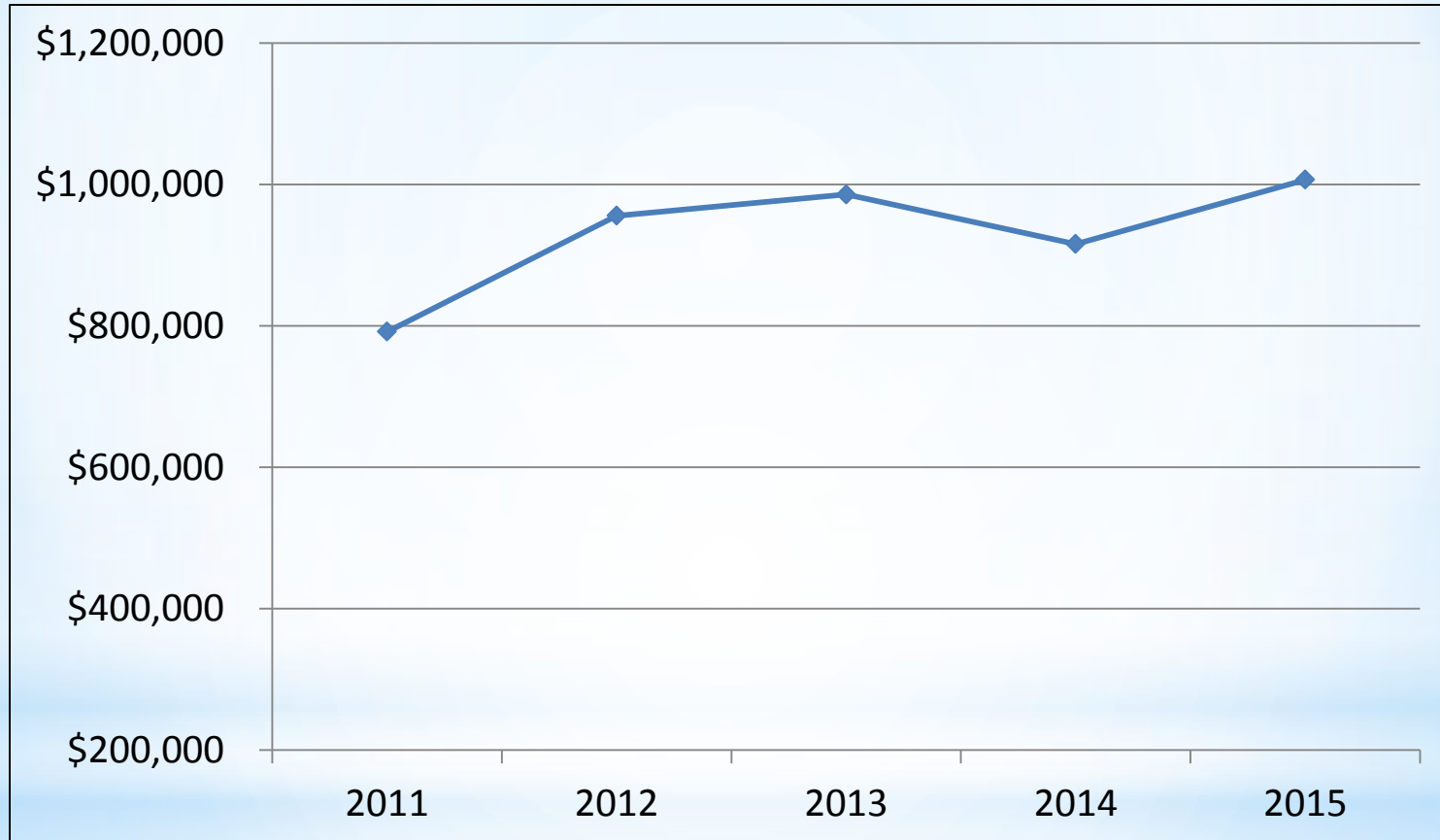


Ridership Notes:

- 2011 – Decreased ridership during two-month dock rehabilitation project
- 2013 – Increased ridership due to no haul-out
- June 1, 2011 & Oct. 1, 2015 – Fare Increases

Fare Box Revenue 2011-2015

	2011	2012	2013	2014	2015
Fare Box Revenue	\$ 791,897	\$ 955,670	\$ 985,791	\$ 915,871	\$1,006,793



Revenue Notes:

- 2011 – Decreased fare box revenue during two-month dock rehabilitation project
- 2013 – Increased fare box revenue due to no haul-out
- June 1, 2011 & Oct. 1, 2015 – Fare Increases

2016 PROJECTIONS	
2016 Ferry Fare Revenue Target	\$ 1,095,577
2016 Budgeted Fare Box Revenue	\$ 1,162,788
2016 Projected Surplus ⁽¹⁾	\$ 67,211

(1) Projected surplus due to fare increase that went in to effect Oct. 1, 2015

Summary:

- Public Works is not recommending a fare increase to take effect in 2016
- It is anticipated that expenditures in 2016 will be approximately \$1.8 million

2015 O&M Expenditures	\$ 2,623,854
<u>2016 Budgeted O&M Expenditures</u>	<u>\$ 1,822,780</u>
Difference	\$ 801,074

- No **scheduled** haul-out scheduled to take place until spring, 2017.