

Skagit County
Public Works Department
Ferry Operations Division

**2023 BCC Work Session with Public Works
Guemes Island Ferry Rate Study
Tuesday, March 14, 2023; 2:30 p.m.**

Captain Rachel Rowe
Ferry Operations Division Manager



Objectives of the 2023 Rate Study

- Reduce the road fund subsidy/contribution to the ferry operating deficit
 - Currently averaging \$1M/Year
 - Possibly cap road fund contribution (dollar amount or 65%/35%)
 - Forward thinking for financial planning (rather than 5-year look back)
- Simplify the fare structure for future electronic ticketing
 - Eliminate user accounts & replace with punch cards for oversize/commercial
 - Standardize discounts and expiration on multi-ride media
 - Eliminate unused categories
- Recommend fare policies for existing operations while planning for future ferry replacement
 - Public wants e-ticketing; plan for that expenditure/staffing needs
 - Thinking about the future ferry and routine battery replacement & realistic maintenance costs
- Use previous studies and stakeholder input to guide the process
 - Operations & Service Study, Jan. 2021
- Evaluate opportunities for ancillary revenue
 - KPFF Subconsultant, T4 Media
 - On-site meeting 3/14 to discuss options for non-farebox revenue



2023 Approved Ferry Division Budget

Expenditures	2022 Budget	2023 Budget
Obj. 510 - Salaries & Wages	\$ 994,647.00	\$ 926,708.00
Obj. 520 - Personnel Benefits	\$ 403,636.00	\$ 416,804.00
Obj. 530 - Supplies/Consumables	\$ 322,457.00	\$ 462,562.00
3120 - Operating Supplies	\$ 100,638.00	\$ 172,000.00
3200 - Fuel	\$ 207,848.00	\$ 264,562.00
3412 - Interfund Parts & Materials	\$ 2,044.00	\$ 2,000.00
3510 - Small Tools & Minor Equipment	\$ 11,927.00	\$ 24,000.00
Obj. 540 - Services & Pass Through Payments	\$ 1,130,680.00	\$ 1,407,117.00
4110 - Professional Services	\$ 56,000.00	\$ 120,000.00
4153 – Intergovern. Professional Services	\$ 2,147.00	\$ 2,500.00
4155 - External Taxes & Ops Assessment	\$ 32,406.00	\$ 32,569.00
4190 - Interfund Information Services	\$ 48,073.00	\$ 75,557.00
4230 - Communications	\$ 8,768.00	\$ 9,031.00
4310 - Travel	\$ 19,000.00	\$ 16,900.00
4361 - Meals	\$ 150.00	\$ 150.00
4410 - Advertising	\$ 10,000.00	\$ 5,000.00
4510 - Rentals	\$ 130,000.00	\$ 115,000.00
4511 - Interfund Equipment Rental	\$ 15,000.00	\$ 15,000.00
4610 - Insurance	\$ 120,799.00	\$ 124,423.00
4700 - Utilities	\$ 27,312.00	\$ 28,131.00
4810 - Repairs & Maintenance	\$ 600,000.00	\$ 800,000.00
4811 - Interfund Shop Labor	\$ 18,685.00	\$ 19,246.00
4910 - Miscellaneous	\$ 42,340.00	\$ 43,610.00
Total	\$ 2,851,420.00	\$ 3,213,191.00



2023 Budget

- Budget is ongoing process
 - July – County Auditor written budget notification
 - August - Preliminary budgets filed/submitted to BCC
 - November - Preliminary budget available to public
 - December - Public hearing to consider adoption
- Projections for 2023 based on YTD figures through June 30, 2023
 - Will be updated this year during budget cycle
 - Budget cut by \$250K (\$200K of which will be deferring maintenance to 2024)
- 2024 Ferry Division Budget
 - No haul-out planned; catch-up on deferred maintenance
- Future Projects (Pending budget approval)
 - Electronic Ticketing
 - Parking Lot Improvements



2023 Revenue Target Report

- New fare policy resolution (rescinding previous resolutions)
- Timing – report due to County Road Administration Board April 30
- Final audited expenditures & revenue available end of March
 - Report is typically drafted when available
- Board decisions
 - Revenue Target
 - Use of different sources of revenue



2022 Revenue Target

\$1,463,031

- Resolution R20110382, Attachment “B”
 - Amends R20100050
- Evaluation period - 2017 through 2021
- 5-year average (look-back)
- 65% fare recovery requirement
- Capital expenditures are not included
- Farebox revenue has not met the revenue target since 2018



For Board Consideration

- Public Comment
 - Staff is compiling to share with the Board
- Recommendations for future methodology
- Multi-ride passes
 - Lower number of tickets on a pass and shorten the expiration date
- Oversize vehicles
 - Reduce the level of fare increase as length increases
 - Include pricing for trailers
- Capital Surcharge
 - Alternative pricing comparative to what other system operators are doing?



Next Steps & Schedule Discussion

Week	Week beginning	Tasks	Milestone
1	1/3/2023	Review incoming data	Initial public meeting (1/3 @ 3:00 p.m.)
2	1/9/2023	Review incoming data	
3	1/16/2023	Preliminary findings	
4	1/23/2023	Develop rate schedule and other deliverables	
5	1/30/2023	Develop rate schedule and other deliverables	
6	2/6/2023	Technical memo and findings with staff	
7	2/13/2023	Draft report	
8	2/20/2023	Draft report	
9	2/27/2023	Presentation/public meeting for draft report	Public Hearing; 2/28 @10:00 a.m.
10	3/6/2023	Finalize report	
11	3/13/2023	Finalize report	
12	3/20/2023		Route rate schedule resolution
13	3/27/2023		
14	4/3/2023		Fare schedule resolution approved
15	4/10/2023		
16	4/17/2023		
17	4/24/2023		
18	5/1/2023		Fare schedule implemented

Estimated project schedule last updated 1.6.2023

https://www.skagitcounty.net/PublicWorksFerry/Documents/Estimated%20Project%20Schedule_1.6.2023.pdf



Links to Information

2023 Ferry Fare Proposal Webpage

<https://www.skagitcounty.net/Departments/PublicWorksFerry/2023ratestudy.htm>

Rate Study Timeline/Schedule

https://www.skagitcounty.net/PublicWorksFerry/Documents/Estimated%20Project%20Schedule_1.6.2023.pdf

Draft Rate Schedule (Feb. 28)

<https://www.skagitcounty.net/PublicWorksFerry/Documents/Fareproposal.pdf>

Guemes Island Ferry Operations & Service Study, Jan. 2021

https://www.skagitcounty.net/PublicWorksFerry/Documents/Guemes%20Ops%20and%20Service%20Study%202021_0129.pdf

2022 Ferry Fare Revenue Target Report (2023 report coming in April)

<https://www.skagitcounty.net/PublicWorksFerry/Documents/2022%20Ferry%20Fare%20Revenue%20Target%20Report.pdf>

2022/2023 Budget/Expenditures/Revenue

<https://www.skagitcounty.net/PublicWorksFerry/Documents/Prelim.FRY-22YE-EXP-Summary.pdf>

<https://www.skagitcounty.net/PublicWorksFerry/Documents/Prelim.FRY-22YE-REV-Summary.pdf>

<https://www.skagitcounty.net/PublicWorksFerry/Documents/Prelim.FRY-23YTD-EXP-BudVsAct-Summary.pdf>

<https://www.skagitcounty.net/PublicWorksFerry/Documents/Prelim.FRY-23YTD-REV-BudVsAct-Summary.pdf>

Ferry Fare Policy

<http://www.skagitcounty.net/Common/Documents/LFDocs/COMMISSIONERS1000008/00/00/16/0000164a.pdf>

<http://www.skagitcounty.net/Common/Documents/LFDocs/COMMISSIONERS2000002/00/00/7c/00007c88.pdf>

