

Skagit County
Public Works Department
Ferry Operations Division

**2023 BCC Work Session with Public Works
Guemes Island Ferry Rate Study
Monday, April 17, 2023; 3:00 p.m.**

Captain Rachel Rowe
Ferry Operations Division Manager



Direction since last work session

- Revise the O&M average annual expenditure calculation
 - Use two previous years actuals, current budget and two future years
 - Incorporates past five years maintenance and haul out expenditures history for annualized maintenance cost
- Apply a 65% fare box recovery ratio to the revised O&M average annual expenditure
- Phase fare increase implementation over 5 years (also estimate annual increase for 3 years) to achieve 65% fare box recovery target
- Re-evaluate oversized vehicle fares
- Retain non-peak basis for multi-ride pass pricing, reduce expiration to 90 days
- Extended free fares to youth through 18 years
- Set fares using \$.25 rounding



Pro Forma O&M Expenditures – 2023 Restated

2023 Adopted Budget	
Salaries & Wages	926,708
Personnel Benefits	416,804
Supplies & Consumables	462,562
Services & Pass-throughs	1,407,117
Total Adopted Budget	3,213,191
Adjustments	
Eliminate 2023 Haul out and maintenance	-915,000
Add annualized repair, maintenance & haulout	758,000
Add 2023 budget adjustments	356,000
Total Adjustments	199,000
Restated 2023 O&M Expenditures	3,412,191

2023 Budget Adjustments	
Annual fare collection costs	150,000
Ticketing improvements	55,000
Reserve for unanticipated expenditures	151,000
Total Adjustments	356,000



Pro Forma Five Year Average O&M Expenditures

	Actual		Adopted Budget	Projected						
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Actual/Projected Annual Expenditure	3,144,332	2,900,908	3,412,205	3,504,334	3,746,065	3,843,462	3,924,175	4,006,583	4,110,754	4,217,634
Five Year Average 2023	3,341,569									
Five Year Average 2024		3,481,395								
Five Year Average 2025		3,686,048								
Five Year Average 2026			3,804,924							
Five Year Average 2027				3,926,208						
Five Year Average 2028					4,020,522					



Pro Forma Six Year Funding Sources for 65% Fare Box Recovery

O & M Expenditures	2023	2024	2025	2026	2027	2028
Five Year Average Pro Forma Expenditure	3,341,569	3,481,395	3,686,048	3,804,924	3,926,208	4,020,522
Other Tax Revenue	348,000	348,000	348,000	348,000	348,000	348,000
Adjusted Average O&M	2,993,569	3,133,395	3,338,048	3,456,924	3,578,208	3,672,522
Local Revenue Sources						
65% Fare Box Revenue	1,945,820	2,036,707	2,169,731	2,247,001	2,325,835	2,387,139
35% Road Fund Contribution	1,047,749	1,096,688	1,168,317	1,209,923	1,252,373	1,285,383
Total Annual Local Sources	1,047,749	1,096,688	1,168,317	1,209,923	1,252,373	1,285,383



Fare Levels and Revenue Projections

- With fare box recovery targets established analysis began to identify the fare level adjustments required to achieve the fare box recovery revenue targets.
- The first step was to restructure and re-calibrate oversized vehicle fare types and project the revenue generated from the new fares
- Once the projected revenue from oversized vehicles was known, incremental adjustments were made evenly across all passenger and regular sized vehicle categories until the overall fare box recovery target was achieved.



Fare Levels and Revenue Projections

- Achieving the 65% fare box recovery target in the first period means that fare revenue must increase \$737K using 2023 five-year average O&M expenditures
- As an alternative to a single very steep increase a phased fare level implementation plan was developed achieving the 65% five year average goal in 2028.



Fare Levels

Fare Schedule to Realize 65% Fare Box Recovery on 2023 Annual Average O&M Expenditures or \$1.95M

	Current = Proposed		Current		Proposed		Current		Proposed	
	Surcharge		Posted		Posted		O&M		O&M	
	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak
Passengers										
Adult	1.00	1.00	4.00	5.00	5.50	7.25	3.00	4.00	4.50	6.25
Senior/Disabled	0.00	0.50	2.00	3.00	3.00	4.00	2.00	2.50	3.00	3.75
Youth			Free	Free	Free	Free	Free	Free	Free	Free
Rider & Bicycle	1.00	1.00			7.25	8.75			6.25	7.75
Riders & Bicycle senior/disabled	0.00	1.00			4.50	6.00			4.50	5.50
Passenger Multi Ride Card										
25 trip adult passengers	10.00	10.00	77.00	77.00	105.75	105.75	67.00	67.00	95.75	95.75
25 trip senior/disabled	6.00	6.00	46.00	46.00	69.75	69.75	40.00	40.00	63.75	63.75
Vehicles										
Motorcycle & rider	1.00	2.00	7.00	10.00	10.25	14.25	6.00	8.00	9.25	12.25
Vehicle/driver 14 feet or under	2.00	3.00	10.00	13.00	14.25	18.50			12.25	15.50
Vehicle/driver 14 feet or under senior/disabled	2.00	2.00	8.00	10.00	11.25	14.25			9.25	12.25
Vehicle/driver under 22 feet	2.00	3.00	12.00	15.00	17.50	21.50	10.00	12.00	15.50	18.50
Vehicle/driver senior/disabled under 22 feet	2.00	2.00	10.00	12.00	14.25	17.50	8.00	10.00	12.25	15.50
Vehicles & driver multi-ride										
20 trip under 14 feet	26.00	26.00			234.25	234.25			208.25	208.25
20 trip under 14 feet senior/disabled	20.00	20.00			177.25	177.25			157.25	157.25
20 trip under 22 feet	26.00	26.00	196.00	196.00	289.50	289.50	170.00	170.00	263.50	263.50
20 trip under 22 feet senior/disabled	20.00	20.00	156.00	156.00	228.25	228.25	136.00	136.00	208.25	208.25
20 trip Motorcycle	15.00	15.00	117.00	117.00	172.25	172.25	102.00	102.00	157.25	157.25
Vehicle Needs Based										
5 trip convenience needs based only	10.00	10.00	50.00	60.00	71.25	87.50	40.00	50.00	61.25	77.50
Oversized Vehicles										
Over 22 feet under 30 feet	4.00	6.00	19.00	24.00	39.00	47.75	15.00	18.00	35.00	41.75
Under 40 feet	8.00	11.00	36.00	45.00	86.00	99.50	28.00	34.00	78.00	88.50
Under 50 feet	11.00	18.00	54.00	71.00	124.50	135.25	43.00	53.00	113.50	117.25
Under 60 feet	19.00	23.00	83.00	100.00	149.75	162.00	64.00	77.00	130.75	139.00
Each 10 foot over 60	4.00	4.00			25.75	27.25			21.75	23.25
Over width charge			Double Length Charge		Double Length Charge					
Oversized Vehicles 5 Trip Convenience Card										
Over 22 feet under 30 feet	20.00	30.00	95.00	120.00	195.00	238.75	75.00	90.00	175.00	208.75
Under 40 feet	40.00	55.00	180.00	225.00	430.00	497.50	140.00	170.00	390.00	442.50
Under 50 feet	55.00	90.00	270.00	355.00	622.50	676.25	215.00	265.00	567.50	586.25
Under 60 feet	95.00	115.00	415.00	500.00	748.75	810.00	320.00	385.00	653.75	695.00
Miscellaneous										
Charter/Extra Trip Rate			\$500		TBD					



Fare Levels

Phased Fare Increases

- 5 rate increases to achieve 65% fare box recovery by 2028
 - July 2023
 - January 2025
 - January 2026
 - January 2027
 - January 2028
- Fare box recovery target
 - \$1,946,000 for 2023
 - \$2,326,000 for 2028



Fare Levels

For the phased implementation plan fare level increases are applied in two ways.

Oversized Vehicles- Adjusted to align with regional operators

- First the fare categories were restructured and then appropriate future fare levels were established for each category.
- For the phased implementation the increases were evenly distributed over the five periods.

Passengers and Regular Sized Vehicles – Current fares increased to reach revenue target

- Started with the existing fare level and applied increases until the target fare box recovery was achieved
- To reach 65% fare box recovery by 2028 periodic increases of on average 14% would be applied to all passenger and regular sized vehicles fare types



First Period Last Period Comparison

	Current = Proposed		Current		Proposed 2023-2024		Proposed 2028	
	Surcharge		Posted		Posted		Posted	
	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak
Passengers								
Adult	1.00	1.00	4.00	5.00	4.50	5.50	6.50	8.50
Senior/Disabled	0.00	0.50	2.00	3.00	2.25	3.00	3.75	5.00
Passenger Multi Ride Card								
25 trip adult passengers	10.00	10.00	77.00	77.00	84.50	84.50	127.00	127.00
25 trip senior/disabled	6.00	6.00	46.00	46.00	53.75	53.75	85.75	85.75
Vehicles								
Vehicle/driver under 22 feet	2.00	3.00	12.00	15.00	13.50	16.75	20.75	25.50
Vehicle/driver senior/disabled under 22 feet	2.00	2.00	10.00	12.00	11.25	13.50	17.00	20.75
Vehicles & driver multi-ride								
20 trip under 22 feet	26.00	26.00	196.00	196.00	221.50	221.50	344.75	344.75
20 trip under 22 feet senior/disabled	20.00	20.00	156.00	156.00	177.25	177.25	275.00	275.00



Phased Fare Implementation 2023-2024 Schedule

	Current = Proposed		Current		Proposed		Current		Proposed	
	Surcharge		Posted		Posted		O&M		O&M	
	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak
Passengers										
Adult	1.00	1.00	4.00	5.00	4.50	5.50	3.00	4.00	3.50	4.50
Senior/Disabled	0.00	0.50	2.00	3.00	2.25	3.00	2.00	2.50	2.25	2.75
Youth			Free	Free	Free	Free	Free	Free	Free	Free
Rider & Bicycle	1.00	1.00			5.50	6.75			4.50	5.75
Riders & Bicycle senior/disabled	0.00	1.00			3.50	5.00			3.50	4.00
Passenger Multi Ride Card										
25 trip adult passengers	10.00	10.00	77.00	77.00	84.50	84.50	67.00	67.00	74.50	74.50
25 trip senior/disabled	6.00	6.00	46.00	46.00	53.75	53.75	40.00	40.00	47.75	47.75
Vehicles										
Motorcycle & rider	1.00	2.00	7.00	10.00	7.75	11.25	6.00	8.00	6.75	9.25
Vehicle/driver 14 feet or under	2.00	3.00	10.00	13.00	11.25	14.50			9.25	11.50
Vehicle/driver 14 feet or under senior/disabled	2.00	2.00	8.00	10.00	8.75	11.25			6.75	9.25
Vehicle/driver under 22 feet	2.00	3.00	12.00	15.00	13.50	16.75	10.00	12.00	11.50	13.75
Vehicle/driver senior/disabled under 22 feet	2.00	2.00	10.00	12.00	11.25	13.50	8.00	10.00	9.25	11.50
Vehicles & driver multi-ride										
20 trip under 14 feet	26.00	26.00			183.25	183.25			157.25	157.25
20 trip under 14 feet senior/disabled	20.00	20.00			134.75	134.75			114.75	114.75
20 trip under 22 feet	26.00	26.00	196.00	196.00	221.50	221.50	170.00	170.00	195.50	195.50
20 trip under 22 feet senior/disabled	20.00	20.00	156.00	156.00	177.25	177.25	136.00	136.00	157.25	157.25
20 trip Motorcycle	15.00	15.00	117.00	117.00	129.75	129.75	102.00	102.00	114.75	114.75
Vehicle Needs Based										
5 trip convenience needs based only	10.00	10.00	50.00	60.00	56.25	67.50	40.00	50.00	46.25	57.50
Oversized Vehicles										
Over 22 feet under 30 feet	4.00	6.00	19.00	24.00	21.50	27.25	15.00	18.00	17.50	21.25
Under 40 feet	8.00	11.00	36.00	45.00	42.25	52.00	28.00	34.00	34.25	41.00
Under 50 feet	11.00	18.00	54.00	71.00	63.00	80.25	43.00	53.00	52.00	62.25
Under 60 feet	19.00	23.00	83.00	100.00	93.25	109.25	64.00	77.00	74.25	86.25
Each 10 foot over 60	4.00	4.00			16.25	14.25			12.25	14.25
Over width charge			Double Length Charge		Double Length Charge					
Oversized Vehicles 5 Trip Convenience Card										
Over 22 feet under 30 feet	20.00	30.00	95.00	120.00	107.50	136.25	75.00	90.00	87.50	106.25
Under 40 feet	40.00	55.00	180.00	225.00	211.25	260.00	140.00	170.00	171.25	205.00
Under 50 feet	55.00	90.00	270.00	355.00	315.00	401.25	215.00	265.00	260.00	311.25
Under 60 feet	95.00	115.00	415.00	500.00	466.25	546.25	320.00	385.00	371.25	431.25
Miscellaneous										
Charter/Extra Trip Rate			\$500		TBD					



Phased Fare Implementation 2028 Schedule

	Current = Proposed		Current		Proposed		Current		Proposed	
	Surcharge		Posted		Posted		O&M		O&M	
	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak
Passengers										
Adult	1.00	1.00	4.00	5.00	6.50	8.50	3.00	4.00	5.50	7.50
Senior/Disabled	0.00	0.50	2.00	3.00	3.75	5.00	2.00	2.50	3.75	4.75
Youth			Free	Free	Free	Free	Free	Free	Free	Free
Rider & Bicycle	1.00	1.00			8.50	10.25			7.50	9.25
Riders & Bicycle senior/disabled	0.00	1.00			5.50	7.00			5.50	6.50
Passenger Multi Ride Card										
25 trip adult passengers	10.00	10.00	77.00	77.00	127.00	127.00	67.00	67.00	117.00	117.00
25 trip senior/disabled	6.00	6.00	46.00	46.00	85.75	85.75	40.00	40.00	79.75	79.75
Vehicles										
Motorcycle & rider	1.00	2.00	7.00	10.00	12.25	17.00	6.00	8.00	11.25	15.00
Vehicle/driver 14 feet or under	2.00	3.00	10.00	13.00	17.00	21.75			15.00	18.75
Vehicle/driver 14 feet or under senior/disabled	2.00	2.00	8.00	10.00	13.25	17.00			11.25	15.00
Vehicle/driver under 22 feet	2.00	3.00	12.00	15.00	20.75	25.50	10.00	12.00	18.75	22.50
Vehicle/driver senior/disabled under 22 feet	2.00	2.00	10.00	12.00	17.00	20.75	8.00	10.00	15.00	18.75
Vehicles & driver multi-ride										
20 trip under 14 feet	26.00	26.00			281.00	281.00			255.00	255.00
20 trip under 14 feet senior/disabled	20.00	20.00			211.25	211.25			191.25	191.25
20 trip under 22 feet	26.00	26.00	196.00	196.00	344.75	344.75	170.00	170.00	318.75	318.75
20 trip under 22 feet senior/disabled	20.00	20.00	156.00	156.00	275.00	275.00	136.00	136.00	255.00	255.00
20 trip Motorcycle	15.00	15.00	117.00	117.00	206.25	206.25	102.00	102.00	191.25	191.25
Vehicle Needs Based										
5 trip convenience needs based only	10.00	10.00	50.00	60.00	85.00	103.75	40.00	50.00	75.00	93.75
Oversized Vehicles										
Over 22 feet under 30 feet	4.00	6.00	19.00	24.00	39.00	47.75	15.00	18.00	35.00	41.75
Under 40 feet	8.00	11.00	36.00	45.00	86.00	99.50	28.00	34.00	78.00	88.50
Under 50 feet	11.00	18.00	54.00	71.00	124.50	135.25	43.00	53.00	113.50	117.25
Under 60 feet	19.00	23.00	83.00	100.00	149.75	162.00	64.00	77.00	130.75	139.00
Each 10 foot over 60	4.00	4.00			25.75	27.25			21.75	23.25
Over width charge			Double Length Charge		Double Length Charge					
Oversized Vehicles 5 Trip Convenience Card										
Over 22 feet under 30 feet	20.00	30.00	95.00	120.00	195.00	238.75	75.00	90.00	175.00	208.75
Under 40 feet	40.00	55.00	180.00	225.00	430.00	497.50	140.00	170.00	390.00	442.50
Under 50 feet	55.00	90.00	270.00	355.00	622.50	676.25	215.00	265.00	567.50	586.25
Under 60 feet	95.00	115.00	415.00	500.00	748.75	810.00	320.00	385.00	653.75	695.00
Miscellaneous										
Charter/Extra Trip Rate			\$500		TBD					



Recommendations

- Implement first fare rate increase this summer, for 2023-2024 time period
- Adjust fares on an annual basis beginning in January 2025 to achieve 65% fare box recovery by 2028
 - Update the 2028 5-year average annual O&M cost with new expenditure data
 - Re-run the fare model to confirm the required fare increase to achieve the updated 2028 average annual O&M and establish new fare levels.
- Monitor monthly ferry sales reports for indications of fare elasticity by fare type
 - Evaluate possible fare type increase adjustments
 - Evaluate possible model adjustments to reflect ridership response to fare increases

