

Skagit County  
Public Works Department  
Ferry Division

## **2025 Ferry Fare Revenue Target Report September 16, 2025, 8:30 a.m.**

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Ferry Division Manager



## 2026 Revenue Target Methodology

- Resolution R20230152 (signed by BCC July 27, 2023)
- Evaluation period - 2023 through 2027
- 5-year average methodology
- 65% fare recovery requirement by December 31, 2028
- Capital expenditures not included



## 2026 Revenue Target

Revenue Target Calculation						
	Actual		Adjusted Budget <sup>(2)</sup>	Projected		
Year	2023	2024 <sup>(1)</sup>	2025	2026	2027	Five-Year Average
O&M Expenditures	\$ 3,672,133	\$ 2,893,135	\$ 5,301,597	\$ 5,474,429	\$ 5,631,545	\$ 4,594,568
MVFT <sup>(3)</sup>	\$ 150,119	\$ 62,400	\$ 124,003	\$ 124,003	\$ 124,003	\$ 116,906
WSDOT Deficit Reimbursement <sup>(3)</sup>	\$ 212,507	\$ 258,189	\$ 275,945	\$ 275,945	\$ 275,945	\$ 259,706
Adjusted O&M	\$ 3,309,507	\$ 2,572,547	\$ 4,901,649	\$ 5,074,481	\$ 5,231,597	\$ 4,217,956
Fare Recovery Requirement <sup>(4)</sup>						55%
2026 Ferry Fare Revenue Target						\$ 2,319,876

<sup>(1)</sup> Source: [Skagit County Cayenta FY2024 Budget Monitoring](#) & [2024 County Ferry Systems Operations Report](#)

<sup>(2)</sup> Adjusted Budget – Source: [2025 Ferry Budget Monitoring Report \(January to June 2025\)](#)

<sup>(3)</sup> 5-year average (2020-2024) used for 2025, 2026, and 2027 projected

<sup>(4)</sup> Goal is 65 percent by December 31, 2028 - 2026 recovery requirement is 55 percent



## Base Year Expenditures

	Actual		Adjusted <sup>(1)</sup>	Projected <sup>(2)</sup>	
	2023	2024	2025	2026	2027
Salaries & Wages <sup>(1)</sup>	\$ 1,104,080	\$ 1,171,006	\$ 1,441,153		
Personnel Benefits <sup>(1)</sup>	\$ 393,678	\$ 384,785	\$ 530,199		
Supplies & Consumables <sup>(1)</sup>	\$ 326,418	\$ 255,442	\$ 435,850		
Services & Pass-throughs <sup>(1)</sup>	\$ 1,847,957	\$ 1,081,903	\$ 3,552,017		
Subtotal of Expenditures	\$ 3,672,133	\$ 2,893,135	\$ 5,959,219		
2025 Est. haul out, maintenance, & repair			(\$ 1,786,549)		
Without haul out/maintenance, & repair			\$ 4,172,670	\$ 4,308,699	\$ 4,432,359
Annualized haul out, maintenance, & repair <sup>(3)</sup>			\$ 1,128,927	\$ 1,165,730	\$ 1,199,186
Total Expenditures <sup>(4)</sup>			\$ 5,301,597	\$ 5,474,429	\$ 5,631,545

<sup>(1)</sup> The 2025 adjusted budget is the adopted budget as of June 30, 2026; Source: [2025 Ferry Budget Monitoring Report \(January to June 2025\)](#)

<sup>(2)</sup> Projections for 2026 and 2027 include cost escalations adjusted for recent inflation projections – [Seattle Consumer Price Index](#), CPI historical data and forecast - 2026 (0.0326) and 2026 (0.0287)

<sup>(3)</sup> Annualized drydock, maintenance, and repair includes \$800,000 for 2025-2027 drydock expenditures and \$328,927 for 2025-2027 average non-drydock maintenance expenditures

<sup>(4)</sup> The annualized O&M expenditures will differ from the 2025 adopted ferry division budget due to the use of the formula per [Resolution R20230152](#)



## Annualized Expenditures

Annualized Drydock & Non-drydock maintenance/repairs			
2026/2027 Planned Drydock (Total for 2 years)	\$ 1,600,000		
Annualized Drydock		\$ 800,000	
Average Non-Drydock Maintenance/Repair <sup>(1)</sup>		\$ 328,927	
Annualized Base Year Maintenance		\$ 1,128,927	
<sup>(1)</sup> Annualized Non-Drydock Maintenance/Repair	2023 Actual	2024 Actual	2-Year Avg.
Maintenance expenditures other than drydock	\$ 413,812	\$ 244,042	\$ 328,927



## 2024 Revenue Target

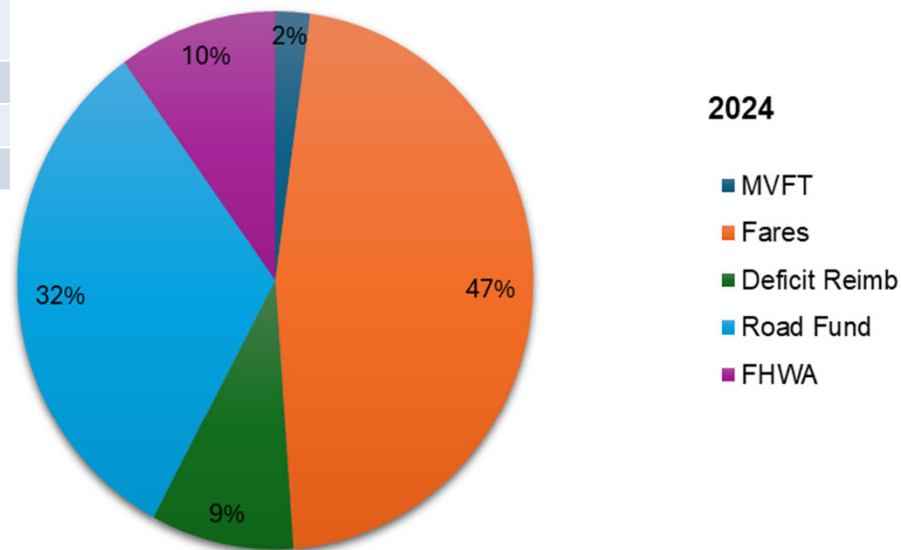
2024 Revenue Target	
Ferry Fare Revenue Target	\$ 1,307,220
Fare Box Revenue <sup>(1)</sup>	\$ 1,346,019
Surplus/(Shortfall) From Revenue Target	\$ 38,799

*<sup>(1)</sup>Fare box revenue does not include vessel replacement surcharge revenue.*



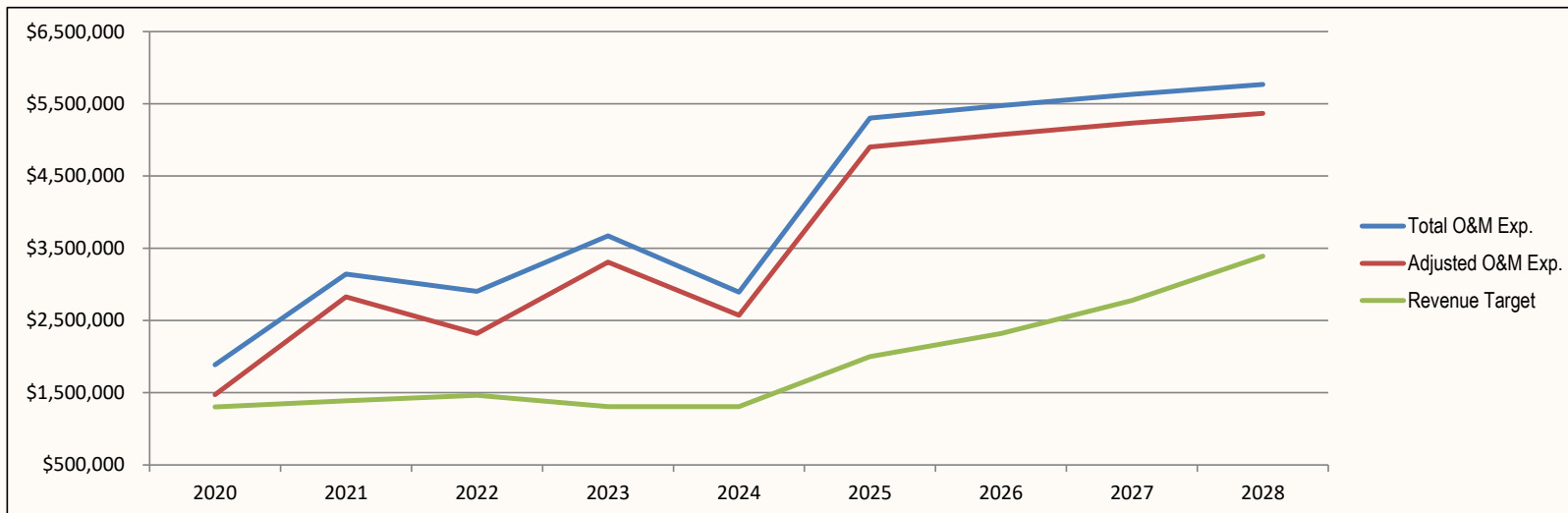
## 2024 Ferry Funding Breakdown

2024 Ferry Funding Breakdown	
O&M Expenditures	\$ 2,893,135
WSDOT Deficit Reimbursement	\$ (258,189)
Motor Vehicle Fuel Tax (MVFT)	\$ (62,400)
Subtotal (Adjusted O&M Expenditures)	\$ 2,572,546
Farebox Revenue	\$ (1,346,019)
Subtotal	\$ 1,226,527
FHWA FBP Funding	\$ (286,730)
Youth Ride Free Funding	\$ (11,641)
Road Fund Contribution	\$ 928,156



## Trends - Historical & Current 65 Percent Methodology Applied

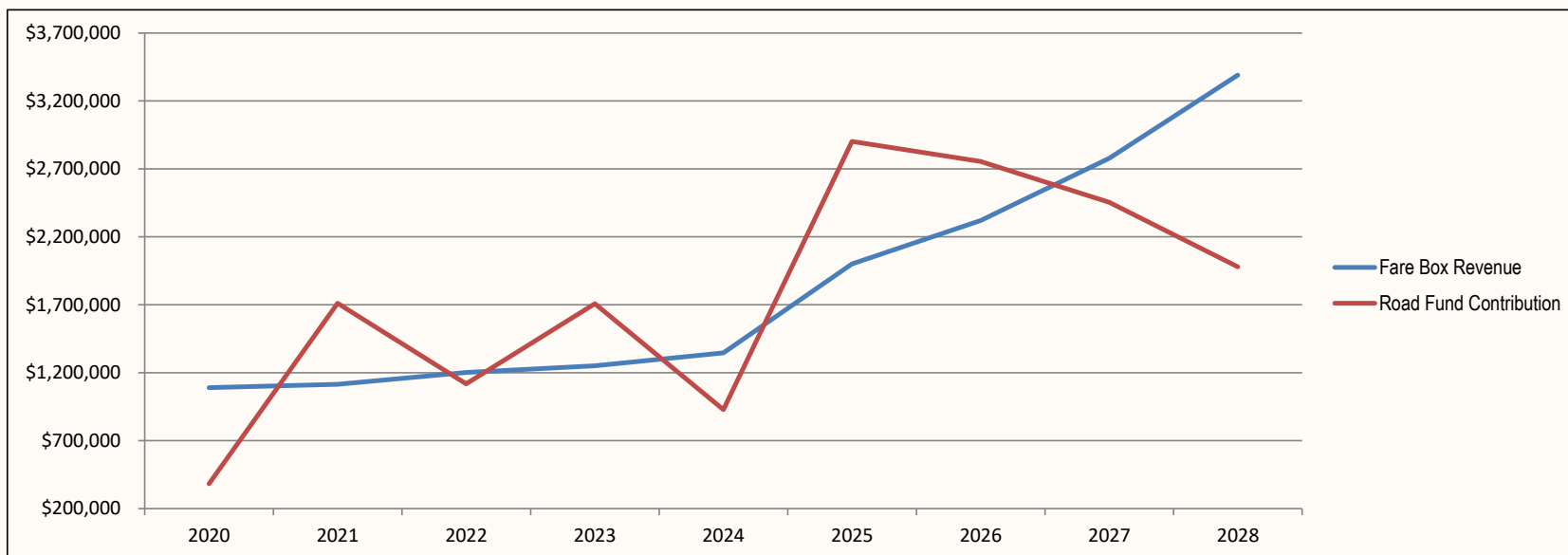
Historical & Current 65 percent Methodology Applied									
	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Total O&amp;M Exp.</b>	\$1,886,139	\$3,144,332	\$2,904,594	\$3,672,134	\$2,893,135	\$5,301,597	\$5,474,429	\$5,631,545	\$5,768,956
<b>Adj. O&amp;M Exp.</b>	\$1,472,252	\$2,826,710	\$2,319,930	\$3,309,507	\$2,572,546	\$4,901,649	\$5,074,481	\$5,231,597	\$5,369,008
<b>Revenue Target</b>	\$1,302,372	\$1,386,935	\$1,463,031	\$1,307,220	\$1,307,220	\$1,999,592	\$2,319,876	\$2,777,914	\$3,389,896





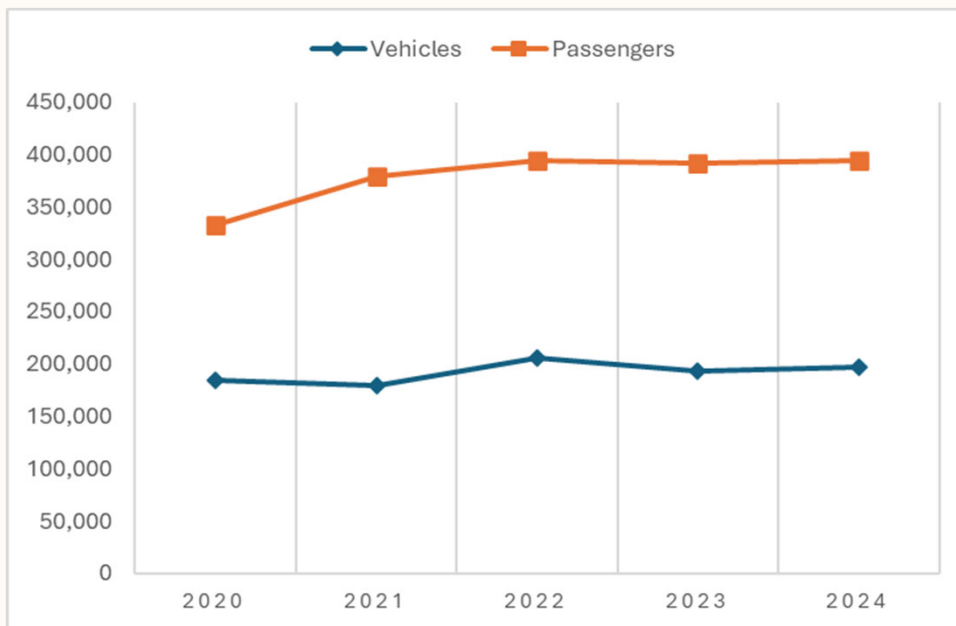
## Trends – Fare Box Revenue Vs. Road Fund Contribution

Financial Trend of Farebox Revenue & Road Fund Contribution									
	2020	2021	2022	2023	2024	2025	2026	2027	2028
Farebox Revenue	\$1,090,088	\$1,115,037	\$1,201,719	\$1,250,681	\$1,346,019	\$1,999,592	\$2,319,876	\$2,777,914	\$3,389,896
Road Fund Contribution	\$ 382,164	\$1,711,318	\$1,118,211	\$1,708,086	\$ 928,156	\$2,902,057	\$2,754,605	\$2,453,683	\$1,979,112



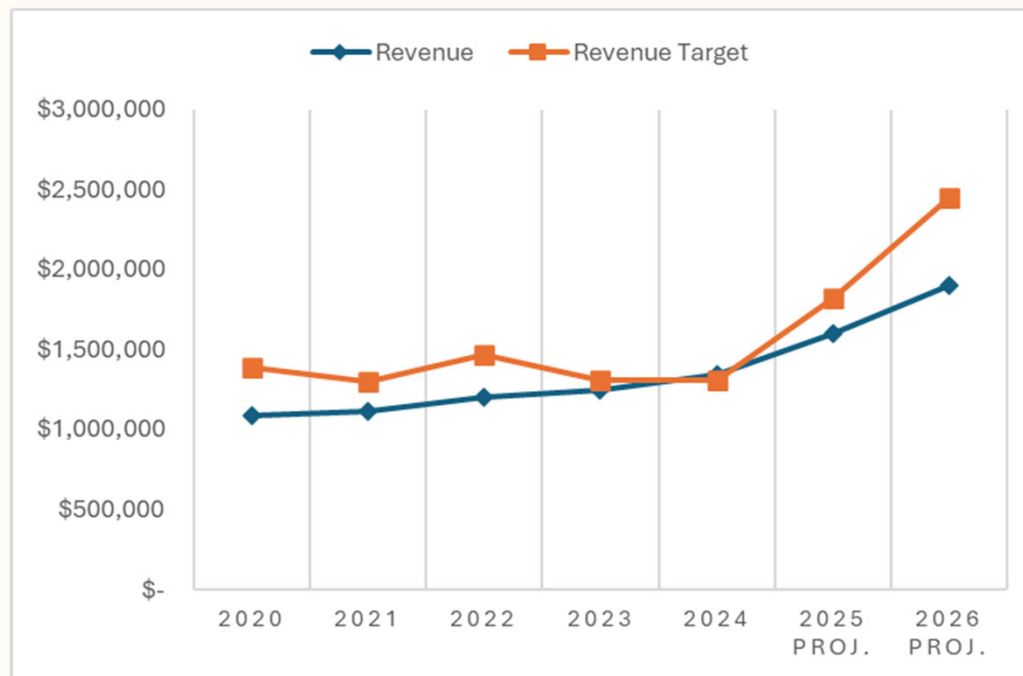
## Ridership 2020 - 2024

Ridership 2020-2024					
	2020	2021	2022	2023	2024
Vehicles	183,852	179,983	205,802	193,310	196,756
Passengers	332,360	379,092	393,937	391,346	393,921



## Revenue 2020 - 2024

Farebox Revenue 2020-2026							
	2020	2021	2022	2023	2024	2025 Proj.	2026 Proj.
Revenue	\$1,090,088	\$1,115,037	\$1,200,489	\$1,250,681	\$1,346,019	\$1,600,000	\$1,900,000
Revenue Target	\$1,386,935	\$1,300,624	\$1,463,031	\$1,307,220	\$1,307,220	\$1,818,971	\$2,450,825



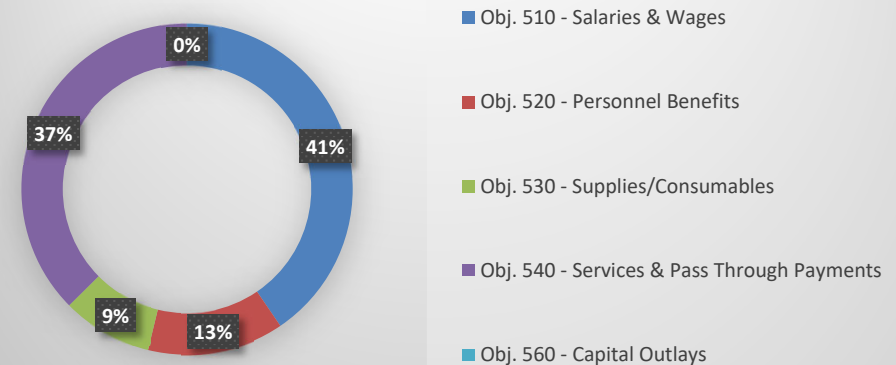
# Expenditures 2024

Dept. 0053 - County Roads

Div. 004 - Ferry

Expenditures	2024 Actual
Obj. 510 - Salaries & Wages	\$ 1,171,005.56
Obj. 520 - Personnel Benefits	\$ 384,785.10
Obj. 530 - Supplies/Consumables	\$ 255,441.88
3120 - Operating Supplies	\$ 44,939.44
3200 - Fuel	\$ 209,676.59
3412 - Interfund Parts & Materials	\$ -
3510 - Small Tools & Minor Equipment	\$ 825.85
Obj. 540 - Services & Pass-Through Payments	\$ 1,081,902.76
4110 - Professional Services	\$ 197,988.61
4153 - Intergovernmental Professional Services	\$ 96.02
4154 - Interfund Payment for Service	\$ 8,900.32
4155 - External Taxes & Ops Assessment	\$ 30,657.90
4190 - Interfund Information Services	\$ 83,884.90
4230 - Communications	\$ 9,403.41
4310 - Travel	\$ 1,473.54
4361 - Meals	\$ 159.83
4410 - Advertising	\$ 5,927.67
4510 - Rentals	\$ 76,374.87
4511 - Interfund Equipment Rental	\$ 13,464.49
4610 - Insurance	\$ 199,480.06
4700 - Utilities	\$ 33,688.47
4810 - Repairs & Maintenance	\$ 244,041.53
4811 - Interfund Shop Labor	\$ 36,616.63
4910 - Miscellaneous	\$ 139,744.51
O&M Total	\$ 2,893,135.30

## 2024 Expenditures



Source: Skagit County Cayenta Financial System Report Budget Monitoring 117-4 FY24



## Summary

2024 O&M expenditures under budget by 21%

2024 Budget	\$ 3,651,575
2024 O&M Expenditures	\$ 2,893,135
Difference	\$ (758,440)

2024 revenue target surplus - \$38,799

2024 Revenue Target (45%)	\$ 1,307,220
2024 Fare Box Revenue	\$ 1,346,019
Surplus	\$ 38,799

Budgeted revenue fell short by \$135,981

2024 Budgeted Farebox Revenue	\$ 1,482,000
2024 Fare Box Revenue	\$ 1,346,019
Shortfall	\$ (135,981)



## Summary

### 2025 Revenue Target

2025 Revenue Target (50%)	\$ 1,999,592
<u>2025 Projected Fare Box Revenue</u>	<u>\$ 1,600,000</u>
Projected Shortfall	\$ (399,592)

### 2025 Budgeted Farebox Revenue

2025 Budgeted Farebox Revenue	\$ 1,795,842
<u>2025 Projected Fare Box Revenue</u>	<u>\$ 1,600,000</u>
Projected Shortfall	\$ (195,842)



## 2026 Fare Increase & Road Fund Contribution

### 2026 Fare Box Recovery - 55%

2026 Adjusted O&M Exp. (5-year avg. 2023-2027)	\$ 4,217,956
Projected 2025 Fare Box Revenue (with 30% increase)	\$ 2,306,674
2026 Estimated Fare Box Recovery	54.7%

### 2026 Road Fund Contribution estimated at \$3,167,216

2026 Budgeted O&M Expenditures Only	\$ 6,102,809
Motor Vehicle Fuel Tax (MFVT) & Deficit Reimbursement	\$ (399,948)
Subtotal (Adjusted O&M Expenditures)	\$ 5,702,861
2026 Budgeted Fare Box Revenue	\$ (1,900,000)
Subtotal	\$ 3,802,861
2026 Budgeted FHWA FBP Program Funding	\$ (620,645)
2026 Budgeted Youth Ride Free Reimbursement	\$ (15,000)
Road Fund Contribution	\$ 3,167,216



## 2025 Current and 2026 Proposed Fares

	O&M Fares Do Not Include Surcharge				Posted Fares Include Surcharge					
	2025 Current		2026 Proposed		Surcharge		2025 Current		2026 Proposed	
	O&M		O&M		for Vessel Replacement		Posted		Posted	
	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak	Non Peak	Peak
PASSENGER (1)										
Adult	4.50	5.75	5.75	7.50	1.00	1.00	5.50	6.75	6.75	8.50
Senior/Disabled	3.00	3.50	4.00	4.50	0.50	0.50	3.50	4.00	4.50	5.00
Youth 18 & Under	Free	Free	Free	Free			Free	Free	Free	Free
Rider & Bicycle	5.75	7.50	7.50	9.75	1.00	1.00	6.75	8.50	8.50	10.75
Riders & Bicycle senior/disabled/youth	4.50	5.25	5.75	6.75	0.50	0.50	5.00	5.75	6.25	7.25
PASSENGER CONVENIENCE PASS (2)										
25 trip adult passengers	112.50	143.75	143.75	187.50	10.00	10.00	122.50	153.75	153.75	197.50
25 trip senior/disabled/youth	75.00	87.50	100.00	112.50	6.00	6.00	81.00	93.50	106.00	118.50
VEHICLE & DRIVER (1)										
Motorcycle & rider	8.75	12.00	11.50	15.50	1.00	2.00	9.75	14.00	12.50	17.50
Vehicle/driver under 22 feet	15.00	18.00	19.50	23.50	2.00	3.00	17.00	21.00	21.50	26.50
Vehicle/driver senior/disabled under 22 feet	12.00	15.00	15.50	19.50	2.00	2.00	14.00	17.00	17.50	21.50
VEHICLE & DRIVER CONVENIENCE PASS (2)										
20 trip under 22 feet	300.00	360.00	390.00	470.00	26.00	26.00	326.00	386.00	416.00	496.00
20 trip under 22 feet senior/disabled	240.00	300.00	310.00	390.00	20.00	20.00	260.00	320.00	330.00	410.00
20 trip Motorcycle	175.00	240.00	230.00	310.00	15.00	15.00	190.00	255.00	245.00	325.00
VEHICLE & SENIOR/DISABLED NEEDS-BASED PASS (2)										
5 trip needs based	51.00	63.75	66.00	83.00	5.00	5.00	56.00	68.75	71.00	88.00
OVERSIZED VEHICLE & DRIVER (1)										
Over 22 feet under 30 feet	22.75	27.75	24.75	29.75	4.00	6.00	26.75	33.75	28.75	35.75
Under 40 feet	44.75	53.50	52.00	60.25	8.00	11.00	52.75	64.50	60.00	71.25
Under 50 feet	67.75	81.00	77.00	85.50	11.00	18.00	78.75	99.00	88.00	103.50
Under 60 feet	96.50	112.00	98.50	109.50	19.00	23.00	115.50	135.00	117.50	132.50
Each foot over 60	16.00	18.75	16.50	18.25	4.00	4.00	20.00	22.75	20.50	22.25
Over width charge							Double Length Charge		Double Length Charge	
OVERSIZED VEHICLE & DRIVER CONVENIENCE PASS (2)										
Over 22 feet under 30 feet	113.75	138.75	123.75	148.75	20.00	30.00	133.75	168.75	143.75	178.75
Under 40 feet	223.75	267.50	260.00	301.25	40.00	55.00	263.75	322.50	300.00	356.25
Under 50 feet	338.75	405.00	385.00	427.50	55.00	90.00	393.75	495.00	440.00	517.50
Under 60 feet	482.50	560.00	492.50	547.50	95.00	115.00	577.50	675.00	587.50	662.50

(1) For single-ride tickets: 30% fare increase applied to 2025 current O&M fare; rounded to the nearest quarter

(2) For multi-ride passes: the 2026 proposed fare is equal to the 2026 proposed O&M fare for that category multiplied by the number of trips





## Timeline

Milestone	Target Date
Post Revenue Target Report Online with Budget Reports	Aug. 15
Early Opportunity for Public Feedback	Aug. 15 - 29
Presentation to the Board of Skagit County Commissioners 2025 Ferry Fare Revenue Target Report	Sept. 16; 8:30 a.m.
Post Resolution Calling for Public Hearing (Includes Proposed Fare Proposal)	Oct. 2
Advertisement Period for Public Hearing (Ad dates Oct. 2, 9 & 16) & Public Comment Period	Oct. 2-Oct. 21
Public Hearing – Public Comment Closes at the Close of the Public Hearing	Oct. 21; 1:00 p.m.
Public Comment Evaluation	Oct. 21-28
Final Resolution Prep	Oct. 29-31
Post Resolution Including 2026 Fare Schedule for Possible Adoption	Nov. 3
Resolution on Consent/or other special agenda/PW session for request for motion for adoption	Nov. 10, at 2:00 p.m.
New Fares (if approved) Take Effect	Jan. 1, 2026

