SKAGIT COUNTY
PUBLIC WORKS DEPARTMENT
Ferry Operations Division

2026 Ferry Fare Revenue Target Report
September 17, 2026

Overview

The 2026 Ferry Fare Revenue Target Report, prepared by Skagit County Public Works, presents a comprehensive approach to setting ferry fares for the Guemes Island Ferry in 2027. This effort is guided by Resolution R20230152, amended by R20250015, R20250259, and R20260089, which established a phased plan to reach a 65 percent farebox recovery rate by December 31, 2028. The resolution reflects the County's commitment to ensuring that ferry users contribute an equitable and sustainable share toward the system's operational costs.

Following the Guemes Island Ferry System 2023 Rate Study, and consultant recommendations, a new fare schedule was implemented in August 2023, increasing rates by 14.1 percent. This marked a shift from the previous fare-setting model, which relied on a five-year "look-back" average of Operations & Maintenance (O&M) costs. The updated methodology now incorporates actual, current, and projected O&M expenditures to more accurately reflect the financial demands of operating the ferry system. In February 2025, fares increased by 30 percent, and in January 2026, fares increased by 30 percent. In 2027, the Public Works Department is recommending a 14 percent fare increase.

To meet the 65 percent recovery goal by the end of 2028, the County plans to introduce annual fare adjustments, the next proposed for January 2027. These adjustments will be informed by a detailed revenue target calculation that accounts for contributions from the Motor Vehicle Fuel Tax (MVFT), and the Washington State Department of Transportation (WSDOT) deficit reimbursement program. In addition, the Youth Ride Free program funding will be included in the 2027 fare calculation.

Expenditure projections in the report are based on a five-year average of O&M expenditures, including actual costs from the past two years, the current year's adopted budget, as of June 30, and projections for the next two years with appropriate escalation factors. This approach ensures that fare adjustments are grounded in realistic financial expectations.

Ferry Fare Revenue Target

Per Resolution R20230152, amended by R20250259, it is the desire of the Board to implement fare increases to reach a 65 percent farebox revenue target phased over a 5-year period from August 15, 2023, through December 31, 2028, as follows:

- Implement the first fare increase in summer 2023, to be effective through December 2024.
- Adjust fares on an annual basis beginning in January 2025 to achieve a 65 percent farebox recovery by 2028. Such fare adjustments shall be made subject to an annual public hearing.
    - Update the 5-year average annual O&M cost with new expenditure data and updated cost escalation rates.
    - Re-run the fare model to confirm the required fare adjustment to achieve the updated 2028 average O&M and establish new fare levels.

The methodology establishes a 5-year average O&M expenditure projection using the past two years' actual expenditures, the current year's adjusted budget, as of June 30, and the next two years' projected expenditures using cost escalation factors.

Additional assumptions

Other tax revenue:

- Contributions from the MVFT attributable to the ferry system, the WSDOT deficit reimbursement, and the youth ride free reimbursement will be applied before the 65 percent revenue target is calculated.

Reporting Requirements

During preparation of the department's budget, Public Works will prepare and submit a report to the Board that calculates the County's ferry fare revenue target, pursuant to the above formula, and will recommend a ferry rate schedule for the upcoming calendar year with an estimate of revenues based on those rates.

Table 1 shows the revenue target calculation for 2027, which resulted in a fare revenue target of $2,524,069. Per the methodology prescribed by resolution, a five-year average is used for 2024 through 2028. The revenue target calculation includes actual expenditures for 2024 and 2025, the adjusted budget for 2026, as of June 30, and projected expenditures for 2027 and 2028. The MVFT, WSDOT deficit reimbursement, and the youth ride free reimbursement are subtracted from the O&M expenditures to figure adjusted O&M expenditures, which are then multiplied by 60 percent to produce the recovery target.

Table 1 - Revenue Target Calculation Table

	Actual		Adjusted Budget	Projected		Five-Year Average
Year	2024 (1)	2025 (2)	2026 (3)	2027	2028	
O&M Expenditures (4)	$ 2,892,256	$ 4,694,137	$ 5,005,064	$ 5,168,230	$ 5,295,368	$ 4,611,011
MVFT (5)	$ 62,400	$ 93,103	$ 114,406	$ 114,406	$ 114,406	$ 99,744
Deficit Reimbursement (5)	$ 269,830	$ 291,086	$ 281,931	$ 281,931	$ 281,931	$ 281,342
Youth Ride Free Reimbursement (6)	$ 11,641	$ 14,774	$ 29,302	$ 30,000	$ 30,000	$ 23,143
Adjusted O&M	$ 2,548,385	$ 4,295,174	$ 4,579,425	$ 4,741,892	$ 4,869,031	$ 4,206,781
					2027 Fare Recovery %	60%
					2027 Ferry Fare Revenue Target (7)	$ 2,524,069

(1) *Actual expenditures/revenue used for 2024 - Source: Skagit County Cayenta FY2024 Budget Monitoring.*
(2) *Actual expenditures/revenue used for 2025 - Source: Skagit County Cayenta FY2025 Budget Monitoring.*
(3) *Adopted budget as of June 30, 2026, used for adjusted budget – See Figure 2.*
(4) *2024-2028 O&M expenditures are derived from Figure 2 – Base Year Expenditures.*
(5) *Actual revenue attributable to the ferry system for 2024/2025 (source: 2024 & 2025 County Ferry Systems Operations Reports – see Appendix C) and 5-year average (2021-2025) used for 2026-2028.*
(6) *Youth Ride Free Funding Agreement, and Amendment No. 1 – effective July 2025 through June 2027, unless renewed in 2027 – actual revenue used for 2024/2025 and 2026 budgeted revenue used for 2026-2028.*
(7) *Goal is 65 percent by December 31, 2028 – the 2027 recovery target is 60 percent.*

The 2026 O&M expenditures shown in Table 1 reflect an adjusted budget, not the actual budgeted amount. As established in the 2023 rate study, maintenance costs are annualized (see Figure 1) to smooth out the significant fluctuations that occur in years with drydock or pier side maintenance. This approach provides a more consistent baseline for revenue-target calculations.

Figure 1 illustrates how annualized maintenance costs are calculated, resulting in a base-year maintenance amount of $906,204 for 2026. This annualized value is lower than the 2026 budgeted maintenance total of $1,122,000. In addition, the actual non-drydock expenditures from 2024 ($244,042) and 2025 ($515,215) are averaged to determine an annualized cost for other maintenance.

Figure 1 – Annualized Maintenance Expenditures

Annualized Drydock/Pier side Maintenance/Repairs	2027/2028 Est.	2026 Adjusted
2027/2028 Planned Drydock/Pier Side (Total for 2 years) (1)	$ 1,053,153	
Annualized Drydock/Pier Side		$ 526,576
Average Non-Drydock Maintenance/Repair (2)		$ 379,628
Annualized Base Year Maintenance		$ 906,204

(1) *Based on actual cost for 2025 drydock ($918,634) and year-to-date expenditures for 2026 pier side maintenance ($134,519) Source: See 2025 Detailed Actual Expenses and 2026 Detailed Actual Expenses.*

(2) Annualized Non-Drydock Maintenance/Repair	2024 Actual	2025 Actual	Average
Maintenance expenditures other than drydock	$ 244,042	$ 515,215	379,628

Figure 2 presents the base year expenditures using actual costs from 2024 and 2025, along with the 2026 adopted budget, as of June 30. For 2026, maintenance-related costs are adjusted to reflect the annualized maintenance. The projections for 2027 and 2028 apply cost-escalation factors based on recent inflation forecasts from the Seattle Consumer Price Index. Specifically, the forecast values of 3.26 percent for 2027 and 2.46 percent for 2028 were used. Budget monitoring reports for 2024-2026 are included in Appendix D.

Figure 2 – Base Year Expenditures

Base Year Expenditures	Actual		Current Year Adopted Budget as of 6/30 (1)	Projected (2)	
	2024	2025	2026	2027	2028
Obj. 510 - Salaries & Wages	**1,171,006**	**1,338,537**	**1,564,402**		
Obj. 520 - Personnel Benefits	**384,785**	**482,100**	**488,370**		
Obj. 530 - Supplies & Consumables	**255,441**	**282,491**	**482,223**		
3120 - Operating Supplies	44,939	101,972	154,500		
3200 - Fuel	209,677	159,964	305,066		
3412 - Interfund Parts & Materials		54	2,060		
3510 - Small Tools & Minor Equipment	826	20,501	20,597		
Obj. 540 - Services & Pass-throughs	**1,081,024**	**2,591,009**	**2,685,865**		
4110 - Professional Services	197,989	294,087	432,500		
4128 - Professional Services (Other)		664	935		
4153 - Intergov. Professional Services	96		12,360		
4154 - Interfund Payment for Svc.	8,900	13,978	7,156		
4155 - External Taxes, Ops & Assessment	30,658	33,144	41,600		
4190 - Interfund Information Svc.	83,885	98,645	171,834		
4230 - Communications	9,403	11,501	10,626		
4310 - Travel	1,474	4,990	13,424		
4361 - Meals	160	580	515		
4410 - Advertising	5,928	732	8,215		
4510 - Rentals	76,375	463,803	215,000		
4511 - Interfund Equip. Rental	12,586	18,473	21,522		
4610 - Insurance	199,480	99,341	467,830		
4700 - Utilities	33,688	38,754	33,196		
4810 - Repairs & Maint.	244,042	1,433,849	1,122,000		
4811 - Interfund Shop Labor	36,617	17,452	26,957		
4910 - Miscellaneous	139,745	61,016	100,195		
Sub-Total	2,892,256	4,694,137	5,220,860		
Total maintenance/repair expenditures (4810)			($1,122,000)		
Without maintenance/repair expenditures			4,098,860	4,232,483	4,336,602
Annualized maintenance/repair expenditures (3)			906,204	935,747	958,766
Total			5,005,064	5,168,230	5,295,368

(1) *Source: Skagit County Budget Monitoring June 30, 2026.*
(2) *Cost escalation adjustment for Seattle area CPI forecast – 3.26% for 2027 and 2.46% for 2028.*
(3) *See figure 1 for calculation of annualized maintenance/repair.*

In 2025, the vessel underwent a ten-week drydock for the re-power of the main engines, during which routine maintenance was also completed. Only the O&M portion ($918,634) of the drydock maintenance is included in this analysis. Because there was no drydock in 2024, maintenance expenditures (4810) were significantly lower that year. Rentals (4510) were also higher in 2025 due to the cost of providing passenger-only service during the 10-week drydock period.

As shown in Table 2, the County's revenue target for 2025 was $1,818,971. Actual farebox revenue totaled $1,455,098, resulting in a shortfall of $363,873.

TABLE 2 - 2025 REVENUE TARGET		
Ferry Fare Revenue Target (1)	$	1,818,971
Farebox Revenue (2)	$	1,455,098
Surplus/(Shortfall) From Rev Target	$	(363,873)

(1) Source: 2024 Ferry Fare Revenue Target Report – Table 1 - Adjusted O&M ($3,637,941) multiplied by 50% goal for 2025.
(2) Farebox revenue does not include vessel replacement surcharge revenue.

Table 3 outlines the 2025 Road Fund contribution used to support Guemes Island Ferry operations. After accounting for all applicable revenue sources and reimbursements, the total contribution from the Road Fund was $2,235,112. This contribution is needed to cover remaining O&M costs.

TABLE 3 - ROAD FUND CONTRIBUTION 2025		
O&M Expenditures	$	4,694,137
Deficit Reimbursement	$	(291,086)
Motor Vehicle Fuel Tax	$	(93,103)
Youth Ride Free	$	(14,774)
Adjusted O&M Expenditures	$	4,295,174
Farebox Revenue	$	(1,455,098)
Subtotal	$	2,840,076
Federal Ferry Boat Program (FBP) Funding	$	(604,964)
Road Fund Contribution	$	2,235,112

Table 4 highlights farebox revenue collected from 2021 through 2025, showing a steady increase over the five-year period. These figures reflect only the O&M revenue from fares and do not include funds from the capital vessel replacement surcharge, which has been tracked separately since its implementation on August 1, 2018 (see Table 9 for surcharge details).

TABLE 4 - FAREBOX REVENUE 2021-2025		
2021	$	1,115,037
2022	$	1,201,719
2023	$	1,250,681
2024	$	1,346,019
2025	$	1,455,098

In 2025, fares increased by 30 percent with the goal of recovering 50 percent of operating costs as part of the phased plan to reach 65 percent farebox recovery by the end of 2028. However, in 2025 farebox revenue increased by only $109,079 compared to 2024, meaning the fare increase did not generate the expected level of additional revenue. This was likely due to a ten-week drydock, which is estimated to account for roughly $140,000 in lost vehicle revenue, and fare elasticity.

Fare increases occurred in August 2023 (14.1 percent), February 2025 (30 percent), and January 2026 (30 percent). Prior to 2023, fare increases were infrequent, with the last general fare increases in 2011 and again in 2015, meaning fares remained unchanged for nearly eight years, except the surcharge implementation in 2018.

Table 5 provides a breakdown of all revenue sources supporting the Guemes Island Ferry from 2021 through 2025. These include passenger fares, Motor Vehicle Fuel Tax (MVFT), WSDOT ferry deficit reimbursements, Road Fund contributions, Federal Highway Administration (FHWA) Ferry Boat Program (FBP) funding, and Youth Ride Free program reimbursements.

Table 5 - Total Revenue (2021-2025)

	2021	2022	2023	2024	2025	% of Total (2025)	5-Year Average	% of Total (5-Year)
MVFT	$ 133,417	$ 132,992	$ 150,119	$ 62,400	$ 93,103	2%	$ 114,406	3.15%
Fares	$ 1,115,037	$ 1,201,719	$ 1,250,681	$ 1,346,019	$ 1,455,098	31%	$ 1,273,711	35.04%
Deficit Reimb	$ 184,560	$ 451,672	$ 212,507	$ 269,830	$ 291,086	6%	$ 281,931	7.76%
Road Fund (1)	$ 1,711,318	$ 1,118,211	$ 1,708,086	$ 915,636	$ 2,235,112	48%	$ 1,537,673	42.30%
FBP (2)			$ 350,740	$ 286,730	$ 604,964	13%	$ 414,145	11.39%
Youth Ride Free				$ 11,641	$ 14,774	0%	$ 13,208	0.36%
Total	$ 3,144,332	$ 2,904,594	$ 3,672,133	$ 2,892,256	$ 4,694,137	100.00%	$ 3,635,073	100.00%

(1) The road fund contribution in 2021, 2023, and 2025 was significantly higher due to drydock and maintenance costs.
(2) The FHWA FBP funding was used for operational expenditures for the first time in 2023.

Over the five-year period, total revenue averaged $3.5 million. Fare revenue has increased each year, while other funding sources vary based on available reimbursements.

Figure 3 shows how the Guemes Island Ferry has been funded over the past five years, while figure 4 shows ferry funding, by source, in 2025. These charts illustrate the importance of farebox revenue and local, state, and federal support that keeps the ferry operating.

Figure 3 – Revenue by source (5-Year Average)

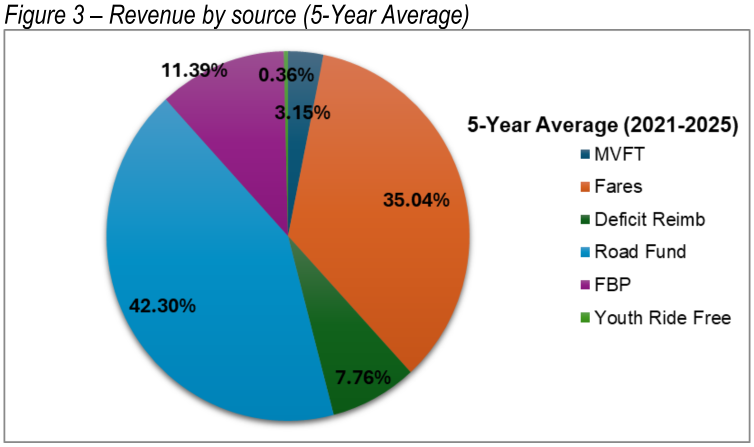


Figure 4 – Revenue by source (2025)

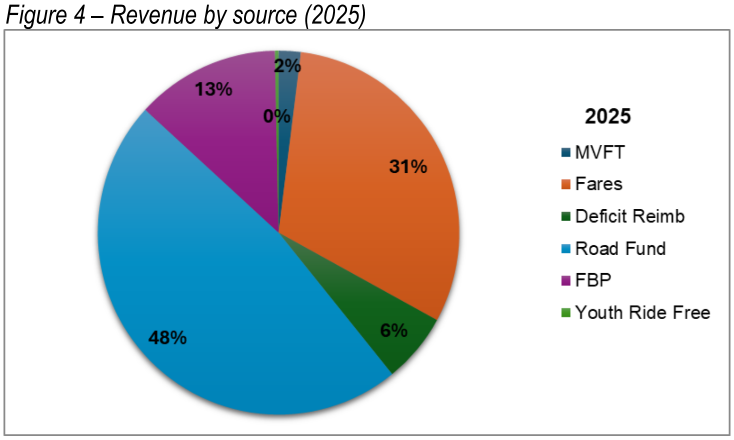


Table 6 and Figure 5 show the variation between O&M expenditures, adjusted O&M expenditures, and the ferry fare revenue target over time. For years 2027 – 2029, these are projected.

This methodology ensures that fare targets rise in line with real and anticipated operating costs, making the system more financially sustainable. As ferry maintenance and staffing costs increase, the fare revenue target adjusts accordingly.

TABLE 6 - Variation between O&M, adjusted O&M, and revenue target

	2021	2022	2023	2024	2025	2026 Budgeted	2027 Projected(1)	2028 Projected(2)	2029 Projected(3)
Total O&M Exp.	$3,144,332	$2,904,594	$3,672,134	$2,892,256	$4,694,137	$5,220,860	$5,168,230	$5,295,368	$5,454,229
Adjusted O&M Exp.	$2,826,710	$2,319,930	$3,309,507	$2,548,385	$4,295,174	$4,579,425	$4,206,781	$4,332,985	$4,462,974
Revenue Target	$1,386,935	$1,463,031	$1,307,220	$1,307,220	$1,818,971	$2,319,876	$2,524,069	$2,816,440	$2,900,933

(1) 2027 Projections

The 2027 totals come directly from the numbers shown in Table 1:

- *The projected expenditures for 2027 are pulled from Table 1 (2027 projected column).*
- *The adjusted O&M expenditures for 2027 also come from Table 1 (5-year average column).*
- *The 2027 revenue target is taken from Table 1 as well (5-year average column).*

(2) 2028 Projections

The 2028 numbers build on the 2027 values.

- *First, the 2028 projected expenditures are taken from Table 1.*
- *To estimate the 2028 adjusted O&M expenditures, the 2027 adjusted O&M number is increased by 3%.*
  - *(Although CPI values were available for 2028 and 2029—3.26% and 2.46%—a flat 3% was used for simplicity.)*
- *The 2028 revenue target is then calculated as 65% of the 2028 adjusted O&M expenditures.*

(3) 2029 Projections

The 2029 values follow the same step-by-step estimation process used for 2028:

- *The 2029 projected expenditures assume a 3% increase over the 2028 projected expenditures.*
- *The 2029 adjusted O&M expenditures also use a 3% increase, this time applied to the 2028 adjusted O&M expenditures.*
- *The 2029 revenue target is calculated as 65% of the 2028 adjusted O&M expenditures.*
  - *(As with 2028, a flat 3% was used rather than the CPI values of 3.26% and 2.46% for simplicity.)*

Figure 5 – Variation between O&M, Adjusted O&M, and Revenue Target (2021-2029)

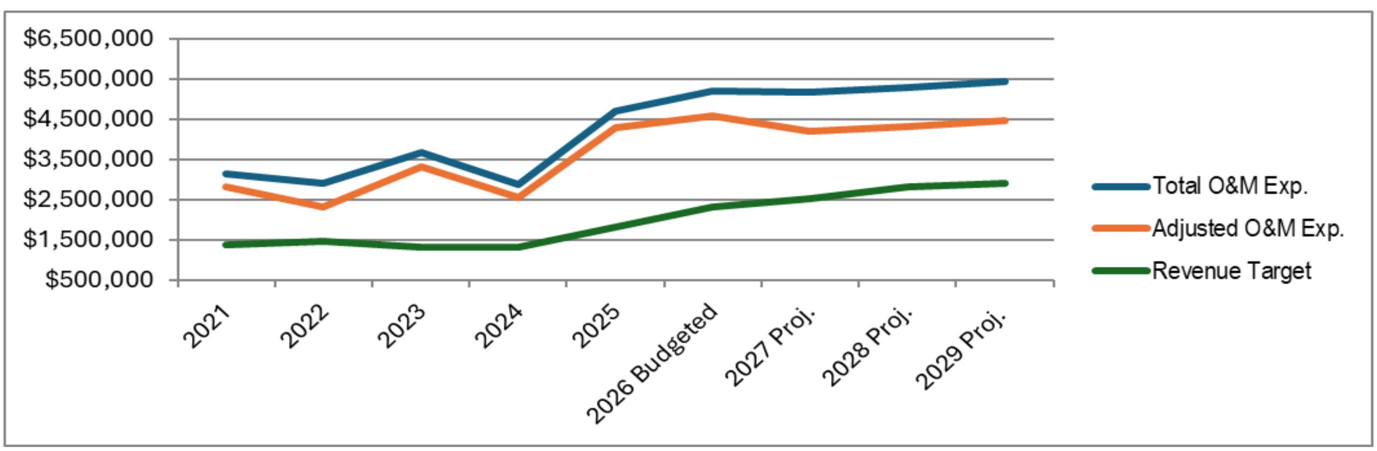


Table 7 and Figure 6 illustrate the financial trend between farebox revenue and the Road Fund contribution for ferry operations. For years 2027-2029, these are projected.

- 2021–2025: Actual data shows a steady increase in fare revenue, while Road Fund support varied, peaking in 2021, 2023, and 2025 due to major maintenance needs.
- 2026–2029: Projected figures reflect an intentional strategic shift and illustrate necessary fare revenue each year to reach the goal of a 65 percent recovery rate by December 31, 2028. Fare revenue will need to rise sharply, reducing reliance on Road Fund contributions. By 2029, fare revenue will need to exceed $2.9 million for the contribution support to drop to $1.5 million.

Table 7: 5-Year Trend of Farebox Revenue Vs. Road Fund Contribution

	2021	2022	2023	2024	2025	2026 Budgeted	2027 Projected(1)	2028 Projected(2)	2029 Projected(3)
Farebox Revenue	$1,115,037	$1,201,719	$1,250,681	$1,346,019	$1,455,098	$1,900,000	$2,529,428	$2,858,253	$2,944,001
Road Fund Contribution	$1,711,318	$1,118,211	$1,708,086	$ 915,636	$2,235,112	$2,095,355	$1,677,354	$1,474,732	$1,518,973

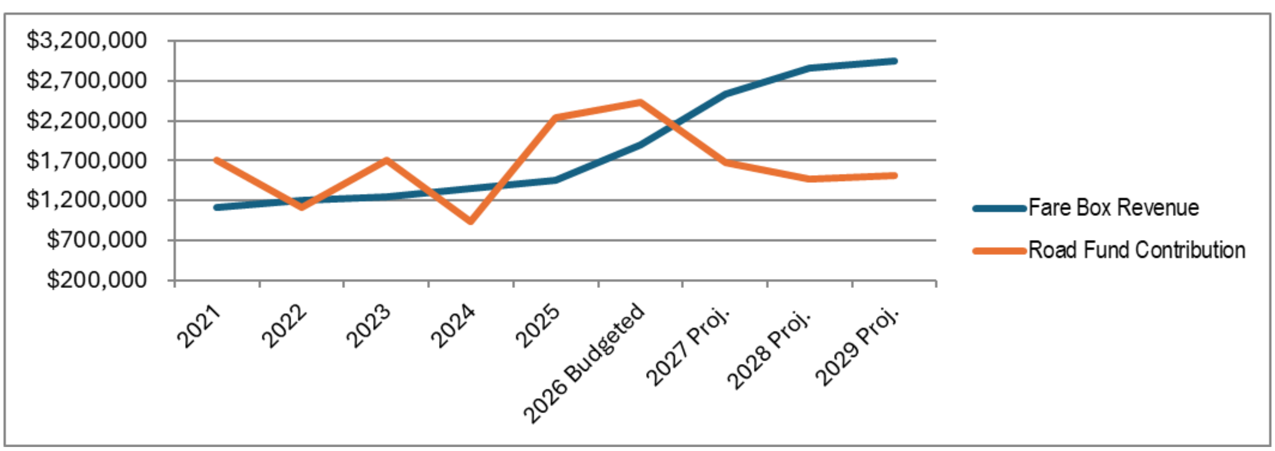
(1) *2027 Projections*
- *The projected farebox revenue is the estimated revenue at proposed 2027 fare levels.*
- *The projected road fund contribution is the 2027 adjusted O&M expenditures from Table 6 ($4,206,781), less the 2027 projected farebox revenue.*

(2) *2028 Projections*
- *The projected farebox revenue assumes a 13% fare increase over 2027 fare levels.*
- *The projected road fund contribution is the 2028 adjusted O&M expenditures from Table 6 ($4,332,985), less the 2028 projected farebox revenue.*

(3) *2029 Projections*
- *The projected farebox revenue assumes a 3% fare increase over 2027 fare levels.*
- *The projected road fund contribution is the 2028 adjusted O&M expenditures from Table 6 ($4,462,974), less the 2028 projected farebox revenue.*

This plan supports the County’s goal of achieving a 65 percent farebox recovery rate by the end of 2028, ensuring a more sustainable and user-supported ferry system. However, this plan may not be feasible. Ridership is down following the last two fare increases. Although the projected farebox revenue for 2027 is $2.5 million, this may not be feasible if ridership does not recover. Nonpeak service reductions/rightsizing the sailing schedule could be considered as a cost savings measure. Ridership statistics can be found in Appendix B.

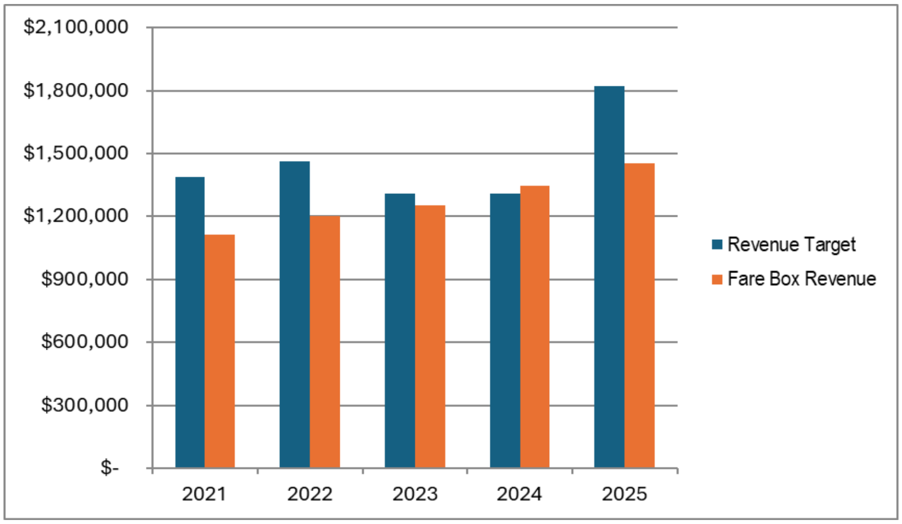
Figure 6 – Financial Trend of Farebox Revenue & Road Fund Contribution



As shown in Table 8, from 2021 through 2025, annual farebox revenue did not meet the revenue target, except in 2024, a year with no drydock and no additional fare increase. A fare increase of 14 percent was effective August 2023, intended to be in place through 2024. This is why the revenue target for 2023 and 2024 is $1,307,220.

Table 8 - Revenue Target Variance					
	2021	2022	2023	2024	2025
Revenue Target	$ 1,386,935	$ 1,463,031	$ 1,307,220	$ 1,307,220	$ 1,818,971
Farebox Revenue	$ 1,115,037	$ 1,201,719	$ 1,250,681	$ 1,346,019	$ 1,455,098
Variance	$ (271,898)	$ (261,312)	$ (56,539)	$ 38,799	$ (363,873)

Figure 7 – Revenue Target Variance



On June 18, 2018, the Board of Skagit County Commissioners passed [Resolution R20180123](), establishing a capital vessel replacement surcharge. The surcharge, imposed on every fare sold, was implemented August 1, 2018. Table 9 shows the revenue generated from this surcharge.

Table 9: VESSEL REPLACEMENT SURCHARGE	
2018 Actual	$ 95,137
2019 Actual	$ 241,721
2020 Actual	$ 217,445
2021 Actual	$ 224,642
2022 Actual	$ 246,852
2023 Actual	$ 241,957
2024 Actual	$ 243,582
2025 Actual	$ 211,506
Total	$ 1,722,842

In accordance with RCW 36.54.200, resulting revenue can only be used for the construction or purchase of ferry vessels, and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. This revenue cannot be used for O&M expenditures, must be accounted for separately, is held in an interest-bearing account, and is not included in the farebox revenue figures included in this report.

Capital expenditures are also not included in this report or in the O&M expenditures shown. Capital expenditures are not reported to the state per Contract 20250325 between WSDOT & Skagit County for the deficit reimbursement. Section 1.3 of the contract's terms and conditions defines allowable reportable O&M expenditures as:

- Routine cost of operating and maintaining the ferry, including salaries, benefits, fuel, supplies, utilities, repairs, inspection, advertising, taxes, small tools, land leases, rentals, postage, printing, etc.
- Routine anticipated replacement of piling, wing-wall facing, repairing docks, etc. which does not extend the useful life, nor increase the efficiency or capacity of an asset.
- Routine dry-docking and associated repairs to maintain the vessel's certification.
- Routine engine repair or rebuilding.
- Other work not defined as capital and agreed to in writing by WSDOT.

Section 1.4 excludes the following from O&M expenditures:

- Depreciation
- Interest
- Other work or repairs that are considered capital in nature.

These contractual definitions are what Skagit County uses to differentiate capital and O&M expenditures.

Summary

Over the last 5 years (2021 through 2025), O&M expenditures totaled $17,307,453, averaging $3,461,491 annually (see Table 6). The road fund contribution totaled $7,688,363 and averaged $1,537,673 annually (see Table 7).

With the methodology, set by resolution (using actual expenditures and revenue for 2024 and 2025, the adjusted budget for 2026, and the CPI-adjusted budget for 2027 and 2028), the five-year average of O&M expenditures is $4,206,781 (see Table 1).

In 2025, O&M expenditures were 16 percent below budget.

2025 Budget	$ 5,601,136
2025 O&M Expenditures	$ 4,694,137
Difference	$ (906,999)

These differences were, in large part, due to:

- Salaries, wages, and benefits were $150,714 under budget. Staffing levels were adjusted due to reduced ridership.
- Fuel was under budget by $113,886. This was due to lower fuel prices in 2025 (the average price per gallon was $3.43), the 10-week drydock, and the installation of more fuel-efficient diesel engines.
- Insurance actuals were under budget by $277,059, due to changed policy dates.
- Repairs and maintenance actuals were under budget by $342,700.

Detailed 2025 budget and expenditure information is available in Appendix D of the report.

In 2025, farebox revenue fell short of the 50 percent revenue target by $363,873.

2025 Revenue Target	$ 1,818,971
2025 Farebox Revenue	$ 1,455,098
Surplus/(Shortfall)	$ (363,873)

The 30 percent fare increase (implemented on February 27, 2025), was not successful in meeting a 50 percent revenue recovery target and led to a 7 percent increase in farebox revenue over 2024.

Recommendations

In 2023, the Board set a goal to reach 65 percent farebox recovery by the end of 2028, indicating a steady 5 percent increase in the recovery goal each year from 2025 through 2028. In 2025, the farebox recovery goal was 50 percent, meaning 2026 must reach at least 55 percent, followed by 60 percent in 2027, and 65 percent in 2028.

Achieving this target will require farebox revenue to grow by nearly $1 million by December 31, 2028, a pace that may not be sustainable given current ridership trends and operational challenges.

An evaluation of 2026 expenditures, revenue, and ridership will be conducted in summer 2027, as outlined in the fare methodology adopted by the Board. Based on current projections, more time may be needed to meet the farebox recovery goal, and/or measures to cut costs should be taken immediately.

In 2026, farebox revenue was initially expected to cover 55 percent of operating costs, with a target of $2,319,876. To help meet this goal, the Board approved a 30 percent fare increase effective January 1, 2026.

As of June 30, $1,044,931 has been collected. Total farebox revenue is now projected to reach $1,900,000, well below the recovery target amount of $2,319,876, though the gap is closing.

The shortfall from the revenue targets the last two years reflect increased fare sensitivity among riders, especially since both the 2025 and 2026 fare hikes were 30 percent in each year. This trend raises concerns about the long-term sustainability of relying on fare increases to meet long-term revenue goals.

In line with the revenue target goal of 65 percent by December 31, 2028, a fare adjustment that produces a 60 percent farebox recovery in 2027 is needed. According to the fare tool, a fare increase of 14 percent over 2025 fares is needed. With a 14 percent fare increase, effective January 1, 2027, the projected revenue at the proposed rate schedule (provided in Appendix A), is estimated to produce a 60.1 percent farebox recovery, without elasticity factored in.

2027 Adjusted O&M Exp. (5-year avg. 2024-2028)	$ 4,206,781
Projected 2027 Farebox Revenue (with 14 percent increase)	$ 2,529,428
2027 Estimated Farebox Recovery	60.1 %

While a 2027 fare proposal that meets the revenue target is required to be included in this report, it is ultimately the decision of the Board of Skagit County Commissioners whether this fare proposal will move forward for consideration/possible adoption. The timeline that follows is in draft form and is subject to updates.

Timeline

August 4: The draft ferry fare revenue target report and draft 2027 ferry fare schedule was posted to the ferry website for public review.

August 4 – August 18: Early public comment period for the ferry fare revenue target report and 2027 fare schedule. These early comments were shared with the Commissioners at the August 18 televised presentation.

August 6: The County Commissioners hosted a work session from 9:30 a.m. – 10:30 a.m. in the Commissioners' Hearing Room on the draft ferry fare revenue target report and proposed 2027 ferry fare schedule. There was no public comment taken at that meeting. Interested residents could listen to the conversation in-person or via Zoom

August 18: The County Commissioners hosted a televised presentation from 8:30 a.m. – 9:30 a.m. in the Commissioners' Hearing Room on the draft ferry fare revenue target report and proposed 2027 ferry fare schedule. There was no public comment taken at that meeting. Interested residents could join in-person or via Zoom or watch via TV21.

August 19: Public Works staff hosted the annual community meeting on Guemes Island from 3:00 p.m. – 4:30 p.m. to discuss and answer questions regarding the 2027 ferry fare revenue target report, fare schedule, and ongoing projects.

September 3 – September 22: Formal written public comment period on the proposed 2027 ferry fare schedule.

September 22: The County Commissioners will host a public hearing on the proposed 2027 ferry fare schedule from 8:30 a.m. – 10:00 a.m. in the Commissioners' Hearing Room. You may join the hearing and provide comments in-person or via Zoom. The hearing will be televised on TV21, and if you choose to watch it on TV, you will not be able to provide public comments.

October: The Commissioners will host the annual series of budget work sessions throughout October. The schedule has not been set yet, but the dates will be shared when our budget call is released later this summer. We will keep you updated on when Public Works will be discussing its budget.

October 20: The Commissioners will consider adoption of the 2027 ferry fare schedule at 8:30 a.m. in the Commissioners' Hearing Room. If approved, the new fares will take effect on January 1, 2027.

December 7: The Commissioners will host a public hearing at 11:00 a.m. to consider testimony on the 2027 budget. There will be a published written comment period for the draft 2027 budget.

December 14: The Commissioners will consider adopting the 2027 budget at 2:00 p.m. Please be advised, these dates and times may change due to the Commissioners' schedule. If meetings are changed, we will send you an updated schedule. If you have any questions about the upcoming meetings, please email ferrycomments@co.skagit.wa.us.

APPENDIX A

2027 PROPOSED FARE SCHEDULE

2026 Current and 2027 Proposed Fares

	O&M Fares Do Not Include Surcharge						*Posted Fares Include Surcharge*			
	2026 Current O&M		2027 Proposed O&M		Surcharge for Vessel Replacement		2026 Current Posted		2027 Proposed Posted	
	Non-Peak	Peak	Non-Peak	Peak	Non-Peak	Peak	Non-Peak	Peak	Non-Peak	Peak
PASSENGER (1)										
Adult	5.75	7.50	6.50	8.50	1.00	1.00	6.75	8.50	7.50	9.50
Senior/Disabled/Youth	4.00	4.50	4.50	5.25	0.50	0.50	4.50	5.00	5.00	5.75
Under 5	Free	Free	Free	Free			Free	Free	Free	Free
Rider & Bicycle	7.50	9.75	8.50	11.00	1.00	1.00	8.50	10.75	9.50	12.00
Riders & Bicycle senior/disabled/youth	6.00	6.75	6.75	7.75	0.50	0.50	6.50	7.25	7.25	8.25
PASSENGER CONVENIENCE PASS (2)										
25-Trip adult passengers	143.75	187.50	162.50	212.50	10.00	10.00	153.75	197.50	172.50	222.50
25-Trip senior/disabled/youth	100.00	112.50	112.50	131.25	6.00	6.00	106.00	118.50	118.50	137.25
VEHICLE & DRIVER (1)										
Motorcycle & rider	11.50	15.50	13.00	17.75	1.00	2.00	12.50	17.50	14.00	19.75
Vehicle/driver under 22 feet	19.50	23.50	22.25	26.75	2.00	3.00	21.50	26.50	24.25	29.75
Vehicle/driver senior/disabled under 22 feet	15.50	19.50	17.75	22.25	2.00	2.00	17.50	21.50	19.75	24.25
VEHICLE & DRIVER CONVENIENCE PASS (2)										
20-Trip under 22 feet	390.00	470.00	445.00	535.00	26.00	26.00	416.00	496.00	471.00	561.00
20-Trip under 22 feet senior/disabled	310.00	390.00	355.00	445.00	20.00	20.00	330.00	410.00	375.00	465.00
20-Trip Motorcycle	230.00	310.00	260.00	355.00	15.00	15.00	245.00	325.00	275.00	370.00
VEHICLE & SENIOR/DISABLED NEEDS-BASED PASS (2)										
5-Trip needs based	66.00	83.00	75.50	94.50	5.00	5.00	71.00	88.00	80.50	99.50
OVERSIZED VEHICLE & DRIVER (1)										
Over 22 feet under 30 feet	29.50	36.00	33.75	41.00	4.00	6.00	33.50	42.00	37.75	47.00
Under 40 feet	58.25	69.50	66.50	79.25	8.00	11.00	66.25	80.50	74.50	90.25
Under 50 feet	88.00	105.25	100.25	120.00	11.00	18.00	99.00	123.25	111.25	138.00
Under 60 feet	125.50	145.50	143.00	165.75	19.00	23.00	144.50	168.50	162.00	188.75
Each foot over 60	20.75	24.50	23.75	28.00	4.00	4.00	24.75	28.50	27.75	32.00
Over width charge							Double Length Charge		Double Length Charge	
OVERSIZED VEHICLE & DRIVER CONVENIENCE PASS (2)										
Over 22 feet under 30 feet	147.50	180.00	168.75	205.00	20.00	30.00	167.50	210.00	188.75	235.00
Under 40 feet	291.25	347.50	332.50	396.25	40.00	55.00	331.25	402.50	372.50	451.25
Under 50 feet	440.00	526.25	501.25	600.00	55.00	90.00	495.00	616.25	556.25	690.00
Under 60 feet	627.50	727.50	715.00	828.75	95.00	115.00	722.50	842.50	810.00	943.75

(1) For single-ride tickets: 14% fare increase applied to 2026 current O&M fare; rounded to the nearest quarter

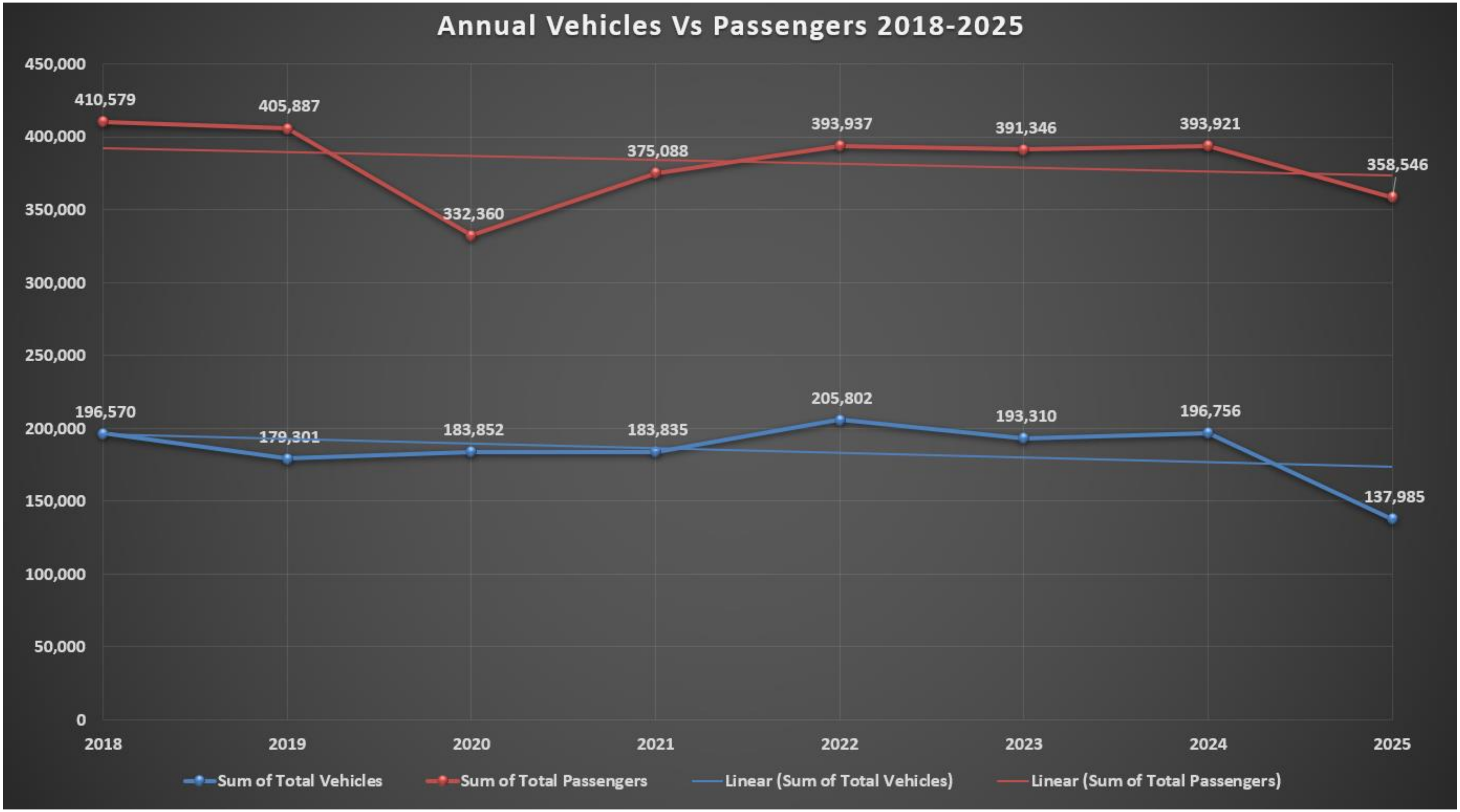
(2) For multi-ride passes: the 2027 proposed fare is equal to the 2027 proposed O&M fare for that category multiplied by the number of trips, except needs-based pass has 15% discount applied

2027 PROPOSED RATE SCHEDULE	POSTED FARE			
Posted Fares Include Surcharge	2026 CURRENT FARE		2027 PROPOSED FARE	
FARES	NON-PEAK	PEAK	NON -PEAK	PEAK
PASSENGER				
Adult	6.75	8.50	7.50	9.50
Senior (+65)/Disabled	4.50	5.00	5.00	5.75
Youth - 18 and under	Free	Free	Free	Free
Rider & Bicycle	8.50	10.75	9.50	12.00
Riders & Bicycle senior/disabled	6.50	7.25	7.25	8.25
PASSENGER MULTI-RIDE				
25-Trip adult passengers	153.75	197.50	172.50	222.50
25-Trip senior/disabled	106.00	118.50	118.50	137.25
VEHICLE (22 FT OR LESS INLCUDING OVERHANG)				
Motorcycle & rider	12.50	17.50	14.00	19.75
Vehicle/driver under 22 feet	21.50	26.50	24.25	29.75
Vehicle/driver senior/disabled under 22 feet	17.50	21.50	19.75	24.25
VEHICLE & DRIVER MULTI-RIDE				
20-Trip under 22 feet	416.00	496.00	471.00	561.00
20-Trip under 22 feet senior/disabled	330.00	410.00	375.00	465.00
20-Trip Motorcycle	245.00	325.00	275.00	370.00
VEHICLE NEEDS BASED				
5-Trip needs based	71.00	88.00	80.50	99.50
OVERSIZED VEHICLES				
Over 22 feet under 30 feet	33.50	42.00	37.75	47.00
Under 40 feet	66.25	80.50	74.50	90.25
Under 50 feet	99.00	123.25	111.25	138.00
Under 60 feet	144.50	168.50	162.00	188.75
Each 10 foot over 60	24.75	28.50	27.75	32.00
Over width charge (over 8 feet 6 inches)	Double Length Charge		Double Length Charge	
OVERSIZED VEHICLES 5-TRIP CONVENIENCE CARD				
Over 22 feet under 30 feet	167.50	210.00	188.75	235.00
Under 40 feet	331.25	402.50	372.50	451.25
Under 50 feet	495.00	616.25	556.25	690.00
Under 60 feet	722.50	842.50	810.00	943.75

APPENDIX B

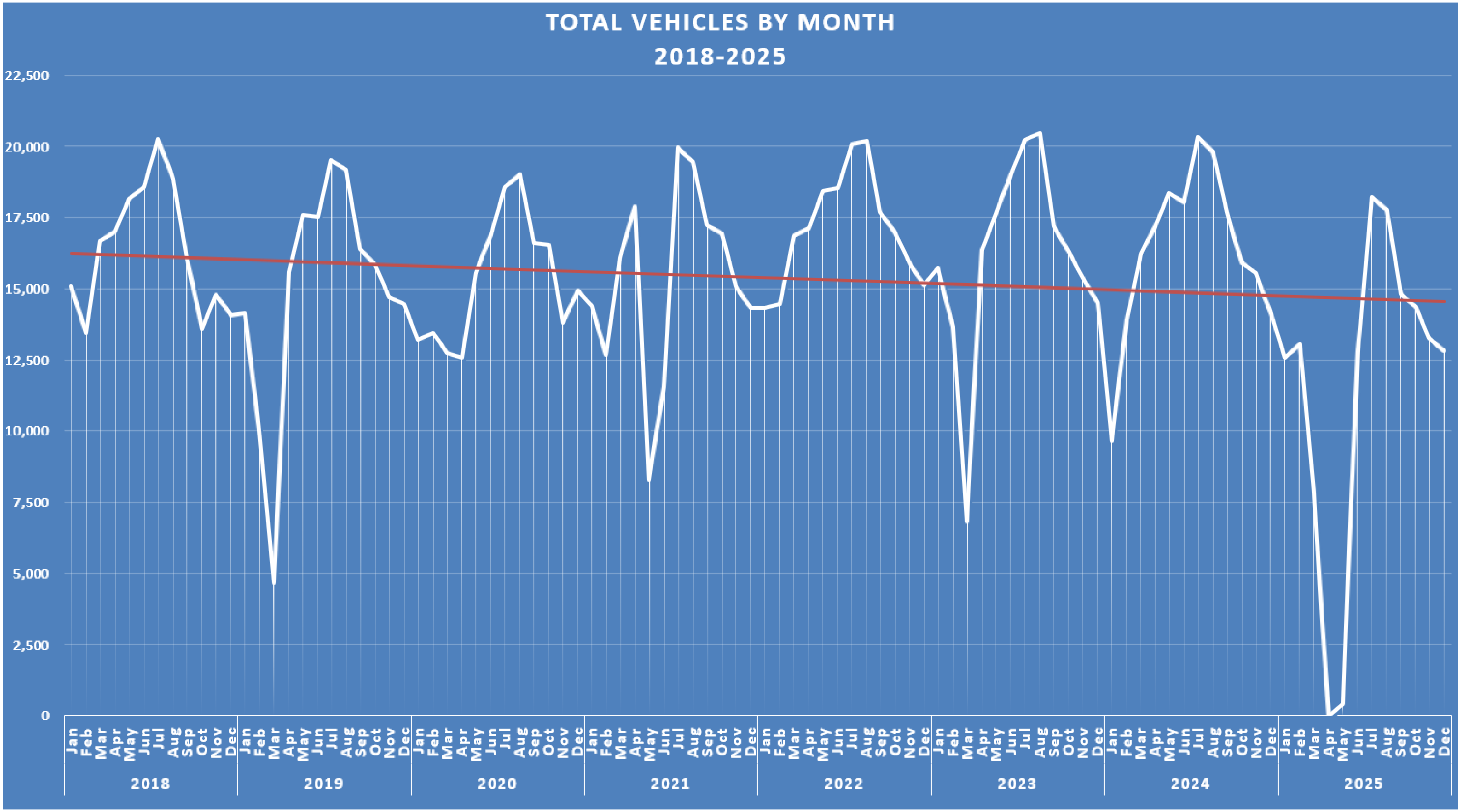
RIDERSHIP & REVENUE STATISTICS

Annual Ridership 2018-2025



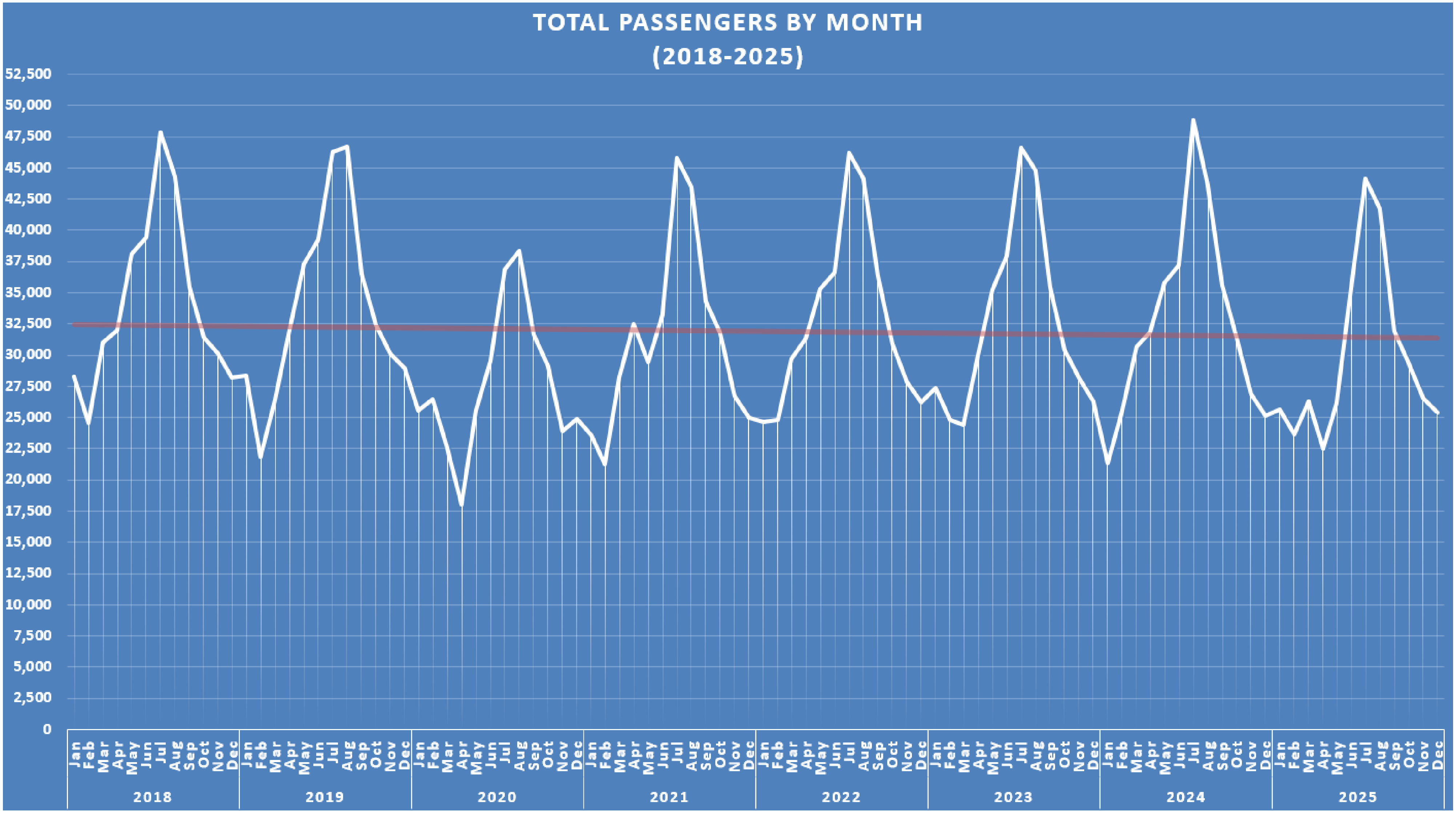
Skagit County Public Works
Guemes Island Ferry

Vehicles by Month 2018-2025



Skagit County Public Works
Guemes Island Ferry

Passengers by Month 2018-2025



Skagit County Public Works
Guemes Island Ferry

APPENDIX C

2024 & 2025 COUNTY FERRY SYSTEM OPERATION REPORTS

County Ferry System Operations Report
Skagit County
2024

Expenditures

(1) Operation and Maintenance	$2,893,135.00
Capital	
Other Work and Repairs Considered Capital	
Interest	
Depreciation	

WSDOT / Ferry Deficit Reimbursement (Net Claimed)

(1) O&M(+)	$2,893,135.00
(2) Tolls(-)	$1,358,581.00
(3) MVFT(-)	
Net Claimed	$1,534,554.00

Revenues

(2) Ferry Toll Receipts		$1,358,581.00
Ferry Deficit Reimbursement (334.03 or 336.00)		$269,830.00
Other Revenues		$286,890.00
	Total Revenues	$1,915,301.00

MVFT General Distribution

Total MVFT - County Roads (336.00.89)	$2,836,343.00

MVFT Attributable to the Ferry System

(3) Calculated MVFT Attributable to the Ferry System	$62,399.55

Vessels

Name	Year Built	Current Value	Replacement Value	Year Replacement	IPD Adj Replacement Value
M/V Guemes	1979	$2,200,000.00	$22,200,000.00	1	$22,200,000.00

Facilities

Name	Year Built	Current Value	Replacement Value	Year Replacement	IPD Adj Replacement Value
Anacortes Dock	2011	$1,424,008.00	$1,566,409.00	1	$1,566,409.00
Anacortes Transfer Span	1979	$1,317,000.00	$2,000,000.00	1	$2,000,000.00
Anacortes Breakwater	2016	$200,000.00	$462,000.00	1	$462,000.00
Anacortes Dolphins/Wingwalls	2014	$1,100,000.00	$1,144,000.00	1	$1,144,000.00
Anacortes Head Frame & Towers	1979	$100,000.00	$550,000.00	1	$550,000.00
Anacortes Terminal Buildings	2010	$778,316.00	$871,714.00	1	$871,714.00
Anacortes Parking Lots	2004	$1,067,948.00	$1,196,102.00	1	$1,196,102.00
Anacortes Walkway	2010	$68,481.00	$76,699.00	1	$76,699.00
Guemes Dock	2011	$1,424,008.00	$1,566,409.00	1	$1,566,409.00
Guemes Transfer Span	1979	$1,317,000.00	$2,000,000.00	1	$2,000,000.00

Guemes Dolphins/Wingwalls	2010	$954,736.00	$1,069,304.00	1	$1,069,304.00
Guemes Head Frame & Towers	1979	$100,000.00	$550,000.00	1	$550,000.00
Guemes Passenger Shelter	1979	$1,000.00	$20,000.00	1	$20,000.00
Guemes Parking Lot	1979	$150,000.00	$280,000.00	1	$280,000.00

I hereby certify that the above County Ferry Operations Report is true and accurate and that I have reviewed and approved the report for submission to the County Road Administration Board (CRAB) and the Washington State Department of Transportation - Highways & Local Programs (WSDOT). I hereby acknowledge and accept the Motor Vehicle Fuel Tax (MVFT) Distribution Factors determined by CRAB to calculate the MFVT attributable to the ferry system, and the application of the Implicit Price Deflator for Washington to determine the adjusted system replacement values for the report year.

Consistent with RCW 47.56.725, I certify that the receipts and costs shown in this voucher are true and correct; that the ferry tolls are at least equal to the tolls in place on January 1, 2015, excluding surcharges; that the net amount claimed is due and payable from the County share of the gas tax under the terms of the State/County Interagency Agreement and all applicable laws, rules, and regulations; and, that I am authorized to sign for the claimant.

Signed: ______________________ Date: 3/25/25

County's Interagency Agreement Program Manager

Signed: ______________________ Date: 03/25/2025

County Engineer

County Ferry System Operations Report

Skagit

2025

Expenditures

(1) Operation and Maintenance	$4,694,138.00
Capital	$1,330,090.00
Other Work and Repairs Considered Capital	$0.00
Interest	$0.00
Depreciation	$0.00

WSDOT / Ferry Deficit Reimbursement (Net Claimed)

(1) O&M(+)	$4,694,138.00
(2) Tolls(-)	$1,455,098.00
(3) MVFT(-)	$93,103.43
Net Claimed	$3,145,936.57

Revenues

(2) Ferry Toll Receipts	$1,455,098.00
Ferry Deficit Reimbursement (334.03 or 336.00)	$291,086.00
Other Revenues	$50,473.00
Total Revenues	$1,796,657.00

MVFT General Distribution

Total MVFT - County Roads (336.00.89)	$3,009,881.00

MVFT Attributable to the Ferry System

(3) Calculated MVFT Attributable to the Ferry System	$93,103.43

Vessels

Name	Year Built	Current Value	Replacement Value	Year Replacement	IPD Adj Replacement Value
M/V Guemes	1979	$22,200,000.00	$22,200,000.00	1	$23,295,669.23

Facilities

Name	Year Built	Current Value	Replacement Value	Year Replacement	IPD Adj Replacement Value
Anacortes Dock	2011	$1,424,008.00	$1,566,409.00	1	$1,603,876.92
Anacortes Transfer Span	1979	$1,317,000.00	$2,000,000.00	1	$2,047,839.26
Anacortes Breakwater	2016	$200,000.00	$462,000.00	1	$473,050.87
Anacortes Dolphins/Wingwalls	2014	$1,100,000.00	$1,144,000.00	1	$1,171,364.06
Anacortes Head Frame & Towers	1979	$100,000.00	$550,000.00	1	$563,155.80
Anacortes Parking Lots	2004	$1,067,948.00	$1,196,102.00	1	$1,224,712.32
Anacortes Walkway	2010	$68,481.00	$76,699.00	1	$78,533.61
Guemes Dock	2011	$1,424,008.00	$1,566,409.00	1	$1,603,876.92
Guemes Transfer Span	1979	$1,317,000.00	$2,000,000.00	1	$2,047,839.26
Guemes Dolphins/Wingwalls	2010	$954,736.00	$1,069,304.00	1	$1,094,881.36

Guemes Head Frame & Towers	1979	)0,000.00	$550,000.00	1	$563,155.80
Guemes Passenger Shelter	1979	$1,000.00	$20,000.00	1	$20,478.39
Guemes Parking Lot	1979	$150,000.00	$280,000.00	1	$286,697.50

I hereby certify that the above County Ferry Operations Report is true and accurate and that I have reviewed and approved the report for submission to the County Road Administration Board (CRAB) and the Washington State Department of Transportation - Highways & Local Programs (WSDOT). I hereby acknowledge and accept the Motor Vehicle Fuel Tax (MVFT) Distribution Factors determined by CRAB to calculate the MFVT attributable to the ferry system, and the application of the Implicit Price Deflator for Washington to determine the adjusted system replacement values for the report year.

Consistent with RCW 47.56.725, I certify that the receipts and costs shown in this voucher are true and correct; that the ferry tolls are at least equal to the tolls in place on January 1, 2015, cxcluding surcharges; that the net amount claimed is due and payable from the County share of the gas tax under the terms of the State/County Interagency Agreement and all applicable laws, rules, and regulations; and, that I am authorized to sign for the claimant.

Signed: ______________________ Date: 4/16/2026

County's Interagency Agreement Program Manager

Signed: ______________________ Date: 4/16/2026

County Engineer

APPENDIX D

BUDGET MONITORING REPORTS (2024-2026)

2024

418 Budget Monitoring 117-4 | Report Format 012

Period 12 ending December 31, 2024 | Transaction status 1

		Current Actuals	YTD Actual	2024 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 003	REVENUES					
Obj 330	INTERGOVERNMENTAL REVENUES					
Det 0092	COUNTY FERRIES	258,189.00-	258,189.00-	348,000.00-	89,811.00-	25.8
Det 0372	ARTERIAL PRESERVATION	11,641.00-	11,641.00-	11,500.00-	141.00	1.2-
Det 2020	US DOT FED HWY ADMIN	286,890.00-	286,890.00-	286,730.00-	160.00	.1-
Obj 330	INTERGOVERNMENTAL REVENUES	556,720.00-	556,720.00-	646,230.00-	89,510.00-	13.9
Obj 340	CHARGES FOR GOODS AND SERVICE					
Det 4470	VESSEL REPLACEMENT SURCHARGE	243,581.50-	243,581.50-	250,000.00-	6,418.50-	2.6
Det 4471	OTHER TRANSPORTATION SYS SVC	1,346,019.45-	1,346,019.45-	1,482,000.00-	135,980.55-	9.2
Det 4942	ROAD MAINTENANCE SERVICES	12,561.75-	12,561.75-	5,502.00-	7,059.75	128.3-
Obj 340	CHARGES FOR GOODS AND SERVICE	1,602,162.70-	1,602,162.70-	1,737,502.00-	135,339.30-	7.8
Obj 360	MISCELLANEOUS REVENUES					
Det 6981	CASHIERS OVERAGES OR SHORTAG	73.84-	73.84-		73.84	
Typ 003	REVENUES	2,158,956.54-	2,158,956.54-	2,383,732.00-	224,775.46-	9.4
Typ 005	EXPENDITURES					
Obj 510	SALARIES AND WAGES					
Det 1100	SALARIES AND WAGES	935,762.82	935,762.82	1,031,909.00	96,146.18	9.3
Det 1190	LEAVE SALARIES	161,610.02	161,610.02		161,610.02-	
Det 1200	PART TIME SALARIES			284,676.00	284,676.00	100.0
Det 1300	OVERTIME	60,192.72	60,192.72	40,000.00	20,192.72-	50.5-
Det 1500	PREMIUM /SHIFT/CLOTHING ALLN	13,440.00	13,440.00	10,000.00	3,440.00-	34.4-
Obj 510	SALARIES AND WAGES	1,171,005.56	1,171,005.56	1,366,585.00	195,579.44	14.3
Obj 520	PERSONNEL BENEFITS					
Det 2100	SOCIAL SECURITY	86,193.98	86,193.98	103,779.00	17,585.02	16.9
Det 2200	RETIREMENT	81,835.70	81,835.70	96,764.00	14,928.30	15.4

2024

		Current Actuals	YTD Actual	2024 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 005	EXPENDITURES					
Obj 520	PERSONNEL BENEFITS					
Det 2300	LABOR AND INDUSTRIES	1,737.06	1,737.06	4,718.00	2,980.94	63.2
Det 2400	MEDICAL	199,467.88	199,467.88	274,334.00	74,866.12	27.3
Det 2820	UNIFORMS AND CLEANING	1,875.00	1,875.00	5,200.00	3,325.00	63.9
Det 2900	UNEMPLOYMENT COMPENSATION	13,675.48	13,675.48	17,037.00	3,361.52	19.7
Obj 520	PERSONNEL BENEFITS	384,785.10	384,785.10	501,832.00	117,046.90	23.3
Obj 530	SUPPLIES -CONSUMPTION / RESAL					
Det 3120	OPERATING SUPPLIES	44,939.44	44,939.44	75,000.00	30,060.56	40.1
Det 3200	FUEL	209,676.59	209,676.59	256,850.00	47,173.41	18.4
Det 3412	INTERFUND PARTS & MATERIALS			2,000.00	2,000.00	100.0
Det 3510	SMALL TOOLS & MINOR EQUIPMEN	825.85	825.85	10,000.00	9,174.15	91.7
Obj 530	SUPPLIES -CONSUMPTION / RESAL	255,441.88	255,441.88	343,850.00	88,408.12	25.7
Obj 540	SERVICES AND PASS THRU PMTS					
Det 4110	PROFESSIONAL SERVICES	197,988.61	197,988.61	226,245.00	28,256.39	12.5
Det 4153	INTERGOV PROFESSIONAL SERVIC	96.02	96.02	11,248.00	11,151.98	99.2
Det 4154	INTERFUND PAYMENTS FOR SERVI	8,900.32	8,900.32	6,350.00	2,550.32-	40.2-
Det 4155	EXTERNAL TAXES AND OP ASSESS	30,657.90	30,657.90	32,569.00	1,911.10	5.9
Det 4190	INTERFUND INFORMATION SVCS	83,884.90	83,884.90	75,557.00	8,327.90-	11.0-
Det 4230	COMMUNICATIONS	9,403.41	9,403.41	9,031.00	372.41-	4.1-
Det 4310	TRAVEL	1,473.54	1,473.54	10,242.00	8,768.46	85.6
Det 4361	MEALS	159.83	159.83		159.83-	
Det 4410	ADVERTISING	5,927.67	5,927.67	5,000.00	927.67-	18.6-
Det 4510	RENTALS	76,374.87	76,374.87	120,648.00	44,273.13	36.7

2024

		Current Actuals	YTD Actual	2024 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 005	EXPENDITURES					
Obj 540	SERVICES AND PASS THRU PMTS					
Det 4511	INTERFUND EQUIPMENT RENTAL	12,585.55	12,585.55	15,000.00	2,414.45	16.1
Det 4610	INSURANCE	199,480.06	199,480.06	272,000.00	72,519.94	26.7
Det 4700	UTILITIES	33,688.47	33,688.47	34,474.00	785.53	2.3
Det 4810	REPAIRS AND MAINTENANCE	244,041.53	244,041.53	468,022.00	223,980.47	47.9
Det 4811	INTERFUND SHOP LABOR	36,616.63	36,616.63	13,020.00	23,596.63-	181.2-
Det 4910	MISCELLANEOUS	139,744.51	139,744.51	139,902.00	157.49	.1
Obj 540	SERVICES AND PASS THRU PMTS	1,081,023.82	1,081,023.82	1,439,308.00	358,284.18	24.9
Obj 560	CAPITAL OUTLAYS					
Det 6310	OTHER IMPROVEMENTS			12,500.00	12,500.00	100.0
Det 6411	EQUIPMENT > $5000			643,000.00	643,000.00	100.0
Obj 560	CAPITAL OUTLAYS			655,500.00	655,500.00	100.0
Typ 005	EXPENDITURES	2,892,256.36	2,892,256.36	4,307,075.00	1,414,818.64	32.9
	Report Final Totals	733,299.82	733,299.82	1,923,343.00	1,190,043.18	61.9

2025

418 Budget Monitoring 117-4 Report Format 012

Period 12 ending December 31, 2025 Transaction status 1

		Current Actuals	YTD Actual	2025 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 003	REVENUES					
Obj 330	INTERGOVERNMENTAL REVENUES					
Det 0092	COUNTY FERRIES	276,312.00-	276,312.00-	303,189.00-	26,877.00-	8.9
Det 0372	ARTERIAL PRESERVATION	14,774.00-	14,774.00-	33,359.00-	18,585.00-	55.7
Det 2020	US DOT FED HWY ADMIN	604,964.00-	604,964.00-	867,241.00-	262,277.00-	30.2
Obj 330	INTERGOVERNMENTAL REVENUES	896,050.00-	896,050.00-	1,203,789.00-	307,739.00-	25.6
Obj 340	CHARGES FOR GOODS AND SERVICE					
Det 4470	VESSEL REPLACEMENT SURCHARGE	211,506.00-	211,506.00-	250,000.00-	38,494.00-	15.4
Det 4471	OTHER TRANSPORTATION SYS SVC	1,442,852.51-	1,442,852.51-	1,795,842.00-	352,989.49-	19.7
Det 4942	ROAD MAINTENANCE SERVICES	12,245.39-	12,245.39-	7,500.00-	4,745.39	63.3-
Obj 340	CHARGES FOR GOODS AND SERVICE	1,666,603.90-	1,666,603.90-	2,053,342.00-	386,738.10-	18.8
Obj 360	MISCELLANEOUS REVENUES					
Det 6981	CASHIERS OVERAGES OR SHORTAG	3.50-	3.50-		3.50	
Det 6991	OTHER MISC REVENUE	4,460.00-	4,460.00-		4,460.00	
Obj 360	MISCELLANEOUS REVENUES	4,463.50-	4,463.50-		4,463.50	
Obj 390	OTHER FINANCING SOURCES					
Det 9520	INSURANCE RECOVERIES-PROCEED	9,438.10-	9,438.10-		9,438.10	
Det 9540	GAIN/LOSS ON FIXED ASSETS	36,575.00-	36,575.00-		36,575.00	
Obj 390	OTHER FINANCING SOURCES	46,013.10-	46,013.10-		46,013.10	
Typ 003	REVENUES	2,613,130.50-	2,613,130.50-	3,257,131.00-	644,000.50-	19.8
Typ 005	EXPENDITURES					
Obj 510	SALARIES AND WAGES					
Det 1100	SALARIES AND WAGES	1,084,713.95	1,084,713.95	1,091,150.00	6,436.05	.6
Det 1190	LEAVE SALARIES	165,786.07	165,786.07		165,786.07-	
Det 1200	PART TIME SALARIES			300,003.00	300,003.00	100.0

2025

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Period 12 ending December 31, 2025 Transaction status 1

		Current Actuals	YTD Actual	2025 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 005	EXPENDITURES					
Obj 510	SALARIES AND WAGES					
Det 1300	OVERTIME	73,887.07	73,887.07	40,000.00	33,887.07-	84.7-
Det 1500	PREMIUM /SHIFT/CLOTHING ALLN	14,150.00	14,150.00	10,000.00	4,150.00-	41.5-
Obj 510	SALARIES AND WAGES	1,338,537.09	1,338,537.09	1,441,153.00	102,615.91	7.1
Obj 520	PERSONNEL BENEFITS					
Det 2100	SOCIAL SECURITY	97,819.54	97,819.54	109,483.00	11,663.46	10.7
Det 2200	RETIREMENT	74,931.51	74,931.51	92,437.00	17,505.49	18.9
Det 2300	LABOR AND INDUSTRIES	3,598.25	3,598.25	4,719.00	1,120.75	23.8
Det 2400	MEDICAL	287,726.28	287,726.28	298,682.00	10,955.72	3.7
Det 2820	UNIFORMS AND CLEANING	1,825.00	1,825.00	5,200.00	3,375.00	64.9
Det 2900	UNEMPLOYMENT COMPENSATION	16,199.85	16,199.85	19,678.00	3,478.15	17.7
Obj 520	PERSONNEL BENEFITS	482,100.43	482,100.43	530,199.00	48,098.57	9.1
Obj 530	SUPPLIES -CONSUMPTION / RESAL					
Det 3120	OPERATING SUPPLIES	101,972.34	101,972.34	150,000.00	48,027.66	32.0
Det 3200	FUEL	159,964.08	159,964.08	273,850.00	113,885.92	41.6
Det 3412	INTERFUND PARTS & MATERIALS	54.23	54.23	2,000.00	1,945.77	97.3
Det 3510	SMALL TOOLS & MINOR EQUIPMEN	20,500.92	20,500.92	20,000.00	500.92-	2.5-
Obj 530	SUPPLIES -CONSUMPTION / RESAL	282,491.57	282,491.57	445,850.00	163,358.43	36.6
Obj 540	SERVICES AND PASS THRU PMTS					
Det 4110	PROFESSIONAL SERVICES	294,086.66	294,086.66	310,040.00	15,953.34	5.2
Det 4128	PROF SVCS - OTHER	663.70	663.70		663.70-	
Det 4153	INTERGOV PROFESSIONAL SERVIC			12,000.00	12,000.00	100.0
Det 4154	INTERFUND PAYMENTS FOR SERVI	13,978.48	13,978.48		13,978.48-	

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Period 12 ending December 31, 2025 Transaction status 1

		Current Actuals	YTD Actual	2025 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 005	EXPENDITURES					
Obj 540	SERVICES AND PASS THRU PMTS					
Det 4155	EXTERNAL TAXES AND OP ASSESS	33,144.50	33,144.50	35,000.00	1,855.50	5.3
Det 4190	INTERFUND INFORMATION SVCS	98,644.52	98,644.52	85,127.00	13,517.52-	15.9-
Det 4230	COMMUNICATIONS	11,501.27	11,501.27	10,000.00	1,501.27-	15.0-
Det 4310	TRAVEL	4,989.52	4,989.52	8,018.00	3,028.48	37.8
Det 4361	MEALS	580.46	580.46	500.00	80.46-	16.1-
Det 4410	ADVERTISING	731.68	731.68	5,000.00	4,268.32	85.4
Det 4510	RENTALS	463,803.50	463,803.50	445,300.00	18,503.50-	4.2-
Det 4511	INTERFUND EQUIPMENT RENTAL	18,472.77	18,472.77	15,000.00	3,472.77-	23.2-
Det 4610	INSURANCE	99,341.00	99,341.00	376,400.00	277,059.00	73.6
Det 4700	UTILITIES	38,754.42	38,754.42	35,000.00	3,754.42-	10.7-
Det 4810	REPAIRS AND MAINTENANCE	1,433,848.72	1,433,848.72	1,776,549.00	342,700.28	19.3
Det 4811	INTERFUND SHOP LABOR	17,451.50	17,451.50	5,000.00	12,451.50-	249.0-
Det 4910	MISCELLANEOUS	61,016.11	61,016.11	65,000.00	3,983.89	6.1
Obj 540	SERVICES AND PASS THRU PMTS	2,591,008.81	2,591,008.81	3,183,934.00	592,925.19	18.6
Obj 560	CAPITAL OUTLAYS					
Det 6310	OTHER IMPROVEMENTS			200,000.00	200,000.00	100.0
Det 6411	EQUIPMENT > $5000	1,330,090.15	1,330,090.15	1,343,083.00	12,992.85	1.0
Obj 560	CAPITAL OUTLAYS	1,330,090.15	1,330,090.15	1,543,083.00	212,992.85	13.8
Typ 005	EXPENDITURES	6,024,228.05	6,024,228.05	7,144,219.00	1,119,990.95	15.7
	Report Final Totals	3,411,097.55	3,411,097.55	3,887,088.00	475,990.45	12.3

2026

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Period 6 ending June 30, 2026 — Transaction status 1

		Current Actuals	YTD Actual	2026 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 003	REVENUES					
Obj 330	INTERGOVERNMENTAL REVENUES					
Det 0092	COUNTY FERRIES			275,000.00-	275,000.00-	100.0
Det 0372	ARTERIAL PRESERVATION	14,651.00-	14,651.00-	303,516.00-	288,865.00-	95.2
Det 2020	US DOT FED HWY ADMIN			646,989.00-	646,989.00-	100.0
Obj 330	INTERGOVERNMENTAL REVENUES	14,651.00-	14,651.00-	1,225,505.00-	1,210,854.00-	98.8
Obj 340	CHARGES FOR GOODS AND SERVICE					
Det 4470	VESSEL REPLACEMENT SURCHARGE	83,355.00-	83,355.00-	260,000.00-	176,645.00-	67.9
Det 4471	OTHER TRANSPORTATION SYS SVC	1,044,931.26-	1,044,931.26-	1,900,000.00-	855,068.74-	45.0
Det 4942	ROAD MAINTENANCE SERVICES	7,294.14-	7,294.14-	20,000.00-	12,705.86-	63.5
Obj 340	CHARGES FOR GOODS AND SERVICE	1,135,580.40-	1,135,580.40-	2,180,000.00-	1,044,419.60-	47.9
Obj 360	MISCELLANEOUS REVENUES					
Det 6981	CASHIERS OVERAGES OR SHORTAG	21.50	21.50		21.50-	
Obj 390	OTHER FINANCING SOURCES					
Det 9520	INSURANCE RECOVERIES-PROCEED	93,529.70-	93,529.70-		93,529.70	
Typ 003	REVENUES	1,243,739.60-	1,243,739.60-	3,405,505.00-	2,161,765.40-	63.5
Typ 005	EXPENDITURES					
Obj 510	SALARIES AND WAGES					
Det 1100	SALARIES AND WAGES	536,770.06	536,770.06	975,806.00	439,035.94	45.0
Det 1190	LEAVE SALARIES	64,218.25	64,218.25		64,218.25-	
Det 1200	PART TIME SALARIES			517,096.00	517,096.00	100.0
Det 1300	OVERTIME	30,516.11	30,516.11	56,746.00	26,229.89	46.2
Det 1500	PREMIUM /SHIFT/CLOTHING ALLN	9,270.00	9,270.00	14,754.00	5,484.00	37.2
Obj 510	SALARIES AND WAGES	640,774.42	640,774.42	1,564,402.00	923,627.58	59.0

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Period 6 ending June 30, 2026 — Transaction status 1

	Current Actuals	YTD Actual	2026 BUDGET	Amount Available	Percent Available
Fnd 117 COUNTY ROADS					
Dpt 0053 COUNTY ROADS					
Div 004 FERRY					
Typ 005 EXPENDITURES					
Obj 520 PERSONNEL BENEFITS					
Det 2100 SOCIAL SECURITY	43,583.28	43,583.28	114,204.00	70,620.72	61.8
Det 2200 RETIREMENT	24,068.15	24,068.15	64,229.00	40,160.85	62.5
Det 2300 LABOR AND INDUSTRIES	1,423.57	1,423.57	3,085.00	1,661.43	53.9
Det 2400 MEDICAL	118,454.94	118,454.94	282,432.00	163,977.06	58.1
Det 2820 UNIFORMS AND CLEANING	3,600.00	3,600.00	5,575.00	1,975.00	35.4
Det 2900 UNEMPLOYMENT COMPENSATION	7,430.36	7,430.36	18,845.00	11,414.64	60.6
Obj 520 PERSONNEL BENEFITS	198,560.30	198,560.30	488,370.00	289,809.70	59.3
Obj 530 SUPPLIES -CONSUMPTION / RESAL					
Det 3120 OPERATING SUPPLIES	61,521.28	61,521.28	154,500.00	92,978.72	60.2
Det 3200 FUEL	109,120.18	109,120.18	305,066.00	195,945.82	64.2
Det 3412 INTERFUND PARTS & MATERIALS			2,060.00	2,060.00	100.0
Det 3510 SMALL TOOLS & MINOR EQUIPMEN	8,069.97	8,069.97	20,597.00	12,527.03	60.8
Obj 530 SUPPLIES -CONSUMPTION / RESAL	178,711.43	178,711.43	482,223.00	303,511.57	62.9
Obj 540 SERVICES AND PASS THRU PMTS					
Det 4110 PROFESSIONAL SERVICES	78,924.60	78,924.60	432,500.00	353,575.40	81.8
Det 4128 PROF SVCS - OTHER	450.84	450.84	935.00	484.16	51.8
Det 4153 INTERGOV PROFESSIONAL SERVIC			12,360.00	12,360.00	100.0
Det 4154 INTERFUND PAYMENTS FOR SERVI	2,069.44	2,069.44	7,156.00	5,086.56	71.1
Det 4155 EXTERNAL TAXES AND OP ASSESS	15,507.59	15,507.59	41,600.00	26,092.41	62.7
Det 4190 INTERFUND INFORMATION SVCS	39,605.02	39,605.02	171,834.00	132,228.98	77.0
Det 4230 COMMUNICATIONS	2,738.43	2,738.43	10,626.00	7,887.57	74.2
Det 4310 TRAVEL	1,369.09	1,369.09	13,424.00	12,054.91	89.8

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Period 6 ending June 30, 2026 | Transaction status 1

		Current Actuals	YTD Actual	2026 BUDGET	Amount Available	Percent Available
Fnd 117	COUNTY ROADS					
Dpt 0053	COUNTY ROADS					
Div 004	FERRY					
Typ 005	EXPENDITURES					
Obj 540	SERVICES AND PASS THRU PMTS					
Det 4361	MEALS	134.52	134.52	515.00	380.48	73.9
Det 4410	ADVERTISING	3,285.54	3,285.54	8,215.00	4,929.46	60.0
Det 4510	RENTALS	75,724.85	75,724.85	215,000.00	139,275.15	64.8
Det 4511	INTERFUND EQUIPMENT RENTAL	8,215.98	8,215.98	21,522.00	13,306.02	61.8
Det 4610	INSURANCE			467,830.00	467,830.00	100.0
Det 4700	UTILITIES	19,822.53	19,822.53	33,196.00	13,373.47	40.3
Det 4810	REPAIRS AND MAINTENANCE	163,344.09	163,344.09	1,122,000.00	958,655.91	85.4
Det 4811	INTERFUND SHOP LABOR	5,413.00	5,413.00	26,957.00	21,544.00	79.9
Det 4910	MISCELLANEOUS	49,004.08	49,004.08	100,195.00	51,190.92	51.1
Obj 540	SERVICES AND PASS THRU PMTS	465,609.60	465,609.60	2,685,865.00	2,220,255.40	82.7
Obj 560	CAPITAL OUTLAYS					
Det 6310	OTHER IMPROVEMENTS			26,344.00	26,344.00	100.0
Det 6411	EQUIPMENT > $5000	5,510.54	5,510.54	40,000.00	34,489.46	86.2
Obj 560	CAPITAL OUTLAYS	5,510.54	5,510.54	66,344.00	60,833.46	91.7
Typ 005	EXPENDITURES	1,489,166.29	1,489,166.29	5,287,204.00	3,798,037.71	71.8
	Report Final Totals	245,426.69	245,426.69	1,881,699.00	1,636,272.31	87.0

APPENDIX E

REVISION HISTORY

Revision History

This revision history is intended to document substantive updates to the draft report (dated July 30, 2026), including changes to numerical values, data sources, charts, graphs, and interpretive or explanatory content. While the report is reviewed for formatting and grammatical accuracy, such editorial improvements are not tracked in this revision history. Entries are limited to revisions that materially affect the information, analysis, or presentation of operational data. Note, page numbers may have changed.

Summary of revisions to the 2026 Draft Ferry Fare Revenue Target Report

1. Updated Ferry Fare Revenue Target section
   - Clarified that Resolution R20230152 is amended by R20250259

   Page: [1]

Per Resolution R20230152, amended by Resolution R20250259, it is the desire of the Board...

2. Updated the methodology establishing the 5-year average of O&M projection
   - Included the current year's adjusted budget, as of June 30.

   Page: [1]

The methodology establishes a 5-year average O&M expenditure projection using the past two years' actual expenditures, the current year's adjusted budget, as of June 30, and...

3. Added Source Documentation for Table 1 – Revenue Target Calculation Table
   - Added source documentation for MVFT and WSDOT Deficit Reimbursement for the 2024 and 2025 County Ferry Systems Operations Reports.

     Page: [2]

(5) *Actual revenue attributable to the ferry system for 2024/2025 (source: 2024 & 2025 County Ferry Systems Operations Reports – see Appendix C) …*

4. Correction to Figure 1
   - Replaced Figure 1 to correct a maintenance cost typo (updated to $918,634 for 2025 drydock and $515,215 for 2025 non-drydock maintenance and repair) and added source information for 2025 drydock and 2026 pier side maintenance.

     Page: [2]

Figure 1 illustrates how annualized maintenance costs are calculated, resulting in a base-year maintenance amount of $906,204 for 2026. This annualized value is lower than the 2026 budgeted maintenance total of $1,122,000. In addition, the actual non-drydock expenditures from 2024 ($244,042) and 2025 ($515,215) are averaged to determine an annualized cost for other maintenance.

Figure 1 – Annualized Maintenance Expenditures

Annualized Drydock/Pier side Maintenance/Repairs	2027/2028 Est.	2026 Adjusted
2027/2028 Planned Drydock/Pier Side (Total for 2 years) (1)	$ 1,053,153	
Annualized Drydock/Pier Side		$ 526,576
Average Non-Drydock Maintenance/Repair (2)		$ 379,628
Annualized Base Year Maintenance		$ 906,204

(1) *Based on actual cost for 2025 drydock ($918,634) and year-to-date expenditures for 2026 pier side maintenance ($134,519)*
Source: See 2025 Detailed Actual Expenses and 2026 Detailed Actual Expenses.

(2) Annualized Non-Drydock Maintenance/Repair	2024 Actual	2025 Actual	Average
Maintenance expenditures other than drydock	$ 244,042	$ 515,215	379,628

5. Typographical Corrections & Addition of CPI Figures
   - Corrected year references from "2026 and 2027" to the correct range.
   - Changed CPI figures to percentages (3.26% for 2027 and 2.46% for 2028).
     Page: [3]

Figure 2 presents the base year expenditures using actual costs from 2024 and 2025, along with the 2026 adopted budget, as of June 30. For 2026, maintenance-related costs are adjusted to reflect the annualized maintenance. The projections for 2027 and 2028 apply cost-escalation factors based on recent inflation forecasts from the Seattle Consumer Price Index. Specifically, the forecast values of 3.26 percent for 2027 and 2.46 percent for 2028 were used.

6. Added Percentages
   - Added percentage values in footnotes for Figure 2 for clarity in the relevant section.
     Page: [3]

(2) *Cost escalation adjustment for Seattle area CPI forecast* – 3.26% for 2027 and 2.46% for 2028

7. Updated O&M portion of drydock figure
   - Updated O&M portion of drydock figure in last paragraph.
     Page [3]

In 2025, the vessel underwent a ten-week drydock for the re-power of the main engines, during which routine maintenance was also completed. Only the O&M portion ($918,634) of the drydock maintenance is included in this analysis.

8. Improved Table 2 Footnotes
   - Adjusted footnotes in Table 2 to provide clearer explanations of source figures.
     Page: [4]

TABLE 2 - 2025 REVENUE TARGET		
Ferry Fare Revenue Target (1)	$	1,818,971
Farebox Revenue (2)	$	1,455,098
Surplus/(Shortfall) From Rev Target	$	(363,873)

(1) *Source: 2024 Ferry Fare Revenue Target Report – Table 1 - Adjusted O&M ($3,637,941) multiplied by 50% goal for 2025.*
(2) *Farebox revenue does not include vessel replacement surcharge revenue.*

9. Updated Table 3
   - Clarified FBP funding (Ferry Boat Program)
     Page: [4]

TABLE 3 - ROAD FUND CONTRIBUTION 2025		
O&M Expenditures	$	4,694,137
Deficit Reimbursement	$	(291,086)
Motor Vehicle Fuel Tax	$	(93,103)
Youth Ride Free	$	(14,774)
Adjusted O&M Expenditures	$	4,295,174
Farebox Revenue	$	(1,455,098)
Subtotal	$	2,840,076
Federal Ferry Boat Program (FBP) Funding	$	(604,964)
Road Fund Contribution	$	2,235,112

10. Updated Table 5
    - Corrected errors in 5-year average calculations.
    - Added Youth Ride Free reimbursement to graphs.

    Page: [5]

Table 5 - Total Revenue (2021-2025)								
	2021	2022	2023	2024	2025	% of Total (2025)	5-Year Average	% of Total (5-Year)
MVFT	$ 133,417	$ 132,992	$ 150,119	$ 62,400	$ 93,103	2%	$ 114,406	3.15%
Fares	$ 1,115,037	$ 1,201,719	$ 1,250,681	$ 1,346,019	$ 1,455,098	31%	$ 1,273,711	35.04%
Deficit Reimb	$ 184,560	$ 451,672	$ 212,507	$ 269,830	$ 291,086	6%	$ 281,931	7.76%
Road Fund [1]	$ 1,711,318	$ 1,118,211	$ 1,708,086	$ 915,636	$ 2,235,112	48%	$ 1,537,673	42.30%
FBP [2]			$ 350,740	$ 286,730	$ 604,964	13%	$ 414,145	11.39%
Youth Ride Free				$ 11,641	$ 14,774	0%	$ 13,208	0.36%
Total	$ 3,144,332	$ 2,904,594	$ 3,672,133	$ 2,892,256	$ 4,694,137	100.00%	$ 3,635,073	100.00%

[1] The road fund contribution in 2021, 2023, and 2025 was significantly higher due to drydock and maintenance costs.
[2] The FHWA FBP funding was used for operational expenditures for the first time in 2023.

11. Updated Figures 3 and 4
    - Corrected errors in 5-year average calculations.
    - Added Youth Ride Free reimbursement to both figures.

    Page: [5]

Figure 3 – Revenue by source (5-Year Average)

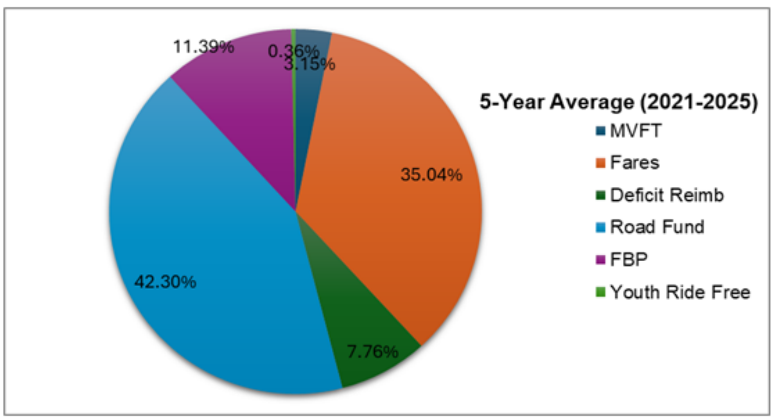
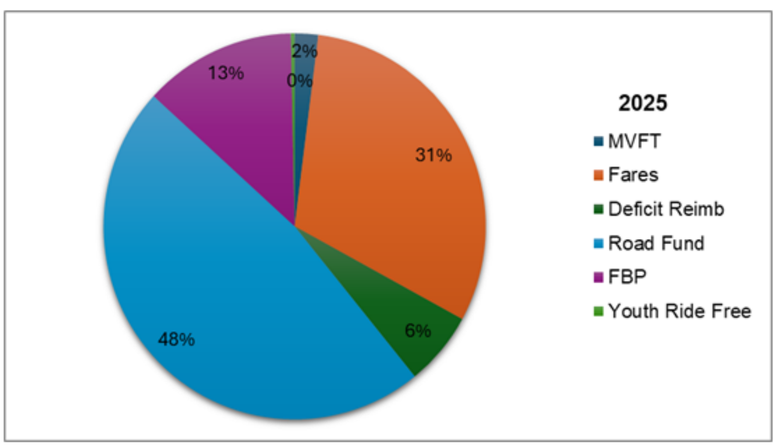


Figure 4 – Revenue by source (2025)



12. Updated Table 6 and added footnotes
    - Updated text and figures to correctly reflect source data used in Table 6.
    - Added new footnotes to clarify methodology and projection assumptions in Table 6.
      Page: [6]

TABLE 6 - Variation between O&M, adjusted O&M, and revenue target									
	2021	2022	2023	2024	2025	2026 Budgeted	2027 Projected[(1)]	2028 Projected[(2)]	2029 Projected[(3)]
Total O&M Exp.	$3,144,332	$2,904,594	$3,672,134	$2,892,256	$4,694,137	$5,220,860	$5,168,230	$5,295,368	$5,454,229
Adjusted O&M Exp.	$2,826,710	$2,319,930	$3,309,507	$2,548,385	$4,295,174	$4,579,425	$4,206,781	$4,332,985	$4,462,974
Revenue Target	$1,386,935	$1,463,031	$1,307,220	$1,307,220	$1,818,971	$2,319,876	$2,524,069	$2,816,440	$2,900,933

[(1)] 2027 Projections

The 2027 totals come directly from the numbers shown in Table 1:

- *The projected expenditures for 2027 are pulled from Table 1 (2027 projected column).*
- *The adjusted O&M expenditures for 2027 also come from Table 1 (5-year average column).*
- *The 2027 revenue target is taken from Table 1 as well (5-year average column).*

[(2)] 2028 Projections

The 2028 numbers build on the 2027 values.

- *First, the 2028 projected expenditures are taken from Table 1.*
- *To estimate the 2028 adjusted O&M expenditures, the 2027 adjusted O&M number is increased by 3%.*
  - *(Although CPI values were available for 2028 and 2029—3.26% and 2.46%—a flat 3% was used for simplicity.)*
- *The 2028 revenue target is then calculated as 65% of the 2028 adjusted O&M expenditures.*

[(3)] 2029 Projections

The 2029 values follow the same step-by-step estimation process used for 2028:

- *The 2029 projected expenditures assume a 3% increase over the 2028 projected expenditures.*
- *The 2029 adjusted O&M expenditures also use a 3% increase, this time applied to the 2028 adjusted O&M expenditures.*
- *The 2029 revenue target is calculated as 65% of the 2028 adjusted O&M expenditures.*
  - *(As with 2028, a flat 3% was used rather than the CPI values of 3.26% and 2.46% for simplicity.)*

13. Updated Table 7 and added footnotes
    - Replaced Table 7.
    - Updated text and figures to correctly reflect source data used in Table 7.
    - Added new footnotes to clarify methodology and projection assumptions in Table 7.
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Table 7: 5-Year Trend of Farebox Revenue Vs. Road Fund Contribution									
	2021	2022	2023	2024	2025	2026 Budgeted	2027 Projected[(1)]	2028 Projected[(2)]	2029 Projected[(3)]
Farebox Revenue	$1,115,037	$1,201,719	$1,250,681	$1,346,019	$1,455,098	$1,900,000	$2,529,428	$2,858,253	$2,944,001
Road Fund Contribution	$1,711,318	$1,118,211	$1,708,086	$ 915,636	$2,235,112	$2,095,355	$1,677,354	$1,474,732	$1,518,973

[(1)] 2027 Projections

- *The projected farebox revenue is the estimated revenue at proposed 2027 fare levels.*
- *The projected road fund contribution is the 2027 adjusted O&M expenditures from Table 6 ($4,206,781), less the 2027 projected farebox revenue.*

[(2)] 2028 Projections

- *The projected farebox revenue assumes a 13% fare increase over 2027 fare levels.*
- *The projected road fund contribution is the 2028 adjusted O&M expenditures from Table 6 ($4,332,985), less the 2028 projected farebox revenue.*

[(3)] 2029 Projections

- *The projected farebox revenue assumes a 3% fare increase over 2027 fare levels.*
- *The projected road fund contribution is the 2028 adjusted O&M expenditures from Table 6 ($4,462,974), less the 2028 projected farebox revenue.*

14. Updated Summary Section to Reference to Source Figures and Narrative Cleanup
    - Updated narrative in first and second paragraphs to correctly reflect source figures from Tables 1, 6, and 7.
    - Deleted last sentence of paragraph.

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    Over the last 5 years (2021 through 2025), O&M expenditures totaled $17,307,453, averaging $3,461,491 annually (see Table 6). The road fund contribution totaled $7,688,363 and averaged $1,537,673 annually (see Table 7).

    With the methodology, set by resolution (using actual expenditures and revenue for 2024 and 2025, the adjusted budget for 2026, and the CPI-adjusted budget for 2027 and 2028), the five-year average of O&M expenditures is $4,206,781 (see Table 1).

15. Update to second paragraph of Recommendations section (page 9 of draft report, page 10 of final report)
    - Achieving this target will require farebox revenue to grow by nearly $1 million by December 31, 2028, a pace that may not be sustainable given current ridership trends and operational challenges.

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16. Timeline Adjustments
    - Updated timeline to reflect milestones that have already passed.

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17. Added Appendix – Revision History

    Pages: [Appendix E]