



Whatcom County Public Works Ferry System Operations Budget

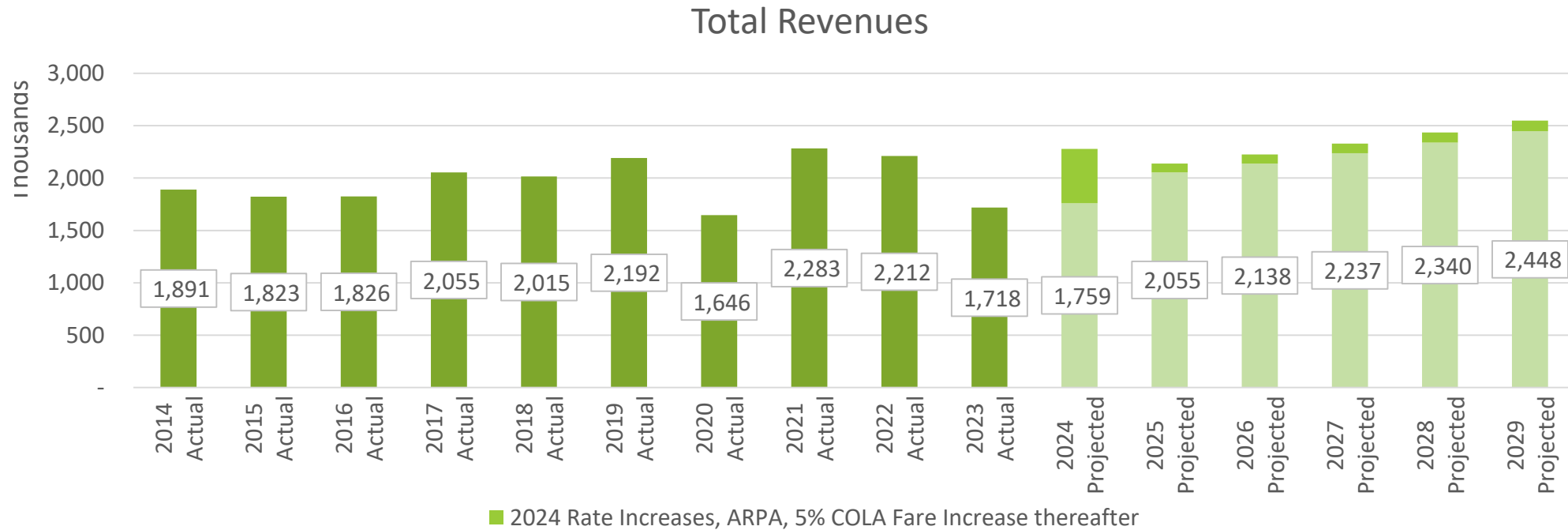
LAURA FROLICH, ASSISTANT PUBLIC WORKS DIRECTOR

WCFAC MEETING SEPTEMBER 25, 2025

Agenda

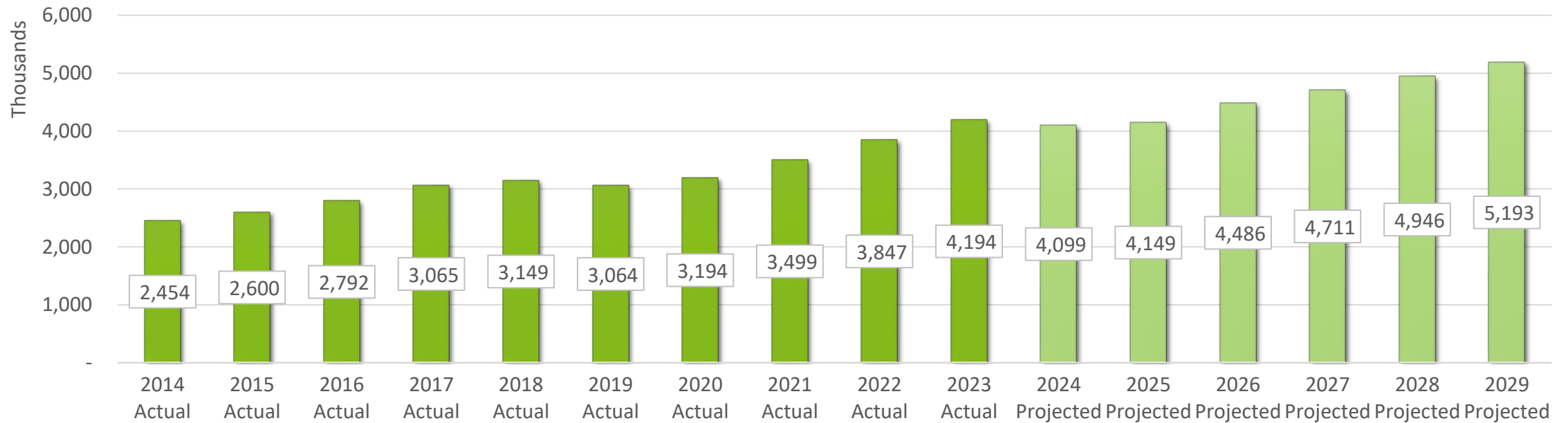
- Budget Projections Overview
- Key fiscal impacts
- Budget Conclusions & Considerations
- Service Reduction Options
- Fare Increase Options
- 2025 Budget Proposal
- Impacts
- Public Works Commitments
- Public Comments

Actual and Projected Revenues

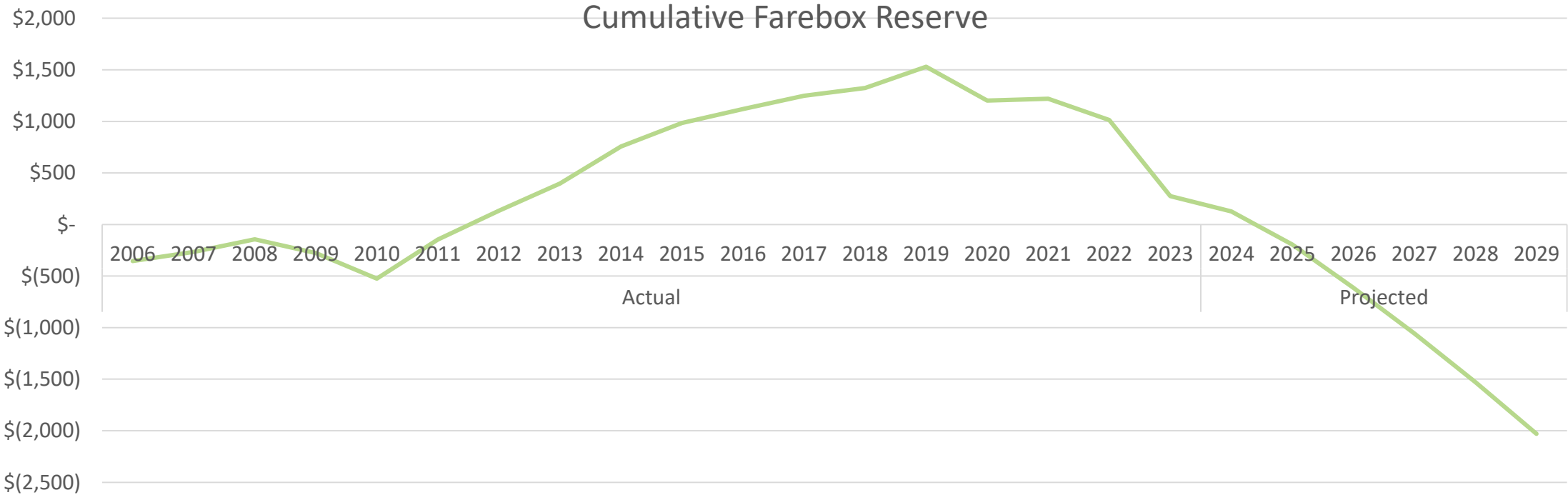


Actual and Projected Expenses

Total Expenditures



Farebox revenue projections



Key Fiscal Impacts- Inflation

- Vessel Operating Costs:
 - Money is required to set aside for vessel repairs and replacement- the ERR Fund rates continue to increase
 - Insurance Rate Hike- In 2023 we paid \$50,000 annual, in 2024 quoted only by one provider- same coverage \$95,000 in 2024
 - long and expensive dry dock in 2024
 - Fuel costs
 - Older vessel has more frequent and costly repairs and maintenance (Boat out of service the other week for the electronic steering not operating properly)
- County wide services costs increases (space, IT, HR, Finance, Facilities, Executive)
- Ridership is decreasing

Budget Conclusions

- ❑ Projected shortfall for farebox recovery in 2025- 2027
- ❑ Costs outside of our control have escalated dramatically since 2020 (i.e. insurance, shipping industry)
- ❑ Fares are predicted to be unable to provide their expected match of anticipated/planned operating expenses for 2025-2027 budget
- ❑ Recent fare increases are not going to be sufficient
- ❑ Road fund is unable to absorb and offset deficient spending

Budgeting Considerations

- Service is operating at a loss
- Increasing prices uniformly is most equitable
- Assisting needs-based customers is important
- Assurances- Farebox monies kept separate –surplus and deficient
- Results of active litigation is uncertain, not factored in

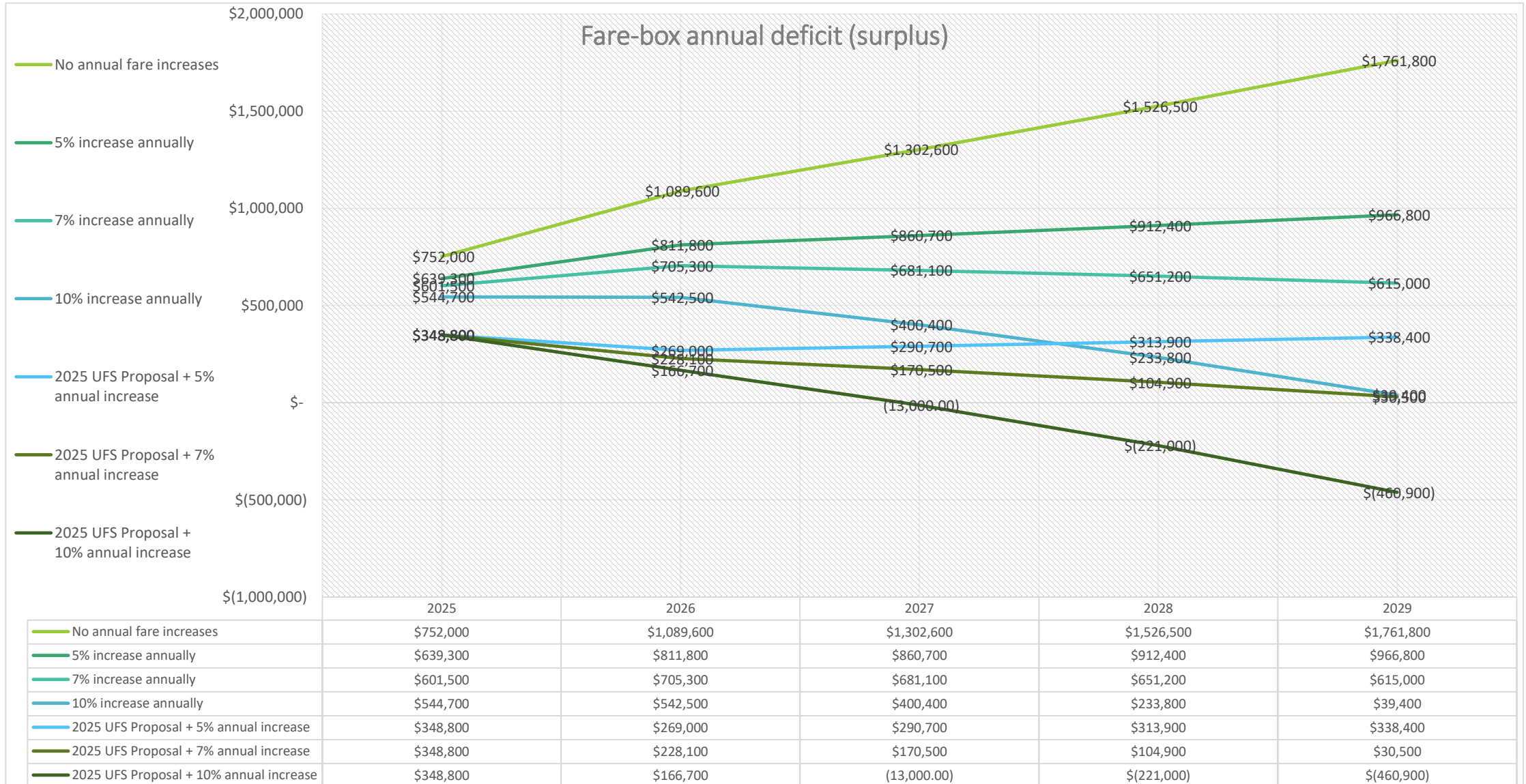
Service Reduction Options

- Striving to maintain quality of service customers are accustomed too
- Service cuts could not be implemented before the next budget cycle
- Service cuts are being evaluated and could be implemented in 2026, to help neutralize future fare increases

Fare Increase Options

- A. No fare changes.
- B. Increase rates by CPI (estimated at 4%) across all customer categories.
- C. Limit multi-rider punch cards to needs based customers only.
- D. Increase Rates by 10% across all customer categories.
- E. Limit multi-rider punch cards to needs based customers only AND Increase rates by consumer price index (estimated at 4%).
- F. Limit multi-rider punch cards to needs based customers only AND increase Rates by 10% across all customer categories.

Fare Box Annual Deficit Projections (\$)



Fiscal Impacts

<u>Rate Options: Impacts on Transportation Costs</u>				
	<u>Options</u>	<u>Rates(single ride with vehicle)</u>	<u>Average Monthly Cost</u>	<u>Average Annual Cost</u>
A	No rate changes	\$12.20	\$244	\$2,928
B	Plus 4%	\$13	\$254	\$3,045
C	Limit punch cards	\$15.00	\$300	\$3,600
D	Plus 10%	\$14.00	\$280	\$3,360
E	Limit punch cards and plus 4%	\$16.00	\$320	\$3,840
F	Limit punch cards and plus 10%	\$17.00	\$340	\$4,080
Average Monthly and Annual Costs are based on a 20 trips per month.				

Proposal for 2025-2027 budget: Option F

F. Limit multi-rider punch cards to needs based customers only
AND increase Rates by 10% across all customer categories.

Impacts

- We recognize that limiting the availability of multi-ride punch cards is a significant shift
- We want to help ease this transition as much as possible.
- We know this change may present challenges, particularly for those who've budgeted around discounts.
- We are proposing this increase to ensure the long-term sustainability of the ferry service.

Public Works Commitments

1. Provide safe, reliable, and accessible ferry service to Lummi Island
2. Operate a fiscally solvent system each year
3. Be open and transparent about our decision-making process

Customer Feedback Options

- Submit written comments to ferry@co.whatcom.wa.us
- Communicate in writing to WCFAC
- Attend a WCFAC meeting
- Provide public comment at a County Council meeting:
 - October 8th, 22nd (Opportunity for public comment)
 - November 6th, 19th
- Contact your Elected Officials