



# SKAGIT COUNTY PUBLIC WORKS DEPARTMENT

1800 Continental Place, Mount Vernon, WA 98273-5625  
(360) 336-9400 FAX (360) 336-9478

## MEMORANDUM

**COPY**

DATE: July 24, 2007  
TO: Board of County Commissioners  
FROM: W. Eugene Sampley, P.E. Director of Public Works  
SUBJECT: Guemes Island Ferry Extended Hours Analysis

The Board of Commissioners established by Resolution # R20060184 a modified departure schedule for the Guemes Island Ferry for a trial period beginning July 1, 2006. The modified departure schedule was for the purpose of establishing a fixed schedule with extending hours of operation Monday through Thursday with an evaluation by the Public Works Department after each phase.

Phase I of the trial period ended June 30, 2007 and the results have been analyzed. Attached is the Skagit County Public Works analysis of the Extended Hours Financial Impact Analysis for the Guemes Island Ferry Operation for year beginning July 1, 2006 ending June 30, 2007. The attached includes the methodology and assumptions required for the financial analysis. As stated therein, the analysis was done on a basis similar to R20040054, the Fare Revenue Target calculation. It should be noted that the Guemes Island Ferry Committee is not in agreement with these results and will likely present its analysis separately.

There have been mixed reactions from users of the Ferry. While some liked the fixed, extended schedule, others prefer the previous on-demand schedule. From an operational perspective, the fixed schedule has worked well for the crew and maintenance requirements. Should the Board of Commissioners decide to make adjustments for Phase II, there are schedule modifications that could benefit the users without adversely affecting these crew and maintenance requirements. These suggested modifications were presented previously for the Board's consideration.

The Department would be pleased to discuss any adjustments the Board may consider. If you have any questions regarding the attached analysis, please let us know.

WES/jjj  
enclosure

Cc: Steve Cox  
Jean Alden



- b. Period Jul 2005 – June 2006                      \$39,681
- i) Cost per sailing has been calculated removing the retro pay that was not part of the time periods being analyzed. The cost per sailing without retro pay has been noted.
  - j) The expenses have been divided into the two classes, vehicles plus driver and passengers by using the percentage of revenue generated by each.
  - k) Using vehicle plus driver and passenger counts similar to revenues, expenses are divided between the two classes giving average costs per class.
  - l) Net Gain (Loss) for each year has been calculated for use in reviewing the financial impact of the extended hours on the entire system.

Step 2 – Using average revenue and expense per sailing/run – calculate the revenue/expenses for the Extended Hours.

The actual count of extended runs is subtracted from the total number of runs for July 2006-June 2007. The number of day runs can be compared with the number of extended runs.

Revenues have been spread to the extended hours by multiplying the number of extended runs by the average revenue per run.

Expenses have been spread to the extended hours by multiplying the number of extended runs by the average cost of each run. This was done due to the fact that the cost of the extended hours would be equal to the cost of the runs regardless of the number of vehicles or passengers aboard.

Net Gain (Loss) is calculated by subtracting expenses from revenue.

**Analysis:**

- a) The money requested from the Road Fund to cover the costs included in the analysis was greater before the extended hours than after the implementation of the extended hours.
- b) The average loss per run is \$41.91.
- c) During 2005-2006 Day Runs = 8,195  
During 2006-2007 Day Runs = 8,051    Extended Runs = 1,043
- d) It should be noted that the ferry haul-out during 2005-2006 lasted from Sept 12<sup>th</sup> through Nov 7<sup>th</sup>. During that period only passengers traveled on the leased ferry. No vehicle traffic was handled. The run and passenger counts quoted in this report reflect the inclusion of these runs and passengers.

# Guemes Island Ferry - Extended Hours Financial Impact Analysis

(using R20040054 methodology)

## Step 1 - Applicable Revenue/Costs - All Hours

Data (Actuals): July 05 - June 06 \*\*

### Revenue Fiscal Year 2005-2006

Ticket Sales	606,126.07
<b>Total Revenue</b>	<b>\$ 606,126.07</b>

Revenue per:	#	Revenue
Sailing	8,195	\$73.96
<b># Detail Revenue Averages:</b>		
Vehicle + driver 79%	165,483	478,839.60
Passenger 21%	214,652	127,286.47
<b>Total Coast Guard Counts</b>	<b>380,135</b>	<b>\$606,126.07</b>

### Expenses Fiscal Year 2005-2006

Crew Wages & Benefits	937,514.70 *
Maint Wages & Benefits	48,106.62
Admin Wages (Dock only)	44,329.08
Maint - Ops Wages & Benefits	68.99
Fuel	104,626.15
Insurance	45,007.38
<b>Total Expenses</b>	<b>1,179,652.92</b>

Expenses per:	#	Costs
Sailing	8,195	\$143.95
w/o Retro Pay		\$137.01
<b>Detail Expense Averages:</b>		
Vehicle + driver 79%	165,483	\$931,925.81
Passenger 21%	214,652	\$247,727.11

**Net Gain (Loss) Fiscal Year 2005-2006**

**(\$573,526.85)**

Data (Actuals): July 06 - June 07

### Revenue Fiscal Year 2006-2007

Ticket Sales	791,027.43
<b>Total Revenue</b>	<b>\$ 791,027.43</b>

Revenue per:	#	Revenue
Sailing	9,094	\$86.98
<b># Detail Revenue Averages:</b>		
Vehicle + driver 80%	199,429	632,821.94
Passenger 20%	223,422	158,205.49
<b>Total Coast Guard Counts</b>	<b>422,851</b>	<b>\$791,027.43</b>

### Expenses Fiscal Year 2006-2007

Crew Wages & Benefits	871,148.44
Maint Wages & Benefits	71,806.88
Admin Wages (Dock only)	40,700.68
Maint - Ops Wages & Benefits	-
Fuel	139,575.00
Insurance	48,893.00
<b>Total Expenses</b>	<b>1,172,124.00</b>

Expenses per:	#	Costs
Sailing	9,094	\$128.89
<b>Detail Expense Averages:</b>		
Vehicle + driver 80%	199,429	\$937,699.20
Passenger 20%	223,422	\$234,424.80

**Net Gain (Loss) Fiscal Year 2006-2007**

**(\$381,096.57)**

\* Note: 2005-2006 Wages includes retro pay for IBU Union for 2003-2006 - \$96,523. Also includes wages paid during haulouts.

Period prior to Jul 2005	56,842
Period Jul 2005 - Jun 2006	39,681

\*\* Rate increase effective on 1/1/2006.

#### # Per Ticket Sales

2005-2006 average revenue % from vehicles + driver = 79%  
2006-2007 average revenue % from vehicles + driver = 80%

#### Assumptions:

- 1) Analysis is based on methodology prescribed by R20040054, however, only ticket sales revenue is used per discussions with the Guemes Island Ferry Committee.
- 2) Expenses are distributed according to the % revenue received by either vehicles or passengers.
- 3) Each passenger and/or vehicle has paid for a round trip passage even though the fare is only paid on the Anacortes side.
- 4) Expenses can not be tracked within the accounting system according to time of day that they occur.
- 5) Revenues & expenses are distributed evenly during the entire operating period.

Reference: All counts for sailings, vehicles, and passengers were obtained from Coast Guard required passenger/vehicle logs.

**Guemes Island Ferry - Extended Hours Financial Impact Analysis**  
 (using R20040054 methodology)

**Step 2 - Applicable Revenue/Costs - All Hours Average  
 Applied to Extended Hours Data  
 July 1, 2006 - June 30, 2007**

Actual Number of Extended Hours Runs/Sailings:	1,043	(a)
Actual Number of Day Runs/Sailings:	8,051 *	(b)
	<u>Total Runs</u>	<u>9,094</u>

% Extended Runs/Total Runs 11.5%

**Revenue^**

	Avg/Unit (all hrs)	# of units	Revenue
# of Runs * Average Revenue	86.98	1,043	<u>90,720.14</u>
Total Revenue Extended Runs:			<u>90,720.14</u>

**Expenses^**

	Avg/Unit (all hrs)	# of units	Revenue
# of Runs * Average Cost	128.89	1,043	<u>134,432.27</u>
Total Expenses Extended Runs:			<u>134,432.27</u>

**Net Gain (Loss) Extended Hours: (\$43,712.13) (c)**

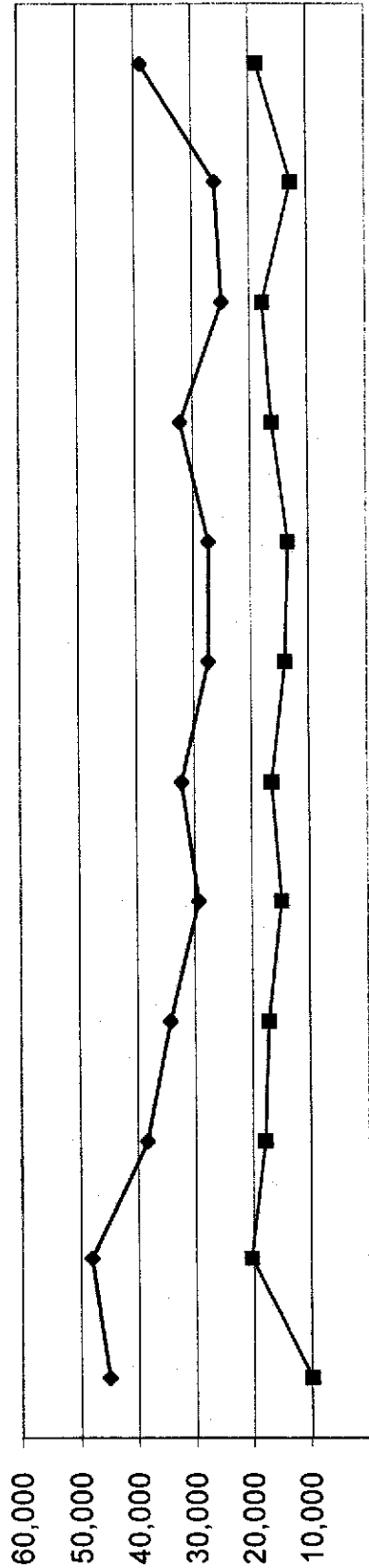
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Net Gain (Loss) per run: (\$41.91) (c) / (a)

\* Note: 2006-2007 daily runs were 144 fewer than in 2005-2006 mainly due to the extended hours, which eliminated the extra runs at the end of the daily schedule..

Reference: All counts for sailings, vehicles, and passengers were obtained from Coast Guard required passenger/vehicle logs.

### ALL HOURS - FISCAL YEAR 2006/2007



	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
—◆— Passengers	45,010	47,966	38,271	34,195	29,194	32,094	27,348	27,220	32,067	24,802	25,957	38,727
—■— Vehicles	9,850	20,292	17,867	17,126	14,870	16,494	14,074	13,511	16,245	17,734	12,738	18,625

### EXTENDED HOURS - FISCAL YEAR 2006/2007

