

Casco Bay Island Transit District – Finance Committee

Vehicle Rate Workshop Topic March 19, 2025

Continuing Discussion from October 1, 2024 Finance Workshop

Workshop Agenda 3/19/25

- Background
 - The need: why are we proposing to increase vehicle rates?
 - The timing: financial overview of Casco Bay Lines, why a sense of urgency?
- Goals
 - Increase revenues for CBL
 - Support islanders and frequent vehicle riders who depend on the ferry
 - Reduce congestion
 - Revise commercial rates to address unfairness
- Proposal
 - Peak season rates
 - Off-peak season rates
 - Discount Vehicle Pass: who is eligible and how it works
 - Large vehicle complexity
- The challenge of vehicles: importance to islanders, complexity
 - Finalize, after input, implement as *pilot*, assess after summer of 2025
 - We will not get everything right
 - Topics for further discussion and input
- Process: next steps and further opportunities for public input

Background

How We Got Here: From 10/1/24 Workshop

- Passed budget with \$4.3 M operating loss (brought neutral through grant revenue). Approval included a requirement to reduce amount of operating loss by ~\$1M through management adjustments via a mix of both **EXPENSE REDUCTION AND REVENUE INCREASE**
 - Expense side: Concerning trend of increased operating loss (even omitting covid years), due to rising expenses
 - Revenue side: Tariff hasn't been changed in 15 years?
- Staff proposals during budget process were not data informed (e.g., were flat % increases) of varying magnitude, which therefore could not be seriously considered
- Updated passenger fare structure in June 2024 following public process, during which need to address vehicle rates was discussed



Note: 2020-2021 excluded due to COVID-19 pandemic impact

How We Got Here: CBL Finances Big Picture

- Where does the money to operate CBL come from?
- Where does the money go?
 - Income from Operations and Expenses/Operations
- Expenses exceed income by millions of \$, resulting in a **deficit**
 - Long ago CBL broke even, borrowed against line of credit to fund deficits during off peak, managed expenses, paid bank back with summer profits
 - Both revenue increases and expense reductions need attention
 - CBL now depends on **government grants** to cover losses
- Board prioritized reducing deficit, risk and urgency have increased

CBL Summary Financials FY 2023 and 2024

	FY2023 Audited	FY 2024 Preliminary
Operating Revenues	\$ 5,905,003	\$ 7,055,128
Expenses	\$ 10,382,249	\$ 9,679,703
Operating Deficit	\$ (4,477,246)	\$ (2,624,575)
Grants operating	\$ 4,293,521	\$ 3,548,892
Grants capital (boats,bldg)	\$ 6,140,147	

CBL Revenues from Operations \$7.1m

FY 2024 (preliminary) P&L

- Scheduled service 84% \$5.9m
 - Passenger fares 48% \$3.4m – new fares 6/1/24
 - Vehicles 21% \$1.5m – now under discussion
 - Freight 13% \$0.9m
- Group sales (charters, cruises etc) 15% \$1.1m
- Passenger fare change 6/2024: single ticket price increase raised revenue, 87% from summer single tickets to Peaks; passes delivered savings to most islanders & frequent riders, including workers
- Vehicle & Freight fares haven't changed in 15+ years

FY 2024 included 4 months of peak season passenger fare change revenue and 90/annual pass revenue deferment change in revenue booking.

Background: Here we are

- CBL relies on Federal grants to fund operating deficits, new administration reducing grants
 - Deficit reduction trajectory positive, now higher priority, may become urgent
 - Finance Committee process: address vehicle fares after passenger fares, refine proposal discussed in 10/1/24 workshop, conduct efficient, public process to insure consideration of islander concerns before need to raise revenues becomes urgent
- Peaks vehicle traffic has increased: no. of vehicles up 8% Q1 2025 vs Q1 24
 - On top of 5% increase in number of vehicles FY 2024 vs FY 2023
 - For visitors, it is cheaper to bring car to Peaks than to park in town
 - Large trucks have increased, current fares based on weight do not charge fairly for number of cars displaced
- Congestion has increased, bringing safety and access concerns
 - Capacity constraints abound -- Portland terminal/queue, space on vessel, Peaks Island, notably Welch/Island Ave queue and boarding area
 - 'Wacky Wednesday' particularly concerning; summer congestion and capacity limitations frequently extend to other days
 - Congestion is interfering with islander need to travel for work, hauling supplies, kids activities, medical--life

Goals of Vehicle Rate Change

4 Goals for Vehicle Rate Change

1. Increase revenue to CBL, noting increased risk to Federal grants to plug operating deficits
 - Present proposal refined to address concerns after 10/1/24 workshop, conduct workshops and gather public feedback to insure robust review and input in time to implement summer 2025
2. Support island affordability and access, year-round, including residents and frequent riders, people who use vehicles for work on Peaks
 - Model of successful passenger fare change implemented 6/1/24
3. Reduce congestion on Peaks and Portland, expanding discount travel times over “wacky Wed”
 - Vehicle capacity on Machigonne (and Battery Steel in future) very limited compared to passengers
 - Currently cheaper to bring a car to Peaks than to park in Portland for 1 day
4. Charge fairly for large commercial vehicles, and trailers/racks that take extra space
 - Urgency of need to reduce deficit and grant funding dependence may require treating large commercial vehicles as 2nd step in order to fairly consider impact
 - Large vehicles provide necessary services to island businesses and islanders

Proposal

Current Rate Structure – Round-Trip Peaks Vehicle Rates

Summarized

CURRENT		
	Off-Peak Season	Peak Season
Auto or Light Truck (<6,000 lbs.) Mon & Tues	\$36.65	\$62.65
Auto or Light Truck (<6,000 lbs.) Thurs-Sun	\$36.65	\$82.65
Auto or Light Truck (<6,000 lbs.) Wed Only	\$36.65	\$36.65

Proposed Structure

PROPOSED			
	REGULAR RATE	Off-Peak Season	Peak Season
	Auto / Light SUN-WED	\$82.65	
	Auto / Light Truck THURS-SAT	\$120.00	
	Auto / Light Truck		\$190.00
	DISCOUNTPASS RATE	Off-Peak Season	Peak Season
	Auto / Light SUN-WED	\$53.50	\$62.65
	Auto / Light Truck THURS-SAT	\$62.65	\$82.65

DiscountPass: Who is eligible and how can it work?

- Concept: supplement to existing passenger pass for islanders and frequent vehicle users
- Who is eligible: All annual & 90-day passenger pass holders
- Annual / 90 day pass holders can buy a DiscountPass supplement to their passenger pass
 - \$100-200 annual/90-day cost for DiscountPass supplement on top of passenger pass
 - DiscountPass holders can purchase vehicle tickets at the DiscountPass price applicable to peak/off-peak season and day of the week
 - Pass with supplement must be presented to purchase discount ticket
 - DiscountPass holder must be in present in vehicle to board the vessel
 - Note: Passenger passes with DiscountPass are not tied to the vehicle but to the person (photo)
- Passenger passes are not tied to residency, the DiscountPass discount will not be tied to residency

We recognize DiscountPass is new and a bit complicated. Propose to implement ***pilot*** for summer 2025.

Goal: Maintain access and affordability for island residents and frequent users, while not discriminating; to raise revenue and reduce congestion.

Vehicle Rate Change: Other

- Four days proposed for the deepest discount, Sun-Wed
 - Options for islanders, should reduce congestion
- Wacky Wed \$36.65 fare will be eliminated, should reduce congestion
- Tickets will need to be valid for the season and day of week of travel. April advance buying prior to peak season rates will no longer be available.
- Other reduced fares to be discussed include handicapped and Loyetta Voyeur Fund
- Large vehicle rates/commercial particularly complex to address fairly
- Motorcycles

We recognize DiscountPass is new and a bit complicated. Propose to implement ***pilot*** for summer 2025.

Goal: Maintain access and affordability for island residents and frequent users, while not discriminating; to raise revenue and reduce congestion.

What about large vehicles?

- Current fares charge commercial based on weight, without considering size, up to max \$345
 - Inflation adjusted max would be \$508
- Trucks up to 21' with commercial plates can be same rate as those with non-comm plates
 - Standard size, fare depending on whether driver has DiscountPass or not
- Fares for vehicles > 21' need further development
 - Concept to base fare on size, number of standard vehicle spaces occupied
 - Example: 40' long truck, that is wide, might take up 4 spaces, would pay $4 \times \$190 = \760 under that idea
 - Offer DiscountPass? What about Peaks based business transporting supplies in large trucks they don't own?
- Vehicle + trailer, bike rack, other extensions
 - Vehicle up to 21' long, standard price (may be eligible for discount)
 - Trailer based on size, if 10' trailer then 50% of \$190 or discount price?
- RVs, airstreams, construction equipment
- For further discussion: applicability of discount and max fare for oversize vehicles, trailers

4 Goals for Vehicle Rate Change

1. Increase revenue to CBL, noting increased risk to Federal grants to plug operating deficits
 - Estimated increase \$500k on annual basis before commercial, + \$230k commercial increase
2. Support island affordability and access, year-round, including residents, frequent vehicle users
 - DiscountPass offers meaningful discount, carries current peak rates forward except for wacky Wed
3. Reduce congestion on Peaks and Portland, expanding discount travel times over “wacky Wed”
 - Expansion of discount days to 4 will improve Wed, will not completely eliminate congestion
 - Increase in non-discounted peak rates likely to reduce car travel, somewhat
4. Charge fairly for large commercial vehicles, and trailers/racks that take extra space
 - Large vehicles are complex, include RVs, buses, boats as well as trucks used for island businesses
 - Urgency of need to reduce deficit and grant funding dependence may require treating large commercial vehicles as 2nd step; fairness requires commercial rates be addressed
 - Consider inflation adjustment to maximum fare

Next Steps

- Public input and feedback are critical part of committee and board consideration of proposal
- Information: Dedicated page on CBL website created -- [Finance Committee - Rate Change - Casco Bay Lines](#)
- Next Steps: Set another public workshop.
 - Date: Wed 4/2, 7:45am in terminal and online
 - Provide further information regarding proposal, any considered revisions, and opportunity for further committee discussion and public input
- Written comments may be submitted to: ratechange@cascobaylines.com, with Finance Committee chair copied jeanh@cascobaylines.com

Key Inputs & Comparables:

From October 1, 2024 Finance Committee Workshop

Current Rate Structure – Round-Trip Peaks Vehicle Rates *summarized*

Last Increase: ~15 years ago

CURRENT – Non-Commercial Vehicle			CURRENT – Commercial Vehicles by Registered GVW (gross vehicle weight)		
	Off-Peak Season	Peak Season		Off-Peak Season	Peak Season
Auto or Light Truck (<6,000 lbs.) Mon & Tues	\$36.65	\$62.65	<6,000 lbs.	\$44.65	\$85.45
Auto or Light Truck (<6,000 lbs.) Thurs-Sun	\$36.65	\$82.65	6,000 – 10,999 lbs.	\$47.65	\$87.90
Auto or Light Truck (<6,000 lbs.) Wed Only	\$36.65	\$36.65	11,000 – 19,999 lbs.	\$52.65	\$95.15
Handicapped Plates Mon & Tues	\$36.65	\$52.65	20,000 – 29,999 lbs.	\$62.65	\$109.65
Handicapped Plates Thurs-Sun	\$36.65	\$72.65	30,000 – 39,999 lbs.	\$74.65	\$129.40
			40,000 – 49,999 lbs.	\$87.65	\$159.65
			50,000 – 59,999 lbs.	\$108.65	\$176.65
			over 60,000 lbs.	\$134.65	\$196.65
Note: Maximum charge per vehicle including freight: \$345.00					

Current Tariff Structure vs. Inflation – Round-Trip Peaks Vehicle Rates

Summarized

CURRENT			CURRENT STRUCTURE – INFLATION ADJUSTED		
	Off-Peak Season	Peak Season		Off-Peak Season	Peak Season
Auto or Light Truck (<6,000 lbs.) Mon & Tues	\$36.65	\$62.65	Auto or Light Truck (<6,000 lbs.) Mon & Tues	\$53.51	\$91.47
Auto or Light Truck (<6,000 lbs.) Thurs-Sun	\$36.65	\$82.65	Auto or Light Truck (<6,000 lbs.) Thurs-Sun	\$53.51	\$120.67
Auto or Light Truck (<6,000 lbs.) Wed Only	\$36.65	\$36.65	Auto or Light Truck (<6,000 lbs.) Wed Only	\$53.51	\$53.51
Handicapped Plates Mon & Tues	\$36.65	\$52.65	Handicapped Plates Mon & Tues	\$53.51	\$76.87
Handicapped Plates Thurs-Sun	\$36.65	\$72.65	Handicapped Plates Thurs-Sun	\$53.51	\$106.07

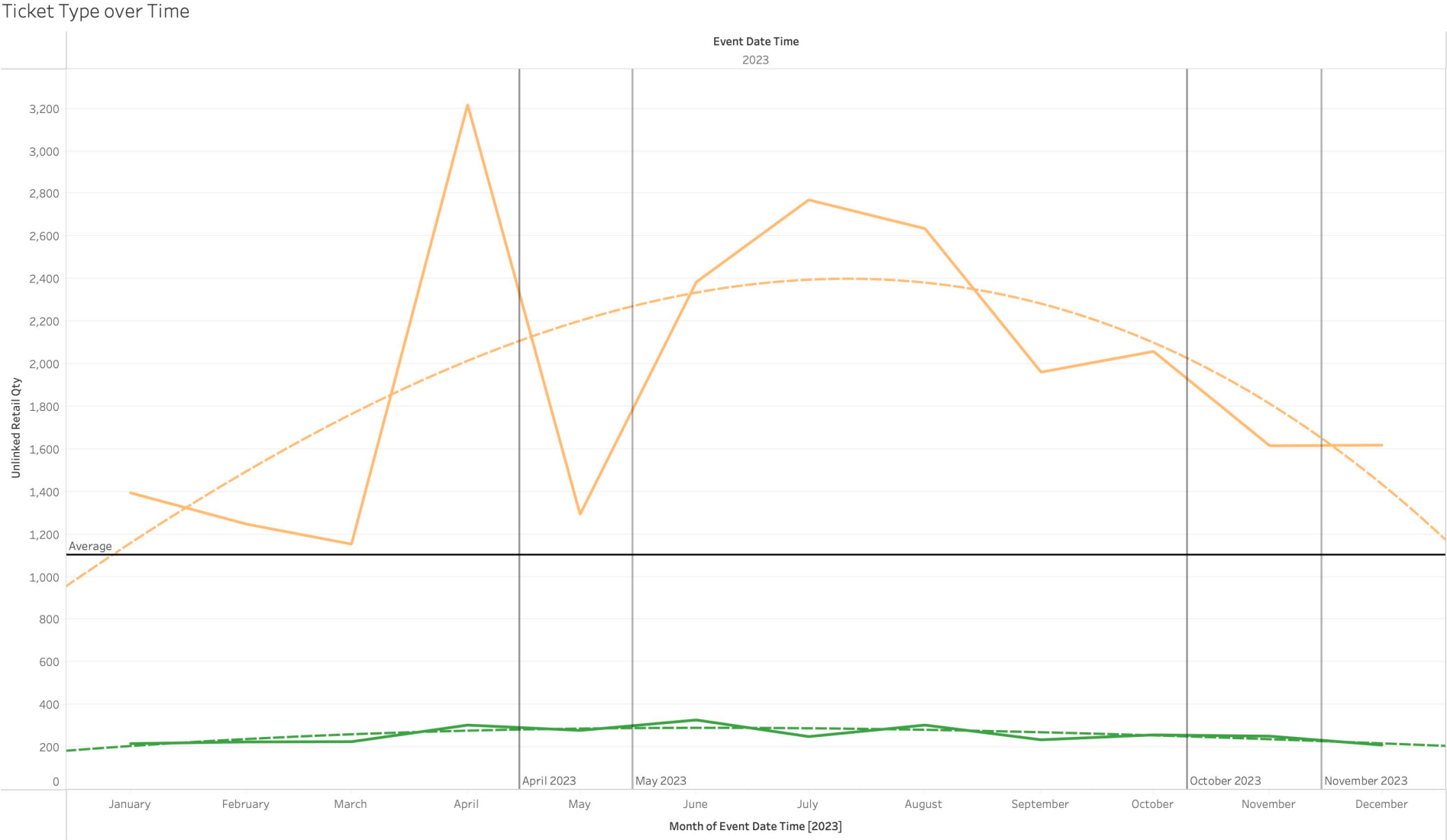
Current Tariff Structure Commercial vs. Inflation – Round-Trip Peaks Vehicle Rates *Summarized*

CURRENT – Commercial Vehicles by Registered GVW (gross vehicle weight)			CURRENT STRUCTURE – INFLATION ADJUSTED		
	Off-Peak Season	Peak Season		Off-Peak Season	Peak Season
<6,000 lbs.	\$44.65	\$85.45	<6,000 lbs.	\$65.19	\$124.76
6,000 – 10,999 lbs.	\$47.65	\$87.90	6,000 – 10,999 lbs.	\$69.57	\$128.33
11,000 – 19,999 lbs.	\$52.65	\$95.15	11,000 – 19,999 lbs.	\$76.87	\$138.92
20,000 – 29,999 lbs.	\$62.65	\$109.65	20,000 – 29,999 lbs.	\$91.47	\$160.09
30,000 – 39,999 lbs.	\$74.65	\$129.40	30,000 – 39,999 lbs.	\$108.99	\$188.92
40,000 – 49,999 lbs.	\$87.65	\$159.65	40,000 – 49,999 lbs.	\$127.97	\$233.09
50,000 – 59,999 lbs.	\$108.65	\$176.65	50,000 – 59,999 lbs.	\$158.63	\$257.91
over 60,000 lbs.	\$134.65	\$196.65	over 60,000 lbs.	\$196.59	\$287.11

Maximum charge per vehicle including freight: \$345.00

Inflation adjusted maximum \$508

Seasonality – Vehicle Tariff: Note April Spike



Key Inputs & Comparables:

Comparable Pricing

Market Analysis

- Researched rates for other ferry systems
- Much more variance and complexity in vehicle rate structures for other ferries, relative to passenger rates
- Selected rates for comparables :
 - Chebeague Island ferry
 - \$230 R/T <20'
 - \$410 R/T 20-25'
 - \$580 > 25'
 - >65,000 lbs \$650
 - Maine State Ferry: \$38-108, peak season, based on island, large vehicles by foot
 - Steamship authority: \$170 R/T - \$436 - for up to 20' vehicle, both different off peak months
 - Offers different residential types of discount

Portland Parking Costs

CBL Garage (daily rate): \$25 in 2009;
\$50 in 2024

Other lot / garage rates: \$20-55

Garage	Hourly Rate	Max Daily Rate	Monthly Rate
Casco Bay Garage	\$5.00	\$50.00	\$200
Cumberland Co Courthouse Garage	\$4.00		\$160
Custom House Square	\$5.00	\$50.00	\$195
Elm Street Garage	\$3.00	\$28.00	\$160
Fore Street Garage	\$7.00		\$210
Ocean Gateway Garage	\$8.00		\$200
One City Center Garage	\$5.00		\$180
Spring Street Garage	\$4.00	\$28.00	\$160
Temple Street Garage	\$5.00	\$50.00	\$195
110 Thames St	\$7.50	\$40.00	\$180
WEX /Roux Garage 100 Fore St	\$5.00		