

CASCO BAY ISLAND TRANSIT DISTRICT

2026 Proposed Passenger Rate Adjustments

Finance Committee Workshop #3 · April 13, 2026

WHY WE ARE PROPOSING RATE ADJUSTMENTS

Commitment

When the Finance Committee recommended the June 2024 fare restructuring to the Board, it made a commitment to the community: establish regular fare review cycles with measured, incremental adjustments — rather than extended gaps that force larger corrections.

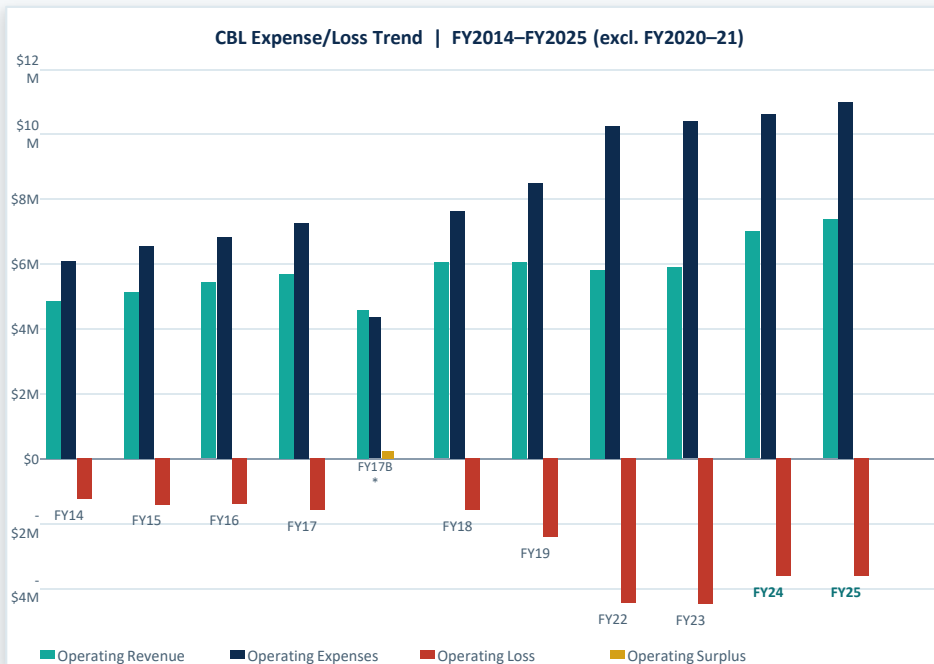
Reduce Operating Deficit

The proposed passenger rate adjustments reduce the operating deficit by roughly 20%. These proposed adjustments, along with continued cost reduction efforts (schedule optimization, fuel reduction initiatives, etc.), also help against rising operating costs.

Statutory Obligation

35-A M.R.S. §5101-A requires the Board to balance affordability for year-round island residents with the financial viability of the District — to minimize the potential need for governmental operating subsidies.

OPERATING DEFICIT: CONTEXT & BACKGROUND



*FY17B: 6-month stub year resulting from fiscal year transition (March 31 → September 30). FY20–21 excluded (COVID-19 impact).
Source: CBITD audited financial statements.

~\$3.6M

FY2025 Operating Loss
Revenue grew +\$373K; expenses kept pace
Deficit held essentially flat vs. FY2024

~\$2.8M

FY2026 Operating Loss
Projected based on Approved Budget
(incl. ~\$460K of new passenger fare revenue)

Federal Grant Reliance

Grants have historically offset operating losses. Commitments are secured through FY2026 — but evolving federal priorities make revenue self-sufficiency an urgent long-term priority. Enabling legislation requires us to ***“attempt to minimize the potential need for governmental operating subsidies for the operations maintained by the district.”***

SINGLE-TICKET PURCHASERS: UNDERSTANDING THE REVENUE OPPORTUNITY

Who buys single tickets during peak season?

Seasonal Visitors & Day-Trippers

Most peak-season single-ticket Purchasers are seasonal visitors & day-trippers. These riders visit infrequently, making a pass product impractical. This group represents the primary revenue opportunity within the system.

Infrequent Year-Round Residents

A smaller share of single-ticket buyers are year-round residents, and their family and friends, who ride the ferry infrequently enough that a pass does not offer meaningful savings for their usage pattern. However, their infrequency of use means a lower annual financial burden compared to their island neighbors.

~85%

Of Islanders have active passes
Passes are reaching their intended audience

Why This Structure Works

The low breakeven point for the annual, 90 and 30-day passes give riders of various travel patterns a strong incentive to buy a pass. The single-ticket pool is left predominantly to those for whom a pass is genuinely not the right fit. Rate increases on single tickets therefore fall primarily on infrequent visitors, not on islanders.

Single-Ticket Rates in Regional Context

The proposed adjustments to single-ticket rates bring CBL more in line with similar ferry services — including the Maine State Ferry Service and Chebeague Transportation Company (CTC), where peak and off-peak single-trip fares remain higher than CBL's proposed rates.

2026 PROPOSED RATE CHANGES

Fare / Pass Type	Current	New	Change	% Change
ANNUAL PASSES				
Adult	\$432.00	\$435.00	+\$3.00	+0.7%
Half-Fare	\$216.00	\$217.50	+\$1.50	+0.7%
30-DAY PASSES				
Adult Peak	\$48.00	\$51.00	+\$3.00	+6.3%
Adult Off-Peak	\$32.00	\$33.50	+\$1.50	+4.7%
90-DAY PASSES (Down Bay / Peaks Island)				
Adult Peak (Down Bay)	\$144.00	\$153.00	+\$9.00	+6.3%
Adult Peak (Peaks Island)	\$194.00	\$203.00	+\$9.00	+4.6%
SINGLE TICKETS (Round Trip)				
Adult Peak	\$14.00	\$17.00	+\$3.00	+21.4%
Adult Off-Peak	\$7.20	\$8.00	+\$0.80	+11.1%

PROTECTING YEAR-ROUND AFFORDABILITY

Flexibility allows users to choose the best option for their needs.

Annual Pass · +0.7%

+\$3.00 / year

\$435 total

~\$2.09 / day (avg)

The smallest increase of any fare category. Annual passholders — the ferry's most dependent daily riders — see less than one cent per day in added cost.

90-Day Pass · +3.1% to +6.3%

Simplified: Down Bay &
Peaks Island

\$153 peak / \$100.50 off-
peak +\$50 for Peaks Island

Now easier to choose the
right pass

Two clear pass categories replace the previous confusing structure. Riders can easily identify which pass fits their island and travel pattern. Peaks Island 90 pass includes access to reduced vehicle rates.

30-Day Pass · +4.7% to +6.3%

3–4 trips to break even

\$51.00 peak / \$33.50 off-
peak

vs. \$17.00 single ticket

The breakeven point for a 30-day pass is just 3 to 4 round trips — meaning any resident who rides more than a few times in a month is better off with a pass.

Single Tickets · +11% to +21%

\$17.00 peak round-trip

\$8.00 off-peak round-trip

Primarily used by visitors

Single tickets are used predominantly by visitors and occasional travelers.

HOW CBL RATES COMPARE TO REGIONAL FERRY SYSTEMS

CBL's proposed 2026 rates are comparable to — or lower than — other Maine and regional ferry operators.

Operator / Route	Dist.	Peak RT	Off-Peak RT	Notes
CBL — All Islands (proposed 2026)	2.5–10 mi	\$17.00	\$8.00	Annual pass: \$435 — ~\$2.09/trip (4 trips/week)
ME State Ferry — Lincolnville–Islesboro	3 mi	\$17.00	\$10.25	Commuter pass: \$68 peak / \$41 off-peak (5 trips, 14-day expiry) — \$13.60 or \$8.20/RT
ME State Ferry — Rockland–Vinalhaven / N. Haven, Bass Harbor — Swans Island	6-12 mi	\$23.00	\$15.75	Commuter pass: \$92 peak / \$63 off-peak (5 trips, 14-day expiry) — \$18.40 or \$12.60/RT
Chebeague Transportation Co. (CTC) — Cousins Is.	1.5 mi	\$21.00	\$19.00	“10-Ride Pass”: \$67 or \$13.40 round trip.

Note on ME State Ferry Commuter Pass: MSFS offers a commuter pass of 5 trips for the price of 4 (\$92 peak / \$63 off-peak), yielding **\$18.40/RT peak and \$12.60/RT off-peak**. Passes are non-transferable, limited to one round trip per day, and expire 14 days after purchase — significantly less flexible than CBL's annual pass at \$2.09/RT with no expiry or quick breakeven point on 30-day and 90-day passes.

Note on CTC's “10-Ride Pass”: CTC sells a \$67 punch card sometimes cited as more affordable than CBL. However, each card covers 10 one-way trips — providing only **5 round trips at \$13.40/RT**. CBL's proposed off-peak single ticket (\$8.00 RT) is 40% less expensive per round trip than the CTC's 10-Ride Pass — all on routes up to 10x longer than CTC's 1.5-mile crossing.

Source: Publicly available fare information as of early 2026 confirmed via phone call 3/17/2026 with agent at MSFS Swans Island Terminal and agent at CTC. Rates subject to change.

ORIGINAL PROPOSED CONCEPT: FRIENDS & FAMILY DISCOUNT

★ How It Works

- Annual passholders may purchase up to 12 peak-season passenger tickets per year at off-peak rates
- Off-peak rate of \$8.00 vs. peak rate of \$17.00 — approximately 50% savings per ticket
- Tickets can be used by family members or friends visiting the island
- All 12 tickets must be purchased in a single transaction
- Tickets cannot be resold (reimbursement from friends and family is ok)

Community-Driven

Islanders frequently told us the pass system left a gap for family and friends who visit regularly but not often enough to justify their own pass.

Maximum Annual Value

Up to 12 tickets × \$9.00 savings =

\$108 in annual savings

~\$78,700

Est. Cost of F&F Program

ANNUAL PASS VALUE ANALYSIS · APPENDIX A

Dollar savings (+) or additional cost (–) of purchasing an Annual Pass vs. paying single-ticket rates · Pass: \$435 · Peak RT: \$17.00 · Off-Peak RT: \$8.00

Pk↓ / Op →	0	2	4	6	8	10	12	14	16	18	20	22	24	26	28	30
0	-\$435	-\$419	-\$403	-\$387	-\$371	-\$355	-\$339	-\$323	-\$307	-\$291	-\$275	-\$259	-\$243	-\$227	-\$211	-\$195
2	-\$401	-\$385	-\$369	-\$353	-\$337	-\$321	-\$305	-\$289	-\$273	-\$257	-\$241	-\$225	-\$209	-\$193	-\$177	-\$161
4	-\$367	-\$351	-\$335	-\$319	-\$303	-\$287	-\$271	-\$255	-\$239	-\$223	-\$207	-\$191	-\$175	-\$159	-\$143	-\$127
6	-\$333	-\$317	-\$301	-\$285	-\$269	-\$253	-\$237	-\$221	-\$205	-\$189	-\$173	-\$157	-\$141	-\$125	-\$109	-\$93
8	-\$299	-\$283	-\$267	-\$251	-\$235	-\$219	-\$203	-\$187	-\$171	-\$155	-\$139	-\$123	-\$107	-\$91	-\$75	-\$59
10	-\$265	-\$249	-\$233	-\$217	-\$201	-\$185	-\$169	-\$153	-\$137	-\$121	-\$105	-\$89	-\$73	-\$57	-\$41	-\$25
12	-\$231	-\$215	-\$199	-\$183	-\$167	-\$151	-\$135	-\$119	-\$103	-\$87	-\$71	-\$55	-\$39	-\$23	-\$7	+\$9
14	-\$197	-\$181	-\$165	-\$149	-\$133	-\$117	-\$101	-\$85	-\$69	-\$53	-\$37	-\$21	-\$5	+\$11	+\$27	+\$43
16	-\$163	-\$147	-\$131	-\$115	-\$99	-\$83	-\$67	-\$51	-\$35	-\$19	-\$3	+\$13	+\$29	+\$45	+\$61	+\$77
18	-\$129	-\$113	-\$97	-\$81	-\$65	-\$49	-\$33	-\$17	-\$1	+\$15	+\$31	+\$47	+\$63	+\$79	+\$95	+\$111
20	-\$95	-\$79	-\$63	-\$47	-\$31	-\$15	+\$1	+\$17	+\$33	+\$49	+\$65	+\$81	+\$97	+\$113	+\$129	+\$145
22	-\$61	-\$45	-\$29	-\$13	+\$3	+\$19	+\$35	+\$51	+\$67	+\$83	+\$99	+\$115	+\$131	+\$147	+\$163	+\$179
24	-\$27	-\$11	+\$5	+\$21	+\$37	+\$53	+\$69	+\$85	+\$101	+\$117	+\$133	+\$149	+\$165	+\$181	+\$197	+\$213
26	+\$7	+\$23	+\$39	+\$55	+\$71	+\$87	+\$103	+\$119	+\$135	+\$151	+\$167	+\$183	+\$199	+\$215	+\$231	+\$247
28	+\$41	+\$57	+\$73	+\$89	+\$105	+\$121	+\$137	+\$153	+\$169	+\$185	+\$201	+\$217	+\$233	+\$249	+\$265	+\$281
30	+\$75	+\$91	+\$107	+\$123	+\$139	+\$155	+\$171	+\$187	+\$203	+\$219	+\$235	+\$251	+\$267	+\$283	+\$299	+\$315

PROJECTED REVENUE IMPACT

\$3.65M

Historical Annual
Passenger Revenue
(FY 2025)

+\$638K

Projected Gross
Revenue Increase
(+17.3%)

+\$559K

Projected
Revenue Increase
after F&F concession (+15.2%)

Revenue Metric	Amount
Historical Annual Passenger Revenue (2024–2025)	\$3,685,422
Projected Gross Revenue Increase	~\$638,000 (+17.3%)
Friends & Family Revenue Concession (12 tickets, max utilization)*	(~\$78,700)
Projected Net Revenue Increase	~\$559,300 (+15.2%)

**Assumes maximum utilization: 995 annual passholders each using all 12 Friends & Family tickets blended across full price and half-price fares. Actual concession depends on utilization and pass mix.*

PRICE ELASTICITY & REVENUE SENSITIVITY

Even under a conservative elasticity assumption, proposed rates generate substantial net new revenue.

Conservative Elasticity Model

Assumes 0.8% ridership decline per \$1 increase
to single ticket prices

\$456K

Projected net revenue increase (12.4% increase)

Baseline Projection

Assumes flat ridership at current levels
with proposed rate changes applied

\$559K

Projected net revenue increase

Observed Elasticity — June 2024 Rate Change: When the Peaks Island single ticket increased from \$7.70 to \$14.00 (+82%), overall system ridership declined only ~0.1%.

Revenue projections based on 2024–2025 historical passenger revenue baseline of \$4.15M. Conservative elasticity model applied to single ticket categories only; pass revenue assumed flat.

PROPOSED RATE OPTIONS FOR BOARD CONSIDERATION

Board approved revenue target: \$460,700 | Net revenue includes -0.8% single ticket price elasticity | Both options share identical pass structures

OPTION A

\$3 single ticket increase + 12 Friends & Family Tickets

2026 NET REVENUE

\$456K

≈ On Target

2027 NET REVENUE

\$456K

Same rates · F&F continues

2-YEAR CUMULATIVE **\$912K**

- Single tickets: \$17 peak / \$8 off-peak (+21.4%)
- Annual pass: \$435 (+0.7%)
- 12 F&F tickets per passholder at off-peak rate
- ~\$79K F&F revenue concession (max utilization)

OPTION B

No F&F · \$2 ticket increase in 2026, +\$1 in June 2027

2026 NET REVENUE

\$395K

~\$65K below target

2027 NET REVENUE

\$535K

+\$79K above Option A

2-YEAR CUMULATIVE **\$930K** +\$18K vs Option A

- Annual pass: \$435 (+0.7%) — same as Option A
- No Friends & Family program — simpler to administer
- No revenue concession in either year

PHASED SINGLE TICKET PRICING

2026

\$16 peak / \$8 off-peak (+\$2, +14.3%)

2027 (June)

\$17 peak (+\$1 additional, no F&F offset)

NOTE

Selecting Option B would effectively commit the District to an additional \$1 single ticket increase in June 2027 — barring unforeseen circumstances — bringing peak rates to parity with Option A one year later.

WHAT HAPPENS NEXT

01

Today's Finance Committee Workshop

Today's session — April 13th, 2026. Review, discussion, and community input. These proposed rates are not final.

Previous Meetings:

- March 18, 2026 (Workshop #2 Proposed Rates)
- March 11, 2026 (Workshop #1 Proposed Rates)
- February 11, 2026 (Ridership Data Introduced)

03

Board Deliberation & Vote

Full Board considers the Finance Committee's recommendation and votes on final rate adoption at the April 23th, 2026, public hearing.

02

Next Step

Finance Committee Meeting vote on whether to recommend a proposed rate change to the board for consideration.

04

Implementation

Any approved rate changes take effect on target date of June 19 following public notification process. Rates will be subject to proper public notice and acceptance by the Public Utilities Commission. Complete rate sheets will be published at cascobaylines.com.