

Casco Bay Island Transit District – March Finance Committee Meeting

Tariff Proposal Workshop Topic

March 13, 2024

(updated following committee discussion)

Intro:

How We Got Here

- 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
- 6 months into the FY and the committee has not received a proposal from staff to consider; therefore, the committee has initiated direct action on the topic



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

Where Do We Go From Here

- This is the first workshop to discuss the framework and preliminary proposal
- A report from this meeting will be discussed at Board of Director's meeting on March 28th
 - Note: There is a placeholder on the agenda for any potential motion for consideration and action by the board
- Currently plan for a second workshop at the April finance committee meeting
- At the conclusion of the April finance committee meeting, the Finance Committee intends to make a recommendation to the Board for consideration and action at the April Board meeting
 - This Board meeting will likely serve as an official public hearing related to rate changes¹
- Any proposal, if passed by the Board, requires submission and review by the Maine Public Utilities Commission
 - Any proposed effective date would be set no less than 30 days after the approval by the Board²
- Public participation and comment is welcome and encouraged at all meetings and workshops. Written comments may also be shared via email to ratechange@cascobaylines.com with Jen Lavanture (jenniferl@cascobaylines.com) and/or your local director on copy.

¹ The District shall hold at least one public hearing prior to filing for changes to its rates or tolls. The District shall provide notice of this hearing at least 14 days prior to the date when the hearing is to be held by posting such notice in a conspicuous location at the mainland ferry terminal and on each of the vessels used by the District.

² The Casco Bay Island Transit District shall give notice to the public of any change to its rates and tolls at least 30 days in advance of the effective date of the changes.

The notice must be published at least twice in the Portland Press Herald or a similar newspaper of general daily circulation that is distributed in Cumberland County.

The notice must be placed in conspicuous locations on each of the vessels used by the District and in the mainland terminal.

The notice shall describe any planned change in CBITD's rates or tolls, the proposed effective date, and how fifty or more ratepayers can request, in writing, that the Commission investigate the change in rates or tolls.

The District shall include in its filing with the Commission for a change in rates and tolls, a copy of the notices provided and an affidavit indicating where the notices appeared.

Diving In:

Scope and Key Assumptions:

Focus of today's workshop discussion:

- Passenger tickets

What we're not doing at this meeting:

- Cruises (recommend to consider for April workshop)
- Individual bike tickets / bike ticket books & dog tickets (may be considered for April workshop)
- Vehicles
- Freight

Key Assumptions:

- Not possible to have residential tiered pricing, based on past guidance provided to the board
- Will maintain a peak/off-peak pricing structure that cycles in April and Oct
- Same eligibility criteria for half price tickets apply
- Children pricing structure (free under 5, half price for 5-13)
- Domestic animal pricing policy (note: tariff rate for animal tickets may be subject of future committee discussion)

Current Tariff Structure

Summarized

CURRENT								
	PEAK SEASON	Great						
		Peaks Island	Little Diamond	Great Island	Diamond Cove	Long Island	Chebeague	Cliff Island
FULL PRICE		\$7.70	\$8.20	\$9.55	\$10.70	\$10.70	\$11.05	\$11.55
HALF PRICE		\$3.85	\$4.10	\$4.75	\$5.35	\$5.35	\$5.50	\$5.75
COMMUTER		\$23.95	\$26.35	\$31.35	\$32.40	\$32.40	\$35.90	\$38.20
MONTHLY		\$82.50	\$88.00	\$106.75	\$111.90	\$111.90	\$124.85	\$125.15
ANNUAL		\$906.95	\$968.00	\$1,174.25	\$1,231.00	\$1,231.00	\$1,263.35	\$1,376.65
	OFF SEASON	Great						
		Peaks Island	Little Diamond	Great Island	Diamond Cove	Long Island	Chebeague	Cliff Island
FULL PRICE		\$4.10	\$5.20	\$6.15	\$6.95	\$6.95	\$6.75	\$7.45
HALF PRICE		\$2.00	\$2.60	\$3.10	\$3.45	\$3.45	\$3.35	\$3.70
COMMUTER		\$16.00	\$19.35	\$23.35	\$24.65	\$24.65	\$23.75	\$26.35
MONTHLY		\$82.45	\$88.00	\$106.75	\$111.90	\$111.90	\$124.85	\$125.15
ANNUAL		\$906.95	\$968.00	\$1,174.25	\$1,231.00	\$1,231.00	\$1,263.35	\$1,376.65

Proposed Structure for Committee Deliberation

DRAFT – FOR INITIAL WORKSHOP AT 03/13 FINANCE COMMITTEE MEETING

PROPOSED - FLAT FARE ALL ISLANDS

	PEAK SEASON	Flat Fare: All Islands
	FULL PRICE	\$14.00
	HALF PRICE	\$7.00
	MONTHLY	\$48.00
*New	HALF PRICE MONTHLY	\$24.00

	OFF SEASON	Flat Fare: All Islands
	FULL PRICE	\$7.20
	HALF PRICE	\$3.60
	MONTHLY	\$32.00
*New	HALF PRICE MONTHLY	\$16.00

	ANNUAL	Flat Fare : All Islands
	ANNUAL	\$432.00
*New	HALF PRICE ANNUAL	\$216.00

Proposed Structure for Committee Deliberation Island by Island Comparison vs. Current

DRAFT – FOR INITIAL WORKSHOP AT 03/13 FINANCE COMMITTEE MEETING

PEAKS ISLAND				
PEAK SEASON	Current Tariff	Proposed	% Change	% Change vs. Inflation
FULL PRICE	\$7.70	\$14.00	▲ 82%	▲ 25%
HALF PRICE	\$3.85	\$7.00	▲ 82%	▲ 25%
COMMUTER	\$23.95	NA	NA	NA
MONTHLY	\$82.50	\$48.00	▼ -42%	▼ -60%
HALF PRICE MONTHLY	NA	\$24.00	NA	NA
OFF SEASON				
FULL PRICE	\$4.10	\$7.20	▲ 76%	▲ 21%
HALF PRICE	\$2.00	\$3.60	▲ 80%	▲ 24%
COMMUTER	\$16.00	NA	NA	NA
MONTHLY	\$82.45	\$32.00	▼ -61%	▼ -73%
HALF PRICE MONTHLY	NA	\$16.00	NA	NA
ANNUAL				
ANNUAL	\$906.95	\$432.00	▼ -52%	▼ -67%
HALF PRICE ANNUAL	NA	\$216.00	NA	NA

Proposed Structure for Committee Deliberation Island by Island Comparison vs. Current

DRAFT – FOR INITIAL WORKSHOP AT 03/13 FINANCE COMMITTEE MEETING

LITTLE DIAMOND ISLAND					GREAT DIAMOND ISLAND				
	Current Tariff	Proposed	% Change	% Change vs. Inflation		Current Tariff	Proposed	% Change	% Change vs. Inflation
PEAK SEASON					PEAK SEASON				
FULL PRICE	\$8.20	\$14.00	▲ 71%	▲ 18%	FULL PRICE	\$9.55	\$14.00	▲ 47%	— 1%
HALF PRICE	\$4.10	\$7.00	▲ 71%	▲ 18%	HALF PRICE	\$4.75	\$7.00	▲ 47%	— 2%
COMMUTER	\$26.35	NA	NA	NA	COMMUTER	\$31.35	NA	NA	NA
MONTHLY	\$88.00	\$48.00	▼ -45%	▼ -62%	MONTHLY	\$106.75	\$48.00	▼ -55%	▼ -69%
HALF PRICE MONTHLY	NA	\$24.00	NA	NA	HALF PRICE MONTHLY	NA	\$24.00	NA	A
OFF SEASON					OFF SEASON				
FULL PRICE	\$5.20	\$7.20	▲ 38%	— 5%	FULL PRICE	\$6.15	\$7.20	▲ 17%	▼ -19%
HALF PRICE	\$2.60	\$3.60	▲ 38%	— 5%	HALF PRICE	\$3.10	\$3.60	▲ 16%	▼ -20%
COMMUTER	\$19.35	NA	NA	NA	COMMUTER	\$23.35	NA	NA	NA
MONTHLY	\$88.00	\$32.00	▼ -64%	▼ -75%	MONTHLY	\$106.75	\$32.00	▼ -70%	▼ -79%
HALF PRICE MONTHLY	NA	\$16.00	NA	NA	HALF PRICE MONTHLY	NA	\$16.00	NA	NA
ANNUAL					ANNUAL				
ANNUAL	\$968.00	\$432.00	▼ -55%	▼ -69%	ANNUAL	\$1,174.25	\$432.00	▼ -63%	▼ -75%
HALF PRICE ANNUAL	NA	\$216.00	NA	NA	HALF PRICE ANNUAL	NA	\$216.00	NA	NA

Proposed Structure for Committee Deliberation Island by Island Comparison vs. Current

DRAFT – FOR INITIAL WORKSHOP AT 03/13 FINANCE COMMITTEE MEETING

DIAMOND COVE				
	Current Tariff	Proposed	% Change	% Change vs. Inflation
PEAK SEASON				
FULL PRICE	\$10.70	\$14.00	▲ 31%	▼ -10%
HALF PRICE	\$5.35	\$7.00	▲ 31%	▼ -10%
COMMUTER	\$32.40	NA	NA	NA
MONTHLY	\$111.90	\$48.00	▼ -57%	▼ -70%
HALF PRICE MONTHLY	NA	\$24.00	NA	NA
OFF SEASON				
FULL PRICE	\$6.95	\$7.20	— 4%	▼ -29%
HALF PRICE	\$3.45	\$3.60	— 4%	▼ -28%
COMMUTER	\$24.65	NA	NA	NA
MONTHLY	\$111.90	\$32.00	▼ -71%	▼ -80%
HALF PRICE MONTHLY	NA	\$16.00	NA	NA
ANNUAL				
ANNUAL	\$1,231.00	\$432.00	▼ -65%	▼ -76%
HALF PRICE ANNUAL	NA	\$216.00	NA	NA

LONG ISLAND				
	Current Tariff	Proposed	% Change	% Change vs. Inflation
PEAK SEASON				
FULL PRICE	\$10.70	\$14.00	▲ 31%	▼ -10%
HALF PRICE	\$5.35	\$7.00	▲ 31%	▼ -10%
COMMUTER	\$32.40	NA	NA	NA
MONTHLY	\$111.90	\$48.00	▼ -57%	▼ -70%
HALF PRICE MONTHLY	NA	\$24.00	NA	NA
OFF SEASON				
FULL PRICE	\$6.95	\$7.20	— 4%	▼ -29%
HALF PRICE	\$3.45	\$3.60	— 4%	▼ -28%
COMMUTER	\$24.65	NA	NA	NA
MONTHLY	\$111.90	\$32.00	▼ -71%	▼ -80%
HALF PRICE MONTHLY	NA	\$16.00	NA	NA
ANNUAL				
ANNUAL	\$1,231.00	\$432.00	▼ -65%	▼ -76%
HALF PRICE ANNUAL	NA	\$216.00	NA	NA

Proposed Structure for Committee Deliberation Island by Island Comparison vs. Current

DRAFT – FOR INITIAL WORKSHOP AT 03/13 FINANCE COMMITTEE MEETING

CHEBEAGUE ISLAND				
	Current Tariff	Proposed	% Change	% Change vs. Inflation
PEAK SEASON				
FULL PRICE	\$11.05	\$14.00	▲ 27%	▼ -13%
HALF PRICE	\$5.50	\$7.00	▲ 27%	▼ -12%
COMMUTER	\$35.90	NA	NA	NA
MONTHLY	\$124.85	\$48.00	▼ -62%	▼ -71%
HALF PRICE MONTHLY	NA	\$24.00	NA	NA
OFF SEASON				
FULL PRICE	\$6.75	\$7.20	— 7%	▼ -26%
HALF PRICE	\$3.35	\$3.60	— 7%	▼ -26%
COMMUTER	\$23.75	NA	NA	NA
MONTHLY	\$124.85	\$32.00	▼ -74%	▼ -81%
HALF PRICE MONTHLY	NA	\$16.00	NA	NA
ANNUAL				
ANNUAL	\$1,263.35	\$432.00	▼ -66%	▼ -76%
HALF PRICE ANNUAL	NA	\$216.00	NA	NA

CLIFF ISLAND				
	Current Tariff	Proposed	% Change	% Change vs. Inflation
PEAK SEASON				
FULL PRICE	\$11.55	\$14.00	▲ 21%	▼ -16%
HALF PRICE	\$5.75	\$7.00	▲ 22%	▼ -16%
COMMUTER	\$38.20	NA	NA	NA
MONTHLY	\$125.15	\$48.00	▼ -62%	▼ -74%
HALF PRICE MONTHLY	NA	\$24.00	NA	NA
OFF SEASON				
FULL PRICE	\$7.45	\$7.20	— -3%	▼ -33%
HALF PRICE	\$3.70	\$3.60	— -3%	▼ -33%
COMMUTER	\$26.35	NA	NA	NA
MONTHLY	\$125.15	\$32.00	▼ -74%	▼ -82%
HALF PRICE MONTHLY	NA	\$16.00	NA	NA
ANNUAL				
ANNUAL	\$1,376.00	\$432.00	▼ -69%	▼ -78%
HALF PRICE ANNUAL	NA	\$216.00	NA	NA

Forecasted Revenue Impact

Preliminary forecasts to be presented and discussed at meeting

Full Year	2024 Proposal - Revenue	Peaks Island	Little Diamond	Great D. Island	Diamond Cove	Long Island	Great Chebeague	Cliff Island	Total
	Full Price	\$2,024,740	\$38,135	\$73,264	\$170,228	\$204,986	\$53,906	\$46,559	\$2,611,818
	Half Price	\$482,079	\$24,068	\$35,550	\$39,216	\$93,703	\$8,565	\$18,789	\$701,970
	Commuter	-	-	-	-	-	-	-	-
	Monthly Pass*	\$121,315	\$2,699	\$8,236	\$17,633	\$22,799	\$776	\$2,650	\$176,109
	Annual Pass	\$28,370	-	-	-	\$432	-	\$432	\$29,234
		2,656,504	64,902	117,050	227,078	321,920	63,248	68,430	3,519,131

Full Year	Current Pricing - Revenue	Peaks Island	Little Diamond	Great D. Island	Diamond Cove	Long Island	Great Chebeague	Cliff Island	Total
	Full Price	\$1,117,637	\$22,711	\$51,812	\$131,789	\$162,377	\$43,177	\$39,591	\$1,569,093
	Half Price	\$265,585	\$14,397	\$25,320	\$30,721	\$75,020	\$6,843	\$16,090	\$433,976
	Commuter	\$282,847	\$8,968	\$29,015	\$42,796	\$88,977	\$3,322	\$13,014	\$468,938
	Monthly Pass	\$53,483	\$98	\$2,912	\$18,128	\$5,096	\$115	-	\$79,832
	Annual Pass	\$49,743	-	-	-	\$1,231	-	\$1,377	\$52,350
		1,769,296	46,173	109,060	223,434	332,700	53,457	70,071	2,604,190

Full Year	% Change	Peaks Island	Little Diamond	Great D. Island	Diamond Cove	Long Island	Great Chebeague	Cliff Island	Total
	Full Price	81%	68%	41%	29%	26%	25%	18%	66%
	Half Price	82%	67%	40%	28%	25%	25%	17%	62%
	Commuter	-	-	-	-	-	-	-	-
	Monthly Pass*	(64%)	(70%)	(74%)	(71%)	(76%)	(77%)	(80%)	(68%)
	Annual Pass	(43%)	-	-	-	(65%)	-	(69%)	(44%)
		50%	41%	7%	2%	(3%)	18%	(2%)	35%

* 2024 Proposal estimates assume that existing Commuter tickets convert to Monthly Pass.

* Estimates based on 2023 Ticket Sales Data

Appendix:

Current Tariff Structure, Inflation Adjusted

Inflation Adjusted Pricing	Peaks Island	Little Diamond	Great D. Island	Diamond Cove	Long Island	Great Chebeague	Cliff Island
Peak-Season							
Full Price	\$11.17	\$11.90	\$13.85	\$15.52	\$15.52	\$16.03	\$16.76
Half Price	\$5.59	\$5.95	\$6.89	\$7.76	\$7.76	\$7.98	\$8.34
Commuter	\$34.74	\$38.22	\$45.48	\$47.00	\$47.00	\$52.08	\$55.41
Monthly Pass	\$119.61	\$127.66	\$154.86	\$162.33	\$162.33	\$166.61	\$181.55
Half Price Monthly Pass	-	-	-	-	-	-	-
Off-Season							
Full Price	\$5.95	\$7.54	\$8.92	\$10.08	\$10.08	\$9.79	\$10.81
Half Price	\$2.90	\$3.77	\$4.50	\$5.00	\$5.00	\$4.86	\$5.37
Commuter	\$23.21	\$28.07	\$33.87	\$35.76	\$35.76	\$34.45	\$38.22
Monthly Pass	\$119.61	\$127.66	\$154.86	\$162.33	\$162.33	\$166.61	\$181.55
Half Price Monthly Pass	-	-	-	-	-	-	-
Annual							
Annual Pass	\$1,315.67	\$1,404.23	\$1,703.43	\$1,785.75	\$1,785.75	\$1,832.68	\$1,997.04
Half Price Annual Pass	-	-	-	-	-	-	-

Link to Casco Bay Island Transit District Approved and In Effect Tariff Rates and Terms

Tariff Rate:

<https://www.cascobaylines.com/uploads/Tariff-RATES-approved-by-puc-effective-6-1-2021.pdf>

Tariff Terms:

<https://www.cascobaylines.com/uploads/Tariff-TERMS-approved-by-puc-effective-6-1-2021.pdf>

Commuter Book Current Tariff Rules (Current)

- In addition to regular fare tickets, carrier offers certain tickets at discount known as Commuter Book tickets, based upon frequency of travel by purchaser. The discounts under Commuter Book tickets are substantial and it is necessary that strict compliance with conditions of their sale be enforced in order to protect the interests of commuter patrons.
- In consideration of the discount at which they are sold, the purchaser, by purchase and use of Commuter Book tickets, agrees to and accepts same, subject to tariff regulations, limitations and conditions as follows:
- Commuter Book tickets are 5 to a book and permit one round trip each. Passenger and Animal Commuter Book tickets are limited to 15 days and the Bicycle Commuter Book tickets are limited to 60 days, including date of sale.
- Commuter Book tickets are for exclusive use only by purchaser and his or her immediate family and are not otherwise transferable. The purchaser's immediate family shall include his or her spouse and any or all purchaser's children under 18 who live with the purchaser.
- It is necessary to safeguard the rights of the original purchaser as well as to prevent improper use of Commuter Book tickets. Carrier reserves the right at all times to request identification in connection with all Commuter Book tickets when they are used. Commuter Book tickets will not be honored for passage or redemption if detached from stub or if altered or mutilated.
- The date of sale and expiration date are printed on each Commuter Book ticket at the time of sale, and no use of such ticket will be permitted after date of expiration. Non- expired unused tickets will be redeemed in accordance with the provisions of Item 129 of this tariff.