

# Casco Bay Island Transit District – Finance Committee

## Vehicle Rate Workshop #4

**PRE-READ**

April 9, 2025

Continuing Discussion from October 1, 2024, March 19 and April 2, 2024 Finance Workshops

# Agenda

April 9, 2025 Workshop

- Opening Comments from Treasurer & Finance Committee Chair
  - Rationale for Change
  - Where are we in the process?
- Review Proposal from 4/2/24
  - Financial model
- Committee Discussion
- Public Comment
- Closing Committee Discussion & Potential Recommendation
- Next Steps & Adjourn

# Background

# Vehicle Fares: Step 2 in multi-phase approach to address operating loss via revenue increase & expense reduction

- **Increase revenues:**

- ✓ Passenger fares: Changed in 2024 for first time in 15 years, resulting in increased revenues while protecting affordability for islanders and frequent riders....

- **2<sup>nd</sup>: Vehicle fares (now)**

- **Reduce expenses:**

- Started in 2024: -\$300k reduction targeted via fuel conservation & other expenses

- Finance Committee recommend to board for approval a FY 2025 budget with \$400,000 in annualized expense reductions target

- Operations Committee has begun hard work: develop a more efficient schedule

- Goal: Reduce deficit prudently, maintain compliance and access to grant funding to continue to offset operating expenses & fund necessary capital projects

Question: Does vehicle rate change mean grants are ending?

No, the committee is undertaking this as part of a planned effort directed to deficit reduction, consistent with Finance Committee attention to financial health of CBL

# Where are we in the process?

- Vehicles are complex, change and price increases are hard. Observationally, use patterns are more varied than passenger fares. Further complicated by commercial (oversize) vehicles that may not materially contribute to revenue, but contribute to congestion
- Objective: raise revenue while protecting access and affordability for year-round & seasonal residents & frequent users. After much financial modeling and discussion on Peaks Island, arrived at a proposal that aims to do that, by protecting against straight-line price increases
- The current proposal:
  - Utilizes price increases to raise revenue with Vehicle Discount Supplement structure an integral part to protect access and affordability (i.e., protects against straight-line price increases....45% to respond to inflation, compounds with future increases)
  - Includes stop-gap measure with regard to commercial/large vehicles, which Committee intends to address more fully, in collaboration with Operations Committee, in the near future
- This is the 4<sup>th</sup> public workshop of this Committee on this topic
  - Pending outcome of today's workshop, the Committee may make a recommendation to the Board
  - Thank you to all the Peaks islanders who discussed and provided feedback – it has been a vital part of this Committee's process

# Proposal Review

# Clarifying Terminology

- Vehicle Discount Supplement – add-on/supplement to annual or 90 day pass
  - After transition period passes would come in 2 flavors:
    - Standard passenger pass, like today
    - Pass with Vehicle Discount Supplement (add on to pass, additional fee for benefit of discount on vehicle tickets)
  - All passes can be purchased by anyone, not tied to residency

# 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 Rate Structure – Round-Trip Peaks Vehicle Rates

*Summarized*

## PROPOSED STRUCTURE

<b>REGULAR RATE</b>	<b>Off-Peak Season</b>	<b>Peak Season</b>
Auto / Light Truck SUN-WED	\$82.65	\$190.00
Auto / Light Truck THURS-SAT	\$120.00	\$190.00
<b>DISCOUNT RATE</b>	<b>Off-Peak Season</b>	<b>Peak Season</b>
Auto / Light SUN-WED	\$46.00	\$46.00
Auto / Light Truck THURS-SAT	\$46.00	\$82.65

## SPECIAL RATES

- Handicapped: \$46.00 year round, 7 days (requires handicapped plate or hang tag)
- Loyetta Voyer: \$46.00 year round, 7 days (purchased by LV Fund, given to islanders with essential medical travel needs per LVF policies)

Note: Auto/Light Truck defined as passenger vehicle with commercial or passenger plates, <6000lbs

# Vehicle Discount Supplement – Key Element of the Proposal

- Single ticket increase brought in \$1m in additional peak season revenue, while passenger passes provided a simplified, affordable option for seasonal & year-round residents and frequent riders
- Summer visitors, mainly to Peaks, subsidize year-round and frequent seasonal travelers & workers, who in turn support CBL off-peak operations
- Vehicle pass structured like an annual pass would be too expensive for many to afford & could have unintended consequence of increasing congestion by overuse from those that could afford (e.g., bringing car back and forth daily)
- Vehicle Discount Supplement is an add on to passenger pass:
  - Option 1, passenger pass for passenger only
  - Option 2, passenger pass for passenger and vehicle discount, costs \$100 more
  - Option 2 brings value: discounted vehicle tickets
- Option of a VDS add on enables similar construct to passenger passes
  - Single tickets for vehicles go up, just like single passenger tickets
  - Single vehicle tickets increase in peak season, when boats are most crowded

# Vehicle Discount Supplement – Key Element of Proposal: Who is eligible and how would it work?

- Annual and 90-day passenger pass holders may purchase a Vehicle Discount Supplement to their passenger pass
- Cost: \$100 per Discount Pass (Annual or 90-day)
  - In addition to the applicable the passenger pass rate
  - Vehicle Discount Supplement expires with the passenger pass/must be purchased at same time as the passenger pass (see note below).
- Program Details:
  - Vehicle Discount Supplement holders can purchase vehicle tickets at the Discount price
  - Pass with Supplement must be presented to purchase discount ticket (1 pass)
  - Vehicle Discount Supplement holder must be in present in vehicle to board the vessel
  - Note: Passenger passes with Vehicle Discount Supplement not tied to the vehicle but to the person (photo)
- Note: Operational details for pilot implementation discussed on slide 12
- Passenger passes not tied to residency, the Vehicle Discount Supplement will not be tied to residency

We recognize Discount Supplement is new and a bit complicated.  
Committee discussion topic – propose to implement as a **pilot** for summer 2025.

# Vehicle Discount Supplement: Operational Details (DRAFT)

- Pass & Discount Ticket Purchase:
  - Vehicle Discount Supplement may only be purchased as an add-on at same time as 90-day or annual pass (e.g., “I would like to purchase an annual pass with vehicle discount add-on” → **one card** printed with annual pass & supplement)
  - Pass with VD Supplement must be presented at time of purchase of discount ticket
- Vehicle boarding:
  - Vehicle Discount Supplement holder must be present in vehicle to board the vessel (does not need to be the driver)
  - Crew to check for VD Supplement pass type with discount ticket on boarding in Portland
- Transition period:
  - Only during initial phase of implementation, a current annual or 90-day pass holder may purchase a pro-rated (by month) VD Supplement
  - Sticker will be affixed to current pass to denote purchase of pro-rated VD Supplement
- Reminder: VD & passenger passes are tied to the person, not the vehicle

# Commercial Vehicle Rates – Round-Trip Current vs. Proposed

Summarized<sup>1</sup>

**PROPOSED: No change to structure; 23% increase vs. current**

## CURRENT – Commercial Vehicles by Registered GVW (gross vehicle weight)

	Off-Peak Season	Peak Season
<6,000 lbs.	\$44.65	\$85.45
6,000 – 10,999 lbs.	\$47.65	\$87.90
11,000 – 19,999 lbs.	\$52.65	\$95.15
20,000 – 29,999 lbs.	\$62.65	\$109.65
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

Maximum charge per vehicle including freight: \$345.00

## PROPOSED STRUCTURE – Commercial Vehicles by Registered GVW

	Off-Peak Season	Peak Season
<6,000 lbs.	N/A*	N/A*
6,000 – 10,999 lbs.	\$58.61	\$108.12
11,000 – 19,999 lbs.	\$64.76	\$117.03
20,000 – 29,999 lbs.	\$77.06	\$134.87
30,000 – 39,999 lbs.	\$91.82	\$159.16
40,000 – 49,999 lbs.	\$107.81	\$196.37
50,000 – 59,999 lbs.	\$133.64	\$217.28
over 60,000 lbs.	\$165.62	\$241.88

Maximum charge per vehicle including freight: \$425.00

\* Note: Auto/Light Truck defined as passenger vehicle with commercial or passenger plates, <6000lbs

<sup>1</sup> Rate categories summarized for clarity. Consistent increases (23%) proposed for trailers, commercial freight, and construction equipment.

# Commercial Considerations: *Defer Substantial Restructuring For Now*

- Commercial / large size vehicles are a complicated topic
  - Few very large trucks, they underpay for space taken; most delivering to island businesses or residents
  - Islanders home repair needs served by commercial trucks; concern about pricing and access for contractors vs complaints about congestion & unfairness of trucks serving a single home-owner
  - Essential island businesses (e.g., Hannigan's, Peaks Island Fuel) are frequent users of car ferry
- Initial proposal proposed to change from weight-based rate calculation to size-based, however propose to temporarily defer significant change due to need for additional analysis, as well as discussions with businesses to optimize rate & structure
  - Also significant operational impact associated with this change
  - Battery Steele delivery planned, wider lane for large trucks
- Therefore, propose increase of 23% across the board (half inflation rate since 2010) as an interim/stop-gap rate increase
  - Reclassify light truck <6000lbs with commercial plate to regular or discount automobile/light truck rate (i.e., treat this class of gross vehicle weight the same, regardless of commercial or passenger plate)

# Future Considerations

- Family & Friends: Explore options for pass holders to purchase fixed quantities of transferrable tickets for passenger & vehicle
- Medical: Continued CBL support of Loretta Voyer fund tickets
- Financial Hardship: Currently island support for single tickets – potential to provide support for passes and supplements?
- Families: Many young families who have moved back to Peaks for the community but face high costs, day care, parking in town, ferry passes. There is discussion about encouraging young families

# Financial Model



# Forecasted Revenue Impact – Vehicle Rates

**DRAFT – FOR DISCUSSION AT 04/09 FINANCE COMMITTEE MEETING**

Travel Type	Ticket Type	Rate/ProductName	Forecast		
			Baseline	Year 1 Implementation	Change vs. Baseline (% Change)
Vehicle	Auto	PEAKS AUTO / LIGHT TRUCK - VDP - SUN-WED		\$501,587	
Vehicle	Auto	PEAKS AUTO / LIGHT TRUCK - VDP - THURS-SAT		\$80,968	
Vehicle	Auto	PEAKS AUTO - Regular		\$530,199	
Vehicle	Auto	PEAKS AUTO - Regular - Weekend		\$575,306	
<b>Vehicle</b>	<b>Auto</b>	<b>SubTotal</b>	<b>\$1,185,000</b>	<b>\$1,688,059</b>	<b>\$503,059</b> 42%
Vehicle	VDP	VDP - Annual, Recognized Revenue		\$31,500	
Vehicle	VDP	VDP - 90-day, Recognized Revenue		\$40,800	
			-	\$72,300	\$72,300 N/A - new
Vehicle	Truck - High GVW	(Commercial) Vehicle < 6,000lbs		-	
Vehicle	Truck - High GVW	Vehicle 6-10,999lbs		\$48,653	
Vehicle	Truck - High GVW	Vehicle 11-19,999lbs		\$29,727	
Vehicle	Truck - High GVW	Vehicle 20-29,999lbs		\$49,362	
Vehicle	Truck - High GVW	Vehicle 30-39,999lbs		\$6,844	
Vehicle	Truck - High GVW	Vehicle 40-49,999lbs		\$1,178	
Vehicle	Truck - High GVW	Vehicle 50-59,999lbs		\$2,173	
Vehicle	Truck - High GVW	Vehicle over 60,000lbs		\$5,805	
Vehicle	Truck - High GVW	Vehicle Maximum Charge		\$11,900	
<b>Vehicle</b>	<b>Truck - High GVW</b>	<b>SubTotal</b>	<b>\$231,000</b>	<b>\$155,642</b>	<b>-\$75,358</b> -33%
<b>TOTAL KEY VEHICLE CATEGORIES</b>			<b>\$1,416,000</b>	<b>\$1,916,001</b>	<b>\$500,001</b>
(note: excludes trailers, mopeds, motorcycles)					35%

Includes ~\$130k of revenue resultant from reclass of commercial trucks <600lbs. Would be 30% increase without this reclassification.

Assumes ~60% of (full & half-price) annual & 90-day pass holders, on weighted average, purchase VDP.

Apparent decrease due to reclassification of commercial trucks <6000lbs. Adjusting for the reclassification, an increase of \$50k (48%) for all other commercial categories

\* Baseline based on 2023 Sales Data

# Forecasted Revenue Impact – Vehicle Rates

**DRAFT – FOR DISCUSSION AT 04/09 FINANCE COMMITTEE MEETING**

Rate/Product Name	Baseline	January	February	March	April	May	June	July	August	September	October	November	December	Forecast	Change vs. Baseline
														Year 1	(% Change)
PEAKS AUTO / LIGHT TRUCK - VDP - SUN-WED		\$33,974	\$30,933	\$29,180	\$39,965	\$50,236	\$60,570	\$47,693	\$46,103	\$40,499	\$43,858	\$39,366	\$39,210	\$501,587	
PEAKS AUTO / LIGHT TRUCK - VDP - THURS-SAT		\$3,775	\$3,437	\$3,242	\$7,979	\$10,029	\$12,092	\$9,521	\$9,204	\$8,085	\$4,873	\$4,374	\$4,357	\$80,968	
PEAKS AUTO - Regular		\$14,615	\$13,307	\$12,553	\$39,523	\$67,245	\$81,077	\$95,760	\$92,568	\$54,211	\$25,537	\$16,935	\$16,868	\$530,199	
PEAKS AUTO - Regular - Weekend		\$21,220	\$19,321	\$18,226	\$39,523	\$67,245	\$81,077	\$95,760	\$92,568	\$54,211	\$37,078	\$24,588	\$24,491	\$575,306	
<b>SubTotal</b>	<b>\$1,185,000</b>	<b>\$73,583</b>	<b>\$66,999</b>	<b>\$63,202</b>	<b>\$126,989</b>	<b>\$194,755</b>	<b>\$234,815</b>	<b>\$248,734</b>	<b>\$240,443</b>	<b>\$157,006</b>	<b>\$111,345</b>	<b>\$85,262</b>	<b>\$84,926</b>	<b>\$1,688,059</b>	<b>\$503,059</b>
VDP - Annual, Recognized Revenue		\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$31,500	
VDP - 90-day, Recognized Revenue		\$1,800	\$1,800	\$1,800	\$2,867	\$3,933	\$5,000	\$5,000	\$5,000	\$5,000	\$3,933	\$2,867	\$1,800	\$40,800	
		-	\$4,425	\$4,425	\$4,425	\$5,492	\$6,558	\$7,625	\$7,625	\$7,625	\$6,558	\$5,492	\$4,425	\$72,300	\$72,300
															<i>N/A - new</i>
(Commercial) Vehicle < 6,000lbs		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	
Vehicle 6-10,999lbs		\$4,541	\$2,270	\$2,487	\$3,676	\$6,487	\$6,595	\$4,000	\$4,433	\$3,352	\$3,784	\$4,108	\$2,919	\$48,653	
Vehicle 11-19,999lbs		\$1,638	\$2,458	\$2,224	\$4,096	\$4,330	\$3,745	\$2,692	\$2,575	\$1,756	\$1,404	\$2,224	\$585	\$29,727	
Vehicle 20-29,999lbs		\$2,832	\$3,776	\$2,697	\$2,967	\$4,316	\$5,530	\$4,316	\$6,339	\$5,934	\$4,855	\$2,832	\$2,967	\$49,362	
Vehicle 30-39,999lbs		\$477	-	\$159	-	\$477	\$159	\$159	\$796	\$637	\$1,751	\$1,751	\$477	\$6,844	
Vehicle 40-49,999lbs		-	-	-	\$196	-	-	-	\$196	\$393	-	\$196	\$196	\$1,178	
Vehicle 50-59,999lbs		-	-	\$217	\$217	-	\$435	\$217	\$217	\$217	\$435	\$217	-	\$2,173	
Vehicle over 60,000lbs		\$242	\$2,177	\$242	\$726	-	\$484	-	\$242	\$968	\$242	\$242	\$242	\$5,805	
Vehicle Maximum Charge		-	-	-	-	\$850	\$1,275	\$850	\$2,975	\$850	\$2,975	\$850	\$1,275	\$11,900	
<b>SubTotal</b>	<b>\$231,000</b>	<b>\$9,731</b>	<b>\$10,681</b>	<b>\$8,026</b>	<b>\$11,879</b>	<b>\$16,461</b>	<b>\$18,222</b>	<b>\$12,234</b>	<b>\$17,773</b>	<b>\$14,106</b>	<b>\$15,446</b>	<b>\$12,421</b>	<b>\$8,662</b>	<b>\$155,642</b>	<b>-\$75,358</b>
															<b>-33%</b>
<b>TOTAL KEY VEHICLE CATEGORIES</b>	<b>\$1,416,000</b>	<b>\$83,314</b>	<b>\$77,680</b>	<b>\$71,228</b>	<b>\$138,868</b>	<b>\$211,216</b>	<b>\$253,038</b>	<b>\$260,968</b>	<b>\$258,216</b>	<b>\$171,111</b>	<b>\$126,791</b>	<b>\$97,683</b>	<b>\$93,588</b>	<b>\$1,916,001</b>	<b>\$500,001</b>
(note: excludes trailers, mopeds, motorcycles)															<b>35%</b>

\* Baseline based on 2023 Sales Data

# Process and Discussion

# Proposal: Finance Committee Consideration

- No plan will be perfect or please everyone
- Believe this Committee has strong understanding of the need, the proposal, and a path to implementation
  - Public comment has been a critical input as we've refined proposal over time
- Recognize that initiatives to increase revenue need to be balanced by expense reduction initiatives
  - There are limits to amount of revenue that can be extracted from Peaks – whether via single tickets or passes
  - Board responsibility to consider entire District, ensure financial health of CBL
- For discussion: proceed to Board with recommendation for approval

# Process: Next Steps

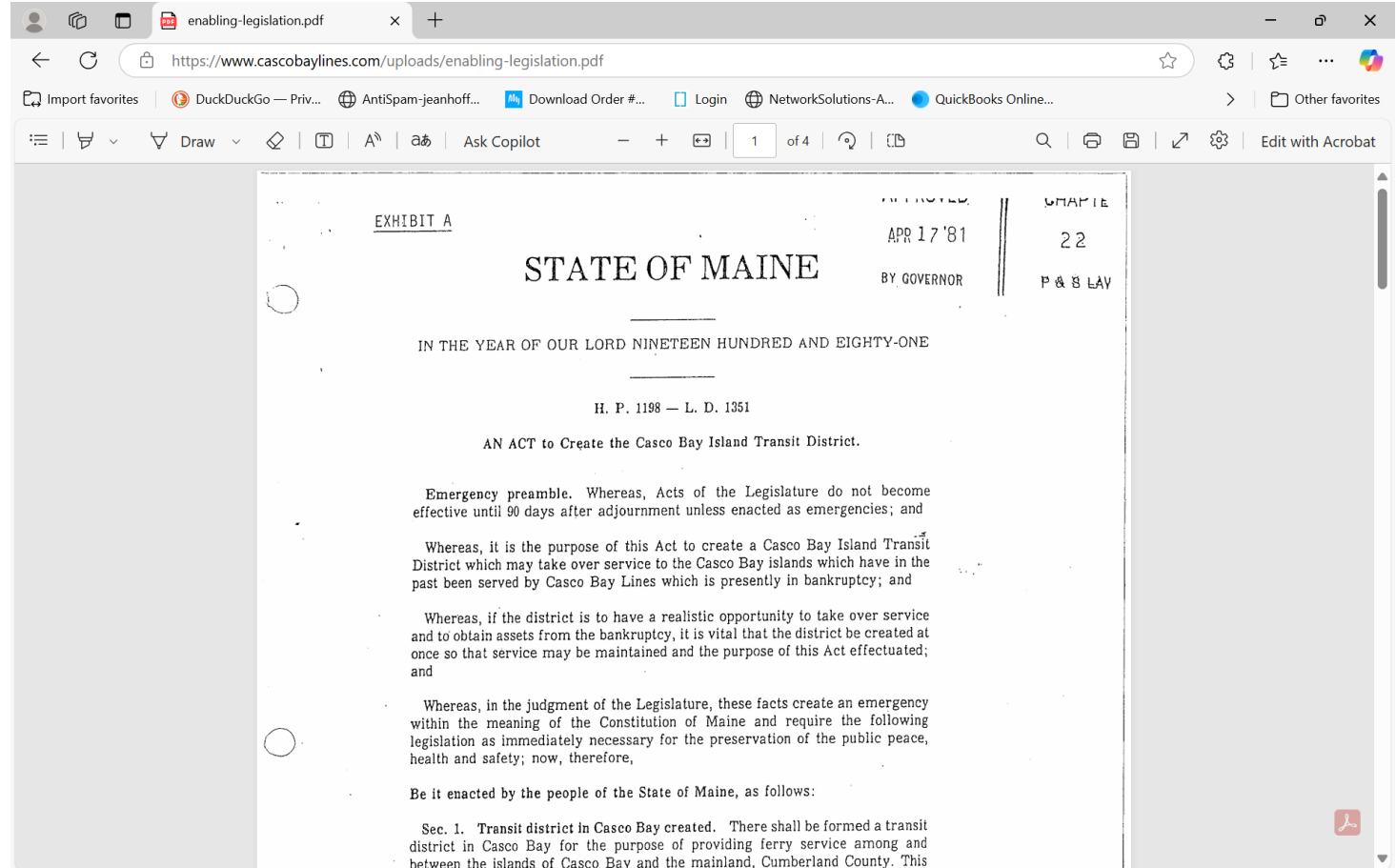
- 4/9/25 was 4<sup>th</sup> public workshop on vehicle rate change (10/1/24, 3/19/25, 4/2/25)
- Public input and feedback are critical part of committee and board consideration of proposal
- Information: Dedicated page on CBL website created -- [Finance Committee - Rate Change - Casco Bay Lines](#). Written comments may be submitted to: [ratechange@cascobaylines.com](mailto:ratechange@cascobaylines.com)
- Finance Committee discussion, decision whether to recommend to Board for public hearing, consideration and action
- Discussion with legal counsel and preparation of opinion
- Preparation of PUC submission, with counsel (tariff, legal opinion) for 6/1/25 target

# Appendix

# Background: CBL Enabling Legislation

Sec 1. Transit District in Casco Bay created. ...do all things necessary to furnish waterborne transportation... including incidental tour and charter service, for public purposes in the interest of ... the inhabitants of the islands comprising the district.

Sec 8. Directors may establish such routes and shall fix such rates of fare to be charged for such public transportation service as shall to the extent possible reasonably assure sufficient income to meet the cost of the service.



# Commercial/High GVW Scenarios

Potential topic for Finance Committee  
 Discussion – during stopgap period, should high GVW have floor of non-discount car rate?

## Current

Passenger	Off-Peak	Peak
PEAKS AUTO	\$36.65	
PEAKS AUTO MON - TUES		\$62.65
PEAKS AUTO WED		\$36.65
PEAKS AUTO THURS - SUN		\$82.65
<b>Commercial</b>		
<6,000 lbs.	\$44.65	\$85.45
6,000 – 10,999 lbs.	\$47.65	\$87.90
11,000 – 19,999 lbs.	\$52.65	\$95.15
20,000 – 29,999 lbs.	\$62.65	\$109.65
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
Max	\$345.00	\$345.00

## 4/2 Proposal

Passenger	Off-Peak	Peak
Auto / Light Truck <b>SUN-WED - VDP</b>	\$46.00	\$46.00
Auto / Light Truck <b>THURS-SAT - VDP</b>	\$46.00	\$82.65
Auto / Light Truck <b>SUN-WED - REGULAR</b>	\$82.65	\$190.00
Auto / Light Truck <b>THURS-SAT - REGULAR</b>	\$120.00	\$190.00
<b>Commercial</b>		
<6,000 lbs.	\$54.92	\$105.10
6,000 – 10,999 lbs.	\$58.61	\$108.12
11,000 – 19,999 lbs.	\$64.76	\$117.03
20,000 – 29,999 lbs.	\$77.06	\$134.87
30,000 – 39,999 lbs.	\$91.82	\$159.16
40,000 – 49,999 lbs.	\$107.81	\$196.37
50,000 – 59,999 lbs.	\$133.64	\$217.28
over 60,000 lbs.	\$165.62	\$241.88
Max	\$425.00	\$425.00

## Car ticket neutrality

Passenger	Off-Peak	Peak
Auto / Light Truck <b>SUN-WED - VDP</b>	\$46.00	\$46.00
Auto / Light Truck <b>THURS-SAT - VDP</b>	\$46.00	\$82.65
Auto / Light Truck <b>SUN-WED - REGULAR</b>	\$82.65	\$190.00
Auto / Light Truck <b>THURS-SAT - REGULAR</b>	\$120.00	\$190.00
<b>Commercial</b>		
<6,000 lbs.	\$82.65 85%	\$190.00 99%
6,000 – 10,999 lbs.	\$94.50 98%	\$197.41 101%
11,000 – 19,999 lbs.	\$106.36 102%	\$204.82 94%
20,000 – 29,999 lbs.	\$118.21 89%	\$212.23 76%
30,000 – 39,999 lbs.	\$130.06 74%	\$219.65 57%
40,000 – 49,999 lbs.	\$141.91 62%	\$227.06 34%
50,000 – 59,999 lbs.	\$153.77 42%	\$234.47 27%
over 60,000 lbs.	\$165.62 23%	\$241.88 23%
Max	\$425.00	\$425.00