DRAFT* FY2026-B Stub Period *Baseline Budget Assumptions & Notable Items
Finance Committee Presentation
September 16, 2026

Assumptions:

- Personnel expenses are based on Oct, Nov, Dec 2025 staffing levels and service schedule
- Vessel expense per drydock and work list in Dry Dock Plan
- Diesel fuel lock at **$3.13** for the balance of calendar year 2026

Revenues:

- Regularly scheduled service (passenger) ticket revenue is budgeted at Oct, Nov, Dec 2025 units sold adjusted for $2 fare increase for adults and $1 for children and seniors (increase eff. June 2026)
- Vehicle revenue budgeted to include effect of prior year rate increase
- Freight revenue budgeted at FY26 levels
- Tours budgeted at FY26 levels
- Charters budgeted at FY26 levels

Expenses:
Total Expense break down:

- **Personnel 57%| 54% | 57%**
- **Vessels 23% |26% | 24%**
- **Operations 13% | 11.5% | 11%**
- **Terminal 6% | 6% | 5%**
- **Sales 1% | 2.5% | 2%**

  - **Personnel expenses:**
    - FY 2026-B based on actuals for FY 2026 (Oct, Nov Dec)
    - Training time for crew on Battery Steele estimated at $100k annually, $25k for Battery Steele included in this quarter
    - Reflects 7% wage increase effective March 2026, roll forward of current CBA
    - Added .5% of total payroll for funding Maine's Paid & Family Medical Leave for all employees

  - **Vessel expenses:**
    - Battery Steel estimated electrical, fuel & insurance expenses are included
    - Fuel based on actual gallons consumed, diesel and bio
    - $3.13/gallon for diesel for FY2026
    - $3.75/gallon biodiesel
    - Assumes Vessel Insurance includes prorated $25K for new charger and $124K for Battery Steele
    - Increases planned in general repairs and maintenance:
      - Bay Mist – Year Built 1985 – in 2026, in service for 42 years
      - Machigonne – Year Built 1987 – in 2026, in service for 40 years
      - Maquoit – Year Built 1994 – in 2026, in service for 33 years
      - Aucocisco – Year Built 2005 – in 2026, In service for 22 years
    - Dry docks: Note, there is 1 planned to start in Dec 2026
      - Bay Mist – Progress payment only in this budget

- **Operations expenses:**
  - Information Technology $250K Annual expenses include:
    - $80K RocketRez annual fees
    - $42K Munis Accounting Software annual fees
    - $24K Managed Services (Helpdesk) – Systems Engineering
    - $33K Software licensing, Network Administration/Monitoring – Systems Engineering
    - $44K Systems Engineering Other
    - Vessel Vanguard PM software $27K
  - IT/Operations Consultant
- **Terminal expenses:**
  - Utilities & janitorial based on FY2026 actuals
  - Terminal miscellaneous includes any planned repairs
- **Sales expenses:**
  - Concert Cruises – expense related to associated revenue

Grants:

- FTA PM Grant funding
  - Assume the FTA + Indirect Cost of budgeted PM lines for reimbursement
  - Cover all of PM cost for FY26 with 80% FTA funding
- MaineDOT 5311 funds for FY26-B
- Maine Rural Operating Asst at $68K, to be fully utilized in FY26-B Stub period

Key Risks:

Item	Upside	Downside
Vessel repairs - Drydock	Not as much work is needed as planned	Unexpected repairs may occur and go over budget
Grant funding	Receive more grant funding than planned	The budgeted amount is not received from the FTA so we will need to find an alternate source and/or reduce expenses
Weather	Better weather = more revenue from riders	Worse weather = less revenue from riders
Insurance - Employee	Zero increase – low risk additions	Market increase has been as high as 20% for FY2026.
Employee Turnover	Low turnover – maintain staffing levels	High turnover requires add'l overtime and hiring/training expenses in addition to customer experience decline