

DRAFT FY2026 Baseline Budget Assumptions & Notable Items
Board Presentation
October 23, 2025

Assumptions:

- FY 2025 Projection includes actuals through August and September budget
- Expenses are based on FY25 staffing levels and service schedule, spring & winter schedule changes are noted
- Vessel expense per drydock and work list in Dry Dock Plan
- Diesel fuel lock at **\$3.13** (5% reduction from prior year) (\$3.29 in FY 2025) (\$3.487 in FY2024): Biofuel at \$2.25

Revenues:

- Regularly scheduled service (passenger) revenue is budgeted at FY25 base plus small fare increase that can be achieved multiple ways and projected small increase in passenger traffic
- Vehicle revenue budgeted at new passenger vehicle rates effective 06/25 with input to reflect data for summer 2025
- Commercial/Large vehicle revenue budgeted at FY25 levels (this includes the 23% increase voted on in June 2025)
- Freight revenue budgeted at FY25 levels + 15%
- Group Tours budgeted at FY25 levels + 10%
- Charters budgeted at FY25 levels + 6%

Expenses:

Total Expense break down:

- **Personnel 54.0% | 57%**
- **Vessels 26% | 24%**
- **Operations 11.5% | 11%**
- **Terminal 6% | 5%**
- **Sales 2.5% | 2%**

○ **Personnel expenses:**

- FY 2026 based on actuals for FY 2025 less approved Spring & Winter schedule changes reflected in Crew wages
- Training time for crew on Battery Steele estimated at \$100k
- 7% wage increase budgeted as of March 2026, roll forward of current CBA
- Additional positions in this budget:
 - Financial Planning & Analysis (Admin)
 - FT Maintenance Technician
- 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 as of February 2026 (8 months)
- Fuel adjusted for approved Spring & Winter schedule changes
- Docking fees for Machigonne from City of Portland are estimated at \$36k

- Fuel based on actual gallons consumed, diesel and bio
 - \$3.13/gallon for diesel for FY2026
 - Fuel biodiesel at \$2.25 per gallon
 - Assumes Vessel Insurance includes \$25K for new charger and \$83K for 8 months of coverage for Battery Steele
 - Increases planned in general repairs and maintenance:
 - Bay Mist – Year Built 1985 – in 2024, in service for 40 years
 - Machigonne – Year Built 1987 – in 2024, in service for 38 years
 - Maquoit – Year Built 1994 – in 2024, in service for 31 years
 - Aucocisco – Year Built 2005 – in 2024, In service for 20 years
 - Wabanaki – Year Built 2013 – in 2024, in service for 12 years
 - Dry docks: Note, there are 2 planned for 2026
 - Wabanaki - \$600K in Q1
 - Maquoit - \$500K in Q2
- **Operations expenses:**
 - Information Technology \$250K 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
 - Accounting fees include all expense for FY2025 Audit – plan to be concluded by end of March 2026.
 - IT/Operations Consultant
 - **Terminal expenses:**
 - Utilities & janitorial based on FY2025 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 of \$900K, to be fully utilized in FY26
- Maine Rural Operating Asst at same FY25 level of \$68K, to be fully utilized in FY26

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 and/or increase fares
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 35% for FY2025.
Employee Turnover	Low turnover – maintain staffing levels	High turnover requires add'l overtime and hiring/training expenses in addition to customer experience decline