

# WSDOT Ferries Division

## System Update & Financial Problem

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Assistant Secretary  
Ferries Division

**Paula Hammond**  
Secretary of Transportation

**Dave Dye**  
Deputy Secretary

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Chief of Staff



# Public Outreach

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## **Public meetings, workshops & hearings in ferry communities**

March/April 2008

June/July 2008

September/October 2008

Upcoming December 1-5, 8-12, 2008

## **Conversations with local community stakeholders**

Ferry Advisory Committee (FAC) Executive Council

Local Agency Review Team (LART)

David's meetings with community and city leadership

## **Online resources**

Public information materials, including meeting summaries

Public meeting schedule and contact information

Link to JTC and WSTC websites

## **Contact information**

[www.wsdot.wa.gov/ferries/planning/ESHB2358.htm](http://www.wsdot.wa.gov/ferries/planning/ESHB2358.htm)

[wspplanning@wsdot.wa.gov](mailto:wspplanning@wsdot.wa.gov)

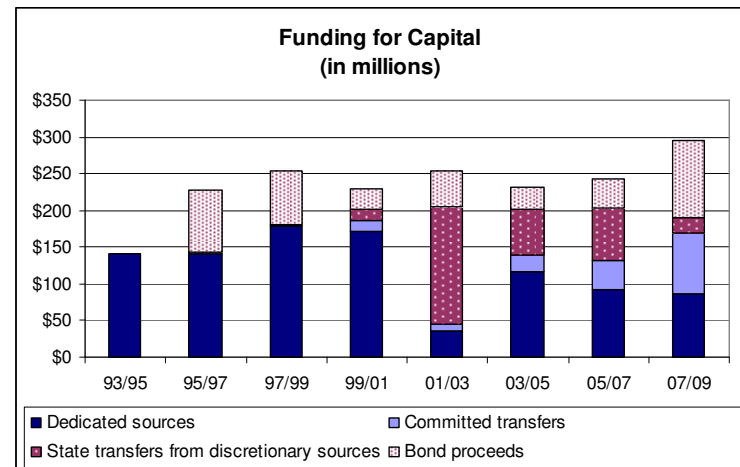
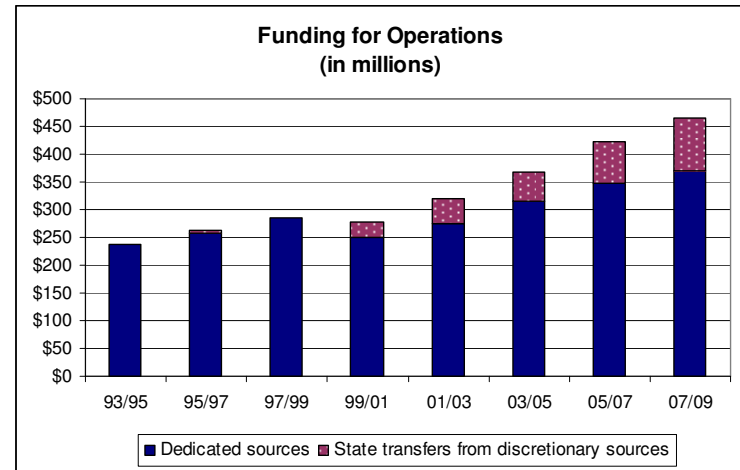
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# Current Financial Situation is not Sustainable

Since the Ferries Division lost the dedicated MVET funding in 2000, the funding gap has been mostly made up by transfers from other transportation accounts.

- Even with fare increases, \$300M of discretionary transportation funds have been used for operations since 2000.
- The capital program, which is 100% tax supported, has received more than \$325M in discretionary support and \$250M in bond proceeds since 2000.
- In 1997/99 (the last budget with full MVET funding) The Ferries division received \$180M in dedicated MVET, which was 33% of all Ferries division revenues.
  - \$120M for capital (47% of capital).
  - \$60M for operations (21% of operations).



# Funding Sustainability Challenge

To address the core funding needs of the system there is an estimated funding gap of **\$3.9B** over the next 22 years.

- Preserve, maintain and replace current capital assets (\$3.37B).
- Planned service levels will require additional operating funds (\$0.49B).
- Excludes assumed transfers from the motor vehicle or multi-modal accounts in legislative 16-year plan.

## Beyond these core needs, the Long Range Plan must identify how the Ferries Division might address:

- The current deficiencies in facilities.
- Current operational and service challenges.
- The needs in each route/corridor related to future growth.

### Combined Operating and Capital Needs (in YOES\$ millions)

	LRP (22-Yr)
<b>CAPITAL</b>	
Terminals	\$1,454
Vessels	\$3,006
Emergency needs	\$124
Debt service paid by PS Capital Account	\$212
<b>Total capital needs</b>	<b>\$4,796</b>
Dedicated capital funds	\$1,427
Net capital surplus/(shortfall)	(\$3,369)
<b>OPERATING</b>	
Operating revenues	\$5,322
Operating expenses	\$6,652
<b>Net operating income/(subsidy)</b>	<b>(\$1,330)</b>
<b>Average farebox recovery rate</b>	<b>80%</b>
Dedicated operating taxes	\$845
Net operating surplus/(shortfall)	(\$486)
<b>Total Funding Needs for Core Program</b>	<b>\$3,855</b>
<i>Average per biennium</i>	<i>\$350</i>

**Note:** Operating subsidy needs are based on current Legislative planning assumption of annual 2.5% fare increases and June 2008 forecast for fuel prices, and tax and fare revenues. This assumption will be revisited through the funding options analysis which could result in higher assumed fare increases over the planning period.

