

2027 Proposed Operating Budget

OCTOBER 13, 2026 – PORT COUNCIL MEETING
WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY



2027 Operating Budget Assumptions

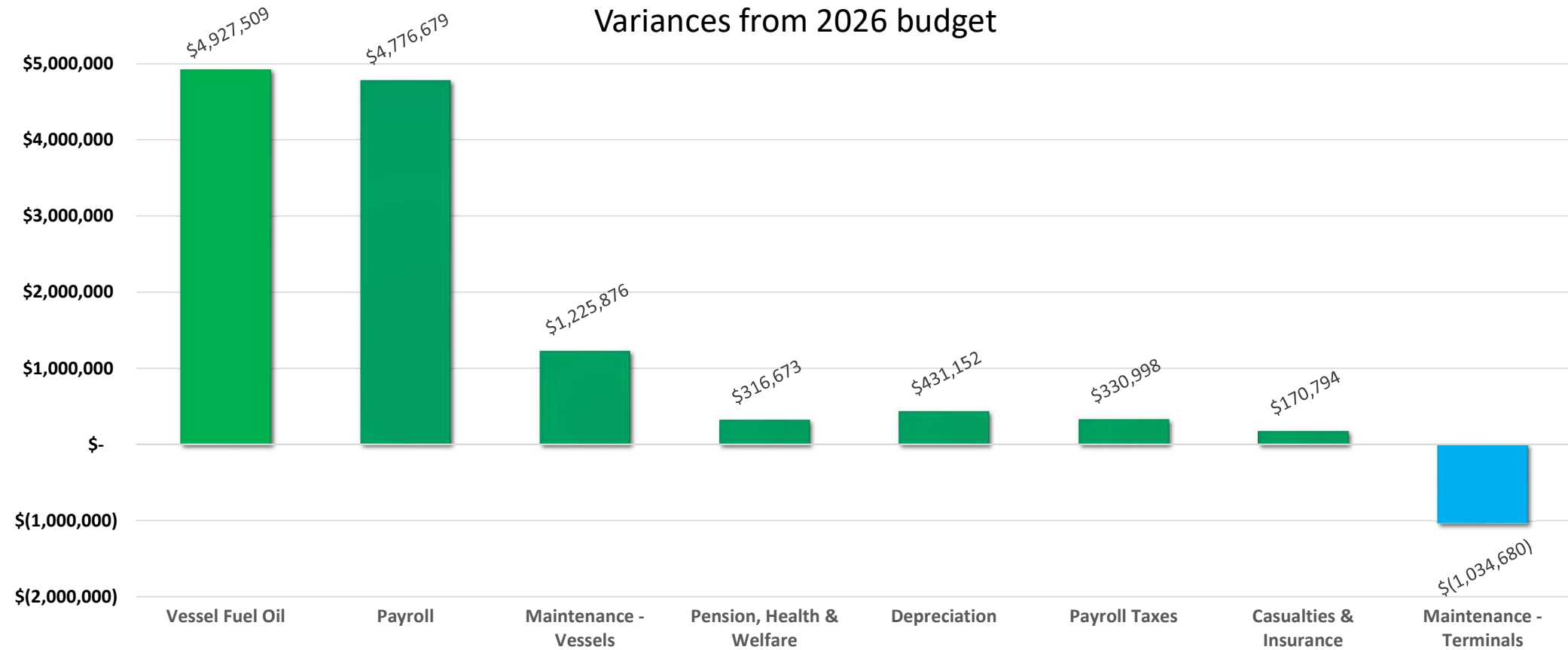
- Baseline for revenues is actual traffic statistics:
September 2025 – August 2026 (Previous 12 months)
- Vessel dry-dock and terminal maintenance expenses are projected up to 18 months ahead of schedule – new repair items, additional steel work and price uncertainty.
- Operating budget is based on the proposed 2027 operating schedule
- New Reservation System Launching in 2027

The Bottom Line

Operating Revenues	+	\$161,821,169
Operating Expenses	-	\$174,196,503
Other Income	+	\$ 16,711,271
Other Expenses	-	\$ 3,762,691
Net Income From Operations		\$ 573,246

Significant operating expense changes

Variances from 2026 budget



2027 Maintenance Expenses

Vessel Dry Docks

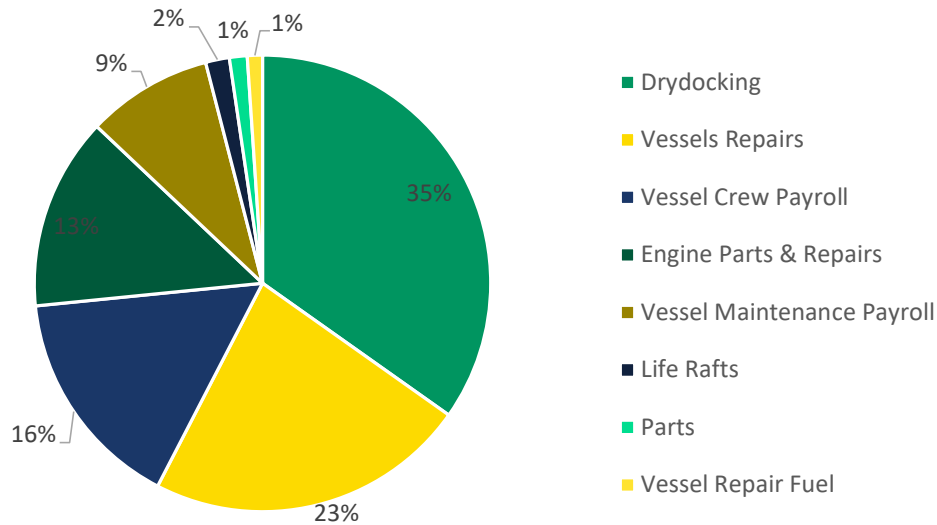
- Total budgeted: \$7,802,979
 - *M/V Martha's Vineyard*
 - *M/V Woods Hole*
 - *M/V Sankaty*
 - *M/V Aquinnah*
 - *M/V Monomoy*
 - *M/V Iyanough*

Terminal, Dolphin and Dock Repairs

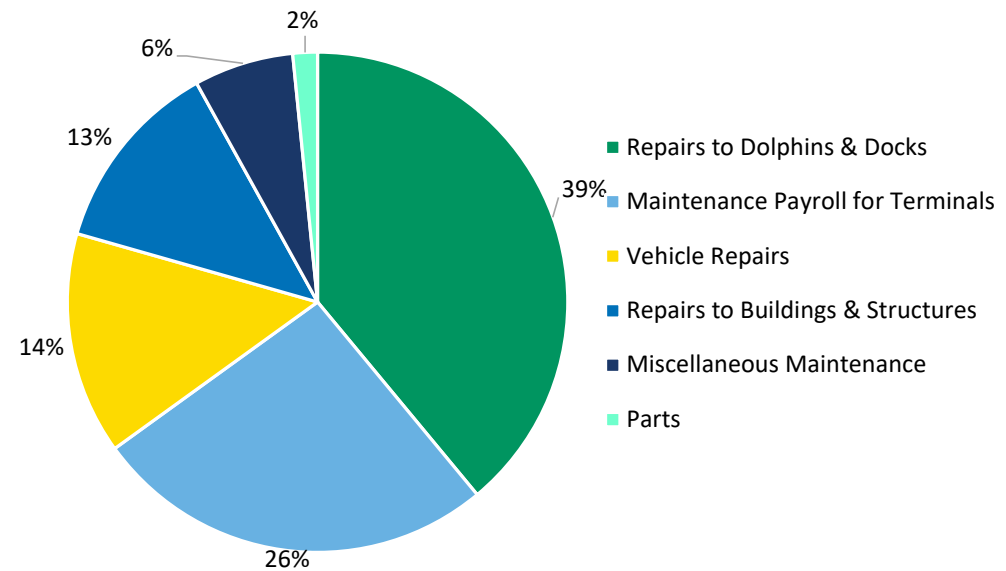
- Total budgeted: \$3,913,105
 - Window Replacement at the Nantucket Terminal
 - Engineering of the HVAC Design for the Hyannis Terminal
 - Vineyard Haven Slip Repairs to Concrete Decking, Dolphins and Fenders
 - Nantucket Counterweights for the South Slip

Maintenance Budget Breakdown by Category

Vessel Maintenance \$22,424,412



Landside Maintenance \$7,597,830



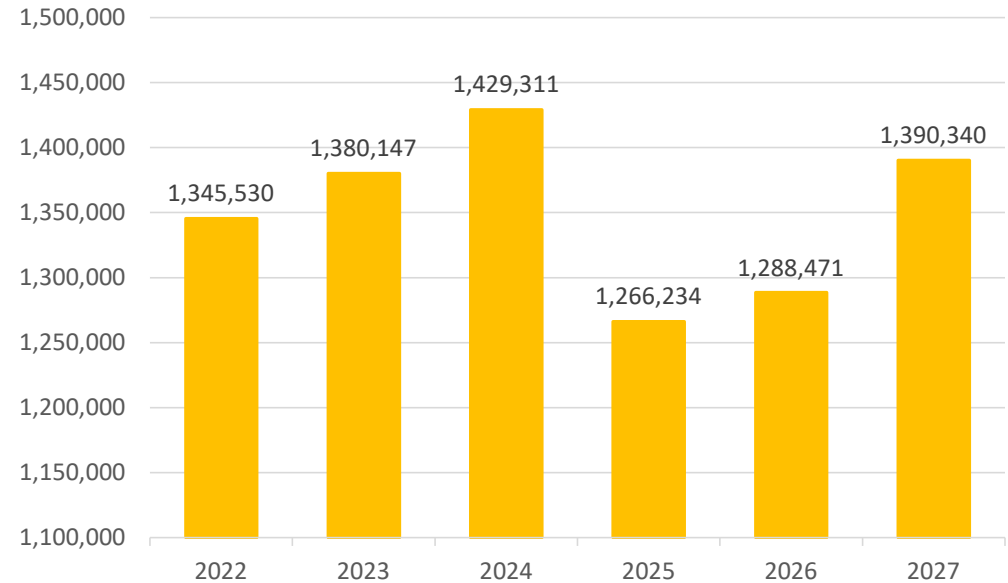
2027 Training and Crewing Expenses

Total budgeted \$1,699,523:

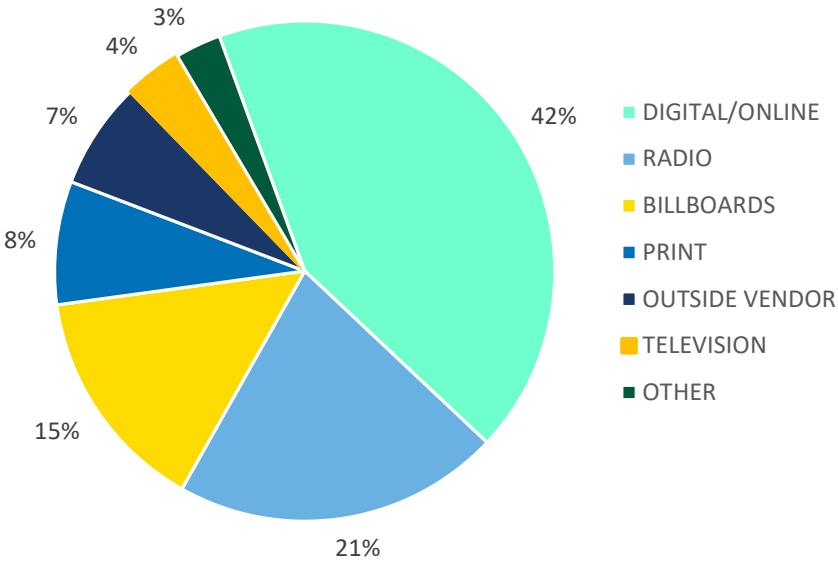
- *New Reservation System Training*
- *New Pilot and Captain Training*
- *Additional Able-Bodied Seamen (ABs) – feeder system for potential new Licensed Deck Officers*
- *Vessel Familiarization Training*
- *Standards of Training, Certification and Watchkeeping (STCW) Training for vessel employees*
- *Cyber Security and additional IT training*
- *Training and Development Expo*

Advertising Budget Breakdown by Year & Category

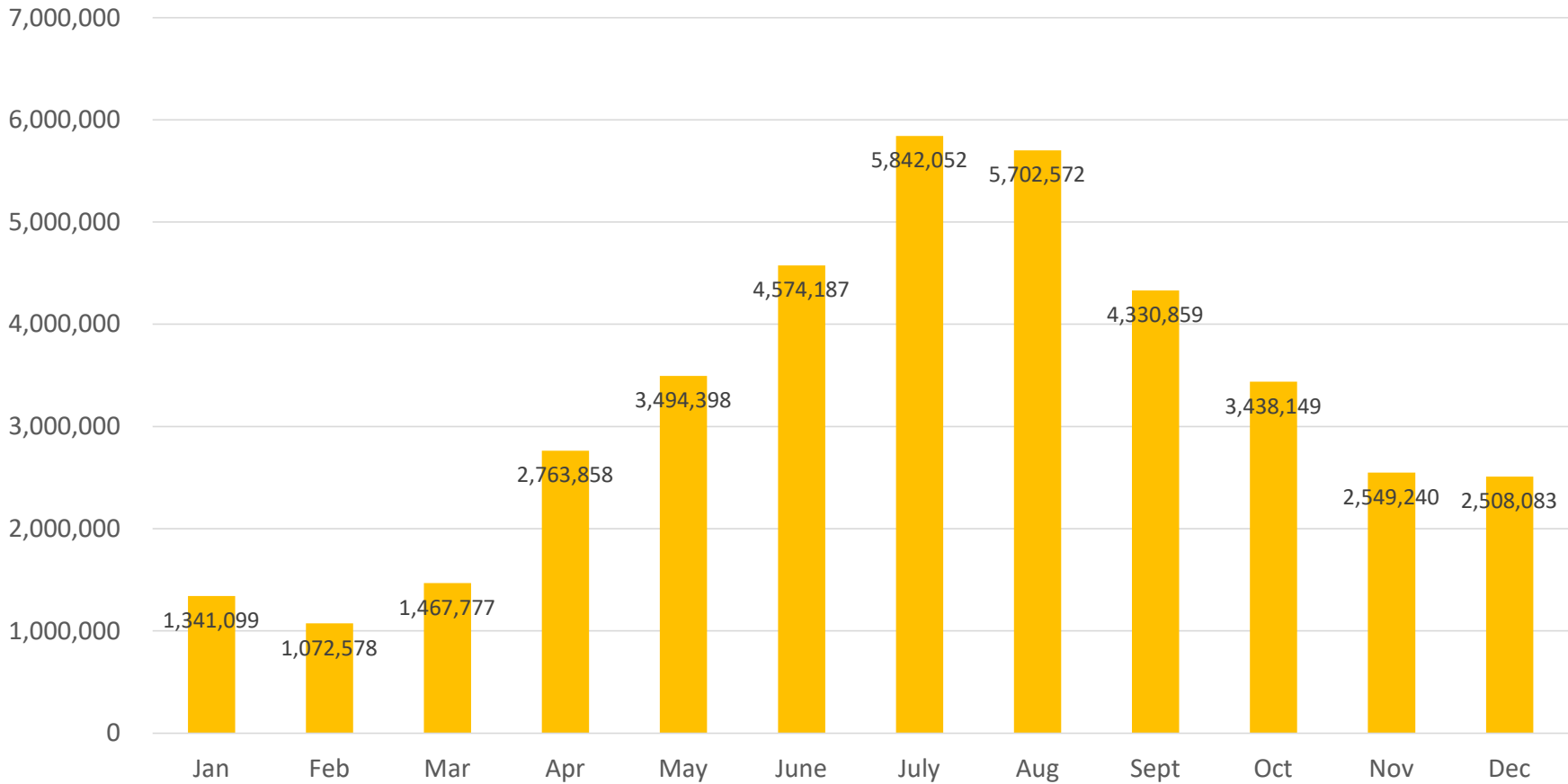
Advertising Budget by Year 2022-2027



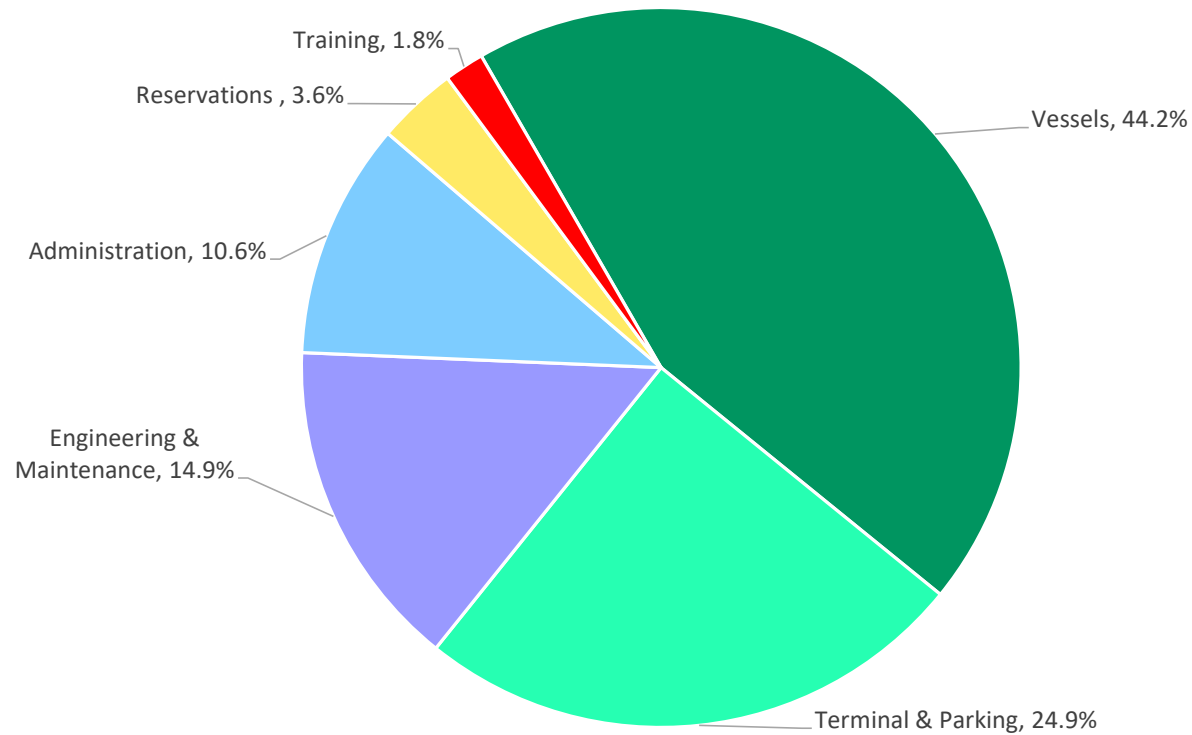
2027 Advertising Budget \$1,390,340



2027 Proposed Budget - Passenger Revenue By Month



2027 Budget Payroll Distribution Summary



Operating Revenue Variances – 2027 vs 2026

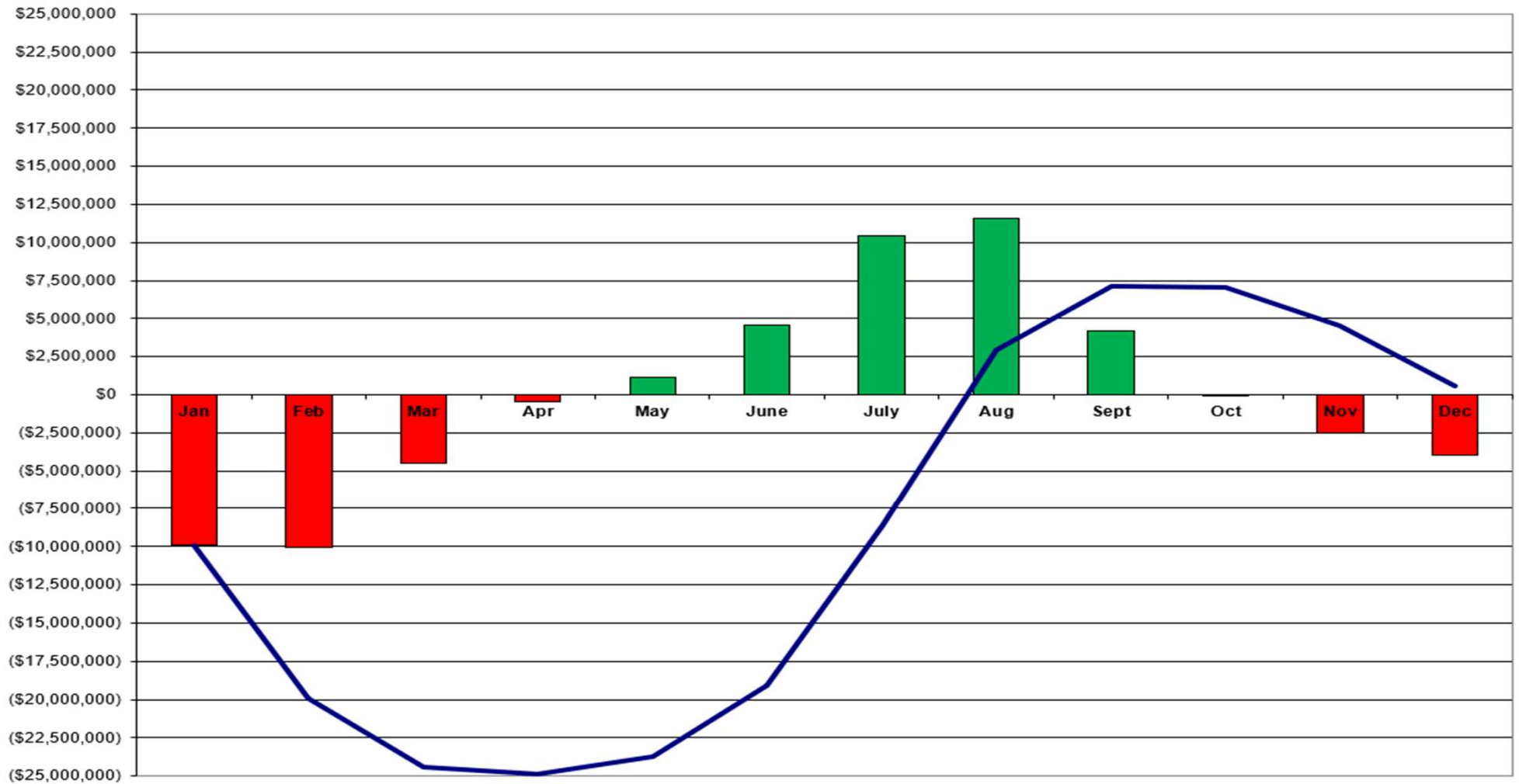
Automobile revenue	- \$ 23,223	- 0.0%
Parking revenue	-\$ 220,206	- 2.0%
Passenger revenue	- \$ 931,170	- 2.3%
Rent revenue	\$ 446,000	29.0%
Revenue from Terminal Ops	\$ 1,006,250	15.1%
Freight revenue	\$ 1,415,836	2.8%

2027 Grant Revenue Summary

Total Grant Revenue Projects of \$9,672,000

- *Vessel Drydocks*
- *Vineyard Haven Slip and Pier Repairs – Phase 2*
- *Vessel Engine Overhauls and Machinery Parts*

**2027 Budgeted Net Income by Month
and Cumulative Net Income**



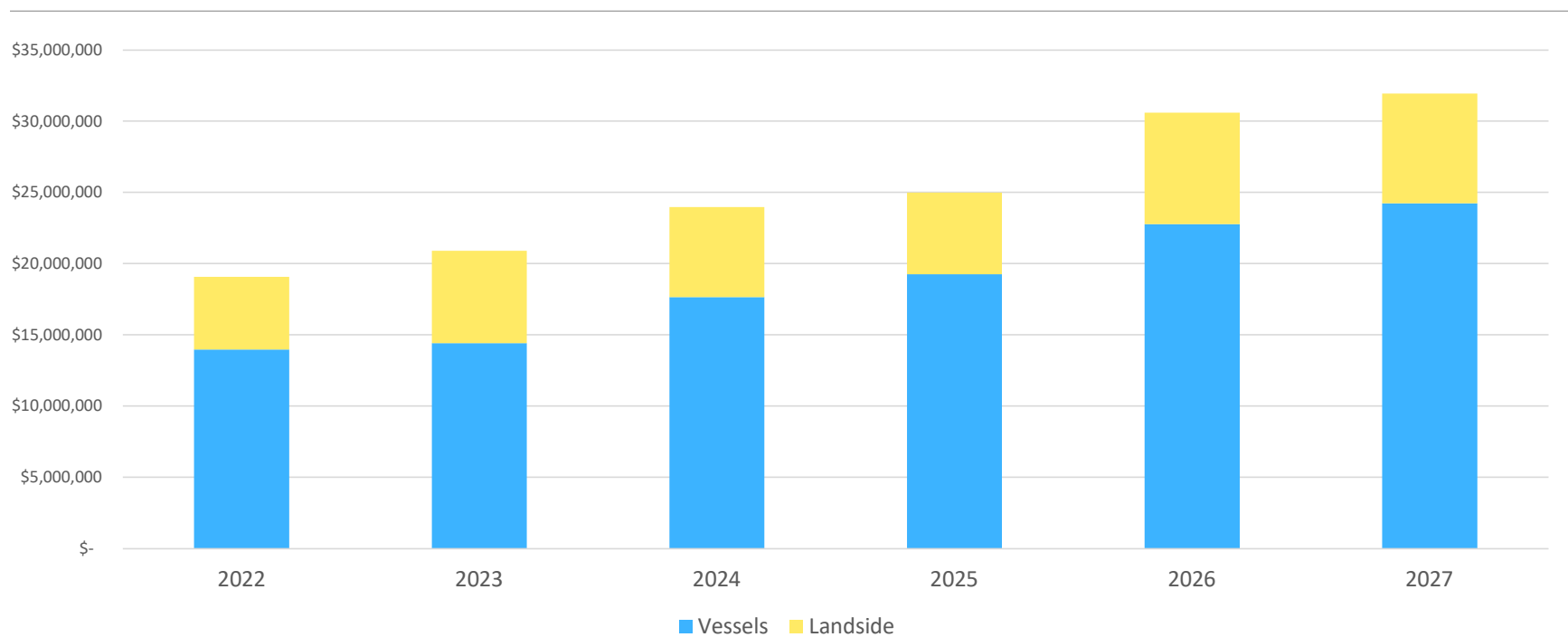
Questions?

2027 Proposed Rate Adjustments

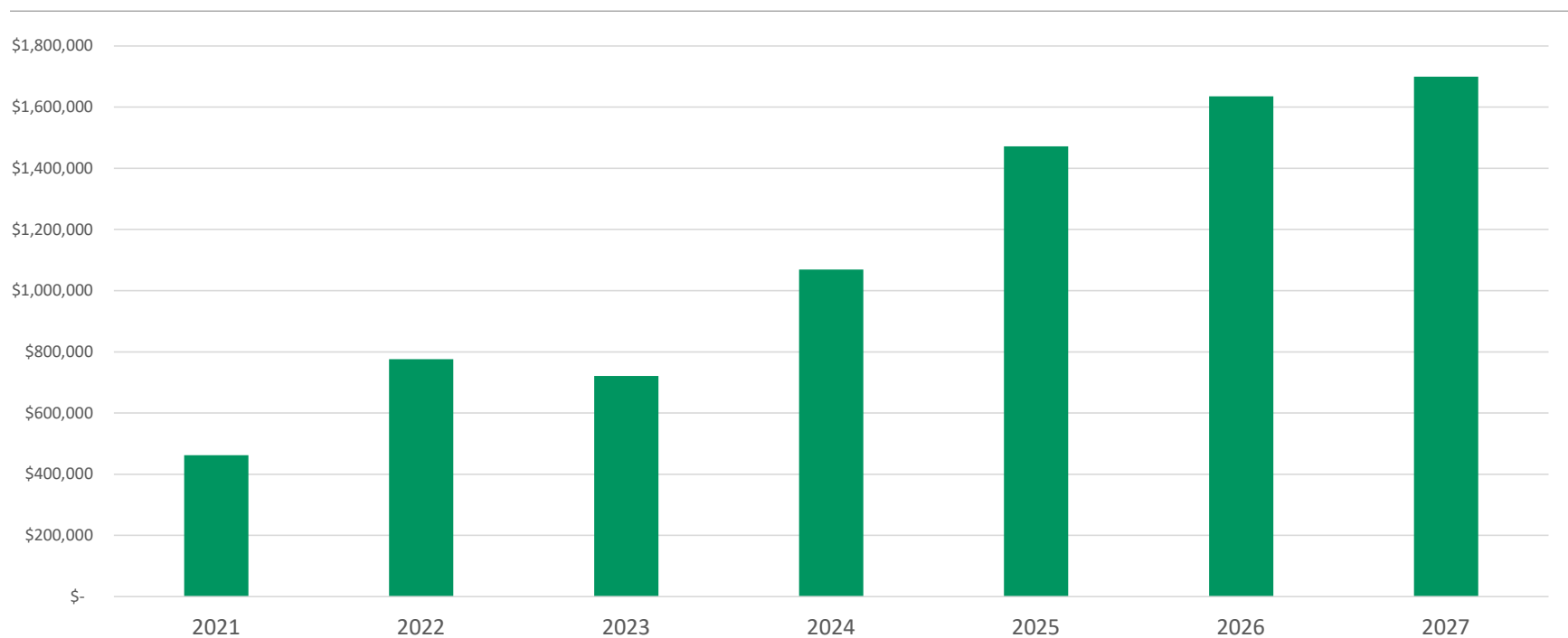
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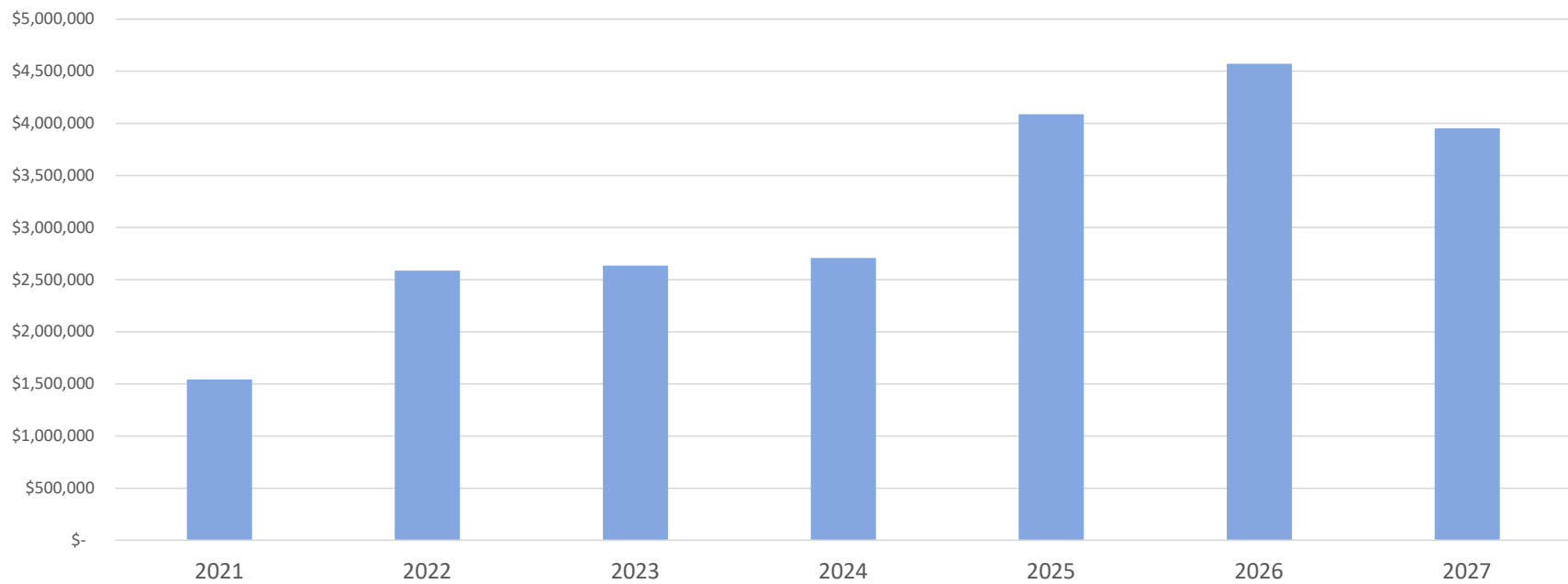
Budgeted Maintenance Expenses 2021-2027



Budgeted Training Expenses 2021-2027



Budgeted IT Expenses 2021-2027



Impacts of Fuel Price Increase

- *Fuel prices are estimated to increase by \$4.9 million, 43%*
- *Currently hedged for 63% of 2027.*
- *Cost to purchase hedge prices are significantly higher for 2027 compared to 2026*
- *2026 fuel expense is close to 2026 budget*
- *Impacting transportation industry across the board.*
 - *Other Ferry Operators currently have fuel surcharges of 5.5% to 12.5%*
 - *US Postal Service has an 8% fuel surcharge in place*

Summary of Proposed Rate Adjustments

Target net operating revenue	\$ 9,830,077
<u>Net operating revenue before adjustment</u>	\$ 573,246
<u>Additional revenue required by rate adjustments</u>	\$ 9,256,830

A green line with arrows at both ends originates from the 'Additional revenue required by rate adjustments' row of the table. It branches out to point to two separate boxes below. The left box is labeled 'Martha's Vineyard route: \$5,623,139' and the right box is labeled 'Nantucket route: \$3,633,691'.

Martha's Vineyard route: \$5,623,139	Nantucket route: \$3,633,691
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Proposed Fare Adjustments by Category

• Passenger fares	+	\$	1,908,357
• Excursion vehicle rates	+	\$	658,431
• Standard fare vehicles	+	\$	3,738,925
• Vehicles over 20' in length	+	\$	2,355,624
• Parking – Permits & Daily Fee	+	\$	498,870
• Miscellaneous	+	\$	96,623

Proposed Fare Adjustments – Vineyard Route

<u>Rate</u>	<u>Proposed Adjustment</u>	<u>Additional Revenue</u>
Standard fare vehicles - under 20' in length	• \$4.00 for 1/1 – 3/31, \$6.50 for 4/1 – 5/14 • \$9.00 Mon-Thurs & \$17.00 Fri-Sun 5/15 – 9/14 • \$7.00 from 9/15 to 10/31, \$4.50 from 11/1 to 12/31 • \$60.00 – Auto 10-Ride coupon book • *17-20 Feet vehicles would be adjusted proportionately	+ \$ 2,662,629
Excursion Fare	• \$3.00 from 1/1 – 5/31 and 9/1-12/31, each segment • \$4.25 from 5/15 – 9/14, each segment	+ \$ 350,026
Freight	• 6.0% increase	+ \$ 866,449
Passengers	• \$0.50 one-way Adult • \$0.25 one-way Child/Senior • \$4.50 per 10-Ride Adult book • \$2.25 per 10-Ride Child/Senior book • \$9.25 per 46-Ride book	+ \$ 1,078,277
Daily Fee Parking	• \$1.00 per day from 1/1 – 12/31	+ \$ 760,415
Parking Permits	• \$200.00 Woods Hole Lot, \$50.00 Palmer Lot	+ \$ 129,100

Standard Fare Vehicles– Vineyard Route

<u>Dates</u>	<u>Days</u>	<u>Proposed Adjustment</u>	<u>Current Rate</u>	<u>Propose Rate</u>
01/01 - 03/31	ALL	\$ 4.00	\$73.50	\$77.50
04/01 - 05/14	ALL	\$ 6.50	\$115.50	\$122.00
05/15 - 09/14	MON-THUR	\$ 9.00	\$127.00	\$136.00
05/15 - 09/14	FRI-SUN	\$ 17.00	\$168.00	\$185.00
09/15 - 10/31	ALL	\$ 7.00	\$127.00	\$134.00
11/01 - 12/31	ALL	\$ 4.50	\$79.00	\$83.50

Proposed Fare Adjustments – Nantucket Route

<u>Rate</u>	<u>Proposed Adjustment</u>	<u>Additional revenue</u>
Standard fare vehicles under 20' in length	• \$10.25 -1/1-31 and \$17.00 4/1-5/14 • \$20.00 - MON-THUR and \$29 FRI-SUN - 5/15-9/14 • \$18.00 - 9/15 to 10/31 and \$10.50 11/1-12/31 • \$84.00 – Auto 6-Ride coupon book	+ \$ 1,076,296
Excursion Fare	• \$4.50 from 1/1 – 3/31, each segment • \$5.00 from 1/1 – 5/14 and 9/15-12/31, each segment • \$6.50 from 6/1 – 8/31, each segment	+ \$ 186,262
Vehicles 20' and over in length	• 6.0% increase	+ \$ 1,345,481
Passengers – High Speed Ferry	• \$2.50 one-way Adult/\$2.00 Same Day RT Adult • \$1.25 one-way Child/\$1.00 Same Day RT Child • \$1.75 one-way Senior/\$1.25 Same Day RT Senior • \$11.25-18.75 per 10-Ride book (Adult, Child, Senior)	+ \$ 606,972
Passengers – Conventional Ferry	• \$1.00 one-way Adult • \$0.50 one-way Child/Senior • \$9.00 per 10-Ride Adult book • \$5.50 per 10-Ride Child/Senior book	+ \$ 250,155
Parking	• \$75 Lewis Bay and \$50 Yarmouth Road • Daily Fee Parking - \$1.00 per day from 1/1 – 12/31	+ \$ 87,331

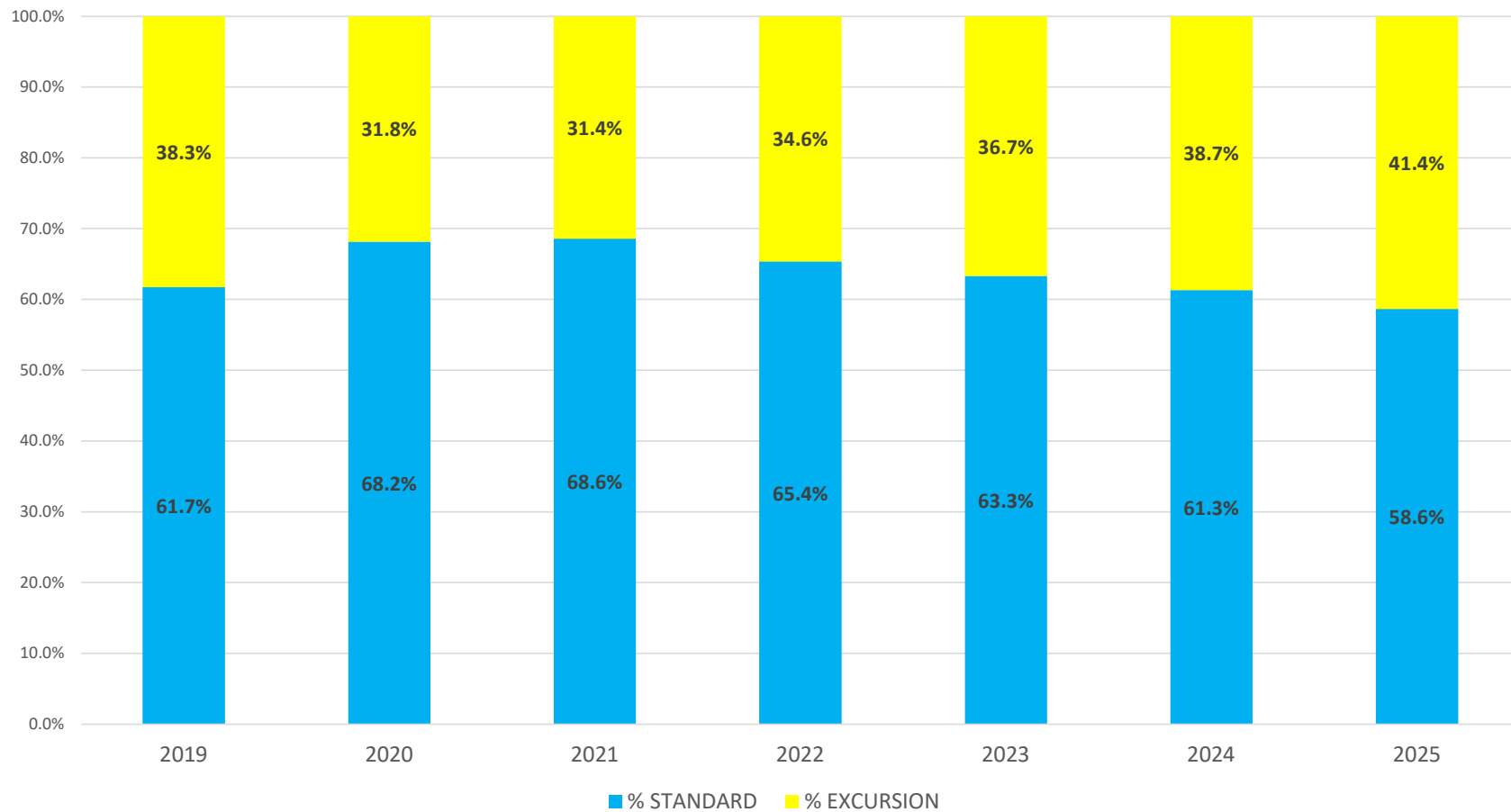
Standard Fare Vehicles– Nantucket Route

<u>Dates</u>	<u>Days</u>	<u>Proposed Adjustment</u>	<u>Current Rate</u>	<u>Propose Rate</u>
01/01 - 03/31	ALL	\$10.25	\$205.00	\$215.25
04/01 - 05/14	ALL	\$17.00	\$300.00	\$317.00
05/15 - 09/14	MON-THUR	\$20.00	\$320.00	\$340.00
05/15 - 09/14	FRI-SUN	\$29.00	\$370.00	\$399.00
09/15 - 10/31	ALL	\$18.00	\$320.00	\$338.00
11/01 - 12/31	ALL	\$10.50	\$208.00	\$218.50

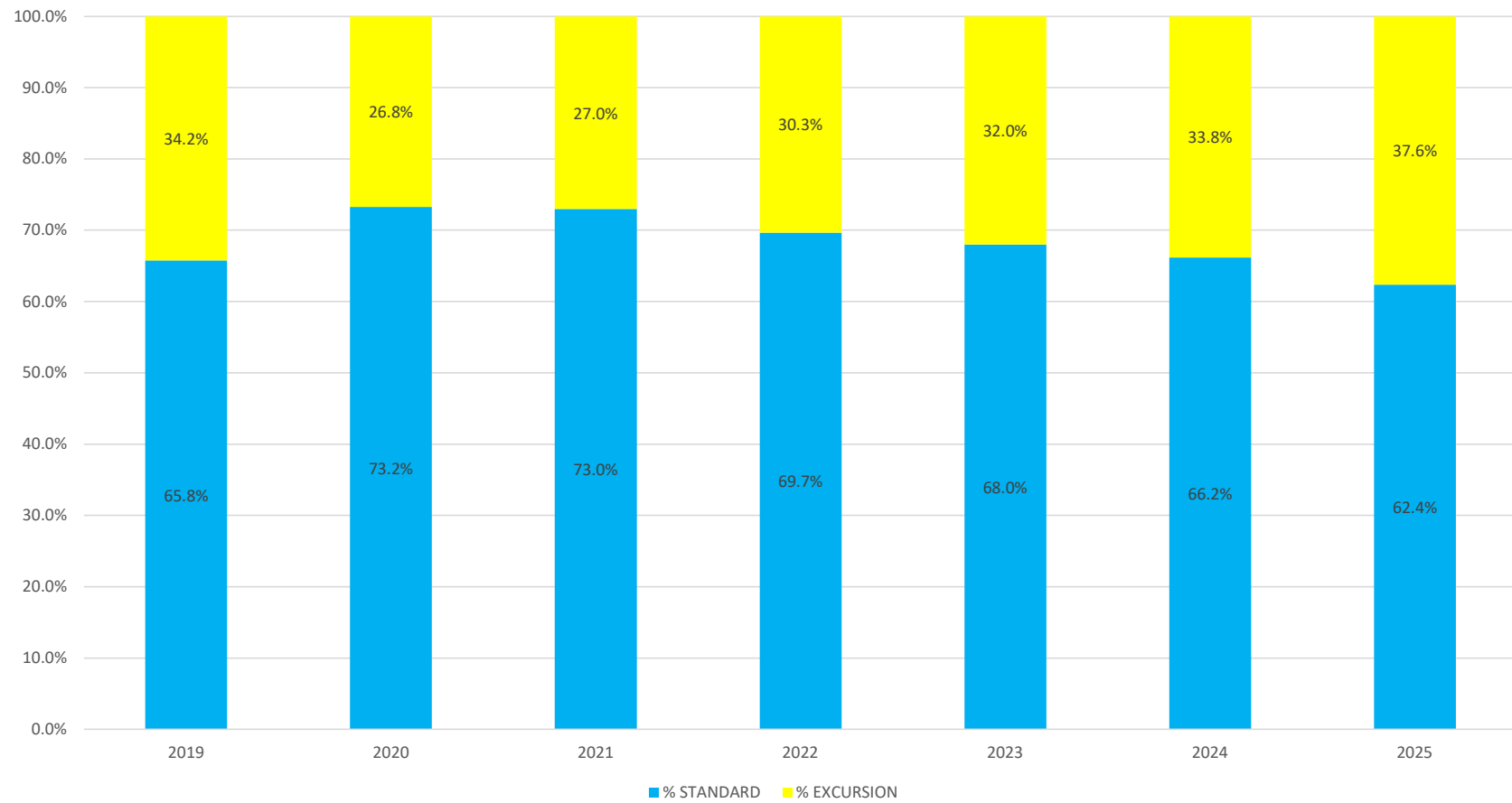
2024 vs 2025 Passenger Vehicle Cost of Service

	MARTHAS VINEYARD ROUTE				NANTUCKET ROUTE		
	2024	2025			2024	2025	
STANDARD FARE AUTOS	140.6%	155.5%			175.5%	153.4%	
STANDARD FARE TRUCKS	134.3%	144.7%			166.0%	142.9%	
EXCURSION FARE AUTOS	29.7%	27.3%			38.2%	30.5%	
EXCURSION FARE TRUCKS	42.4%	39.2%			46.8%	37.2%	
TOTAL PASSENGER VEH.	95.1%	100.2%			124.4%	104.0%	

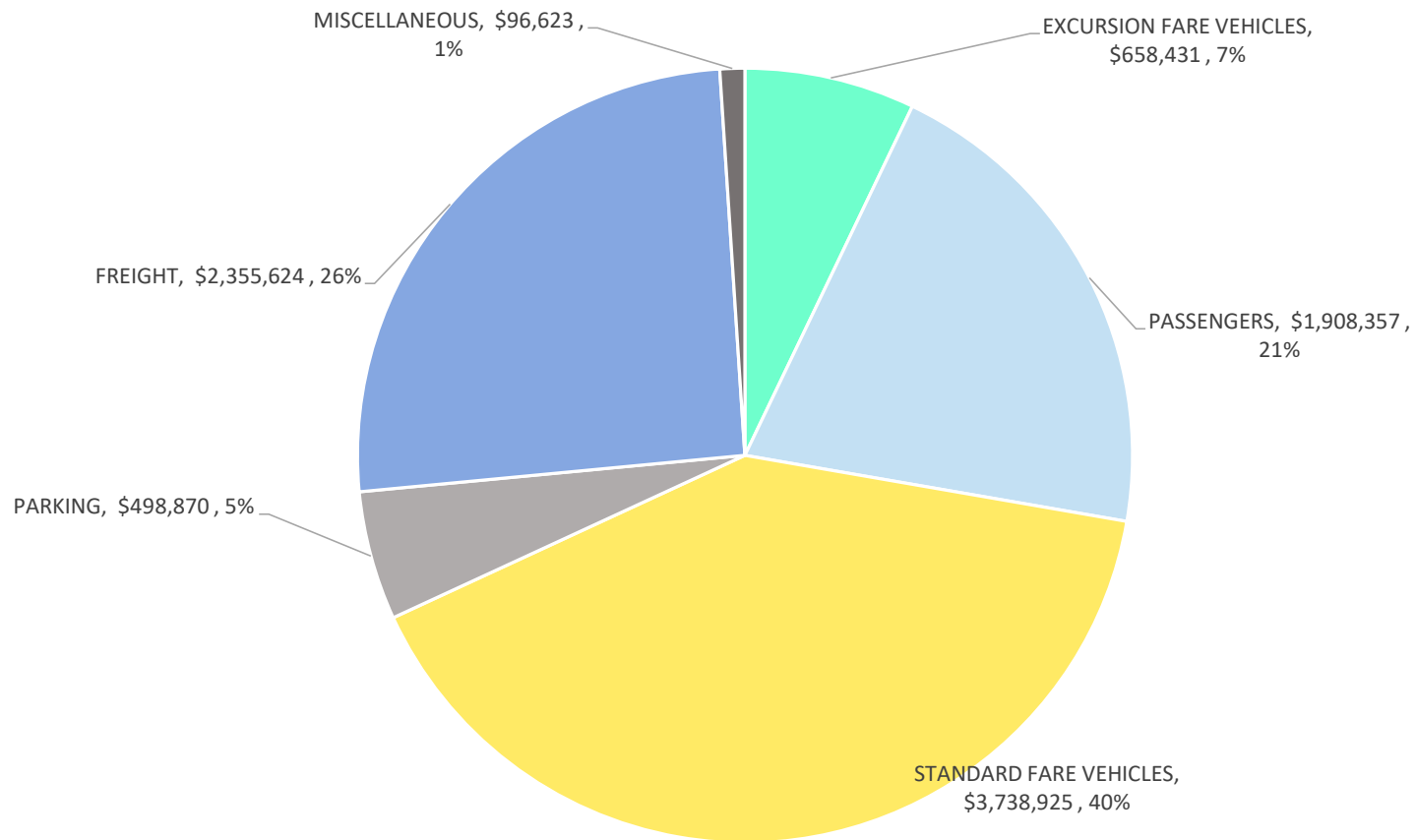
2019-2025 Martha's Vineyard January-August
Standard & Excursion Vehicles - Usage Percentage



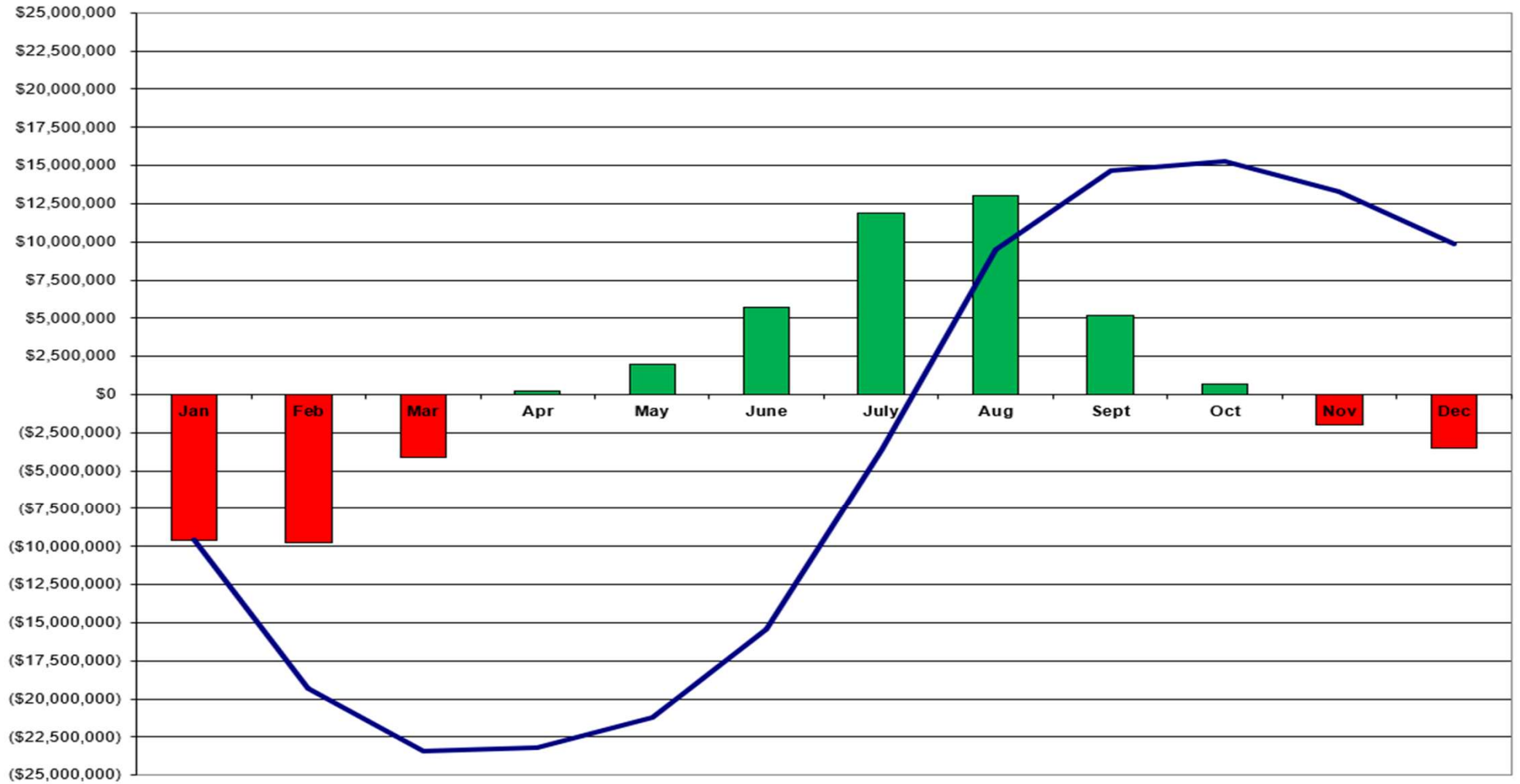
2019-2025 Nantucket January-August Standard & Excursion Vehicles - Usage Percentage



2027 Proposed Rate Adjustment Distribution



**2027 Budgeted Net Income by Month
and Cumulative Net Income**



Budget Considerations Follow Up

- *Three Budget Open Houses*
- *Continue review of operating revenues and expenses*
- *Continued analysis and review of the excursion fare program and qualifications*
- *Analyze impacts of New Reservation System launching*
- *Evaluate fuel oil pricing and fuel hedges*

Questions?
