

STAFF SUMMARY

Date:

File# A-718



TO:		FOR:		FROM:
X	General Manager		Vote	Dept.: Accounting & Finance
				Author: Mark K. Rozum
X	Board Members	X	Information	Subject: Preliminary Draft of Proposed 2026 Rate Adjustments

PURPOSE:

To present and review the staff's preliminary 2026 Rate Adjustments, effective January 1, 2026.

BACKGROUND:

In order to ensure sufficient income to meet next year's cost of service including scheduled debt service payments on September 1, 2026, and March 1, 2027, the staff is proposing rate adjustments that are anticipated to generate an additional \$7,400,000 of operating revenue in 2026. The preliminary draft of the proposed 2025 Operating Budget does not include the revenue associated with these proposed rate adjustments.

Management is forecasting that passenger, freight and parking travel will be similar while passenger vehicle travel will decrease in 2026 compared to the traffic for the twelve-month period of August 2024 through July 2025.

Based on an allocation of next year's projected revenues and cost of service, it is proposed that approximately \$4,400,000 in additional revenue be raised from adjustments in the Martha's Vineyard rates and an additional \$3,000,000 be raised from the Nantucket route. With the proposed distribution of rate adjustments by route, total revenues (and other non-service income) are expected to be split 58.7% for the Martha's Vineyard route and 41.3% for the Nantucket route. By comparison, the cost of service for each route is projected to be 59.7% and 40.3%, respectively.

On the Martha's Vineyard route, management is proposing adjusting the one-way standard fare vehicles under 17 feet in overall length by \$3.50 for offseason period of January 1st to March 31st, \$5.50 in the shoulder season periods of April 1st to May 15th, \$6.00 for the period of September 15th to October 31st and \$4.00 for the period of November 11th to December 31st. During the peak season of May 15th to September 14th, management is proposing to continue implementing a rate differential for travel on Friday, Saturday and Sunday compared to travelling Monday through Thursday for standard fare vehicles under 20 feet in overall length. The one-way standard fare rate for travel on Monday through Thursday would be adjusted by \$6.00, and \$8.00 for travel on Friday, Saturday, and Sunday. Vehicles between 17 feet and under 20 feet in overall length would be adjusted similarly.

Management is proposing adjusting the excursion fares by \$1.75 per segment for travel between January 1st to May 14th and September 15th to December 31st and \$2.75 per segment for travel between May 15th and September 14th. Additionally, management is also proposing an 5.5% rate adjustment for all vehicles longer than 20 feet in overall length.

On the Martha's Vineyard route, management is also proposing adjusting the adult passenger tickets by \$0.50, and the children and senior tickets by \$0.25. The 10-ride commuter books would be adjusted by \$4.50 per book and the 10-ride senior and children books by \$2.75. The 46-ride commuter book would be adjusted by \$9.25. Bicycle rates would be adjusted by \$0.25.

Year-round parking permits for Woods Hole Lot would be adjusted by \$200.00. Year-round Palmer Avenue would be adjusted by \$50.00 and the seasonal permits by \$25.00. Daily fee parking rates will be adjusted by \$5.00 for the periods of January 1st to March 31st and November 1 to December 31st, rates from April 1st to May 14th and from September 15th to October 31st will be adjusted by \$8.00 per calendar day. There would be no changes during summer period of May 15th to September 14th.

On the Nantucket route, management is proposing adjusting the one-way standard fare vehicles under 17 feet in overall length by \$10.00 for offseason period of January 1st to March 31st, \$15.00 in the shoulder season periods of April 1st to May 15th, \$15.00 for the period of September 15th to October 31st and \$10.00 for the period of November 1st to December 31st. During the peak season of May 15th to September 14th, management is proposing to continue implementing a rate differential for travel on Friday, Saturday and Sunday compared to travelling Monday through Thursday for standard fare vehicles under 20 feet in overall length. The one-way standard fare rate for travel on Monday through Thursday would be adjusted by \$15.00, and \$20.00 for travel on Friday, Saturday, and Sunday. Vehicles between 17 feet and under 20 feet in overall length would be adjusted similarly.

Management is proposing adjusting the excursion fares by \$4.50 per segment for travel between January 1st to May 14th and September 15th to December 31st and \$6.25 per segment for travel between May 15th and September 14th. Additionally, management is also proposing an 5.5% rate adjustment for all vehicles longer than 20 feet in overall length.

The 6-Ride coupon book prices would also be adjusted by \$80.00. Bicycles would be adjusted by \$.50 and motorcycles by \$4.25 per segment. Additionally, year-round parking permits for Hyannis would be adjusted by \$50.00 and the seasonal permits by \$25.00. Daily fee parking rates will be adjusted by \$5.00 for the periods of January 1st to March 31st, April 1st to April 30th and November 1 to December 31st, rates from May 1st to June 14th, June 15th to September 14th and September 15th to October would be adjusted by \$4.00. September would be adjusted by \$4.00, May 14th and from September 15th to October 31st will be adjusted by \$7.00 per calendar day.

Management is also proposing an 5.5% rate adjustment for all vehicles longer than 20 feet in overall length. Barge rates would be adjusted by 5.0%.

Management is proposing adjusting the high-speed ferry adult ticket by \$2.00, children \$1.00 and seniors by \$1.00. Same day high speed tickets round trip adult tickets would be adjusted by \$1.50 for each direction and same day round trip tickets for seniors would be adjusted by \$1.25 and children would be adjusted \$1.00 in each direction. Management is also proposing that the 10-ride high speed adult tickets be adjusted by \$16.00 per book, \$10.00 per senior book and \$8.00 per child book. Management is also proposing adjusting the conventional ferry adult passenger tickets by \$1.00, and the children and senior tickets by \$0.50. The 10-ride commuter books would be adjusted by \$8.00 per book and the 10-ride senior and children books by \$5.00 for the conventional ferries. Bicycle rates would be adjusted by \$0.50.

The above-mentioned proposed rate adjustments would generate an estimated \$7,400,000 in additional revenue. Approximately \$4,400,000 would be generated from the Martha's Vineyard route and \$3,000,000 from the Nantucket route. The proposed adjustments are expected to generate \$1,800,000 from passenger fares, \$1,800,000 in additional revenue from the standard fare passenger vehicles, \$500,000 from excursion fare vehicles, \$2,000,000 from vehicles longer than 20 feet in overall length, \$1,300,000 from parking revenue and \$50,000 from other sources.

Attached please find a list of the specific rate adjustments being proposed for each route.

RECOMMENDATION:

This information is being forwarded for review and discussion by the Port Council and Board Members. No action is being requested at this time. A vote to adopt the recommended Rate Adjustments will be requested at the Authority's October meeting.

Mark K. Rozum
Treasurer/Comptroller

APPROVED: _____
Robert B. Davis
General Manager

Attachments