

DRAFT FY2025 Q2 Baseline Budget Assumptions & Notable Items
December 9, 2024

Assumptions:

- Expense is based on FY24 staffing levels and service schedule.
- Vessel expense per drydock and work list in Dry Dock Plan.
- Diesel fuel lock at - \$3.29 (\$3.487 in FY2024): Biofuel at \$2.25

Revenues:

- Regularly scheduled service (passenger) revenue will be budgeted at FY24 levels, adjusted for:
 - Ticket type changes (no commuter books)
 - Amortized 90-day and Annual pass revenue from June 2024 – March 2025 (used estimates for Dec 2024 – Mar 2025) Total Deferred Revenue recognized in Q2 = \$57,021
 - Ticket sales from Jan, Feb, Mar 2024
 - Adjusted for fare increases
 - Adjusted quantities to 80% prior year Q2 actuals
 - Passes based on 2024 Sep, Oct, & Nov (13 wks) run rate * 70% adjustment for monthly; 33% for 90 days and .08% for Annual Passes
- Vehicle & Freight revenue budgeted at FY24 levels
- Group Tours and Charters budgeted at FY24 levels

Expenses:

Total Expense break down:

- **Personnel 47.0%**
- **Vessels 32.3%**
- **Operations 14.6%**
- **Terminal 5.3%**
- **Sales .9%**
 - **Personnel expenses:**
 - FY 2025 based on actuals for FY 2024
 - 4% wage increase budgeted as of March 2025, roll forward of current CBA increase %
 - 4% increase for Bargaining Unit employees for 7 months of the year = \$65,000
 - Additional positions in this budget:
 - Assistant Port Engineer
 - Administrative Assistant
 - *May need to add .5% of total payroll for funding Maine's Paid & Family Medical Leave as of 1/1/2025*
 - **Vessel expenses:**
 - Fuel based on actual gallons consumed, diesel and bio.
 - **\$3.29/gallon** for diesel for FY2025. 5% reduction in price from FY2023 and 2.5% reduction included for challenge to captains to reduce speed – carried over from FY2024.

- Fuel biodiesel at \$2.25 per gallon.
- Vessel Ins includes 7% increase over FY2024.
- 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 3 planned for 2025.
 - Bay Mist - \$225K in Q1, \$53K in Q2
 - Machigonne - \$450K (Feb/Mar)
 - Aucocisco - \$400K (Apr/May)
- **Operations expenses:**
 - \$60K Q2 Information Technology expenses include:
 - \$20K RocketRez Annual fees
 - \$10.5K Munis Accounting Software Annual fees
 - \$6K Managed Services (Helpdesk) – Systems Engineering
 - \$8.25K Software licensing, Network Administration/Monitoring – Systems Engineering
 - \$8.5K Systems Engineering Other
 - Vessel Vanguard PM software \$6.75K

Note: Total FY 2025 Information Technology expense is \$240K
 - Barge subcontracting – includes 6 weeks of service Feb/Mar for Machigonne Drydock.
 - Accounting fees include all expense for FY2024 Audit – plan to be concluded by end of March 2025.
- **Terminal expenses:**
 - Utilities & janitorial based on FY2024 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 FY25 with 80% FTA funding
- MaineDOT 5311 funds for FY25 of \$623K, to be fully utilized in FY25
- Maine Rural Operating Asst at same FY24 level of \$68K, to be fully utilized in FY25

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 20% for FY2024.
Employee Turnover	Low turnover – maintain staffing levels	High turnover requires add'l overtime and hiring/training expenses in addition to customer experience decline