

- Special Ferry charge on Amherst Island property taxes, based on assessed value of \$120,000, will raise additional revenue of:
 - Tax of \$144.36 = \$50,000
 - Tax of \$288.60 = \$100,000
 - Tax of \$577.32 = \$200,000
 - Consider that only Island property owners, who paid special tax, would be eligible to buy bulk tickets
- Special annual charge only on Island residential dwellings will raise additional revenue of:
 - \$100 = \$27,600
 - \$200 = \$55,200
 - \$300 = \$82,800
 - \$500 = \$138,000
 - Only Island property owners, who paid the special annual charge, would be eligible to buy bulk tickets

As part of Council's deliberations, a combination of any one of the above or other options, could be selected to eliminate the revenue shortfall. The Township continues to make representations to the Province of Ontario to increase the Provincial level of support, but those efforts have not prevailed to date. As the Province funds in excess of

80% of the operations, their share in terms of dollars has also increased significantly. Residents have the right, and are encouraged, to make a personal plea directly to their Provincial representative.

HOW DO YOU GET INVOLVED?

Please send your views, comments and suggestions on how to eliminate the revenue shortfall and what combination of options or other options best meets your needs.

When responding, please provide the following information:

- *Visitor, Seasonal or Year-Round user*
- *Property Owner - Yes or No?*
- *Name and Address*

Submissions can be sent to the address given below c/o Ferry Committee or emailed to:

engineering@loyalist-township.on.ca



Engineering Department
 263 Main Street
 P.O. Box 70
 Odessa, Ontario, K0H 2H0
 (613) 386-7351 Ext 116
 fax (613) 386 3833

LOYALIST TOWNSHIP

AMHERST ISLAND FERRY

Opportunity for input on how to address Ferry Revenue Shortfall



FERRY OPERATIONS

The Amherst Island Ferry Service is operated by Loyalist Township, in accordance with an agreement with the Provincial Ministry of Transportation (MTO).

A key financial aspect of this Agreement is:

- MTO funds 90% of most costs and 73% of fuel costs.

Thus, revenue shortfall between the annual “Provincial” subsidy and operating expenses must be recovered, either through fares or by some other revenue mechanism, approved by Loyalist Township Council.

CURRENT STATUS

1. The Municipality, over the years, has made numerous submissions to the Province to cover a larger share of the annual operating costs and improved services. These discussions secured the full time use of the Frontenac II and a new operating agreement.

2. In 2005, the Township received \$1,727,770 in subsidy from the Ministry of Transportation, and the Ferry service had expenses of \$2,011,380. Rising fuel costs have resulted in an immediate need to significantly increase revenue.

3. Council has approved an immediate fare increase of 30 tickets for \$75.00 and \$6.00 cash fare, effective March 17, 2006. This increase is estimated to raise an additional \$27,000 in 2006.

4. The 2006 operating budget is \$2,106,500, the Provincial subsidy is estimated at \$1,798,561 and the anticipated 2006 fare revenue is \$227,000, resulting in a projected shortfall of \$80,939.

PUBLIC INPUT WANTED

The Council of Loyalist Township is actively seeking input from the community on Amherst Island on how best to raise the funds to cover the forecasted financial shortfall.

Over the summer months, the Township will receive submissions and ideas from the community, with the goal of implementing a system for the 2007 budget year, so that revenues cover expenses.

BACKGROUND DATA

- In the years 2003-2005, on average the ferry carried 139,000 cars, 4,688 trucks, 1137 bicycles, 290 motorcycles and 306,867 passengers per year.
- Prior to 2006, annual bulk ticket sales raised about \$130,000, cash fares raised \$66,000, motorcycle fares raised \$230 and bicycle fares raised \$600.
- That revenue was raised with bulk ticket fares of \$50 for 23 tickets, cash

fare of \$5.00 per car, motorcycle fare of \$1.50 per motorcycle and bicycle fare of \$1.00 per bike. Trucks required two or more tickets. In 2005, those fares raised \$206,371.

- Additional financial information can be obtained through the Transportation and Solid Waste Manager, Mr. Bruce Hughson at extension 386-7351 ext 117.

REVENUE GENERATION OPTIONS

To further discussion, Township staff has investigated several revenue generating options, based on the 2005 rates, as follows.

- Increase cost of bulk tickets = additional revenue of:
 - \$100 for 40 tickets = \$19,395
 - \$50 for 15 tickets = \$68,959
 - \$100 for 20 tickets = \$168,086
- Increase cash sale prices = additional revenue of:
 - \$6.00 / car = \$13,239
 - \$8.00 / car = \$39,717
 - \$10.00 / car = \$66,194