

**Summary of MSFS Fare Proposals
14 May 2009**

Proposal	Description	Advantages	Disadvantages
1. 5% increase plus \$1 surcharge Revenue Generated: \$4.62 million	5% increase on all fares (10% for Islesboro) plus \$1 increase on all adult fares <u>Increase .5 trips/mo. 2 adult + veh</u> V, NH, SI: \$165 (8.21%) Islesboro: \$165 (16.67%)	1. Smallest % increase for islanders of any proposal 2. Helps address disparity between Islesboro and V, NH, SI from previous rate hikes 3. Surcharge maintains option of reductions if costs can be lowered, or alternate revenues identified	1. Needs surcharge to generate enough revenue 2. Reduces options for future cost savings proposals 3. Does not address the problems associated with island ticket sales (80%)
2. Two-season fare system 09/05 (initial review by Advisory Board on May 7) Revenue Generated: \$4.46 million	FY 2009 mainland rates would apply in-season; FY 2005 island rates would apply off-season <u>Increase .5 trips/mo. 2 adult + veh</u> V, NH, SI: \$190 (9.45%) Islesboro: \$180 (18.18%)	1. Captures more dollars from summer residents and tourists 2. Maintains options for future cost savings proposals 3. Fare roll-back in off-season (8 months of lower prices)	1. Negative reception by Advisory Board 2. Budgeting burden on islanders who travel a lot during summer 3. Heavy impact on freight movement during busy season. 4. RT reservations up from \$16 to \$25
3. Two-season fare system Revised 08/08 Revenue Generated: \$4.50 million	FY 2008 mainland rates would apply in-season; FY 2008 island rates would apply off-season; surcharge on adult tickets of \$1.25. <u>Increase .5 trips/mo. 2 adult + veh</u> V, NH, SI: \$360 (17.91%) Islesboro: \$260 (26.26%)	1. Captures some dollars from summer residents and tourists 2. Maintains options for future cost savings proposals 3. Surcharge maintains option of reductions if costs can be lowered, or alternate revenues identified	1. Needs surcharge to generate enough revenue 2. Needs increase in reservation fare to generate enough revenue 3. Larger year-round burden on islanders than original 2-season proposal
4. \$2.50 surcharge Revenue Generated: \$4.56 million	\$2.50 surcharge on all adult tickets <u>Increase .5 trips/mo. 2 adult + veh</u> V, NH, SI: \$225 (11.19%) Islesboro: \$225 (22.73%)	1. Helps address disparity between Islesboro and V, NH, SI from previous rate hikes 2. Keeps all other fares at 09 rates 3. Maintains option of reductions if costs can be lowered, or alternate revenues identified	1. Reduces options for future cost savings proposals 2. Large % increase on adult tickets 3. Does not address the problems associated with island ticket sales (80%)
Proposal	Description	Advantages	Disadvantages
5. Flat rate Revenue Generated: \$4.47 million	Creates uniform rates – no difference between seasons or place of purchase. Rates are somewhere between mainland and island rates. <u>Increase .5 trips/mo. 2 adult + veh</u> V, NH, SI: \$480 (23.88%) Islesboro: \$270 (27.27%)	1. Captures some dollars from summer residents and tourists 2. Maintains options for future cost savings proposals	1. Cost burden on islanders higher than other proposals.
6. 14.67% increase Revenue Generated: \$4.78 million	14.67% applies to all categories <u>Increase .5 trips/mo. 2 adult + veh</u> V, NH, SI: \$294 (14.63%) Islesboro: \$165 (16.67%)	1. Follows traditional route of fare increases 2. Smaller increase for islanders than two-season rate using 08 numbers	1. Increases growing disparity between islands & between mainland and island rates 2. Reduces options for future cost savings proposals 3. Does not address the problems associated with island ticket sales (80%)