LUMMI ISLAND ADVISORY COMMITTEE MEETING AGENDA
For July 23, 2012 @ Lummi Island Fire Hall, starting at 6:30 pm

CALL TO ORDER
ROLL CALL
FLAG SALUTE

MINUTES CONSENT
1. Advisory Committee for June 18, 2012

ANNOUNCEMENTS / SPECIAL PRESENTATIONS
There are no special announcements or presentations planned for this meeting

OPEN DISCUSSION
During open session audience members can speak on any issue. Each speaker should give his or her name for the record and will be given three (3) minutes to address the committee. The committee requests that individuals intending to speak during public comments please submit the comments in writing for a compilation of public records.

OLD BUSINESS
1. Security at Gooseberry Point (McKenzie)
2. Re-queuing project @ Gooseberry Point
3. Electronic Ticketing RFI & Ticket Elasticity Research (Zender)

NEW BUSINESS
1. Discussion of 45/55 split on ferry operations costs w/contributions from island residents Diane Harper and Chandler Johnson.

OTHER
1. Set next meeting date and draft agenda

ADJOURN
LUMMI ISLAND FERRY ADVISORY COMMITTEE (LIFAC)

Fourth Meeting

July 23, 2012

CALL TO ORDER
Committee Chair Mike McKenzie called the meeting to order at 6:35 p.m. in the Lummi Island Fire Hall, Bellingham, Washington.

ROLL CALL
Present: Greg Brown, Robert Bush, Stu Clark, Crispin Colburn, Mike McKenzie, Josh Zender
Absent: Charles Antholt

FLAG SALUTE

MINUTES CONSENT
1. Approved minutes for June 18, 2012 Meeting

ANNOUNCEMENTS / SPECIAL PRESENTATIONS
McKenzie requested that "New Business" be moved to first on the agenda tonight so that presentations from Diane Harper and Chandler Johnson regarding the 45/55 split on ferry operations costs.

Notes from Harper/Johnson presentation: (copy of the actual slide program to be provided to the Advisory Committee)
• 45/55 split = 45% from Road Fund and 55% from Fair Box Recovery
• 45/55 split supposed to be examined annually
• Clark read section of Code 10.34.030 - Use of Ferry User Fee Revenues
• Reviewed 45/55 split since 1986 and variations since
• Should the baseline have been changed with adjustments to the dock area costs
• Why have fare gone up
• Punch card discount is only really included since 2005-06
• In 2005 the Actual dock costs were added to the Ferry Ops and Maint costs.
• Are the formulas/evaluations correct? Accurate - Yes
• Is the funding system equitable? - Tough to say
• Is the current practice consistent with 1986 and the 2005 intent?
• Carl Weimer commented that there is a separate MVFY fund from the state that goes directly to the road fund and not specifically to the ferry fund.
• Clark thanked Harper/Johnson for their work and requested copy of the presentation
• Harper has issue with not tracking ferry personnel, government officials, and county personnel who travel free.

Public comment on the presentation:
Bud Jewell asked where is the graph showing where we quit hitting the 55%? He was certain that they had added the cost of the docks. In 1986 Usage of the ferry dropped drastically by raising the fares. Thought that the MVPY would be removed from Operations before calculated to the 45/55.

Fred Kinney restated that the intent was to remove the MVFT prior to the 45/55 split

What portion of the MVT is going to the road fund?

Mike Skehan asked Chandler about fare elasticity. He asked if you lower the fares the number for riders increases and Chandler responded that price elasticity calculation of today may not hold for that practice.

Bud Jewell commented that when they reduced fares in '89 the ridership went up/

Jim Dickinson commented that people no longer want to come out to the island.

Mark Richardson commented that with the size of the ferry and waiting in line folks pay to wait.

Bill Lee asked what was the nature of the market when the fare reduction was done?

Rhayma Blake suggested creating a program or plan for solid expectations for the ferry. We need to com with something to live with long term.

Bud Jewell stated that $10 was a psychological block.

Mike Skehan questioned the side cost ($40,000) for the sidewalk consultant and thought there should be an alternative analysis. Keep the option to have on0street parking as part of the road project.

Steve Thomas provided a sketch offering an option for a diagonal parking queuing plan. (attached)

Jim Dickenson:

1. MVFT funding could be double dipping with a portion going to the road fund.
2. We are exactly in the same position as in 1986 and the dock should not be part of the ferry budget.
3. $348,000 repair costs for ferry
4. $606,000 plan for ferry dock and will not accept any other ferry
5. Will present the plans for a different ferry to the Committee and will make a presentation if requested.

OPEN SESSION (There were 13-15 citizen's in attendance)
Due to the allowed comment during the other portions of the meeting, there were no comments from the audience for open session.

OLD BUSINESS

1. Dry Dock Issue - Parking and Security
   There are ??9?? public parking + 15 other less 7 for government vehicles.
   Per McKenzie the County Council will be aware of this committee's recommendations on security for the July 24 Council Meeting. There are no other issues or updates.

2. Ferry Queuing Project
   There was no real update. McKenzie has been unable to set up a meeting with Roland Middleton. The LIFAC is supposed to provide recommendation for signage required for the honor system for ferry loading. Queuing project is to be done in October and we are not sure
if there will be time for a meeting and recommendations. The LIFAC was leaning towards the
2 lanes with back-up on the roadway lane.

3. Electronic Ticketing

Zender provided a handout and gave a presentation on his efforts to obtain data on the
ticketing system. He restated that he issues RFI to 15 separate vendor with only one
responding. He was pleased that the one that responded was very comprehensive. The
presentation covered the following topics:
  1. What problem are we solving?
  2. When should the sale (ticket) occur?
  3. What methods of payment should be accepted?, and
  4. What technologies should be employed?

Zender made the following comments
- Certified Fraud Examiners estimate that approx. 5% of organizations revenues are lost to
  fraud, waste, and abuse. Based on a 4-11-11 Ferry Task Force report, an estimated $50 daily
  is forgiven to passengers who are unable to pay. (Note: I believe the Ferry Captain
  disagreed with this estimate).
- One way to mitigate the risk of fraud would be to utilize a terminal that would issue a
  receipt for each transaction, essentially a till that could be balanced by the purser or other
  representative at the end of the day. All passengers should receive a receipt reflecting
  either payment or travel voucher.
- Credit Card payment processing fees for a credit card processing range from 2%-7%
  depending on the solution and whether the County desires to absorb the fees or pass the
  fee to the customer.

Comments:
Clark suggested that online ticketing may be a good first step in deploying e-ticketing.
Chandler Johnson commented that there should always be the option to do cash.
McKenzie commented that Public Works want and Electronic System.
Bill Lee says there never has been a problem of collection of fares ad done presently
Colburn comments that the current system is poor at collection of information
Mike Skehan suggests that a manned kiosk will not be a reality
Colburn comments that we should still have the ability to pre-pay by computer
Clark also says that no matter which system we should be able to buy on-line.
Jim Dickenson asked the question if we would be able to the current or proposed system if we
used a larger ferry having more vehicles?
Dempsey Cameron commented that there is still and issue with uncollected fares and that
some come over w/excuse and don't pay on trip.
McKenzie commented that it is unlikely to get this by 2013 and that we may want to slow
down and do a phased aproach. Collection of data if very important.
Pete Cameron suggested that money might better be collected on the island side.
Chandler Johnson commented that if you solved one problem from the first page of the
presentation that you would solve them all i.e., Improving customer service, Strengthening
internal controls, Saving money, and Improving tracking.'
Zender commented that there are other various issues w/cash vs. credit card vs. E-checks. He also commented that hardware could range from $1500 to $10,000.

Pete Cameron commented on credit card costs. Clark asked what is the cost of starting on-line purchases as a first phase? Would this be the same $10,000 to process?

Chandler Johnson commented on Applicable Programming Interfaces (API) and asked if any exist for the County Systems.

Mike Skehan commented that you could push the credit card system back by putting a small ATM on the Ferry.

Herb Iverson says a 5% fraud seems OK.

Jim Dickenson says BC ferries pass cost on to riders.

NEW BUSINESS

1. NOTE: New Business is covered in "Announcement / Special Presentations"

OTHER BUSINESS

There was no other business

TENTATIVE AGENDA FOR THE NEXT MEETING

CALL TO ORDER
ROLL CALL
FLAG SALUTE
MINUTES CONSENT
OPEN SESSION
OLD BUSINESS

1. The queue recommendations, as discussed at their June 5 PW Committee session
2. Electronic Ticketing
3. 45/55 Ferry Funding

ADJOURN

ADJOURN

The meeting adjourned at 8:55 p.m.

The Committee approved these minutes on _____________________, 2012

ATTEST:

____________________________________

Michael McKenzie, Committee Chair
What problem are we solving?

- Improving Customer Service
- Strengthening Internal Controls
- Improving Tracking
- Saving Money
When should the sale occur?

<table>
<thead>
<tr>
<th>Prior to Boarding</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>- Easier to control payments&lt;br&gt;- Eliminates any risk of boarding w/o payment&lt;br&gt;- Could eliminate need for people to handle cash</td>
<td>- Change in behavior&lt;br&gt;- May require resource on mainland&lt;br&gt;- Passengers encouraged to pay in advance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>On Board</th>
<th>Advantages</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td></td>
<td>- Traditional method&lt;br&gt;- More efficient loading process&lt;br&gt;- Engages crew during journey</td>
<td>- Cash control&lt;br&gt;- Hardware exposed to elements&lt;br&gt;- Labor intensive&lt;br&gt;- Passengers can board w/o paying</td>
</tr>
</tbody>
</table>
What methods of payment should be accepted?

<table>
<thead>
<tr>
<th>Methods</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>- Traditional Payment Method</td>
<td>- Problematic to control</td>
</tr>
<tr>
<td></td>
<td>- No 3rd party processing costs</td>
<td>- Labor intensive</td>
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<tr>
<td></td>
<td></td>
<td>- Fraud</td>
</tr>
<tr>
<td>Credit Card</td>
<td>- Convenient</td>
<td>- Higher payment processing fees (e.g., 3%-7%).</td>
</tr>
<tr>
<td></td>
<td>- Reward Points</td>
<td>- PCI issues.</td>
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<tr>
<td></td>
<td>- Easy to track</td>
<td>- Hardware costs</td>
</tr>
<tr>
<td></td>
<td>- Automation</td>
<td></td>
</tr>
<tr>
<td>E-check</td>
<td>- Easy to track</td>
<td>- Requires use of check book</td>
</tr>
<tr>
<td></td>
<td>- Automation</td>
<td>- Website maintenance</td>
</tr>
<tr>
<td></td>
<td>- Low Payment Processing Fees (e.g., $0.45)</td>
<td></td>
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</tbody>
</table>
What technologies should be employed?

**Cash Terminals**

- Not labor intensive
- Ideal for purchasing passes
- Better control cash
- Customer friendly

**Online**

- Low labor costs

**Kiosk**

- Flexible
- Better tracking

**Mobile**
ADDITIONAL SPACES FOR LOADING

LOADING LINE

PARKING

Dock
Subject: Ferry Forum Comments ??Working??
From: Mike Skehan <kf7okj@gmail.com>
Date: 7/1/2012 8:14 AM
To: Wynne Lee <wynnelee@earthlink.net>, "Bill & Wynn Lee" <wmelee1@earthlink.net>, Mike McKenzie <mcwritermm@gmail.com>, Stu Clark <stuclark@stuclark.com>

My comments seem to go through, then never show up. Here's my 2nd try at this one over the last several days. Could you please post it for me.

"From a recent article in the Herald, I see the Pedestrian Improvement Project has been funded, so planning should start moving into the AA (Alternatives Analysis) phase pretty quickly. Why is this important? The ROW is 60 ft wide. That leaves lots of room for sidewalks, curbs and gutters, along with the current 2 traffic lanes and queue lane. One of the alternatives studied should include 'On-Street Parking along much of the east side of the roadway. On-street parking is routinely done along arterials elsewhere, and the number of driveways can be restricted in the planning effort. These would be permanent parking spots for anyone (including us), lit, with good sidewalks to safely walk to the ferry at night. The existing parking requires us to walk down the middle of the road in the dark. This issue should be important to anyone that parks and uses the ferry, as the only reason the LN is getting $2 million to build it is Lummi Island. WE are stakeholders TOO!"

Thanks, Mike