CALL TO ORDER
Committee Chair Mike McKenzie called the meeting to order at 6:32 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. Corrected and approved minutes for July 23, 2012 Meeting
2. Corrected and approved minutes for September 19, 2012 Meeting

ANNOUNCEMENTS / SPECIAL PRESENTATIONS
NOTE: One member from the public (Jim Dickenson) was in attendance for the meeting. McKenzie commented that evidently the meeting notice had not been sent out to the media, so that the public had not been informed. McKenzie also commented that the special guests (Pat Dunn, Chandler Johnson, Diane Harper) were unable to be in attendance to support the review of the 45/55 Ferry Cost Distribution. It was decided to continue with the meeting with emphasis on review of the Electronic Ticketing issue.

OPEN SESSION (There was 1 citizen in attendance)
Jim Dickenson provided some updated information on the replacement ferry option. The Lake Champlain ferry the "Plattsburg" was discussed. Jim had some updated information regarding the costs to travel the ferry to Whatcom County. Jim is preparing a presentation for the LIFAC that will present the options for (1) a new ferry; (2) a replacement ferry; and (3) condition and future cost for the Whatcom Chief.
Zender asked of the Plattsburg would be able to use the alternate ferry landing locations and Dickenson replied "yes".
Brown asked if someone would be available and or interested in going back to inspect the condition of the Plattsburg at some point, and the general response was that this would have to be a somewhat neutral observer as the process moves forward.

OLD BUSINESS
1. Electronic Ticketing
Zender talked about the LIFAC action to date on the issue. He has scaled down the information to date into some simple goals and presented a Draft "Recommendation to Implement an Electronic Ticketing System" (attached). There was a question as to how to present this to the WCC?
McKenzie made comment that it should allude to the 2013-14 Biennial Budget
Zender's idea that to move into the digital age fares should have alternatives to ticketing, better data and tracking. Clark asked about possible "hacking"? Zender responded that to prevent hacking that we would need hardened and reputable equipment from a certified vendor. Zender started the review of the draft recommendation. Brown asked about the format and the letterhead/logo? Zender responded that the format was fairly standard and that the logo was his creative effort. There was general comment by the LIFAC members and unanimous approval of the format and logo. Zender led some discussion on where the costs for the program would be absorbed and it was agreed that there would possibly be a transition period in order to identify the cost allocations. There was more general discussion regarding online ticketing, options for continuing punch card, a kiosk, etc.

Jim Dickenson was recognized and commented that the County would no longer have to manually download data from the ferry to the accounts receivable and this would be a cost saving.

McKenzie asked if the draft document requests an RFP and Zender responded "not necessarily" but that it would "depend on the cost level". McKenzie asked if we would want to offer to run the process and the general response was "no". McKenzie asked about reloading, gift cards? no response.

Jim Dickenson was recognized and that maybe we should request a review step prior to making the final scope? There was not comment.

Colburn commented that the on-line ticketing option to use different kinds of fare medium would be available as an option for the County. McKenzie asked if the LIFAC could recommend implementation in stages? Zender responded "yes" but it would be up to the County the implementation method and possible staged approach. Bush asked what the total cost would be? Responses were that it would depend on the option selected by the County. It could possibly be $5000 to $30,000. Depending on the option it could end up that the ticketing would end up paying for itself. Colburn said that input costs daily may not really make the system pay for itself, but would make the footprint for maintaining and operating the ferry less burdensome. It may fill in some unknown values in the 45/55 system.

McKenzie made the motion that "the LIFAC present to the Public Works Committee of Whatcom County that we establish and Electronic Ticketing System."

Colburn recommended the following edits:

1. In the "Waivers" section and in the second sentence and "the" prior to the word year.
2. In the "Ridership Tracking" section and at the end of the third sentence exchange the work "data" with "date"
3. In the "Conclusion" section and at the end of the second sentence add the word "Budget" after "FY2013-14".

McKenzie requested that in the "Credit Cards" section that we remove the third sentence completely and that the LIFAC would not want to make this recommendation at this time.

Brown called for the "Question" and the vote to present the document to the Public Works Committee was as follows:

Approve 5
Reject 1 (Bush)
Absent Antholt
The motion was passed and McKenzie will provide the recommendations to the Whatcom County Public Work Committee and the next available Committee Meeting.

NEW BUSINESS
1. McKenzie thought that the LIFAC should take a position and comment on the new ferry queuing system. The general comment was the those on the LIFAC who use the new system "support" it.

There was no other new business

OTHER BUSINESS
There was no other business

TENTATIVE AGENDA FOR THE NEXT MEETING
The date for the next meeting was not determined and the date for the presentation from Dickenson was also not determined.

CALL TO ORDER
ROLL CALL
FLAG SALUTE
MINUTES CONSENT
PUBLIC COMMENT
OLD BUSINESS
1. 45/55 FERRY FUNDING
NEW BUSINESS
ADJOURN

ADJOURN
The meeting adjourned at 7:40 p.m.

The Committee approved these minutes on _____________________, 2012

ATTEST:

______________________________________________
Michael McKenzie, Committee Chair
TO: Honorable Members of the Whatcom County Council

DATE: November 1st, 2012

SUBJECT: RECOMMENDATION TO IMPLEMENT AN ELECTRONIC TICKETING SYSTEM (R12-01)

RECOMMENDATION

The LIFAC recommends that Public Works establish an electronic ticketing system, leveraging credit card and e-check payment processing technologies, to efficiently account for fare sales and waivers. An auditable process to account for all ferry passengers traveling to/from Lummi Island should be in use no later than July 1, 2013. The system deployed should be fully integrated with the County financial systems no later than January 1, 2015.

OUTCOME

Utilization of digital payment technologies will increase accountability and provide higher levels of convenience for ferry passengers. Electronic ticketing technologies will enhance business intelligence, reduce administrative workload, and improve transparency as actual usage will be readily reconcilable to ferry fare revenue.

BACKGROUND

Passengers of the Lummi Island ferry board by either purchasing a ticket or qualifying for a fare waiver.

Sales:
Cash or check is collected shortly after the passenger boards the ferry at Gooseberry Point. Information is manually tracked by staff using a generic ticket stub and carbon-copy receipts. Ridership data is handwritten on a piece of paper, submitted to the ferry coordinator, and manually keyed into an Excel spreadsheet. Ferry accounting data is later keyed into the County's financial system.

Waivers:
Fares for Whatcom County staff and Ferry crew members, as well as their families, are waived. This recognized benefit is utilized throughout the course of year. Occasionally, other passengers' fares will be reduced or waived at the discretion of ferry staff. There is currently no method for verifying the number of waivers granted each trip.

No ridership data is collected on the return voyage to Gooseberry Point making it impossible to compile accurate traffic statistics.
ANALYSIS

On a June 25th, LIFAC collected responses to a Request for Information (RFI) relating to the feasibility of an electronic ticketing system for the Whatcom County Ferry System. In a subsequent LIFAC meeting, stakeholders discussed the strengths and weaknesses of various electronic ticketing alternatives. The following information relates to service options available to the County:

1) **Ridership Tracking**: Remote cash terminals or mobile handheld devices could be leveraged to track payment methods, as well as fare waivers, at a modest amount to the County. Data could be imported through a daily batch interface. An automated payment interface could be developed at a future data. Hard equipment resistant to the elements is recommended. **Estimated implementation costs**: $1,000 - $5,000; **Maintenance & Support**: $500 - $1,500 per year.

2) **Credit Cards**: Visa, Mastercard, American Express, Discover Card(s) could be readily accepted as an alternative form of payment on the vessel. Transaction processing fees will range between 2.50% - 7.00% depending on payment structure and other risk tolerance factors. For the privilege and convenience of using a credit card, LIFAC recommends passing the processing fee to card users. **Implementation costs**: $1,000 - $1,500; **Projected Payment Processing Fees (Optional, if fees are absorbed by County)**: $10,000 - $30,000.

3) **Online Ticketing**: Enabling passengers to purchase their tickets in advance using a credit card or e-check on the web is a viable solution. Tickets could be validated at the terminal, perhaps through use of bar code reader. The online system should be able to accommodate both single and multi-ride tickets. Implementation costs: $1,000 - $15,000; **Maintenance and Support**: $1,000 - $2,500.

**Conclusion**

LIFAC's review activities found a number of viable solutions towards achieving the goal of electronic ticketing. LIFAC recommends that the County Council adopt the proposed recommendation and dedicate the minimum resources necessary towards the implementation of an electronic ticketing solution in the FY2013-14. Our committee is dedicated towards providing support towards this effort.

Mike McKenzie
LIFAC Chair