LUMMI ISLAND FERRY ADVISORY COMMITTEE (LIFAC)
Tenth Meeting

July 02, 2013

CALL TO ORDER
Committee Chair Mike McKenzie called the meeting to order at 6:30 p.m. in the Lummi Island Fire Hall, Bellingham, Washington.

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

FLAG SALUTE

MINUTES CONSENT
1. Approved minutes of April 2, 2013 LIFAC Meeting (Did not have quorum to review @ May 14 Work Session)
2. Approval of minutes of May 14, 2013 Work Session (not required)

OLD BUSINESS: Part I (Due to McKenzie having to leave early on personal business, the members made motion to move this specific agenda item ahead in the meeting)
1. Update Summary of Frank Abart’s state of the ferry report to WCC last month. McKenzie commented that this was a very enlightening presentation.
   a. 55/45 Split – Abart brought in Jeff Monson (in PW position prior to Abart) to make comments in support of Abart’s position on the 55/45 split. This was interesting because LIFAC, based on the May Work Session, had changed their position on the new 55/45 Ordinance. Based on documents, the State intent as well as an existing County Ordinance is that the gas tax revenue is to be used for the Ferry. Of the two other counties, only one does not put this revenue in their ferry fund as they do not have such a fund. Brown commented that the key issue is that Whatcom County already has an existing Ordinance AB2005-094 explicitly stating the Ferry Deficit Reimbursement (gas tax revenue) must be used to operate the ferry system. Clark added that RCW 46.68.090 also states that the statewide ferry fuel taxes are “For distribution to the Puget Sound Ferry Operations account in the motor vehicle fund in the amount of 2.3283 percent.” Therefore LIFAC feels that there does not need to be a new Ordinance written to clear up any confusion.
   b. Electronic Ticketing – LIFAC has been asking “what is the hold up and why aren’t there any RFPs? Frank Abart, Richard Oliver and Executive Lowes all made comment on the electronic ticketing. The bottom line is there appears to be internal and state regulations that determine things like what banks you can use, what processes you can use, etc., in order to meet the standards of the State Auditors. So the County is tied up in all of the red tape state bureaucracy. The County has already sent some RFPs. McKenzie commented that there was a mixed message as Abart said there had been no RFPs and Oliver said he had responses from four RFPs. Abart says they
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can’t find a company to deal with the weather and the WIFI and Oliver say they have
some companies that can come up with a solution. Colburn has come up with
something really simple on-line that could be a possibility. Oliver commented that
this issue is on their front burner, made it clear that it was urgent and will move
ahead as fast as the state will let them. One of the audience members (Naomi
Jarvie) asked about cost and Mckenzie commented that Oliver said that he had
budgeted $30,000 in the current budget. Some of this was for a kiosk although we
have all moved away from this solution. Colburn talked about his offer to do a
demo of a data collection system that WTA is using for its para transit services. It is
not the solution for the ferry but the demonstration would show something physical
and how it communicates in real time with the WTA base. Tentatively three
individuals would be willing to come to the August work session in order to let folks
see how it works, touch it, ask questions, and to see how it logs date to include fare
information or anything else. This is a full functioning, ruggedized to military
specifications computer. It is about the size of small notebook. The company that
makes it also makes smaller hand held devices that are about the size of a walky-
talky or a small transistor radio. There are also accessories available for them and
one of which was a 3-in-1 accessory that clips on to take a bar code reader, an RFID
proximity type of thing and a cellular blue-tooth device. There is multiple fare
media that use these types of methods for collecting fare payment data. WTA is
currently planning to replace the fare collection equipment on all of the big bus fleet
and are looking deeply into these same issues with the intent of RFPs going out
soon. Bottom line is that there is a simple hand held device that is used in all
industries with outdoor applications and harsh conditions that can do the fare data
collection. The on-line price range through the mail was in the $1800 per unit area.
The point is that these are sophisticated devices that can log a great deal of data
and that can handle different kinds of fare transactions. What he did not see on
these particular devices as the ability to print something out like a receipt. Colburn
pointed out that he watched a Bellingham parking meter patroplperson issue a ticket
using a hand held device that actually printed the ticket which indicated that there
are devices that would collect the data as well as print information. Mckenzie asked
the he e-mail the website to LIFAC (goggle search GETAC). Mckenzie commented
that he spoke with Abart, Oliver and Lowes in the aisle and that LIFAC would be
more than willing to help in this effort.

c. Status of reduced special needs fare options: The County’s option was to eliminate
this completely but commented that this was not going to happen and that
therefore they were moving forward on the option to farm this service out to the
Opportunity Council and cited the cost. It looks like this issue is basically at rest and
is being dealt with. The program is not changing it is just going to be handles by a
third party.

d. Wing Wall Construction – County is sending our RFPs. 67% is being paid for by a
$400,000 grant and $200,000 is budgeted. Antholt asked about the size and
Mckenzie commented that they are for the Gooseberry point side and they will be
the same size as those on the Island side. Clark asked when drydock was and the
response was the day after Labor Day, Wednesday September 3rd.

Lummi Island Ferry Advisory Committee, 5/21/2012,
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e. Discussion about the Ferry Surcharge – Brown brought up that there was also some discussion regarding the fare surcharge. Abart said that there was no proposal to raise rates in the current budget cycle which means the surcharge stays. This is something for LIFAC to address. (Item 4 in this meeting agenda). Audience member Bill Lee commented that he felt Abart went to some pains to state that the surcharge is permanent and has always been permanent and is part of the code and is not anything that needs to be addressed in and of itself. If Council would like to change the fares, this would be another story. The surcharge is not a temporary item. Audience member Jim Dickenson also remembered that he heard Abart say “that ferry ridership is picking up and everything is going to be just rosy.” Dickenson says this is not the case. Brown commented that he thought Abart meant that ridership was kind of leveling off. This discussion showed that ridership numbers are not concise.

f. McKenzie also commented that he addressed the LIFAC – County Council – Executive – Abart’s Office communication problems. McKenzie challenged that why do we have so much we/they that has been going on when we are all after the same thing. It seems as though LIFAC does not learn of any issues until they day they are presented to Council. It appears that there may be some problems with who wants to take any responsibility.

ANNOUNCEMENTS / SPECIAL PRESENTATIONS

Rhayma Blake: Request for approval of the Ferry Fare Amendment

Rhayma commented that she has sent out an e-mail 7/15 regarding this issue and provided copy to members. The e-mail is confirmation of what Abart had said at the last Council Meeting that he understands that the special needs based fare discounts are an essential element of the ferry fare schedule. She went over the letter and the survey conducted by Debie Roth that indicated that there was a consensus of the Islanders to keep needs based fares in the ferry fare structure. Antholt challenged that ~120 signatures did not represent a consensus of ~900 Islanders. After some discussion it may have been the choice of works (consensus) as this issue had been addressed and general and other meetings with almost unanimous support. Although the e-mail had been sent out properly, some LIFAC members had not seen the letter and suggested that she make sure McKenzie had a copy to distribute to the members in the future.

The bottom list is the recommendation to keep the Senior Disabled Discount and transfer handling of the applications to the Opportunity Council. Rhayma is recommending that LIFAC might help to make sure there is no gap in applications and the system is transferred and that LIFAC make sure to keep this service when they recommend the fare schedule in January. A second recommendation is that When LIFAC looks at the fare schedule that there would be a new pedestrian rate level. The current pedestrian card is for 25 trips and the cost of such is too high in terms of a lump sum for many in need riders. PLIC recommends a new (additional) pedestrian 10 ride punch card which would be more affordable on a lump sum basis for these riders. The $3 surcharge was arbitrary and affected pedestrian rates more severely.
**OPEN SESSION** (There were 10 members of the public attending the meeting – see the sign-in sheet)
(During open session, audience members can speak to the council on any issue. Each speaker should state his or her name for the record and will be given three minutes to address the council. Council staff will keep track of time limits and inform speakers when they have thirty seconds left to conclude their comments.)

**Kathleen Gallagher** – talked about a ferry infrastructure grant that is available called the “Tiger Grant”. The Guemes ferry received this grant a few years ago and was able build a ticket booth bathroom addition or such. She does not know how to right a grant but is sure someone in the county can and that this would come in handy for the county to improve some of the ferry infrastructure costs. She wondered if anyone had brought this idea up. **Brown** responded that he recalled her bringing up this grant at the May work session. He found it hard to believe that one of the County Planners would have overlooked such an opportunity, but LIFAC could certainly ask if this has been looked at. ([www.dot.gov/tiger](http://www.dot.gov/tiger) Dept. of Transportation.)

**OLD BUSINESS: Part 2**

2. **55/45**
   a. **Brown** asked **Clark** if he and **McKenzie** has written a letter to Council on LIFAC’s position regarding the new Ordinance by Abart? At the May work session such a letter was to be written to tell the Council that LIFAC no longer was in favor of a new Ordinance. The letter would be sent around to the LIFAC members for review and approval prior to sending it to the Council. **Clark** did not think this letter had been written and distributed. **Brown** was concerned as he had spoken at Committee and/or Council previously that LIFAC was in favor of the new Ordinance. He was concerned that LIFAC may still be sending the wrong message.

3. **Vote** on whether or not to move forward to Council with the Plattsburgh Report
   a. **Brown** reported that after the May work session and in June that he and **Mckenzie** made the “**WHAT IS THE BEST OPTION FOR THE FUTURE OF THE LUMMI ISLAND FERRY?**” to PLIC. Rhayma Blake took a survey at the end of the meeting and of the 22 Islanders in attendance only one did not want LIFAC to move ahead with the presentation to WCC. At that time it was felt that most of the LIFAC analysis had been completed.

   b. **Antholt** reported that he had additional analysis tools that were now available for the use of LIFAC. **Antholt** had worked with the economics engineers at WWU to come up with a model of determining the “net present value” for the ferry options. The model will allow us to enter any assumptions we choose. Things like the life of the Whatcom Chief, projected Capital costs, etc. can be entered and varied in the model. First of all you need to consider the different cost and benefits of different scenarios. As costs and conditions vary over time and the solution to deal with this is to use the net present value method. The problem for LIFAC is that we don’t know how long the Whatcom Chief will be serviceable, so with this model you can make assumptions about how long the Whatcom Chief will work. In the end LIFAC needs to make a judgment on the lowest expected present value, i.e. where should we invest?
i. Using Chandler’s original numbers and a 25 year time frame. With these assumptions the alternatives are 1) the net present value of the Plattsburgh is $21 mil. 2) the new ferry option is $29 mil. and, 3) the Chief is $18 mil. Again this is using a very unlikely assumption that the Chief will last that long.

ii. Going to another assumption, using Fred Kinney’s March 2013 numbers for a new ferry brought up to current values, assuming a 20 year time frame, and that the Chief was worth an optimistic $50,000. This assumption also includes the cost for dock improvements that may not be required by the decision time, and dredging costs that are arguably needed. These assumptions five the following alternatives 1) the net present value of the Plattsburgh of $31 mil. 2) the new ferry option is $38 mil. and, 3) the Chief is $25 mil.

iii. But, what if the Chief “dies” in 5 years? With the same information on the second scenario, 1) the net present value of the Plattsburgh is $31 mil. 2) the new ferry option is $38 mil. and, 3) the Chief is $35 mil. With the 5 year life assumption for the Chief and the Kinney assumptions the Plattsburgh would be a wise investment.

iv. The point is that without changing any of the assumptions used that if you believe that the shorter the expected life of the Chief the wiser is the investment in the Plattsburgh.

v. LIFAC would have to review the assumptions and decide on the projected life expectancy of the Chief, or provide the model with our presentation to the Council and PW staff. There is also the benefit of replacing the Chief prior to it “dying” in order to capture options for back up service and possible other uses. This also does not take into account various other benefits for safety, emergency equipment, loading benefits, etc. that will be available with the Plattsburgh.

vi. Clark asks Dickenson his source for the life of the Chief. Dickenson responds with the International Standard ferry life of 35 years. This is the standard that they are trying to adopt for salt water ferries in an effort to get rid of all the old boats. This does not apply to fresh water ferries. Dickenson goes on to defend his argument that there is no measurable difference in the draft between the Chief and the Plattsburgh.

vii. Clark moves and is seconded that we need further discussion and that the planned vote be postponed. There were no objections and the vote was postponed. This subject will the topic for next month’s work session or business meeting, which ever.

4. LIFAC Meeting Schedule – The schedule was approved by unanimous consent of the Committee and is as follows:

   Work Sessions and Meetings are to be held at the Lummi Island Fire Hall on Tuesdays at 6:30PM:
   --August 6th, 6:30-7:40, business meeting
   --September 3rd, 6:30-7:40, business meeting

   Brown pointed out that the Fair is the week of August 12th.
5. Strategy and plan for rapid pursuit of (a. determining appropriate fare schedule recommendation to the county, and (b.) eliminating all of part of the $3 surcharge. This item will be moved to next month’s agenda.

NEW BUSINESS
1. Colburn brought up a publication he receives that has an article on ferries. The publication is on transit access and tells about the national perspective. There are 700 something. It is about transit Americans with disabilities act, services and issues and Lawsuits.

OTHER BUSINESS
There was no other business

TENTATIVE AGENDA FOR THE NEXT WORK SESSION
The date for the next meeting is Tuesday May 22nd.

CALL TO ORDER
ROLL CALL
FLAG SALUTE
MINUTES CONSENT
PRESENTATION
Demonstration on Handheld data collection device

TOPICS
Y/N to move ahead on Plattsburgh Ferry Rate Schedule

ADJOURN

ADJOURN
The meeting adjourned at 7:44 p.m.

The Committee approved these minutes on ________________, 2012

ATTEST:

Michael McKenzie, Committee Chair

Passed 5-1