LUMMI ISLAND FERRY ADVISORY COMMITTEE (LIFAC)

Work Session #2

May 14, 2013

CALL TO ORDER

Mike McKenzie called the work session to order at 6:35 p.m. in the Lummi Island Congregational Church Basement, Bellingham, Washington.

ROLL CALLS

Present: Mike McKenzie, Greg Brown, and Stu Clark.

FLAG SALUTE

MINUTES CONSENT

ANNOUNCEMENTS / SPECIAL PRESENTATIONS

This meeting was originally scheduled for Tuesday May 7th. As this was in conflict with the Whatcom County Council Meeting, it was rescheduled for the 14th.

OPEN SESSION

(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 asked about a grant that had been given to the Guemus Island Ferry that was used to install a waiting room and bathroom. She does not know how to do a grant but thought that this was something that should be looked into for a means to bridge any gaps in the 55/45 funds. She said that the information on the grant could be found at http://www.dot.gov/tiger LIFAC could recommend this to Public Works (PW) for investigation.

McKenzie encouraged Kathleen to email this information or questions such as this to LIFAC7@gmail.com

Rhayma Blake informed those in attendance that the PLiC Board had reviewed and affirmed the resolutions that were put together by the needs based subcommittee. They had looked at the needs based policy for ferry fares and recommended that they remain unchanged. But, if they discontinue qualifying people for the special fares than it is a formal recommendation to pass this on to the Opportunity Council, that there would be an addition charge that would have to come from the Ferry Fund. The resolution also is asking for a 10-punch pedestrian needs card that would make the card more affordable for the needs participant. This would require a Ferry Fare resolution when and if the time comes. This should maybe part of the LIFAC consideration when the recommend any ferry fare options to PW. The resolution can be found on the PLIC website. (http://plic.org) Comments will be made at the PLIC General Meeting to be held on Tuesday May 28th.

Bud Jewell commented that he thought that the proposed 55/45 Ordinance was a "bum deal" and the County was going to get more of the state ferry fund for roads.

Wynn Lee commented that we need to make sure that all of the income that comes into the County Ferry fund is explicit and complete. After all of that information is there where everyone can see it then we can proceed to allocate the 55/45 fund formula.

Bud Jewell commented that along the same lines that the ferry employee free rides should be replaced by a punch card. Not to restrict this, but to get an accurate count as to the number of crossings. There was discussion w/others that a camera or vehicle counter (cable across access)
would work. Recent labor relations agreements spell out the entitlements for each crew member based on their amount of tenure/experience, but there is not method for accountability.

Mary Ross commented that she had gone to the WC Council meeting last week and was disappointed that only herself, Bill Lee and Greg Brown were there when the county was accepting public comment on the 55/45 funding. She commented that as the LIFAC meeting had been cancelled due to this that she though it reflected poorly on LIFAC that there were not more members of the Advisory Committee there.

WORK SESSION
1. 55/45 –

a. Brown commented that he had sent copies of correspondence regarding this issue to the LIFAC Gmail. Letters were from Councilmember Brenner and included letters of comment from, Julie Hunter, Sammya Lutz, Colleen McCory and Nancy Ging.

b. McKenzie commented that we are not really addressing the 55/45, but the Ordinance that Abart wants to address state funds in a different way. McKenzie was told that LIFAC needs to come back to the Council with some precedents on how state funds are used for ferries elsewhere in the state. He has asked Clark to research this. McKenzie said the he has learned that when the ferry fund was established (2004) that there is documentation that shows the clear intent of the original ordinance that the state funds are to be accounted for as ferry money. There are two types of checks that come from the State (all from the gas taxes): deficit funding (a pool of money divided between Pierce, Skagit and Whatcom) and attributable funds (State funds paid out to every county and are attributable to road maintenance). Then, the three counties with ferries get an additional check that averages between $80,000 and $100,000 just because they have the Ferry. The new Ordinance from Public Works now would take this money for the ferry and spread it out into the general road fund. As long as it would be accounted for and is transparent then apply the 55/45. Mr. Abart thinks that this would more equitable for PW. The new Ordinance was clearly designed to subtract the additional check from the Ferry Operations. The following is the language from the PW Director Jeff Monson in August 2004 “the percentage of fuel tax attributable to your ferry operations for fiscal year 2004 is 2.29% of the Counties total fuel tax revenues. This Ordinance will create a ferry system fund in the County accounting system which will allow the Public Works Department to plan for and track all expenditures associated with the Lummi Island ferry system independent of other transportation issues. Revenues from all sources, including user fees will be deposited in this dedicated fund.” McKenzie says that although the state does not restrict the distribution of these funds, by Ordinance the County restricts these funds to the ferry operations. It will not be a task for LIFAC to determine what is actually equitable.

c. Clark points out that the state law says that the CRAB (County Road Administration Board is authorized to dispense some funds out of the motor vehicle tax to all of the Counties based on a formula. Part of the formula is roughly 2.5% of the total amount distributed for the purpose of compensating the three counties for fact that they have ferries. These Counties are operating these ferries in lieu of operation of some portion of highways. The annual fiscal year operating and maintenance deficit, if any, for any of these ferry systems, is subject to review and approval of CRAB. The annual fiscal year operating and maintenance deficit is defined as the total of operations and maintenance expenditures less the sum of ferry total revenues and that portion of the fuel tax revenue distribution which are attributable
to the County Ferry. Distribution of the amounts is limited. Therefore there are two
pieces, the 2.5% and up to \( \frac{1}{3} \) of the ferry deficit. So if we took the PW budget of
$2.4 mil and add in the $1.3 mil in fare recovery, and roughly $200,000 of fuel tax
we come up with roughly $1.5 mil for revenues and the net claim deficit from the
state’s point of view $995,000 which represents 41% of the operating costs. From
Clark’s perspective the 55/45 maybe similar to “whistling Dixie in the dark”. He says
the State has to cover the Ferry based on this formula and the County actually has
to cover the rest with the road fund.

d. McKenzie comments that because of what Clark has reported that he wants to set
55/45 aside at this work session because it is not the issue before us tonight. We
can deal with the 5/45 formula at a later date, but what LIFAC will need to
understand that if the County passes this Ordinance that the PW has asked for, that
the funds the County gets from the State for the Ferries does not tell the County
how to spend it, while the current County Ordinance does tell the PW how to spend
it. Per Clark the State Law only “implies” that the funds be spent on the ferries.

e. Brown commented that if the PW is allowed to designate these funds to other than
ferry operations it will further disenfranchise the ferry from the funding allocated
for it.

f. McKenzie comments that in his opinion the County has dramatically socially re-
engineered Lummi Island and it will never be the same again.

g. Wynn Lee asks what would be the purpose for the County changing from the
current Ordinance to the revised Ordinance.

h. McKenzie responded by saying that the State Law can’t designate that the
attributable funds have to go into the ferry fund and was challenged by
i. Clark who said that based on the definition provided earlier on the annual fiscal
year operating and maintenance deficit being “defined as the total of operations
and maintenance expenditures less the sum of ferry total revenues and that portion
of the fuel tax revenue distribution which are attributable to the County Ferry as
determined by the department, and that is the 2-2.5% figure”.

j. Dickenson restate this as “the attributable fund should go directly onto the fare
side.”

k. Clark comments that in his opinion the state law is saying the same.

l. General conversation that when we have a quorum and if we decide to say not to
the new ordinance then we need to make sure we reference that we already have
an existing ordinance that address this issue.

m. McKenzie comments back to Wynn’s question saying the Abart is trying to reduce
the confusion as to if the attributable applies or not to the Ferry.

n. (name to be added) asks if the current ordinance is being followed.

o. McKenzie responds that he believes that it is not being followed in terms of intent,

p. Ordinance Number is (I will include in final copy)

q. McKenzie says let’s get back to simple. The reason we were originally going to
approve this new ordinance was with caveats for more specific budget numbers.
But now that we better understand the existing ordinance, and how many of the
thousands of transaction may not be actually attributable to the ferry we are
reconsidering our response.

r. Brown asks that do you think that over time the County has just lost track of the
existing ordinance or what?

s. McKenzie does not think anything other than he believes that Abart is just trying to
protect his “road fund”, which he should be doing.

t. McKenzie and others discussed the letter to the council and it was felt that this did
not have to wait until our next LIFAC Meeting. Given the information we now have
and what was discussed in this work session we should address this sooner rather than later.

u. **Mary Ross** asked what the State numbers were and **Clark** gave her the following
   i. RCW 46.68.090 - Authorizations
   ii. RCW 47.56.725 - Definitions

v. Discussion about next steps. **McKenzie** says that we could do quorum stuff over e-mail and if we were all on the same page we could move ahead with the letter to the Council. By the “same page” we are saying that we would request that the Council would oppose the new ordinance with reference to the existing ordinance. **McKenzie** stated that he had discussed this with **Antholt** today and that he would oppose this new ordinance also. So, with the three of the LIFAC members at this work session and **Antholt**’s agreement, McKenzie would go ahead and draft the letter to the Council citing state and local existing ordinances. We would recommend that the County Council should ask PW to put the attributable reimbursement into the ferry fund as defined by the state law and the current local ordinance.

w. **Wynn Lee** asks that LIFAC should as a next step to the County clarify and have a complete, accurate and full accounting of all costs and revenue for the ferry budget by a specific date.

x. **McKenzie** again points out that LIFAC needs a meeting with Executive Lowes and Abart so that we can become as “we” rather than a “them” and “us”.

2. **Ferry Presentation**
   a. **Brown** says he believes that we have answered all of **Antholt**’s questions to the best of our abilities.
      i. Cost of the Plattsburgh – Letter from Chandler and from the Lake Champlain Transportation Co. (LCTC)
      ii. Cost for Transportation from Lake Champlain to Bellingham to include an average from private transportation companies and LCTC. – From Dickenson
      iii. Cost for Ferry conversion to “H” or “T” Class from Jerry Gilligan from Gilbert and Associates @ Lake Champlain for approximately $350,000 to $400,000. This cost would changes to the bulkheads, moving above deck fuel tanks, and possibly the inclusion of an ADA section.
      iv. Cost of fuel is still somewhat of an issue based on the absence of a way to compare what the spec chart states, what the actual use is and what the use would be at a Lummi as they engine operations are considerably different. The belief is that the fuel numbers should actually be almost the same for the Plattsburgh as is for the Whatcom Chief.
      v. Costs for dolphin improvements at the Gooseberry side are believed to be not an immediate issue for the purchase of the Plattsburgh.
   b. **McKenzie** asks **Brown** if we are ready for next steps and the response is that we are ready to take this recommendation to the Committee and/or Council.
   c. **McKenzie** suggests that maybe the presentation should be shown at the next PLIC meeting.
   d. It was discussed that **Dickenson** needs to verify the names of the individuals that gave the estimates to move the Plattsburgh to Lummi.
   e. It was determined the **Brown** would make the Ferry Presentation to PLIC at their May 28th evening meeting. Based on the public response, LIFAC will make the decisions for moving ahead with the presentation to the County.
TENTATIVE AGENDA FOR THE NEXT MEETING OR WORK SESSION

The date for the next meeting is Tuesday July 2nd.

CALL TO ORDER
ROLL CALL
FLAG SALUTE
MINUTES CONSENT
TOPICS

Ferry Ordinance & 55/45
Ferry Presentation – Move forward?
Ferry Fares
Demonstration of new WTA Ticketing System

ADJOURN

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The meeting adjourned at 8:25 p.m.

The Committee approved these minutes on 7/2/13, 2012

ATTEST:
Michael McKenzie, Committee Chair