LUMMI ISLAND FERRY ADVISORY COMMITTEE (LiFAC)

Seventh Meeting

February 11, 2012

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: Charles Antholt, Greg Brown, Robert Bush, Stu Clark, Crispin Colburn, Mike McKenzie,

Arrived Late: Josh Zender (0635)

FLAG SALUTE

MINUTES CONSENT

1. Approved minutes for October 15, 2012 Meeting (GLB believed that he had only provided Jill with the draft/unsigned copy).

ANNOUNCEMENTS / SPECIAL PRESENTATIONS

1. Presentation of updated information from Public Works reviewing 2012 and what lies ahead in 2013 (McKenzie)
   a. "Catch up" questions were sent to Jack Lowes for Public Works to address (see Attachment 1)
   b. News on 21 Ferry Task Force Items - nothing new
   c. Mike to assemble a summary of the results to date and post on the website
   d. Options for managing special needs fares
      i. Discontinue the program: +$25,000
      ii. Limit access to only individuals eligible for property tax reduction/exemption: +$14,868
      iii. Contract the Opportunity Council to maintain: -$2,500
      iv. Status Quo - continue w/Treasurers Office processing
   e. Revisit Queue methods at Gooseberry Point for three lanes - no changes at this time. Will be part of Lummi Nation Road improvement project (2-3yrs+ away)
   f. Any update on LIFAC recommendation for Security @ Gooseberry Point? Not aware of any plan or recommendation. Some investigation for a camera system and an emergency call button but due to est. $50,000 cost is no longer being pursued.
   g. Requested final budget numbers for 2012, but will not be available until end of March or April.
      h. Asked about copy of proposed ordinance about changes in procedures for accounting on state payments before calculating 55/45. Document submitted is AB2012-197 and PW has received no comment form LIFAC. (see next presentation notes)
         i. Is there any update on LIFAC recommendations on-line and electronic ticketing operations? The response is that there are several "Staff" working on this with no deadlines to share, but they are making progress ...
2. Presentation on further research needed to pursue a recommendation to County Council about the 55/45 split of ferry operations costs, by Zender (see Attachment 2).
   a. Revision to Code 10.34.030- Use of Ferry User Fee Revenues, as presented in June.
   b. Slightly modifies 55/45 formulas such that they are adding Miscellaneous Ferry Fares, potential credit for County Employees ferry trips and then also altering the way in which the calculation is performed.
   c. Calculation is changed from using a base of total operating expenditures to using net operating expenditures. This is being done to assure that the road fund is not contributing more than 45 of the adjusted operating cost per year.
   d. What are miscellaneous ferry fares and how is the credit being calculated? Need further clarification
   e. See models in Attachment 2 that run calculations for 3 years on old method and the proposed method.
   f. Overall felling is that the new method would have a tendency to preserve more money funds in the road fund which is dedicated to capital expenditures versus the normal operation and maintenance costs.
   g. Bottom line Ferry Fund - Net Gain/loss $30,000 in 3 year average methodology that is used by other ferry systems
   h. Bottom lines it moves us closer to methods used by other ferry systems to calculate their ferry recovery rate. We may want to take a step further to use a weighted average methodology looking at the past 5 years.
   i. Recommendation: Right now we only get summary numbers. We don't have details. We really need "object codes" that will tell us specifically what type of expenditures go into the total expenditure calculation.
   j. May be some resistance to the county providing this information. Should be available through the Public information Act if necessary.
   k. Two Recommendations from Zender:
      i. Allow the Council to proceed with adopting Code 10.34.030
      ii. Over the next several months, take additional action to improve and optimize Code 10.34.030-
         1. We need better information coming from the county to break out their expenditures by object code to be a little more prescriptive about how they are calculating each of the factors going into the 55/45 calculation
         2. What does the county mean when it means miscellaneous ferry fares income?
         3. What does it mean by the credit (debit?) for county employee ferry trips?
      I. McKenzie asked Josh "if the ordinance passes as is, the 55 will be more by how much?" Zender answered "that it will reserve funds to greater extent with in the road fund so that it would focus expenditures on Capital expenditures to a greater extent." Zender commented that he believes that this was the original intent when 55/45 was developed in the early 80s. There was a change in the accounting procedures somewhere in the early 90s that feed more resources for short term administrative expenditures and other operating expenditure types. It sounds like
3. Presentation on research into purchase of a replacement ferry by resident Jim Dickenson, discussion led by Brown.
   a. 99 of information for the presentation was provided by Anderson, Chandler and Fox.
   b. The point of this "draft" presentation is to develop it for official presentation to the Council. This action is part of our duties as the LIFAC per item E, Research, review, and makes recommendations regarding ferry replacement...
   c. Whatcom Chief is 52 years old in March.
   d. Discussion about what would happen to Whatcom Chief if purchased Plattsburgh?
   e. How are you going to pay for it? You are going to have to bond it.
   f. There are additional pictures of the ferries that will be reviewed for inclusion.
   g. Questions & Comments
      i. Thanked Jim Dickenson, Chandler Anderson and Bill Fox with applause
      ii. What happens now?
         1. McKenzie: Do we want to present this to Council?
         2. Brown: We can tune this presentation up decide who would speak for it and then present it to the Council
         3. Zender/Clark: Several would like to see the data from the presentation.
         4. Zender: Some would like to have something from an engineer that testifies to the condition of the vessel.
         5. Brown: Do we need a third party inspector to look at the vessel?
         6. Antholt: We can't afford to lose credibility for a simple oversight.
         7. Colburn: Has there ever been a 3rd party inspection of the Chief that is on record?
            a. Dickenson says there have been that they have been connected with the yearly inspections. When they were going to put the money up for the new ferry they had brought an engineer in that had been inspection the Chief for years who said it would be great for 30 more years.
Since that time the Chief has had two collapsed bulkheads
and a broken turn tube. Abar told Jim that the house is
rotten, the deck is thin, the electrical wiring is shot, and
you have to deal with the lead paint issue when working.
Dickenson comments that ferry is just “gone”.
  b. Brown says that the County should be getting
repair/condition reports back after yearly drydock repairs as
indicated by the previous note. This should be part of the
public record.
  h. Clark moved that we make the presentation to the Public Works Committee and it
     was seconded by Antholt. McKenzie asked for those in favor and received a
unanimous yes vote.
  i. Brown will make some corrections and additions and sent the presentation and
back-up data around for comment, changed, etc.
  j. It was agreed that there is no formal presentation time schedule, but that the
     Committee members will review and agree on a final version prior to presentation.
  k. There were some general comments from several of the Island members regarding
the safety of the Chief and that this should be a large factor in the presentation.
  l. Dickenson pointed out that if there was a large forest fire on the Island that the
     equipment to fight the fire could not be handled by the Chief.
  m. Bush commented that a vessel that is about twice the length of the Chief may have
     increased problem with currents and weather. Brown added that the increased
     horsepower of the larger vessel may compensate, but for sure this point needs to be
     taken into consideration.
  n. Antholt was concerned about the added stern length would hang out at the
     Gooseberry side. It would tie-up at night-time on the Island side.
  o. Zender commented that he believed that the scrap/salvage value of the Chief would
     be around $100,000. He asked how we know the current value ($2,500,000) of the
     Plattsburgh is a fair price. Are they even using the vessel right now? Dickenson
     responded that right now the Plattsburgh is a spare/reserve boat. In regard to the
     price he comments that it's "a steel, absolutely a steel." He estimated that it would
     take about $6,500,000 to reproduce the Plattsburgh. Once this vessel goes to
     market for sale it will be gone! If someone comes along and wants to buy it they
     will probably sell it. He feels that it may go on the market later this fall.

Bill Lee strongly encourages the Committee to think seriously about how they can involve a 3rd
party in order to give some additional authority to the claims being made. From past
experience he has seen decisions make on one person's testimony believes that this is a real problem.
One of the problems right now is having a transportation system (ferry) that can't be counted on
now. There is tremendous resistance throughout our County government to this kind of idea.
The more authority you can bring to justify the claims, the stronger the argument you will have.
If the argument is simply put together on the Island putting together a proposal it may not go
very well.
Bill also brought up the practical issue of the Committee to publicize information. He volunteered to offer his assistance at any member of the Committee to provide this information. He was mostly concerned about meeting times and agendas.

Mary Ross seconded Bill's thoughts on the Committee agendas and schedules. She said she felt it was a dead end trying to get this information out of Committees such as this. Clark responded by asking what it is she wanted us to do? Ross said she would like to see something like the presentation made today made at different forum, i.e. we would take the presentation there to inform the public in different venues. Take the presentation "on the road". She felt that watching the presentation gives you sense of urgency that it deserves.

Rhayma Blake commented the Councilman Wiemer had posted that he thought that the county should be looking at an Alaskan Ferry was available. McKenzie commented that the County had looked into this and have rejected it. She also commented the at the PLIC annual meeting it was obvious that there was a concern about the needs base carry fares that Mike had talked about earlier. She indicated the PLIC had formed a sub committee to review the current situation and to look at it in light of what is going on today. Once a consensus is reached the subcommittee will bring it to the PLIC general meeting and then she would like to get on the LIFAC Agenda to present the recommendation. In the mean time she would like to ask LIFAC to request that there are no changes in these fares until they hear the recommendation from PLIC.

Bud Jewell commented that he did not think that the County could act fast enough to be ready to purchase the Plattsburgh by the fall. There would have to be a bond issue and such. He also commented on the ferry approach at Gooseberry. The section between the road and where the sign is the worst section of road in the county and when are they going to do something about it? Also, what are they going to do about "Gooseberry Lake" (faulty drain at the north end of the approach area backs up water). - Answered by several that this is not on County Property and there is a limit to what they can do.

Mary Ross asked a question on the changes to the 55/45 split as to if the Lease costs will be assigned to capital or ferry fund. Where are the funds for the improvements coming from? She is afraid that the Committee tells Public Works to go ahead with the changes then where do the funds come for that stuff comes from. Zender responded that this is why the Committee is asking for the object codes and budget information. Ross suggested that the Committee should get the budget specifics prior to recommending the changes on the 55/45.

David Dickenson said he was there when the 55/45 was created. There was a bunch if Island residents there and they were operating on an budget shortfall with a 25¢ surcharge per vehicle to get off of the Island. This was a real pain and the Islanders did not like it. There was a committee of four (Earl Cole, a lady named Kathy, Paul Davis, and David Dickenson) created who came up with the 55/45 and a "handshake" because what was involved was the operation of the boat. The County said that the docks were part of the bridge budget our of the road budget. The maintenance on the boat came out of the same maintenance fund as they maintained the County equipment from. So what they were saying was that the 55 contribution by the Islanders was sole for the operation of the vessel, the crew and the fuel. Clark responded that there was an additional agreement in the 80s that excluded the dock. Jewell said that they did not change the percentage and just made it an operational cost, a kind of "behind the back" deal. David. Dickenson responded that back then the County considered the ferry as an "essential service" but thought that today they may be considering it as a "luxury". 
Jim Dickenson was responding to one of Zender’s earlier questions saying the County Charter has a line that he believes says that leases that are over one year and over $170,000 per year are considered capital expenses so the land lease should not be in the ferry budget whatsoever. Mary Ross commented that as another concern for the Plattsburgh is the length of the vessel particularly on the Gooseberry side looks like it just hangs out way too far and that operating diesels at idle speed would be hard on the engines and diesels need to be run up to operating speeds. Jim Dickenson commented that this is different between 2 and 4 cycle engines and that the engines would actually be at an operating speed. He also said the length would not be an issue although somewhere down the road it might be nice to add a couple of dolphins. The Plattsburgh is so overpowered that they would be able to keep it anywhere they want to.

1. Strategy for moving forward on recommendations about security at Gooseberry Point
   w/input from PLiC form Rhayma Blake
   a. McKenzie commented that as he stated earlier that the County had taken Security at Gooseberry Point off the table.
   b. Rhayma continued her report (attached);
      i. Back in August when she spoke with Abar he said there were not dollars in 2013 or 2014 for security. He said to outline the concerns of the Islanders and take them to LlFAC and then LlFAC could make a recommendation to County Council. That was completed.
      ii. In September her group completed a survey through many avenues available on the Island as well as other media options available.
         iii. The main findings were (69 respondents):
            1. Nearly half of the respondents consider security until morning during dry dock very important - highest level of concern
            2. Almost as many people consider security until the ferry ceases operation all year very important.
      iv. She had contacted the County Sheriff and learned that since security had ceased at the ferry that there have been 3 call but none of them seemed ferry related.
      v. She had talked to the Lummi Nation Chief of Police said that he was unaware of any problems and in fact since October 2012 they had stopped selling alcohol in the cove it has helped a lot. She also asked about the drug situation he said most issues were in the residential area and you generally would not find them at the dock.
      vi. Based on all of this information she felt that this was not worth perusing as there were many other more important issues. She stated that it may become important again down the road at some point.
      a. Zender said that he had referred 3 or 4 venders to Public Works that are egger to help solve the business problems. His opinion that this could be done in short order i.e., a month or two, but the County would have to make this a priority.
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b. **Brown** commented that LIFAC is truly directed by the Council and not Public Works. We should be asking for action from the Council and not from Public Works. This issue should be directed to the Council Chair for response for **Abar**.

c. **Zender** suggested that we should at least ask for a report on the plan and its progress.

d. **Colburn** commented that there should be progress if they have 3 administrative folks working on a plan.

e. **McKenzie** said that he was instructed to go to ask for stuff from the Executive.

f. **Zender** suggested that we ask the Executive for a project status report

g. **McKenzie** says let's do it. They have the money in the budget so it is reasonable to ask.

3. Strategy for moving ahead with the 55/45 split

   a. Issue was covered in the presentation at this meeting to move ahead with the code changes.

   b. Committee now needs to move forward with the request for more specific budget numbers.

4. **Zender** requested that we establish a schedule for the LIFAC meetings. Although this has been discussed before there has been no action taken by the Committee.

   a. Proposes that we continue to have the formal public meetings that we are already having

   b. Propose that we have work sessions where we are doing research or working on a specific task

   c. We can distinguish the two types of meeting so that the format would be different. The public would be invited to both types of meetings.

   d. **Clark**: At a work session it is very informal and everyone can sit at the table. At a regular meeting it is a "business" meeting with normal structure.

   e. **Antholt**: At work sessions you don't make decisions.

   f. **Clark** suggests the LIFAC should have a formal meeting at least once every two months.

   g. **Colburn** suggests that we meet monthly is one or the other format. Our current meetings seem to be getting late. Let's get placeholder date for the next months.

   h. **McKenzie** asks if Chris will take the schedule on and Chris accepts.

NEW BUSINESS

1. **Clark** says we need to establish a more rigorous method of communicating the results of our meetings with County Council and timing it in an appropriate fashion because we are running into a failure of the Executive Branch to respond to our requests. We have some ideas about a replacement ferry and bond issues that require a long term view. The sooner we get this stuff before Council the better able we can advise them and that they can respond. Although we send them minutes, maybe we should be sending them "action items" or call them what you will? **Antholt** suggests that maybe we send copy of the minutes to the Council. Likes Stu's suggestion and thinks we need to be asking "what do you think about this?" **Zender** thought that we should concentrate on maybe one topic every quarter or month and formulate a well-researched product (ref, electronic ticketing)

   to send to Council
2. McKenzie informs the Committee that a proposal was submitted Island land owners (not residents). The proposal is asking the County to take a foot ferry to Fairhaven and having infrequent car runs with the Chief to Fairhaven
   a. Antholt wants to talk about Zuanich proposal and look at page 4 his comments look at page 4 of his comments.
   b. McKenzie recommends that we refer to Antholt's final recommendation:
      "The Proposal should be made available to anyone who would like to read it. Additional comments should be welcomed."
   C. The Committee decided to table this proposal until next meeting when all have had the opportunity to read 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 BUDGET SPECIFICS
   2. ZUANICH PROPOSAL
NEW BUSINESS
ADJOURN

ADJOURN
The meeting adjourned at 8:21 p.m.

The Committee approved these minutes on March 5, 2012

ATTEST:

Michael McKenzie, Committee, flJa’ir