LUMMI ISLAND FERRY ADVISORY COMMITTEE (LIFAC)
Eighteenth Meeting

July 1, 2014

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

ROLL CALL
Present: Mike McKenzie, Greg Brown, Chris Colburn, Charles Antholt, and Byron Moye.
Absent: Stu Clark and Robert Busch.

FLAG SALUTE

MINUTES CONSENT
1. Approve minutes of April 29, 2014 LIFAC Meeting
2. Approve minutes of May 27, 2014 LiFAC Meeting
3. Approve minutes of July 1, 2014 LIFAC Minutes

ANNOUNCEMENTS / SPECIAL PRESENTATIONS

Mike McKenzie, Chair –
• Commented on the conditions of Clark and Busch after recent surgery’s and hoped that they are recovering well.
• Introduced:

James Lee – Public Works Bridges and Ferries
• Introduced:

Rob Ney – Public Works Special Programs Manager
• Explained that the Lummi Ferry was one of the special programs and that he would be the “liaison” to LIFAC much and James has been for the last couple of months. Rob came from Public Works Maintenance and Operations Assistant Superintendent and part of his responsibility was bridges and the Lummi Ferry fell within the bridge program. Rob has been assigned to the bridge program for the last 3 years and so is very familiar with the dock activity over those years. He looks forward to working with LIFAC and has a lot of catch up to do. Asks for questions:
  o Question from the audience asking if he is an engineer and the response was no but that he is a Certified Planner. He started out as an associate planner for the City Of Bellingham. He worked for a private engineering firm for 5 years. He was recruited to be the Construction Manager/Vice President Construction & Development for Barkley Village. So, he has done some design engineering work in his past construction life. He started his own construction company in 2008
and due to the housing slow down he returned to a planning position, but now with the County.

- **James Lee Update**
  - The Dolphin Replacement Project has contracted with Orion Marine Group out of Tacoma and they are busy with their supplies making backing piles, cinder piles and organizing many pieces and materials. PW is expecting to see some activity on the site in mid to latter July to take advantage of some low tides.
  - He had received an e-mail from the Elliot Bay Design Group just last week and anticipates a final report from them on the Ferry Trek in the next week or two. As soon as PW has a chance to see and review this report they will pass the finding along to LIFAC. He talked with the Skagit County Ferry Director and they were expecting the report on the Trek for their facility around the same time.
  - James commented that although he will still be involved with the ferry, Rob will be taking over the communication with LIFAC and he wanted to finish his tenure with gift regarding our discussion at the last meeting regarding a “Bridge”. He found in the records the conceptual drawing of the bridge (copy for LIFAC) that was being talked about. The span was 3,240 feet from abutment to abutment.
    - **Mike Skehan** commented that he had found in the records that the cost estimate in 1957 was $58,000 total and priced pilings at $3.00 each purchased and driven.
  - James commented that the other document that came with the drawing was a conceptual plan that includes the bridge and is dated 1958. The plan was the bridge from Cherry Point to Lummi, then a ferry to Doe Bay on Orcas Island. At this point the entire San Juan Islands would be connected through a series of bridges and ferries. It would be interesting to see what the Islands would have looked like today if this had taken place.
  - **McKenzie** asked if James could speak to the road striping that has been requested at the ferry quay. James responded that the request had been made and he anticipated that it would be taken care of in the near future. There is a limited crew working on short days. He will follow up.
  - **McKenzie** asked about signage. James say that the additional signage for the quay is something that Rob will be delving into and this will need to involve the traffic group. So, stay tuned and they will hopefully initiate this soon.

**PUBLIC COMMENT:**

- **Wynne Lee** brought up an item related to the fare structure that she felt was very important and was being overlooked. This item is “community values” and was included in the task force program. She gave examples of the values of families of diverse ages and of having an economically diverse community. When the fare structure was last increased, they just slapped on another $3 without totally ignored and disrespected these values the community has. She wanted to encourage the committee to remember that this is not just a numerical exercise, and that there should be alternative fare structures that are reflective of community values. She will write this down and email it to LIFAC. (not seen)
OLD BUSINESS

- Update on Ferry Fares Model (Antholt, Colburn and comments per McKenzie)
  - Colburn commented that the challenge for he and Antholt was to try and simplify something down so that some main choices and principles would surface. He would come back to a couple of Wynne’s point at the end. Colburn comments that most know that LIFAC was asked to take a look at possible adjustments to the fare rates. The timeline for any adjustments for next year (budget year 2015) is very urgent. As he understands it the Council needs to see at least some preliminary comments for action at one of their August meetings (it was pointed out there was only one WCC meeting in August). That was the challenge and they used Diane Harpers fare model to get started. This presentation will offer options for discussion but does not settle on any conclusions or recommendations. They needed to start with some assumptions:
    - Accept the County Budget Projections as reasonably accurate,
    - Accept the traffic projections as reasonably accurate,
    - Although there are approximately 20 various fare classes in the Model, that there are only five fare classifications that produce 85% of the fares, and
    - They decided to use the car/driver $13 fare as the base fare for their modeling, that is everything else they adjusted liked to this as the base.

Then, they needed a method and what was first settled on was to make a projection with the 2014 revenues that are in the County Budget to provide a comparison base line. They set out to look at variations of 5 identified fare classes. The bottom line effects they did look at were, (1) did any change they made produce a deficit or a surplus (revenue over expected cost), and (2) what is the magnitude of the deficit or surplus.

- Now they are going to go through the scenarios starting with the base line: (copies of the chart wall projections were not provided)
  - Scenario #1 – Used the current fare structure and budget and shows a surplus over 55%. Note that the base fare accounts for about 2/3 of the total revenue.
  - Scenario #2 – This shows the effect of reducing the pedestrian passenger fare from $7 to $5. This reflects a surplus of about half of Scenario #1.
  - Scenario #3 – Here working from Scenario #2 they additionally reduce the base fare from $13 to $12. This now produces a 2% deficit. These two scenarios show that it is pretty difficult to make large scale changes. They are problematic if you want to budget prudently, i.e. having something of a surplus of around 10%.

Brown asked if there was a specific surplus required as he thought there was some revenue owed by the ferry to a different account. The response was that the 10% was only a prudent option and did not include any other possible liabilities.

From these scenarios Colburn and Antholt determined that any fare changes would require significant budgeting changes. They (?) are really going to have to pull a lot more stuff apart and combine it in a different way.

Having done these scenarios they tried to do a more incremental adjustment and a refinement of the base fare.
Scenario #4 – They kept the $5 pedestrian passenger fare, but replaced the base fare with options for standard and compact cars. Leave the stand car fare at $13 and then discount compact cars 15%. The difference between a standard and compact car would be the length as defined by the EPA. Then assume that the traffic is 50/50. The theory behind this scenario is that compact take less deck space and therefore you can get more compacts on the ferry than standard cars. Antholt comments that the ferry crews estimate that from morning traffic about 2/3 of the vehicles are compacts. Colburn comments that these changes will also affect the multi-ride fares somewhat. The results of this scenario provides an 8% surplus. As this did not meet their 10% surplus requirement they added a summer (June, July, and August) charge for single car/single driver fare. This brings the surplus to just about 10%.

This all leads to that if there is a recommendation needed that you can run scenarios for a long as you have time for. But, they will all have tradeoffs between various groups of people to include not only island resident, but day trip visitors. They tried to reduce the walk on passenger fare to $3 and increase the base fare to $15 to make a surplus, but how do you think the people would take this.

Colburn closed with these comments:

- The scenarios offer choices for adjusting fares
- They max limits inherent in the budgeting including adequate contingencies and principles and goals
- To fit the 2015 budget process we think the best approach is to start with some incremental adjustments that have modest impacts.
- It became apparent that in moving forward that collecting better, more detailed and timely data is really necessary. You have to have good data and he does not believe that it is there.

Comments

- Brown asked if the County had information on numbers of single driver, passenger, etc. numbers and Colburn responded “no”, but that they did have “fare sale” numbers and they had accepted them. All of the traffic data which is all triangulated form fare/ticket sales. It is not tracked on how many vehicles with how many passengers each of what size get on, get off and go back. People don’t pay going back so there is no data going back.

- McKenzie commented that through the last 2 ½ to 3 years since the surcharge was enacted that part of it was because of the red and yellow flags raised by Public Works over the much debated total surplus and needing to get it back to what he thought the Task Force had said was a million dollars and Public Works felt it should be 1 ½ million.

- Brown asked that what Public works does with the information they get from punching the tickets and or multi-ride cards. This data should be available somewhere he thought. Colburn responded that they hadn’t seen it and it may only be used to help validate fares and they don’t count which trip you went back on.

Jansen Pierce commented that he did not think you could get any more compact cars on the ferry than regular sized cars. All you get is 20 cars. He also commented that just because you drive a larger car does not mean you have...
more money to pay and increase for a larger car. Colburn responded that there are needs based cars and drivers and Jansen commented that he was not talking about them. Jansen went on to say that he buys a multi-ride small vehicle pass and then walks down and gets his truck. Are guys on the ferry going to police this? Colburn commented that they did not look at stuff like this and agreed that there could be operational questions that would have to be answered with various scenarios. McKenzie commented that he hear from the ferry crew members that if they had all compacts that they could load 22 cars and Jansen responded that they would have to segregate then with the loading lines to accomplish this. Antholt said he had heard from the captains that they could load 28 compact cars and 18 or 20 large cars. He said basically that the captains like the idea of "putting more wheels on the deck".

- Jim Dickenson commented that when he was in the task force they found that collection of the data was extremely difficult to apprehend. In fact, it would not balance. It took Diane, Chandler and Patricia Dunn 3 months with a bunch of assumptions to make it balance. That was one of the reasons to ask for electronic ticketing so you could directly track what they were doing. Even with the current electronic ticketing is it still being done as it was back in 1953. He also commented that you have to be careful when you widen the distance between fares. He would generally suggest that you just take a dollar off the passenger and single driver fares.

- Janet Lutz-Smith commented that it appears that September had been left out of the summer fare numbers. Colburn said it could be added but they had just picked 3 months. Janet responded that she felt September was a very important month with dry dock and such.

- Several commented in general that they felt we could just leave the fares as they are. Antholt commented that he hear most to say that the walk on passenger rates should be dropped as the somewhat arbitrary increase a few year ago hit walk on passengers proportionately harder than others.

- James Lee commented that in response to the charge of lack of ridership data the Public Works has information on walk on passengers, trips for cars, tallies for credit card sales, etc. Public Works has the data so where can they say it doesn’t exist. Colburn responded by asking how it is assembled, i.e. do you make a monthly report. The fundamental issue is that it’s all driven by the sales and the punch cards and it is not actually counting the service which is a ride one way and then a ride back. Lee responds that they actually have the data and that they tally everyone that gets on at Gooseberry questioning how the data is being questioned. He further states the Public Works should be able to provide ridership data for any month. He asks if that information has been requested.

- McKenzie commented about those who felt the Skagit Ferry website was so transparent so information was readily available without request. He went on to say that he has heard from economists such as Chuck that the data is lacking of you don’t include the return ride in order to provide a totally accurate assessment. Brown comments that somebody is using this information because they are able to tell us that most of the fares are related to only 5 of the over 20 separate fare categories. If they are being use there they should be able to be
used for other requirements. Colburn again responds that that is revenue received from sales and not really the amount of service provided.

- **Antholt** asks James Lee that (passenger) information he has of value for looking ahead for a new ferry or whatever. Part of looking ahead in knowing when peak loads are so is that information collected in a way that they could look at changes in traffic over time. James respond that at a meeting a couple of months ago that he pointed out that in the Annual Report there was a breakdown for ridership data for each month showing the peaks in the summer months and the drops in the winter months, so Public Works has the data and he is trying to get a better explanation of what they are asking for. Colburn responds by commenting that all he is saying is that the data is only looks at a single direction. He has only seen it aggregated so that you are not seeing it as complete trips. He further stated that this is not a big emergency and looking ahead it is the kind of thing that could be useful in different ways. This was part of the deal with looking at the electronic ticketing when he and Josh Zender were at kinds of devices that would enable gathering the specific information on ferry trips and/or service data. Colburn comments that he works in public transportation but he is not a planner but rather he works in operations. WTA does about 180,000 one-way trips for ADA riders. WTA keeps about 2 or 300 fields of electronic information for each trip stop, not just every pickup or drop off. Electronic collection of this data is way easier that the drivers having to write this information down at each stop. This data collection allows for some pretty valid projection information and data. When he looks at a ferry with only one stop he feels that there is no reason that accurate data can't be collected. Brown comments that we do seem to have the data for what goes to the Island. That is the number of vehicles, passengers, big trucks, etc. So these should be the number we are at least using to set up our model. James Lee again comments that Public Works should be able to provide the data required. Antholt/Colburn commented together that they were using the Public Works information, but it was different from the data James was talking about. There seems to be confusion here.

- **Janet Lutz-Smith** asks that having heard the presentation what was next. Were there going to be recommendations or what? What is the outcome here? Antholt responds that sooner or later that LIFAC has to make a recommendation. Janet asks when LIFAC is going to do that as she believes that this is really critical. McKenzie responds that one goal of the Chair is to have a dollar knocked of the two main fares (cars and passengers) in 2015 and that LIFAC has favor in the Council for that.

- **Wynne Lee** asks to go back to the question of the ferry funds. This fund was set up by the council not quite as a rainy day fund but not that far from it so that when there is a shortfall in the 55% we were able to use this fund to cover. This fund would hopefully prevent the need to raise fares. The question is, where is the ferry fund right now? Has it been replenished or not. James Lee could not answer this. Antholt said that he and Colburn did not have access to this information. Wynne Lee comments that this is information we need in order to move forward. Antholt states that in the time frame we have we have got what we have and starting soon we should be wrestling with this, but to do something
in January we don’t have the time. Wynne Lee challenges this saying that it
should not be hard to get this information. We need to understand what it takes
to bring the ferry fund up to some standard and what it takes to keep it there.
Antholt comments that this is something we don’t know and something that he
and Colburn were not charged with, but it is certainly something we should know
for 2016 and out. 2015?
- Rob and James left for the Ferry. Rob says he is trying to understand and asks if
we need data for the return trip. Colburn interrupts saying that they need data
for crossing to crossing. Rob asks for definition for what variables they are looking
for and Antholt responds that they will provide this. Colburn says what he is
really looking for are the “Units of Service” that are linked to fares, but are not
the same as the use of tickets for the sale of cars. McKenzie comments that for
example over a period of years there has been thought and discussion about
“peak”. When the County is looking at cost, what are all of the possibilities? One
of the possibilities is that for traffic, peak time costs more the off time. Tonight
they have already looked at compact vs standard size cars. WE need data to
explore such options. Maybe 100 cars came over today, but when did 30 come
over and when did 50 come over, etc. Rob comments that he thinks that there
might be better data than what we have in our hands. Antholt comments that it
should be remembered that there are fares are sold and that service is delivered,
but there are also services delivered for which not fares are collect. McKenzie
again commented that from the task force it was also pointed out that there was
“lack of transparency, lack of transparency, lack of transparency”. Points for
discussion over time. Pat Dunn had stated that one of the strongest conclusion
that they (Task Force) had was that the accounting system in public works was
dated somewhere a century outmoded. Jim Dickenson commented that from the
task force prospective one of the reasons that they were able to keep the ferry
runs in the middle of the day was because they got a volunteer to take the
numbers on the way back and they found out that all of those afternoon trips
were taking people off the island and had not been accounted for. He also
comments that the ferry crew often guesses as to how many cars and passengers.
- Colburn came back to Jansen and Wynne’s points regarding tradeoffs. He and
Antholt’s approach was that everyone can have an issue of what they like best,
what they like least, what can benefit me, etc., but there is a deeper discussion
about coming to a working agreement to show that what we are doing with fares
does represent community values, but also as a non-resident there is an
additional view that must be addresses. Made a couple of small changes that
don’t really harm anyone in particular, but do have some benefits and then look
at them after another year and review the result.
- Audience member (Lot Kerainium?) commented that he was a little confused
when you modify the rate of $13 and $7 such that may not be the rate we actually
pay with punch cards. Colburn responded that these fares were linked to the
reductions in fares for multi rides automatically so they are actually included in
the Model. This would reduce the punch card cost.
- Antholt commented that as we start messing with these fare numbers that the
underlying philosophy about fares is what we want the fares to deliver. For
example, when we look at the $7 passenger/pedestrian fare it just seems ridiculous. By lowering it do possibly encourage more walk on and passenger travel you will have to look at how this reduction will affect the overall surplus. If more start walking how much does that reduce the vehicle/driver volume and then how does that affect the overall surplus.

- **McKenzie** commented in his opinion that there were two egregious things that occurred with the Council decision on the fare increase. Number 1, it absolutely socially re-engineered Lummi island without question. Families left the Island stating that the reason they left was the ferry fares, period. The second issue is real simple math. For a punch card or a base fare it was a 50% bump, for a walk on it was a 67% bump, and a person with special needs fare it was a 300% bump.

- **Presentation of Ratios and Discount Fare Information (Mike Skehan)**
  - Mike started out by saying he just wanted to present to the Committee a very simple explanation of ratios and discounts, so he asks the question what is a fair fare. We could sell ferry service by the pound. 40 pedestrians with about 8000#s, one large pick-up truck weighs about 8000#s and we could charge them the same. We could sell ferry service by the square foot deck space. 40 pedestrians take up about 160 square feet in an elevator and one large pick-up takes about 160 square feet of deck space. 40 pedestrians would take $280 in full fare, and one large pick-up and driver would take $13. A pedestrian currently pays 22 times more than a full sized pick-up and driver bases on space used or weight alone. He again asks the question is that fair. He does not have the answer, but he poses it to the Committee. It further begs the question as to what other ferry systems do with regard to ratios. Washington State Department of Transportation (WSDOT), kind of across the board and he averaged a whole bunch of different routes and runs and fares, Their ratio is about 2.8/1 or a pedestrian would be about 2.8 times less than a pick-up and driver. BC Ferries is about 3.4/1 pretty much across the board. He feels that they have a spreadsheet that just says 3.4 is the number and that is what they are going with. When looking at Pierce County they charge about 3.7 times more for the vehicle than for the pedestrian. Skagit County charges about 2.9. So, the numerical average the four is 3.2. Then, what does Lummi Island do? He presented a chart showing historical driver and vehicle fares going back to 1980 (indexed for inflation but not wanting to get into that now). In the 80s the ratio was 4/1 and slipped down to 3/1. In the 90s it was a steady 3/1. In early 2000s the ratio was 3 or 4/1. The wheels came off about 2008 because of the $3 Surcharge to about 2/1. Therefore again, the policy question is what is a fair fare rate for passenger walk on versus vehicle driver fares?
  - What is a fair discount for multi-ride tickets? He went back and looked at WSDOT and by policy across the board, their discount is somewhere between 20 and 40% discount on any multi-ride fare media. BC Ferries again have an across the board discount of 1/3rd for multi-rides. Pierce County varies from 20 to 28% and have 5 trip tickets. Skagit varies from 15 to 39%, on both 20 or 25 trip tickets, and their other fare media. Whatcom County discounts currently 33% for 25 punch and it goes down from there. Vehicle ride 25 punch is a 28% discount and trucks get even less. This begs the question why do we give discounts at all? The general answers are to save the purser's time on the deck collecting as it is much easier to punch, punch than to make change; to kind of
acknowledge full-time residency over single users; encourage one fare class more than another; and, it serves as a summer de-facto surcharge for tourists.

Mike says that the thing to keep in mind is for each 10% of discount across the board on all media you give, you need to find you need to find $80,000 to $100,000 of revenue elsewhere. Brown asked of some of the variable between the ferries systems might also be bases on larger volumes that here on Lummi? Skehan responded that the numbers were just from existing available rate information and he did not do any volume calculations.

The bottom line is that if you discount something you have to make it up somewhere.

Fares and discounts all have to relate to that number required to keep the ferry operating.

A general request was made of Colburn and Skehan to make sure and copy LIFAC the presentation documents used for this meeting. It was asked if the fare model (spreadsheet) could also be put on the LIFAC site so if someone wanted to work with it they could.

- Subcommittees
  - McKenzie commented that he had sent Brown an e-mail asking if he would be willing to serve on the Subcommittee along with Antholt and Moye as he thought one subcommittee would be enough. The definition of LIFAC says that at least members have to laisse or participate on a subcommittee, but there was no limit. Brown would work as subdivision on the area of the ferry replacement as opposed to long range planning. Antholt says you have three items in demography of ferry planning and that really is a part of 3 and it is not separate. You can’t get on to the ferry replacement until you know what the future effected demand is. It is a sequential thing. McKenzie responds that he thinks this is right but he thinks concurrent work can be done. Antholt ask then what would you do, a 60 car ferry, a 30 car ferry? You don’t know until you have some kind of idea about affected demand. McKenzie responds that in his mind as we are moving along you could determine what a 2 car ferry looks like and here is what a 100 car ferry looks like so you have data and information to move forward with right away. Antholt commented that he thinks this might be double counting or extra work because you might as well start out by getting to some place where we think we are going to need a 30, 40 or whatever it is ferry. Then get into the design function. McKenzie responds that he is agreeing, but we have volunteers right now who could have the data ready to go when the actual ferry car size is identified. Antholt again responds that the volunteers would have no way to know what the demand is. McKenzie asks for someone else to comment.
  - Brown commented that after the last meeting Clark had telephoned him and they felt that they would like to take the replacement ferry portion of the Long Range Planning as a separate subcommittee. They would put a structure together of what they want to work on and when Antholt’s subcommittee figures out what the demography is then we can certainly add that in. Antholt suggests that it is not the demography. McKenzie interrupts and tries to explain in layman’s terms that the long range planning subcommittee is going to go from point A to point B and research a whole bunch of stuff to get to point B. So, a ferry replacement subcommittee would start at a small point “a” to a small point “b” and research a whole bunch of stuff to get to small point “b”. They would have their stuff ready. They would have their findings ready with the other subcommittee got to that point. Antholt says that you can’t do that because you can’t determine what kind of a ferry you are building. McKenzie comments that the scope of
work is research, not planning. Antholt responds saying whatever you call it you hate to see people spinning their wheels. McKenzie comments to Brown that if he is willing to do this with Clark and be willing to come back to LIFAC with something that you feel is not spinning you wheels. Is that fair? Brown responds sure that they would work on a structure.

- McKenzie, in conclusion, says the Long Range Planning Subcommittee will be Antholt, Moye, Skehan, Blake and her group of volunteers. Scope, in place of structure, for that subcommittee has already been circulated by Blake and Antholt and it will need to be collated. Antholt will report this back at the August meeting. McKenzie commented that same for you to Brown to produce a scope of work at the next meeting.

- LIFAC Recommendations for the HIYU and for Dry Dock Dates
  - Brown reminded the members that at the last meeting it was agreed to send a recommendation to Council on the moving ahead with researching the viability of the HIYU and the recommendation to move future year dry dock dates further past the holidays.
    - Antholt comments that he feels that the County has looked at the HIYU and are ready to jump when it becomes available.
    - Brown comments that in our last meeting LIFAC members wanted a recommendation to the Council on the HIYU in stronger words. He thought that Antholt and Moye were going to draft the letter. And Then, McKenzie was going to write the letter to adjust future dry dock dates and Antholt said to just go ahead and do it and you don’t have to bring it by the whole committee. He is just looking for records that this has happened.
    - Antholt commented that he thought in the meantime we discovered that James had made some kind of response, but was really unsure.
    - McKenzie apologized and said he would revisit the minutes of the last meeting and do what he said he would do, as he did not recall this.

NEW BUSINESS

1. Antholt will draft a note to Public works passing along the information he produced on emergency back plans as part of the contingency plan for the Whatcom Chief

OTHER BUSINESS

There was no other business

TENTATIVE AGENDA FOR THE NEXT WORK SESSION

The date for the next meeting is **Tuesday August 5th**

- CALL TO ORDER
- ROLL CALL
- FLAG SALUTE
- MINUTES CONSENT
- PRESENTATION
  - Mike McKenzie – General Update
  - Rob Ney – Update from Public Works
- OLD BUSINESS
  - Update on Fare Analysis Study
DISCLAIMER: This document is a draft and is provided as a courtesy. This document is not to be considered as the final minutes. All information contained herein is subject to change upon further review and approval by the Lummi Ferry Island Advisory Committee.

Letters of Recommendation to Council
Scope for Long-range Planning Subcommittee
Scope for Ferry Replacement Subcommittee

NEW BUSINESS

ADJOURN

ADJOURN
The meeting adjourned at 8:15 p.m.

The Committee approved these minutes on 9/2/2014

ATTEST: _________________________

Michael McKenzie, Committee Chair