

**GUEMES ISLAND FERRY IMPLEMENTATION PLAN  
TASK FORCE MEETING SUMMARY – SKAGIT COUNTY PUBLIC WORKS  
December 1, 2003**

**Task Force Meeting Attendees**

Glen Veal, Task Force Chair  
Jackie Wittman  
Jim Dugan  
Dixon Elder  
Marilee Fosbre  
Sharon Schlittenhard  
Ron Panzero  
Steve Flude  
Carl Cady  
Holly Green (Bowman)  
Dan Pike  
Phil Burton

**Staff and Consultants**

Michael Hodgins  
Courtney Knox  
Rick Kiesser  
Steve Cox  
Karen Cade

**Guests**

Dyvon Havens  
Max Benjamin  
Allen Bush  
Susan Ferrel  
H.D. Propst

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Glen Veal opened the meeting at 3:03 p.m. Glen stated that this meeting is a continuation of November 21<sup>st</sup> meeting discussing the public comment received on the Schedule and Fare Policy proposal. Any audience comment will be taken on issues at discussion but the Task Force Members will be called on first. This is our last meeting.

The meeting began with comment from Susan Ferrel in reference to running a later ferry Monday – Thursday. It was stated that this issue was discussed in the analysis process and out of the 28 comments received on the proposal, 14 of them point out this concern. She feels the Ferry Committee/Task Force does not support the Islanders. Glen stated that this issue was discussed and there was no support for extending the ferry schedule Monday-Thursday. Debate continued on this issue and it was suggested that Susan attend the public hearing and voice her concerns to the County Commissioners.

Max Benjamin requested that the November 21<sup>st</sup> meeting summary be amended and include the audience comments and what was discussed. Because if these matters come up in the future he would like to have this information on record showing that the audience did participate and did raise the following issues to this Task Force.

Max continued stating that he believes this Task Force has built this whole program on misleading information and on false purposes. Max refers to page 19 of the 2004 Fare and Schedule Proposal Package document that was handed out to everybody at the public meeting that it states there are requirements within Resolution 11939 to the effects that if there are three consecutive years of losses that this requires a rate increase. This is not a part of it, Michael acknowledged when he was questioned about this, that this was not part of the resolution and it was added to this page erroneously. Max believes and thinks it can be proven that the numbers that were included on that page were manipulated and there were additions to those numbers of costs etc. that were not and should have never been a part of the figures for Resolution 11939. Max believes based upon those items alone, let alone the “non-op” payment to the crew, that if the work of this particular model were called before a judge that the County and this Task Force would have this whole matter thrown out completely. At this point we are still

functioning under Resolution 11939 and until Resolution 11939 has been revised, eliminated, or applied properly we must abide by the rulings of Resolution 11939 and the manipulation of the data and the presentation from that resolution is something that is uncalled for ethically and is certainly uncalled for in any kind of accounting system.

Glen replied there has been discussion and thorough review about all these different expenses and the debate on what should and shouldn't be included has been done and there is a certain give and take in this issue. Max responded that there is no give/take in this resolution. Glen stated that we are not talking about going back we are talking about going forward and we have to make sure we have something to go forward on. We did visit this and has been discussed. This debate continued. Dan Pike stated that this group is coming up with an advisory recommendation to the County Commissioners which will make a new policy which will surpass Resolution 11939, so it doesn't really matter whether or not it is consistent with what has been done in the past, we could advocate something that is 180 degrees from Res. 11939 and if the Commissioners want to adopt it that's fine and if they don't like what we do they can adopt what they want to do, it's going to be a new policy and whether it's consistent or not it's kind of a mood point that is taking up a lot of time and we don't have a lot of time. We went over a lot these numbers within this group and we are comfortable accepting what we have and to present to the Commissioners, but if there is not a lot of point that overturns a lot of the work we have done here then we want move on.

Max stated that he is in support of the Task Force and what they are trying to do but he is concerned with the way they are going about it and this business about including the cost of the ferry manager is bogus in relation to the resolution because the County has a contract with the IBU and in that contract they say the members of the crew have to be a member of the IBU and what you are doing is taking the crew and adding somebody's wages to this and including those wages in the resolution. The last thing is the ferry committee had a meeting on the island and with the Islanders present they was never a vote on any of these changes and the people were not asked what they wanted or didn't want. Max recommends/insists meet with the people of the island and get their approval before presenting this to the County Commissioners so you don't have a dogfight when you get there.

Glen officially began the meeting with discussing the disability passes. Discussion included whether or not the disability passes should be left as is, \$25.00 for an annual pass or does the Task Force want to change this something else. Max pointed out that the \$25.00 was included because it was in keeping with the other Puget Sound Transportation costs of disabled passes at that time. Courtney stated we can include in the fare proposal that we support Resolution 17393A in regards to the disabled pass. To obtain a disabled pass you do need to fill out an application form. Dixon made a motion to keep the disabled passes at \$25.00 for an annual pass as written in Resolution 17393A. Motion was seconded and there were no more comments so Glen took a vote and this motion passes unanimously.

Michael discussed the key decisions from November 21<sup>st</sup> Task Force meeting handout. Discussion began on the logging trucks and what length standard will be used. Dixon made a motion to have logging trucks be categorized at the 65 ft. and over vehicles and this was seconded. Discussion began. Ron stated that the policy he believes reads logging trucks one-way stacked and one-way loaded so a single is not stacked so they go for the standard logging truck fare. Holly stated that they don't get that many logging trucks. Audience stated that this reference to size of vehicles and selling space on the ferry is discriminatory. If you are going to charge extra for the overlength vehicles and put them down the center lane (premium space) then you need to charge any vehicle that is using that center lane. Dan stated what the logic was if you are getting on in a truck but if you are a vehicle and you over 30-40 feet long then you start constraining the loading code on the ferry. With you a vehicle you can be positioned on either side of the boat but when you have a truck you need to be parked down that center lane and be charged for premium space. Audience stated that the argument is we are selling premium space and this fare should also be charged to regular vehicles. Glen stated that this topic had to be re-visited due to the priority loading required some restrictions. Carl worked it out based on some formulas he used that were based on the Washington State Ferry and Canadian Ferry fares and used in comparison. There were a lot of comments at the public meeting as to why the overlength vehicles weren't being charged more so this was researched. Dixon

stated that we have had this discussion at least twice now and this is not new data and I don't see why we have to discuss this again and think we should move on.

Glen stated we have a motion on the table to adopt 65-foot fare on stacked logging trucks, is there any more discussion? Seeing none a vote was taken and the motion passes.

Allen Bush stated that in the proposal we have indicated we are going to have a 20-punch ticket, which is going to be 20% less in units of what we currently have. Therefore that means there is more impact on sales of tickets did the Task Force ever think of that? Glen stated that he didn't know exactly how we ended up on 20, believe it was a financially made decision. Allen proposed looking for an automated system and maybe only have one discounted ticket either punch card or ticket book and you might satisfy the auditor. Glen stated that in Carl's subcommittee that very aspect is acknowledged as a solution. Allen states something like that should be put in place to simply this, we have a system in place now that works but there is no controls, administration so these are the things that are lacking in the proposal, you have a proposal here that is not addressing these issues. Glen responded that they know it's a problem and Carl and his subcommittee have spent a lot of time on this issue and there are some answers and we are hoping to hurdle that gap but now just to say to assume that what we have now is what we are going to have in the future is something that we have not decided on, we are just talking about the amount of discount but the actual way it is going to be used is not decided yet. Max stated that we are talking about an increase then a discount now you're talking about a discount persay, Glen responded that it is a percentable discount, Dan said it is a discount on cash fare Glen said that everything is driven on a cash fare.

Dixon made a motion to let the audience speak when we are done we are not going to get anywhere if we revisit every decision that had been made.

Glen moved onto the schedule issues stating that a comment heard at the public meeting in reference to is there enough ferries in the morning. Is there any reason to open this back up? Phil Burton stated that he sees this problem in the morning but then we have to add the expense of this and then the fare recovery target goes up. Carl proposed why not have Bob's schedule changed to five days and 8-hour shifts and use him as a person to take tickets so if you need to go to a 20-minute schedule and we are not sure of this until we get more data but to save on manpower and the added expense then use Bob as the fourth person. Glen asked when would this time be, Carl responded that whenever the peak time would be. Holly voiced her concerns on this matter and stated that Bob is already working 2 different times during the month five days at 8 hours a day so this wouldn't work and Jim Dugan pointed out that what if Bob had to work on the ferry until midnight making repairs then you want him to report to work at 6 a.m. the next day this is not a good idea. Discussion continued on this matter. Steve Orsini proposed not to add more 20-minute runs in a.m. and encourage walk-ons; Glen asked if there was any reason to revisit this issue seeing none there will be no change in the early morning schedule.

Dixon made a motion to have Sunday be the same as Saturday's 20-minute schedule only and during the summertime. This was seconded and there were no more comments so took a vote and this motion passes. Moved onto the winter schedule. Dixon made a motion to have the winter schedule on Saturday and Sunday be the same scheduled runs. This was seconded and passed.

Discussion moved onto moving the morning break. The idea was to have the break moved to after the 9:00 a.m. run. Motion was made to run the 8:30 a.m. and 9:00 a.m. then have 15 minute break with the next run being 9:45 a.m. this was seconded and there was no more discussion, a vote was taken and this motion passes unanimously.

Rick discussed the proposed schedule with the ending time at 6:05 p.m. on Monday – Thursday, reconfiguring schedule to make sure crews are allotted proper breaks per labor contract, looked at shift change, and trying to maximize service in afternoon block. Discussion began on this issue. Holly questioned if anyone knew when the school kids actually get out of school? Courtney stated that they did talk to the school district and were told that the school kids will be at the ferry to take the 3:45 p.m. run. Max asked if the school superintendent was contacted about this? This needs to be documented. Courtney repeated again that the school district had been contacted about what time the kids would be at the ferry. Max stated that the problem has been that the different

schools get out at different times and some kids have been pulled out of class early to make the ferry run. This is a serious problem.

Holly questioned the dinner break on Friday-Sunday used to be after the 7:00 p.m. run now on the proposal it states after the 8:00 p.m. run, didn't we discuss this already about having the dinner break after 7:00 p.m. run? Michael confirmed that the dinner break needs to be moved back to the after 7:00 p.m. run.

Dixon made motion to accept the 6:05 p.m. last scheduled run on Monday – Thursday to accommodate the school children, this was seconded. There was no more discussion on this issue and a vote was taken with the motion passing.

Discussion moved to school fare for special trips. It was agreed that the school fare for special trips will be \$175.00, this is a reduced fare compared to the crew being called out for a three hour shift and at the beginning of this run if there are vehicles still at the dock with doing run you will run until all vehicles are cleared, but only the vehicles at the dock at the beginning of this run will be transported and will pay fare. Max pointed out his concern where in the past he had seen a big truck show up for a special school run and a crewmember told the individual that since the school had paid for the trip that he would not be charged.

Dixon made motion to extend the last run policy to public and civic runs including school runs this was seconded and a vote was taken, this motion passes.

Carl suggested ending the peak time for surcharge about September 7<sup>th</sup>. Discussion began on whether or not to change the peak time. At this time the peak schedule is from May 1 – September 30 that had already been decided. Dan amended motion to have the summer schedule begin May 1<sup>st</sup> and end the Tuesday after Labor Day in September and then begin the winter schedule. This was seconded and vote taken with this motion passing.

Steve Orsini proposed on the fare issue to keep the formula at 88% instead of moving towards the target of 100% and maintain the 88% as the historical continuing of Resolution 11939. The reason being that the 100% fare recovery there isn't a huge motivation for the County to continue to watch the cost issue. The 88% formula keeps the County kind of with the ridership in the terms of cost and the cost basis. This was seconded. Discussion began on this issue. Ron Panzero stated he wanted to hear more justification of this than the historical value. Dan stated the he sees what both sides are saying and he agrees a little bit with Steve that the County should share the checkbook with the costs of running the ferry but also think from the perspective of the taxpayers generally that 100% recovery is a fair thing to expect for labor costs and wonder if there is a way to break out some other costs and use that as an analog to retain 88% of the labor costs that way you sort of satisfy both objectives. Glen stated that he believes that census before that we had this obligation to pick up the operating costs of the ferry. This was the fundamental bridge analogy that we were using since 1982 in Resolution 9518 did say 100%. Glen believes that everyone from Guemes Island that came to the meeting expected to pay the 100% of the 3-crew wages. We didn't believe that we would hang onto the 88% that was established 20+ years ago. When this 88% rule was implemented it was a concession from the County for the addition of the third person which at this point, you were prepared to go to the 100% of the three person wage and this is how we got where we are. We circumvented that by adding in these other things but did not include the fourth person for now. There is the issue that the general guide policy which is the bridge analogy that was the pitch that was made in 1982 that we agreed to pay our fair share of the operating expenses that included crew wages, fuel, and the insurance. I believe that how we are going to get there was we were trying to cover in the performance roundtable, meaning that the guidelines of the future are conditional acceptance based the performance based model and that is why we ended up where we are. We do understand the concerns of the rising costs and that is the only way we can resolve the logjam is to try and put something in place in which there would be some keys for the future and that's where the roundtable was conceived. This was a lengthy discussion.

Max gave some numbers that might clarify some of the information on costs and how we are and not paying our way. In 1980 the assessed value of Guemes Island was \$19,967,213.00 and in 2000 assessed value was

\$136,219,958.00 of that amount the County collected for the Road Fund \$277,968.00 of which they spent \$170,000 on Guemes. The current assessed value for 2003 is \$152,538,617.00 and the preliminary value for next year is scheduled to be \$178,380,174.00 out of the money collected from Guemes Island the total taxes collected from real estate alone was \$1,568,664.00 of that sum \$298,365.00 was allocated to County Road Use and he thinks that Guemes Island is a heck of a cash cow for this County when you look at the size of the island and the costs that are accrued to the County we are certainly paying our fair share on the County road costs and think Steve has an excellent point here that somewhere somebody needs to draw the line on costs that are being allocated/towards the people on the island.

Michael pointed out that Phase I target is 88% minus 0% for the fourth crewmember and the manager wages split 50%-50% with the County. Sharon Schlittenhard pointed out that at the public meeting people were upset with the Phase I fares you look at a year from now with 100% of close to six people, it is just a mushroom and there is no way to control the costs. There were many points and comments on this matter.

Allen Bush commented that when the resolution was made years ago it went to 88% because the County wasn't doing their job. Steve Flude reminded everyone that the Board of County Commissioners know what the proposal has been and they like it and if we change it to 88% we will have an uphill battle there and they can always change it. Max pointed out that everyone in the state pays for the deficit reimbursement and the higher you raise the fares and the more money you collect the smaller your return. The 88% was negotiated due to the County not managing the system and doing their job as directed to the County by the Coast Guard.

Courtney indicated that the motion on the table is to hold at 88% removing the 100% hold for future phases. Glen asked if there was any more discussion on this, seeing none proceeded to take a vote, 5 voted for the motion and 8 were opposed so this motion fails and the target will stay at 88% moving forward to 100%.

Moved onto encourage passenger traffic. Michael discussed the handout discussing policies to encourage passenger traffic and suggestions for passenger service enhancements. Three major elements to the fare policy structure that could serve to provide an incentive to passenger over vehicle traffic are:

- Dollar amount on passenger cash fare
- Discount for passenger frequent user; and
- Relationship between car and passenger fare

Rick brought up the idea about possible van pool/SKAT where they could bring passengers to the ferry or shuttle them from the ferry to different locations. Phil is concerned with the cluster of people getting on and off the boat. Steve Cox stated he is in the process of looking into how to separate passengers, enhancing walk-ons. Carl stated we need to encourage walk-ons but this would be in the future during roundtable discussion. Dixon stated to set a concrete goal for walk-ons have maybe 10% increase ratio. Carl said to refer this to the roundtable because we will not agree at this meeting.

As the Task Force meeting was concluding, a recommendation was made to amend the revenue calculation formula in order to mitigate the variability of the MVFT on the fare revenue requirement. The group decided to match the treatment of MVFT revenues to the current treatment (averaging over 3 years) of the Deficit Reimbursement in the revenue calculation formula.

Public Hearing is set for December 15<sup>th</sup> at 1:00 p.m. – 2:00 p.m.

Need to present to the Board cost considerations, not necessarily more revenue, process that started on island – land use, and added more runs to accommodate more riders.

Meeting adjourned at 6:40 p.m.