

Whatcom County Ferry Advisory Committee

March 14, 2024, 6 p.m.

Garden Room, Civic Building, 322 Commercial Street, Bellingham, WA

***Bold** text indicates Committee decision expected. Asterisk* indicates attachment.*

6:00 p.m. CALL TO ORDER – Pam Gould, Chair

ROLL CALL

- | | | |
|------------------|-----------------|------------------------------|
| · Janice Catrell | · Diane Harper | · Thomas Philpot |
| · Richard Frye | · Todd Lagestee | · Catherine Shornick |
| · Pam Gould | · Carol Landt | · <i>Uninc area position</i> |

FLAG SALUTE and MOMENT OF SILENCE

BUSINESS MEETING:

- Welcome to committee members, county staff and community, in person and on Zoom
- **Accept Agenda**
- **Adopt Minutes, February 22, 2024**
- Gary Poole, Senior Master, news from the ferry
- Randy Rydel, Public Works, Ferry Finances*

6:30 COMMITTEE WORK:

Whatcom County Code Chapter 10.34 Ferry Rates, Proposal

- Draft and proposed amendment, D. Harper*
- **Decision by WCFAC on recommendation to County Council**

Public Works Fare Increase Proposal*

Upcoming Four+ week Drydock

- Updates/Impact on community and **request to Public Works for services**

Report from ad hoc Electric Ferry and New Docks Committee

Clarify contact person(s) for access to Public Works: information

Consider changes to venue and meeting day: discussion

7:10 OPEN SESSION: Attendees, then, if possible, Zoom attendees

7:25 COMMITTEE SCHEDULE:

- **March 18, Special Meeting:** 6 PM, Grange Hall, Lummi Island, regarding fare increase proposal
- March 19, County Council Committee of the Whole, approx. 2 PM, Bellingham
- April 11, Public Works and KPFF: Introduction to new ferry and infrastructure, including constraints, issues and costs.

7:30 ADJOURN

Location: **Garden Room, Civic Building, 322 Commercial Street, Bellingham, WA**

Join Whatcom County Council Hosted Zoom meeting: <https://us06web.zoom.us/j/81766771715>

Whatcom County Ferry Advisory Committee
Minutes, February 22, 2024

Call to Order, Pam Gould, Chair

Roll Call

- **Present:** Janice Catrell, Rich Frye, Pam Gould, Diane Harper, Carol Landt, Thomas Philpot, Catherine Shornick.
- **Absent:** Todd Lagestee

Business Meeting:

- Welcome to County Councilmember, Ben Elenbaas
- Agenda Amendments: None
- Adopted minutes for February 8 and February 22.
- Chair relayed information from Sr. Master Gary Poole: Since the upcoming drydock is a month long, the heavy pedestrian dock will be used on the island side, and perhaps one on mainland as well. Full drydock is no longer available in Bellingham, so it is necessary to go to Seattle.

Committee Work:

- **Introduction of Resolution Requesting Council Approval of the Interpretation and Retroactive Application of Accounting of WCC Chapter 10.34.030 – Use of Ferry Rates.** (See attachment; this information was previously discussed at WCFAC and provided to County Council and the County Executive's office at Jon Scanlon's request.) Codes ad hoc member Janice Holmes described the tidelands lease agreement with the Lummi Nation, noting that the annual cost has increased from approximately \$200K to \$287K, and per county charter should not have been paid from the Fare Box. This Resolution acknowledges that \$1.7M was incorrectly paid and funds should be returned to the Ferry System Fund, although there are various ways in which that could occur. Further, Janice believes this absolves any need for a fare increase at this time. Diane Harper moved, Tom Philpott seconded motion that WCFAC adopt the resolution and forward to County Council with a request for them to adopt; brief additional discussion; motion passed. Chair reported that the County Executive acknowledged ten years may be needed to repay. (Ben Elenbaas offered a point of order.)
- **Introduction of Whatcom County Code Chapter 10.34 Ferry Rates, Proposal from the ad hoc Codes Committee.** (See attachments) Draft proposal first introduced to WCFAC and community February 8th, followed by special meeting on February 22nd. Proposal was updated with housekeeping-type amendments as well as policy changes. Diane Harper reviewed definition clarifications, ER&R issues, and regular and routine expenses. A stable fare system can accommodate for ups and downs over time but needs a cap on major/emergency repairs. Vessel rental fees have also increased dramatically; similarly, fares cannot carry that full weight. Ultimately, a limit should be placed on what fares can cover rather than on what Road Fund will cover, and clarification is needed as to what triggers fare reviews. Attendees had

some questions and appreciated the work accomplished. WCFAC will formally vote on adoption during March 14 meeting.

- Amendment offered: Rich Frye reviewed and proposed amendment (see attachment) regarding use of a statistical distribution to define regular and routine expenses, particularly as the current ferry ages. Diane Harper moved, Carol Landt seconded, motion to adopt new definition into TOE to include, “expenses greater than a coefficient of 2”. Discussion included questions of actual numbers. It may be best to examine later and longer, since it could be a perfect solution but is complicated. Motion withdrawn, with commitment to study and recommend to Public Works to consider.
- Amendment offered: Diane Harper moved, Tom Philpott seconded, adding “not to be applied to the cumulative fare box reserve balance as of the adopting date of this ordinance,” or “not to be applied through 2025”, as a practical matter. Motion did not carry. (Ben Elenbaas offered procedural advice.)

Proposed codes changes are largely completed and WCFAC will vote on March 14th whether to recommend to County Council.

- **Finance and Ferry Rates Review and Discussion.** (See PowerPoint presentation) The County Executive has requested a 15% fare increase. Diane Harper explained fare rebalancing and presented scenarios to leave pedestrian fares the same and either increase everything else the same percentage or apply the same discount to all punchcards; or to decrease pedestrian fares 33 to 40%, and apply the same discount to all punchcards. Discussion occurred regarding fares thrown out of balance with previous across-the-board increases; addressing fares vs the amount of space used on the ferry; and summer surcharges on single trip purchases. Opinions were expressed that there is no legal basis for an increase and county is not following the ferry code, and although there’s been an understatement of the fare box balance and there is no crisis, it is important to be collaborative and realistic about rising costs.
- **Appoint ad hoc Electric Ferry and New Docks Committee.** Public Works (PW) and consultants KPFF are already working and holding regular meetings; it’s important to stay informed as to those discussions. Tom Philpott and Janice Cattrell from WCFAC, and community members David Parker, Kurt Esvoldt and Jim Dickinson were appointed to participate and report back to WCFAC. This ad hoc committee is also tasked with assembling questions in preparation of the April 11th meeting with WCFAC, community, PW and KPFF.

Open Session

- Peter Earle (see handout) proposed a formal proposal from the committee that **WCFAC and the County Council be provided with a financial analysis of the Fare Box as it current exists without the inclusion of costs associated with the rebuilds of the dolphins in 2022 and 2023.**
 - Rich Frye moved, Tom Philpott seconded; brief discussion occurred; motion approved.

- Peter Earle proposed a request that **WCFAC advise the County Council to request a formal legal opinion from the Council’s attorney, currently Royce Buckingham, of the legality under Chapter 10.34 of including the \$800,000 dolphin rebuilds from 2022 and 2023 in the fare box given the4 clear and unambiguous meaning of the words “regular and routine” contained in that ordinance.**
 - Tom Philpott moved, Janice Cattrell seconded a motion to request; discussion occurred regarding timing and value; motion failed. (Ben Elenbaas offered procedural guidance)
- Bob Anderson offered support for WCFAC’s work and messages going forward.
- Janice Holmes voiced anger and dismay at lack of effort from PW to assist with upcoming month-long drydock impacts, which is enormous for Islanders. Parking rates as high as \$850 have been quoted for the month. This is an obvious situation for government-to-government resolution. Some ideas include using the island shuttle on the mainland to safe and secure parking, or PW could work with WTA bus system to coordinate schedules.
- Jim Dickinson (see attachment) suggested that the Trek ferry be brought in during drydock, which would work with both docks, avoid hiring a passenger ferry and shuttle bus, mitigate steep pedestrian access issues, and allow for continuation of car and driver revenue. Suggestion was made to talk to Gary Poole.

Committee Schedule

- March 14: Final WCFAC vote and recommendation to Public Works on Whatcom County Code Chapter 10.34 Ferry Rates
- March 14: Public Works accountant Randy Rydel presents Ferry Finances
- April 11: Public Works and KPFF Consultants present introduction to new ferry and infrastructure: constraints, issues, and costs

Meeting formally adjourned, 8:42 PM.

Recording available at <https://www.youtube.com/watch?v=NqOPCCKXJyQ>

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Respectfully submitted, C. Shornick

Attachments:

- Resolution Requesting Council Approval of the Interpretation and Retroactive Application of Accounting of WCC Chapter 10.34.030 – Use of Ferry Rates
- Codes, Finance and Ferry Rates Review, PowerPoint presentation
- WCFAC ad hoc codes committee DRAFT with commentary, dated 2.20.24 (spreadsheet)
- WCFAC ad hoc codes committee final draft
- Three Fare Structures Compared to Current Fares, D. Harper
- Metric for Defining “Regular and Routine”, Rich Frye
- Public Comment, Peter Earle, Proposals
- Public Comment, Jim Dickinson, The Trek

Ferry Finances 101: Ferry Fund

History

The Ferry Fund was created by the Whatcom County Council in 2006 as an enterprise fund to account for all revenue and expenses related to ferry operations. Before its creation, all ferry revenue and expenses were deposited into and paid from the Road Fund.

For the 17 years prior to 2006, the percentage that fares were expected to pay for ferry expenses had varied from 55% to 75%, with one brief exception. However, the percentage was only applied to the expenses of actually operating the ferry itself. Whatcom County Code (WCC) Chapter 10.34 was revised at the same time as the Ferry Fund was created so that the 55% was applied to the expenses of the entire ferry system, using the definition still in effect today: "all actual daily running expenses and all actual regular and routine maintenance and administrative expenses associated with the use and operation of all physical elements of the ferry system."

The Ferry Fund was begun with an initial deposit of \$1,587,137 from the Road Fund, which was the total of fares collected before 2006 that were in excess of the 55% of operating expenses. At that time Jeff Monsen, Director of Public Works, in remarks with Council Committees indicated that a fare increase wouldn't be considered until fare box income fell below the goal of 55% for between 3-5 years. And, when necessary, any fare adjustments were to be a means of cost recovery for those past deficits and not a means to pre-fund estimated future deficits.

In the 17 years since its inception the Ferry Fund has successfully operated as intended after revision of the calculation made the following year. In the first year fares met only 36% instead of 55% of operating costs, and it was realized that first the other sources of revenue supporting the ferry operations had to be subtracted from the total operating expenses. This reduced total was first used in 2007 and is now called the adjusted total operating expenses.

In 2011 further changes were made in application of fares, including creating a new category of Employee Trip Credits. (See Appendix A) Another change made at this time was to allow all children 19 and under to be exempt from fares as passengers or pedestrians, where before only children on their way to and from school were exempt. Other small changes have been made from time to time on application of fares to different ticket classes. While there was confusion about what comprised the balance in the Ferry Fund, various fare adjustments meant that fares were collected in excess of the 55% for most of the years since 2007.

Very large expenses in 2022, 2023, and projected in 2024, along with a loss of revenue of \$358,000 in 2020 due to the pandemic, have created a large gap between the 55% goal and the actual fares collected. There are unresolved financial issues, some of which will be explored in this issue paper, that relate to the current balances in the Ferry Fund. What is not at issue is that however these issues are resolved, fares are no longer equaling the required 55% of adjusted operating costs as costs have risen while fare revenue has not.

Appendix A

Definitions and Revenue Sources

Total Operating Expenses (TOE): Beginning in 2006, 100% of the operating costs associated with operating the entire ferry system. Prior to 2006, this excluded dock maintenance and operation.

Adjusted Total Operating Expenses (ATOE): TOE minus state revenues, Ferry Fund interest. Employee Trip Credits, and miscellaneous income. The current method for calculating the 55% owed by the Fare Box was not adopted until 2007. The revenue streams into the Ferry Fund now recognized by Public Works that are to be deducted from TOE to determine the ATOE are listed in Table G.

Table G: ATOE 2007- 2022

TOE	44,238,937
Less MVFT Ferry Deficit Reimbursement*	-3,645,329
Less MVFT Attributable*	-2,732,496
Less Interest Earned*	-359,560
Less Employee Trip Credit*	-127,540
Less Miscellaneous*	-5,036
ATOE 2007- 2022	37,368,976

Fare Box Recovery Rate: Exactly 55% of ATOE since 2007; 55% of TOE in 2006. Between 1981 and 2001, it went from being 75% to 55% and was always described as “approximate.” There was one exception, either an editing slip or a battle: a six month period in 1985 when it was 100% and not approximate.

Fare Box Recovery Goal: Applying the 55% Fare Box Recovery Rate to the total 2007-2022 ATOE results in a revenue target of \$20,552,937. Then 55% of the 2006 TOE, \$1,018,643, is added, resulting in a total Fare Box Recovery Goal for the years since the Ferry System Fund was created, 2006-2022.

Motor Vehicle Fuel Tax – MVFT: There are 2 revenue streams that come to Whatcom County from the State. Both are derived from the MVFT. In 2007 Whatcom County Code (WCC) Chapter 10.34 was amended and language was included that “any interest income and income from state motor vehicle fuel tax for ferry operation will be deducted from the actual operating costs before the actual 55% fare box recovery rate is calculated.” Minutes from Public Works Committee meetings include statements from Public Works Director Frank Abart that both MVFT revenue streams are included in the Ferry Fund. That is supported by the current

interpretation and Resolution #AB2023-403 passed by the Council on June 20, 2023, that both funds should be included in the calculation of ATOE beginning in 2007.

MVFT/Attributable. This revenue is distributed by the Washington State County Road Administration Board (CRAB), a portion of which is calculated for the ferry because the ferry is a road. It is discretionary for counties with ferry systems to apply these funds to ferry operations or simply incorporate these amounts into the road budget. There are historical documents as well as Public Works Committee meeting minutes that indicate that Public Works and the Council intended these funds to be included in ferry revenue since 2006. Public Works recently acknowledged that these funds should have been incorporated into the ATOE calculation since 2007. This was affirmed by the Council by resolution passed on June 20, 2023.

MVFT/Ferry Deficit Reimbursement. This funding source was established by the legislature to go solely to the four counties that operate a ferry system. The source of this funding is also statewide MVFT, and it is intended to cover up to 50% of the deficit in ferry operations. The County must provide CRAB an annual report with the financial status of ferry operations. It is mandatory that this revenue be used to supplement ferry operations costs. The State increased the amount to be divided among the four counties a few years ago, but it is nowhere close to 50% of the deficits.

Employee Trip Credits: Prior to 2001 county employees on official county business were specified to: *“either pay cash or purchase multiride cards and such revenues shall be credited to the fare income account of the ferry.”* Then Ordinance 2001-064 changed the provision for employee trips on official county business to *“shall be exempt from fares.”* This was changed by a provision adopted in WCC Chapter 10.34 by Ordinance 2010-054 that created the employee trip credit at the cost of the fare at that time (\$10) for a vehicle<11,000 lbs with driver.

Prior reports on Ferry Fund balances have sometimes been in error on the total amount of revenue from this source, assuming that it was in effect prior to 2011. The revenue reported for 2011 – 2022 totals \$103,170. A remaining question is whether the trips credited include both those of ferry crew and immediate family members who by contract receive free trips and by current County employees traveling on County business. This has been addressed in the WCFAC suggested code amendments.

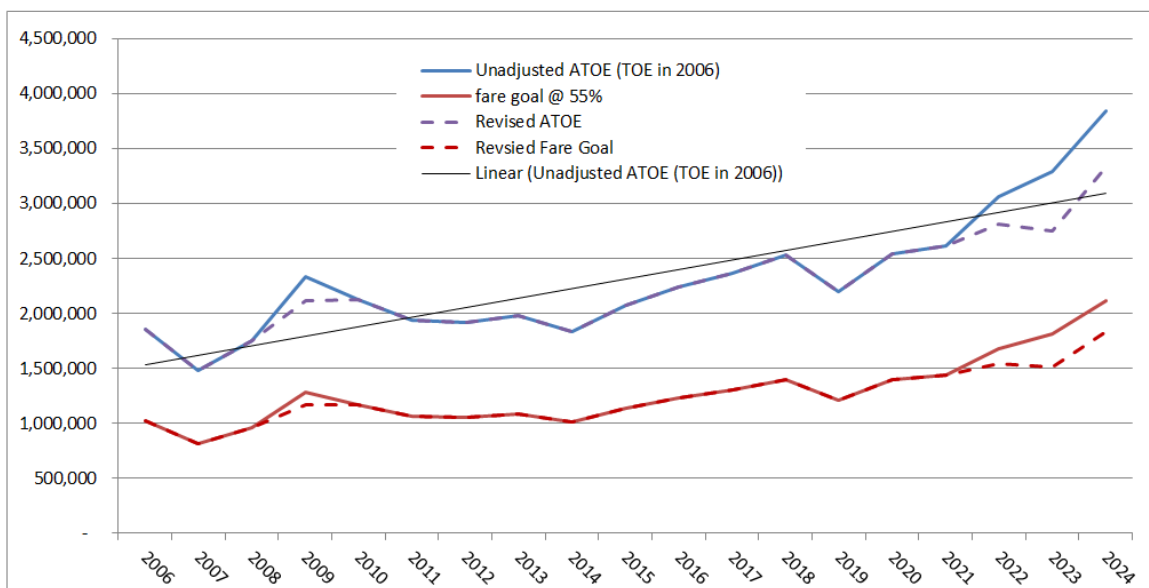
To: Whatcom County Ferry Advisory Committee
 From: Diane Harper, WCFAC and ad hoc code committee
 Date: March 9, 2024
 Subject: Attached WCC Chapter 10.34 proposed amendments

The attached document has one new proposed amendment, found on the last page and highlighted in yellow. It proposes an amendment to 10.34.030(E) that removes the requirement for a fare decrease when the cumulative fare reserve is higher than the prior year collection of ferry user fees if there have been three sequential years of fares not reaching the 55% goal. I recommend inserting it simply because we do not know how certain other discussions about the actual cumulative fare box reserve balance will be resolved. It is possible, like the Monsen memo, that a sudden change in the balance could occur while trends in costs and fare revenue indicate that it would be counterproductive to lower fares.

The standard mark-up is used: underlined text indicates add new; struck-through text indicates delete. For the purpose of faster review, those changes that indicate a change in County policy are in red. The other changes that are in black text are primarily housekeeping measures, including rearrangement or restatement of text that is in the existing code.

Several policy measures were recommended that would limit some expenses being included in the Adjusted Total Operating Expenses, and thus paid 55% by fares. The purpose of these amendments was to indicate that we believe that it is appropriate for fares to share in increasing costs, but that it is impractical for those costs that are included to grow at a rate that is not sustainable by fare increases. I have highlighted these policies in blue to aid review. The graph below indicates the impact if both measures had been in place in prior years. It does not propose that these measures be applied retroactively, it is here to simply illustrate the level of impact.

IMPACT of Recommended WCC Chapter 10.34 amendments regarding unusual expenses
 Whatcom County Code Chapter 10.34.005(A)(6-7) and 10.34.005(H) and (J)



Whatcom County Code Chapter 10.34 FERRY RATES¹

Sections:

- 10.34.005 Definitions.**
- 10.34.010 Effective date for ferry user fees.**
- 10.34.020 Interpretation of rate schedule.**
- 10.34.030 Use of ferry user fee revenues.**

10.34.005 Definitions.

A. “Adjusted Total Operating Expenses” (ATOE) is the amount of total operating expenses (TOE) minus adjustments listed below and then used in the calculation of the fare box recovery goal. Beginning January 1st, 2007, the ATOE amount shall be determined by subtracting the following amounts from the TOE:

- (1) Motor Vehicle Fuel Tax attributable to ferry operations;
- (2) Ferry Deficit Reimbursement funds (RCW 47.56.725 (2));
- (3) Investment income or loss;
- (4) County employee trips as defined in 10.34.010(l);
- (5) Other miscellaneous Income – such as immaterial amounts due to NSF checks;
- (6) Beginning January 1, 2024, Major or Emergency Repair expenses greater than 5% of the average of the past three years of total ferry user fees;
- (7) Beginning January 1, 2024, vessel rental fees greater than 50% of the average of the past three years total annual ferry user fees; also all capital costs associated with the vessel.

CB. “Capital cost” means all capital expenditures, including financing and depreciation expenses applied to the replacement, expansion, or creation of ferry system physical elements. Consistent with the Whatcom County Charter and the Governmental Accounting Standards Board's Statement No. 87 requiring lease accounting changes for financial reporting to be retroactive, the annual Tidelands lease or its replacement is considered a capital cost.

C. “Cumulative fare box reserve” is the running total of adding the annual difference between the ferry user fees and the fare box recovery goal: when the goal is larger than the total ferry user fees collected, the difference is a deficit and is subtracted; when the total ferry user fees collected

is greater than the goal, the difference is a surplus and is added.

D. “Fare box recovery goal” means the amount ferry user fees are to pay to support the ferry system and is calculated by multiplying ATOE by the fare box recovery rate.

DE. “Fare box recovery rate” means the percentage of ATOE to be recovered by ferry user fees and is established in WCC Chapter 10.34.030(A) the calculated percentage of total revenue generated through ferry user fees in comparison to total actual operating costs for the same period of time minus any revenue from the motor vehicle fuel tax meant for ferry operations, or from interest.

AF. “Ferry system” means all physical elements of the Lummi Island ferry operations, including both the Gooseberry Point and Lummi Island vehicle and pedestrian staging areas, vehicle parking area, and ferry docks, and any and all boats utilized for transport purposes.

EG. “Ferry user fees” means the rates and charges required of and collected from any and all users of the ferry system, as established and periodically amended in the Unified Fee Schedule, plus all other funds designated by resolution of the Whatcom County Council. Ferry user fees do not include 1) any payments earned under WCC Chapter 10.34.020(I) or 2) any surcharge collected pursuant to WCC Chapter 10.34.020(O).

H. “Major Or Emergency Repairs” (MOER) means maintenance and repair activities that are not regular and routine with total project expenses that are greater than 50 percent of the average of the past three years total maintenance and repair expenses, excluding prior MOER expenses.

FI. “Rate schedule” means the combination of ferry user fees and operational policies affecting the use of the ferry system.

BJ. “Total Operating cost expenses” means all actual daily running expenses and all actual regular and routine maintenance and administrative expenses associated with the use and operation of all physical elements of the ferry system. As of January 1, 2024, it also includes the vessel rental rate excluding capital expenses and all major or emergency repairs (MOER), both as defined in 10.34.005(A).

(Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010- 054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A).

10.34.010 Effective date for ferry user fees.

Ferry user fees are set forth in the Whatcom County Unified Fee Schedule and become effective as set forth in the ordinance adopting or amending such schedule.

(Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010- 054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A; Ord. 2002-012; Ord. 2001-064; Ord. 93-080 Exh. Q).

10.34.020 Interpretation of rate schedule.

The following provisions should be observed in application of the ferry rate schedule:

- A. Buses, mobile homes, motor homes, fifth wheels in bed of pickup, and trailers including goosenecks are charged by total length. Length includes tongue, hitch, and projections to the rear.
- B. Tow vehicles with trailers shall be charged a combined rate based on total length of the trailer, as defined in subsection A of this section, and weight of the tow vehicle based on the gross vehicle weight of the designation of the vehicle. Heavy machinery that is self-propelled onto the ferry shall be charged at the corresponding vehicle weight.
- C. Special trips are a surcharge in addition to the applicable fare.
- D. A weekly run limited to fuel trucks, charged at the regular rate, shall be scheduled by the public works department and published appropriately.
- E. All trucks shall be charged regular round-trip rates based on gross vehicle weight.
- F. ~~Over-width vehicles or trailers occupying more than one lane shall be charged a 50 percent surcharge. In addition, vehicles towing over-width trailers shall also be charged a 50 percent surcharge. Vans outfitted for commercial use or as RVs shall be charged the ferry user fee for Vehicle with Driver 11,001- 20,000 pounds (small truck).~~
- G. Student multi-ride cards shall be sold to full-time post-high school students only. Proof of post-high school enrollment shall be required at time of purchase. No special student discount is available for drivers of vehicles.
- H. Children ~~12 to~~ under 19 years of age will receive free passenger and pedestrian passage all year round. No special child discount is available for drivers of vehicles.
- I. ~~All trips by County employees on official county business and ferry employees and their immediate household members who are not required to pay fares shall be recorded, and an amount equal to what fare would have been charged according to the rates established in the Unified Fee Schedule shall be deposited in the Ferry Fund. exempt from fares. All county employee trips exempt from fares will be tracked, and \$10.00 per trip will be credited toward the fare box recovery rate each year.~~

J. During the term of the tidelands lease agreement dated October 24, 2011, lessee (Whatcom County) shall grant free foot and noncommercial passenger vehicle passage upon and across the ferry operated by lessee between Gooseberry Point and Lummi Island to those persons going to Lummi Island for legitimate tribal business who are either enrolled members of the Lummi Nation or employees thereof, and who also present appropriate identification issued by the nation, including Lummi Indian Business Council identification cards or current fishing cards/licenses as issued by the Lummi Nation.

K. A special needs-based discount is provided for Lummi Island residents who meet the very Very Low income levels set annually by the Department of Housing and Urban Development (HUD). The current year's levels will be posted on the Whatcom County Public Works ferry web page. The reviewing authority will screen all applicants to determine eligibility. ~~The number of needs-based applications processed annually, regardless of approval, will depend on the constraints of the ferry operations budget for each year.~~ The special needs-based ferry fare discount shall always be higher than any other discount. These special needs-based tickets will not be sold on the ferry ~~only be sold at the Whatcom County public works administration building in Bellingham~~ and will require a valid voucher issued from the reviewing authority and valid photo ID. Eligibility will be reviewed at least annually by the reviewing authority. ~~Forms and procedures will be developed by the Whatcom County public works and the reviewing authority.~~

L. Eligibility for a special "senior/disabled" discount is available to all Lummi Island residents who currently hold property tax exemptions or deferral as defined under RCW 84.36.381 and RCW 84.38.030 and WAC 458-16-020 and 458-18-020, and as these may be hereafter amended. These special needs-based tickets will not be sold on the ferry ~~only be sold at the Whatcom County public works administration building in Bellingham~~ and will require valid photo ID.

M. One punch on the Mmulti-ride cards pays for one round trip. ~~purchased prior to the most current fare change shall be valid until six months after the effective date of the ordinance codified in this chapter.~~ When ferry rates change, the remaining value (original value divided by original number of trips times the remaining un-punched trips) of multi-ride cards purchased at the previous rate can be used for 12 months as a credit towards purchasing the current fare multi-ride card. Multi-ride cards purchased at the previous rate, ~~rather~~ either higher or lower than the new rate, will be accepted for use as one punch equals one round trip for one month after new rates take effect. No ~~credit or refund~~ replacement cards will be allowed or issued. ~~These rate changes will take place within 60 calendar days of the adopted date of the~~

~~ordinance codified in this chapter.~~

N. All children under the age of 12 years when traveling on the Whatcom County ferry must be accompanied by an adult. ~~An exception to this policy will be made only if the adult parent or guardian signs a waiver exempting Whatcom County from all liabilities for any and all injuries, loss of life, etc., while the child is traveling on the ferry.~~

O. A capital surcharge of \$1.00 shall be collected for all fares except for student multi-ride cards (subsection G of this section), special needs-based fares (subsection K of this section), and special senior/disabled fares (subsection L of this section). The capital surcharge shall be used exclusively for the construction of a new ferry vessel and terminal improvements.

P. Entities and individuals legally authorized to transport human remains shall be exempt from after scheduled hours fares when using the ferry to pick up and transport the body of a deceased person from Lummi Island. Ferry personnel reserve the right at the time of travel to require riders claiming this exemption to present burial-transit permits required under RCW 70.58A.210 or other legal authority authorizing transport of the deceased person.

(Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010- 054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A; Ord. 2002-012; Ord. 2001-064; Ord. 93-080 Exh. Q).

10.34.030 Use of ferry user fee revenues.

A. Beginning January 1, 2006, a 55 percent fare box recovery rate shall be applied to the ATOE and evaluated continuously from that time forward. The remaining ferry system expenses shall be covered through other sources of funds, which includes but is not limited to the unincorporated area Road Fund property tax.

~~B. An annual review of ferry system services, actual and projected operating costs, and actual and projected revenue from ferry user fees shall occur in order to verify the 55 percent fare box recovery rate is being achieved.~~

In any given year the actual fare box recovery rate exceeds 55 percent, the excess revenue shall be retained in the ~~ferry system fund~~ cumulative fare box reserve and applied only to future ~~operating costs~~ fare box deficits.

C. In any given year the actual fare box recovery rate is below 55 percent, the difference shall be recovered in a future ferry user fee increase or by using the ~~unless there is adequate~~ excess ferry user fee revenue remaining in the cumulative fare box reserve ~~ferry system fund collected during prior years.~~

D. After three sequential years of the annual total of ferry user fees not reaching 55 percent or three sequential years of the annual total of ferry user fees being greater than 55 percent, a change in ferry rates and services provided shall be considered, whatever the balance in the cumulative fare box reserve.

E. Ferry rates or services shall be changed at any time the cumulative fare box reserve has a positive balance greater than the total amount of the prior annual total of ferry user fees, unless there have been three sequential years of ferry user fees not reaching the fare box recovery goal, or the cumulative fare box reserve has a negative balance greater than could be funded by one third of the total amount of the prior year ferry user fees.

F. An annual review of ferry system services, actual and projected operating costs including the costs included in the Equipment Rental & Revolving Fund vessel rental fee, and actual and projected revenue from ferry user fees shall occur in order to verify the 55 percent fare box recovery rate is being achieved. A six-year financial pro forma report including operations and capital will be presented to the Whatcom County Council and citizen advisory bodies during the 2nd quarter of each calendar year.

~~Beginning January 1, 2007, any interest income or income from state motor vehicle fuel tax for ferry operation will be deducted from the actual operating costs before the actual 55 percent fare box recovery rate is calculated.~~

(Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010- 054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A; Ord. 2002-012; Ord. 2001-064).

¹ Prior legislation: Ord. 89-103.

The Executive's 3/6/24 proposal includes:

- Standardization of multi-ride discount for Vehicles, Small Trucks, and Pedestrian fares to 15%.
- Elimination of discount for medium and large truck multi-ride cards
- 5% increase (to whole dollars) on base fares
- Maintaining 60% discount for Needs Based passage
- Eliminate 25 ride vehicle driver card since discount is on par with 10 ride vehicle driver card.

Fare Class (does not include "free" ticket classes)	estimated trips		Current 2024		Executive's 3/7/24 Proposal				
	round trips/ticket	Inferred Est. Trips	Ticket Price with Capital Surcharge	price per round trip	Ticket Price with Capital Surcharge	price per round trip	Price % Change	Per Ticket Price Change	Per Trip Price Change
Passenger / Pedestrian									
Passenger/Pedestrian Cash*	1	18291	\$8.00	\$8.00	\$ 8.00	\$8.00	0.0%	\$0.00	\$0.00
Passenger/Pedestrian Multiride	25	25002	\$113.00	\$4.52	\$ 174.00	\$6.96	54.0%	\$61.00	\$2.44
Needs Based Multiride (25->10)	10	1610	\$28.00	\$2.80	\$ 28.00	\$2.80	0.0%	\$0.00	\$0.00
\$0.00									
Vehicle / Driver									
Bicycle w/Rider	1	953	\$8.00	\$8.00	\$ 8.00	\$8.00	0.0%	\$0.00	\$0.00
Motorcycle w/Driver	1	158	\$9.00	\$9.00	\$ 9.00	\$9.00	0.0%	\$0.00	\$0.00
Motorcycle w/Driver Multiride	25	173	\$165.00	\$6.60	\$ 195.00	\$7.80	18.2%	\$30.00	\$1.20
Vehicle < 11k W/Driver Cash	1	26400	\$14.00	\$14.00	\$ 15.00	\$15.00	7.1%	\$1.00	\$1.00
Vehicle < 11k W/Driver Multiride	10	1832	\$112.00	\$11.20	\$ 129.00	\$12.90	15.2%	\$17.00	\$1.70
*Vehicle < 11k W/Driver Multiride	25	65043	\$235.00	\$9.40	\$ 323.00	\$12.92	37.4%	\$88.00	\$3.52
Needs Based Vehicle W/Driver	10	5415	\$52.00	\$5.20	\$ 56.00	\$5.60	7.7%	\$4.00	\$0.40
Vehicle/Driver - small truck < 20,000	1	701	\$33.00	\$33.00	\$ 35.00	\$35.00	6.1%	\$2.00	\$2.00
Vehicle - small truck Multiride	10	634	\$282.00	\$28.20	\$ 299.00	\$29.90	6.0%	\$17.00	\$1.70
Vehicle/Driver - med truck < 36,000	1	354	\$76.00	\$76.00	\$ 80.00	\$80.00	5.3%	\$4.00	\$4.00
Vehicle - med truck Multiride	10	327	\$648.00	\$64.80	\$ 800.00	\$80.00	23.5%	\$152.00	\$15.20
Vehicle/Driver - large truck < 50,000	1	116	\$146.00	\$146.00	\$ 153.00	\$153.00	4.8%	\$7.00	\$7.00
Vehicle - large truck Multiride	10	198	\$1,243.00	\$124.30	\$ 1,530.00	\$153.00	23.1%	\$287.00	\$28.70
Trailer									
Trailer < 16 feet	1	767	\$21.00	\$21.00	\$ 22.00	\$22.00	4.8%	\$1.00	\$1.00
Trailer < 16 feet Multiride	5	45							
Trailer 16-30 feet	1	404	\$39.00	\$39.00	\$ 41.00	\$41.00	5.1%	\$2.00	\$2.00
Trailer 16-30 feet Multiride	5	0							
Trailer > 30 feet	1	18	\$71.00	\$71.00	\$ 75.00	\$75.00	5.6%	\$4.00	\$4.00
Special Trips after boat shut-down									
	1	7	\$ 601.00	\$ 601.00	\$ 631.00	\$ 631.00	5.0%	\$30.00	\$30.00

projected # of trips 148447

Total Ferry User Fee Revenue

\$1,330,000	no change
\$1,529,500	15.0%

\$1,669,000	25.5%
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Examples:

- Two people in passenger vehicle single trip
- Two people in passenger vehicle 25 punch
- Two people in passenger vehicle needs-based

\$22.00	\$23.00
\$13.92	\$19.88
\$8.00	\$8.40