

Whatcom County Ferry Advisory Committee
Minutes, February 15, 2024
Special Meeting, Work Session

Call to Order, Pam Gould, Chair

Roll Call

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

Agenda Amendment: Time adjusted to discuss code, followed by new information from County Executive.

Ad hoc Code Committee: *Whatcom County Code Chapter 10.34 Ferry Rates, Public Works Proposal:*

Discussion with ad hoc Code Committee (Rich Frye, Diane Harper, Janice Holmes).

- Diane reviewed ad hoc recommendations related to housekeeping (see document, “2-15 WCFAC work session...”), noting that County legal advisors finally affirmed that no change in code language is necessary to use ARPA funds for the ferry. The ferry crew will provide a proposal regarding fares for vans and wide vehicles; ad hoc will review the definition of Annual Fare Box Contribution; a question arose as to emergency vehicle rates for trips after boat shut down.
- Janice H. reviewed ad hoc policy recommendations (see untitled document, 2/14 draft).
 - Tidelands Lease: A retroactive policy change occurred in 2022, but funds were not properly accounted for before then, so it’s necessary to both correct the code and return \$1.6M to the reserve. Various options could be considered moving forward.
 - It should be clear that the Fare Box is responsible for 55%; the remaining amount (45% of ATOE, etc.) should not be addressed here.
 - ERR Fund needs review of accounting/expenses, including rental rate cost.
 - Ad hoc received support that:
 - A fare box deficit can be made up by a future fare increase OR by the use of the Cumulative Fare Reserve.
 - After three sequential years of overpayment or underpayment a fare or service change will be considered whether or not there is a fare reserve remaining.
 - If the total fare reserve reaches higher than one year of revenue, or the total fare deficit is more than four months of fare revenue, a change in fares or services will occur the following year.
 - Regarding emergency or extraordinary expenses, the group suggested, “Non-regular, non-routine expenses” with a cap, to refer to non-regular repairs. A metric could be very useful, with a statistical array of figures where fares should only apply to those expenses a certain distance from the mean. There was strong agreement that “Fare Box only contributes x” rather than “PW only contributes x.” Fares can only carry so much and must be predictable and fair.

- Discussion occurred as to level of compromise, since—thus far—fares have only been responsible for regular and routine. This is less of an issue as long as the new ferry comes through; if not, it could become a huge issue. Ferry riders cannot manage significant fare fluctuations, so consider a percentage cap for increases. There was general agreement that instead of continuing to say no to all non-regular and non-routine maintenance and repairs, a compromise position of paying for some portion that did not create a spike in costs would be offered.
 - Group agreed on a rationale that fares must be predictable and stable, and therefore to the concept of sharing costs that include regular and routine expenses with a cap defined in percentage. A 5% increase is manageable.
- The goal is for ad hoc to send recommendations on Monday (Feb. 19); present them to WCFAC on Feb. 22, so by the end of the meeting a final document is agreed upon; and for WCFAC vote on March 14.
- Suggestion made to present resolutions for each of the three main policy issues; as well, a preface and executive summary to accompany the recommendation sent to County Council and clearly articulating policy questions/issues.

Information from County Executive

Pam conveyed that County Executive Sidhu (CE) will be requesting ARPA funds to cover the \$358K deficit due to Covid. Nonetheless, the CE is alarmed at a severe shortfall predicted to occur mid-2024 (see information provided by CE); he intends to request a 15% fare increase at the (Council) Committee of Whole meeting next week. He is opposed to requesting an interagency loan as planned by PW Director Kosa.

Diane's assessment is that a shortfall won't occur until next year; however, everything is more expensive and a fare increase hasn't happened for a long time. Ralph Steele expressed shock at any deficit; Pam would like to request quarterly reports from Randy Rydel/PW. Rich reflected that people are generally willing to pay a slightly higher fare (10 to 15%) if a summer surcharge was included as well.

The timing is of concern, and the group agreed that a request for an increase should be delayed until later in March in order to honor the process and provide community feedback. The issue will be taken to the upcoming February 22nd WCFAC meeting, and a March town hall may be necessary.

Meeting formally adjourned, 7:48 PM.

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Respectfully submitted, C. Shornick

Attachments:

- 2-15 WCFAC work session discussion draft PW
- 2-15 WCFAC work session code policy draft
- Highlights from 2023 Ferry Revenue Collection (from CE)