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WHATCOM COUNTY COUNCIL  
**Special County Council**

July 18, 2006

Council Chair Laurie Caskey-Schreiber called the meeting to order at 6:30 p.m. at Beach School Elementary, 3786 Centerview Road, Lummi Island, Washington.

Present:

Barbara Brenner  
Dan McShane  
Sam Crawford  
Seth Fleetwood  
Carl Weimer

Absent:

L. Ward Nelson

**FLAG SALUTE**

**ANNOUNCEMENTS**

**1. ORDINANCE AMENDING WHATCOM COUNTY CODE CHAPTER 10.34 FERRY RATES, WHATCOM COUNTY 2006 UNIFIED FEE SCHEDULE (2006-260)**

Jim Thomas, 2818 N. Nugent Drive, Lummi Island, submitted and read from his testimony (on file). Questionnaires can be drafted to get the desired outcome. The questionnaire sent to the residents does this. Now, the wait is one and a half to two hours for the ferry. It used to be five minutes. The County has spent considerable money designing a ferry that he does not support. The increase in capacity doesn't justify the cost. Discourage the use of the ferry as a barge line.

Michelle Luke, 3324 Sunrise Cove, Lummi Island, submitted and read from her testimony (*on file*). Charge a ferry rate bicycles. Residents should not have to subsidize day tourism. They take up time and ferry space. The County can issue special passes for those biking as a commute alternative. Islanders support increased service.

Fred Kinney, 4164 Legoe Bay Road, submitted comments (*on file*). The Whatcom Chief no longer works. Government is attempting to be responsive to needs. No one likes larger fares, but it has been four years since there has been a fare increase. The proposed schedule is reasonable and fair. It will allow for continuous service during peak times. Community members have attempted to discredit the work done on this issue and distort the facts. The County should move forward to provide better and safer service.

Earle Jewell, stated the Council started including the cost of dock maintenance in the 55 percent operating cost. The recovery rate should be 45 percent, not 55 percent, because they added the dock maintenance. The County gets from \$120,000 to \$200,000 per year in gas tax revenue for ferry operations. That money is put into the ferry fund after they figure the 55 percent. However, it should be taken off the operating cost before figuring the 55 percent. Calculate the exact cost of ferry operation. All County vehicles are exempt from ferry fares. Get a true picture of their costs. It must be part of the cost. A State agency must pay

1 full fare for State ferries. Every truck put on the ferry raises no funds, but it costs  
2 money to run.

3  
4 Victor Armfield, 1210 Scenic Avenue, stated senior citizens are hit with a 97  
5 percent increase. He asked why they were singled out. The only way to get into  
6 town is to take the ferry. His comments won't make a difference. It's probably  
7 already settled.

8  
9 Robin Vaccarino, 1778 Jones Lane, submitted and read from her testimony  
10 (*on file*). This is an important issue. Everyone is distressed by the polarity of  
11 opinion. She is a state native, and lives in California most of the year. Lummi  
12 Island is a special place. The ferry lines are longer. The wait is longer and more  
13 frequent. Perhaps a new ferry is an answer. However, more expansion equals  
14 more population, which equals more expansion. All this impacts and stresses other  
15 public services. Increase the number of runs, crews, and fares. Hold the line for  
16 now. It is a delicate balance. Do not legislate this island into a region for upper  
17 classes. A new ferry may not be necessary. Be fiscally responsible. First, get an  
18 assigned long-term contract with the Lummi Nation for ferry dock access. Until the  
19 County has that contract, all ferry plans are speculative. Success requires  
20 maximizing resources until they know the clear options for ferry services. That  
21 information isn't available now. Step back from the polarizing arguments. Look at  
22 long term plan for success.

23  
24 Al Marshall, 2781 West Shore Drive, submitted information (*on file*) and  
25 stated he is concerned about cost projections from the Public Works Department  
26 needing another rate increase. He will try to take fewer trips to town, but others  
27 may not have that option. Do efficient and cost effective means to keep costs down  
28 as much as possible.

29  
30 Chuck Antholt, 2265 Tuttle Lane, stated the residents need improved service.  
31 They don't need a new ferry. There are cost effective management innovations  
32 that should be tried. Continuous service is good. Reward the crew for throughput.  
33 Encourage high occupancy vehicles (HOV). Limit large trucks to off-peak times.  
34 Provide discount fares for off-peak use. Automate ticket issuance. Sell fare tickets  
35 at the Islander. Get adequate capacity for parking and shelter on both sides to  
36 encourage walk-ons. Adjust overall rates to reflect real costs. They are paying less  
37 today for a car and driver than in 1987. Adopt management-intensive ways to  
38 improve service that doesn't cost \$19 million.

39  
40 Colleen Berg, Lummi Island Community Land Trust, submitted and read from  
41 her testimony (*on file*). There are effects of fare increases to housing affordability.  
42 The proposed rates don't take low-income residents into consideration. Residents  
43 must put up a large expense to get a discount. The senior rate of almost 200  
44 percent is unfair. A needs-based fare rate should be applied, as well as a senior  
45 rate. Qualification standards employed by the Department of Housing and Urban  
46 Development (HUD) should be used to determine who qualifies for low income  
47 discounts. Punch cards should be affordable. Encourage walk-ons, motorcycles,  
48 and bicycles. Large trucks should pay a higher share of the ferry fares. Encourage

1 non-motorized use of the ferry system. It should promote economic diversity and  
2 fairness. Provide alternative transportation that interfaces with the ferry.

3  
4 Nancy Ging, 2386 Tuttle Lane, stated the 2005 expenses have four areas  
5 that have increased. Personnel expenses are going up 20 percent. Professional  
6 services went up, some for docks and parking. Repairs and maintenance went up.  
7 Administrative costs have gone up substantially. Over half of the ferry increase is  
8 not explained. She would like to know what that cost is for. When the current rate  
9 structure was set, the docks were initially treated as a Lummi Island bridge, and  
10 not part of the maintenance cost. For some reason, that was recently changed.  
11 Those costs should be put back into the road fund. It costs a full 18-wheeler \$375  
12 to get a barge out here. That's not much. Trucks take up entire ferry loads.

13  
14 Kiersten Blankenbeclar, 1220 Jameson Street, stated she has questions. She  
15 hopes this process will change so she can get answers to her questions. She asked  
16 if the County hired an independent third party to do the feasibility study. She  
17 asked how the consultant was evaluated. The language is vague. She asked about  
18 discounts for financial need. The residents don't want this island to be a gated  
19 community. Keep the socio-economic diversity of the island.

20  
21 Tony Bustamante, 1220 Jameson Street, stated the Council shouldn't stifle  
22 the audience's applause.

23  
24 *(Clerk's Note: Councilmember Fleetwood assumed the duties of the Chair.)*

25  
26 Bustamante continued to state that he saw what California became. The  
27 island culture is unique. They are on the verge of losing their economic diversity  
28 because of County plans. They don't need an expensive new ferry that will bring  
29 more people to the island, increase costs, and chase out the working people of the  
30 island. Have people come to this island who appreciate the culture here. A new  
31 ferry won't help the lines. He asked Ken Richardson's background. The County has  
32 an incentive for having a new ferry. It will close the gap in the County subsidies.  
33 The County will have an excuse to raise expenditures. The County will have  
34 increases in tax revenues as Lummi island becomes a rich man's paradise.

35  
36 Dal Neitzel, 3781 Centerview Road, stated the operation cost definition is  
37 very important. They are required to pay 55 percent of the cost through fares.  
38 When operational costs go up, they must pay for it. Until last November, the dock  
39 was not included. The Council was persuaded to add them as operational costs.  
40 State ferry representative said Washington State ferries do not include dock  
41 maintenance in their definition of operational cost. He asked how the Public Works  
42 staff arrived at the decision to add this cost, based on the concept that the  
43 Washington State ferry system includes operational costs. They know ferry fares  
44 will increase. He's asked in the past for a projection into the future to 2010, based  
45 on a number of outcomes. Based on those answers, they can decide if they need  
46 those services and the ferry. Until they know what it will cost, they can't decide  
47 how much service they are willing to pay for.

1 Joy Krell, 1078 Island Drive, stated she agreed with Mr. Antholt. She worries  
2 about the economic factor for residents. Raise the cost for people who are not  
3 residents. Scenic Estates is beginning to see vandalism. Handicap parking at the  
4 parking lot has been redone, but it's bad. Improve them. The Whatcom  
5 Transportation Authority (WTA) sends a special bus over here twice per month. It  
6 does not get priority on the ferry.

7  
8 *(Clerk's Note: End of tape one, side A.)*

9  
10 Krell continued to state that they must encourage more transit. Get a better  
11 connection with the bus.

12  
13 Kristine Pomeroy, 3598 Constitution Road, stated that to keep the school  
14 open, families must be able to afford to live here. Families will not be able to live  
15 here with the fare increase. Only wealthy people will be able to live on the island.  
16 They need to change this policy.

17  
18 Mark Southworth, 1857 S. Nugent Road, stated that when gas prices are  
19 skyrocketing, it makes no sense to throw out a ferry for one that is less efficient.  
20 The new ferry is much longer, so it helps loggers and oil companies make more  
21 money. This has not been a democratic process at all. This is not what the  
22 residents want. An increase from \$4 to \$7 is devastating. Everyone on public  
23 assistance will be forced off the island. Only the rich will benefit. Part of the  
24 administration increase goes to pay Ken Richardson's salary. The purpose of the  
25 increases are to address service issues and cost effectiveness, but identify what  
26 those are. He asked if they did a hardship survey to see how many people will  
27 have to move off the island.

28  
29 David Dickinson, Legoe Bay Road, stated he was on the voluntary committee  
30 26 years ago. The ferry captain at the time was the highest paid County employee,  
31 next to the Executive. The captain was in charge of scheduling all duties and  
32 activities. There is no reason to implement another layer of bureaucracy. Lummi  
33 Island is the highest taxed contiguous non-industrial real estate in Whatcom  
34 County. Roads are surfaced occasionally, and there is an abysmally designed  
35 seawall. A heavy truck that is licensed is entitled to use any bit of the road at any  
36 time. The cost of used ferries is a fraction of the cost of a new ferry.

37  
38 Kate Underwood, 1219 Beach Avenue, stated the rate increase will push her  
39 family off the island. She moved out here when it was affordable. People in her  
40 situation are involved in the community. They are essential to life on the island.  
41 Increasing the ferry rates without providing an affordable means for people of low  
42 income will push them off the island. She asked who will be there to take care of  
43 elderly people, do bookkeeping, work in gardens, work in the store, and work at the  
44 restaurants. If low income people are priced off the island, the system will fall  
45 apart. People won't be here to do those jobs. When considering the rate increase,  
46 come up with a way to make it affordable for low income residents. A ten-trip pass  
47 gets less of a break than a higher trip pass, so only those who can afford lots of  
48 trips gets the discount.

1 Thom Kimball, 1774 Sea Crest Drive, stated he has lived here 16 years. The  
2 numbers don't add up. It was said that the recovery rate has lagged behind the 55  
3 percent target, and this is why the proposal is for a larger percentage increase. He  
4 asked why the present ferry users have to subsidize the operating budget for years  
5 prior to 2005, when the Council affirmed the 55 percent rate. He asked why  
6 present ferry users have to subsidize oversight costs for service levels and cost  
7 control. The cost of a new ferry service manager has been added to administrative  
8 cost. The administrative cost should be part of the 45 percent, not the 55 percent.  
9 He asked how much a new bridge would cost, compared to the cooperating and  
10 capital costs. Economize. Find other solutions. Come up with options they can all  
11 agree with.  
12

13 Jim Dickinson, 2094 West Shore Drive, stated he has lived here 55 years.  
14 Only his brother has lived here longer. They are the only residents in Whatcom  
15 County that has to pay to go home. The ferry is not intended to provide  
16 employment, provide dollars for ship designers, restrict growth, or promote growth.  
17 It is to haul passengers to the island. The County must operate in the most  
18 economical way. For 79 years, the ferry system has worked well. The proposed  
19 new scheme does not do this. The County has added an additional layer of  
20 bureaucracy. They already pay the crew and captain to operate the ferry. If they  
21 need additional clerical staff, then hire someone. Planning for off-ferry ticketing is  
22 inconvenient. The current system has worked fine for 79 years. Don't change it.  
23 The new ferry is already obsolete. They can find a ferry from somewhere else that  
24 wouldn't be obsolete, for a fraction of the cost. Contract out the operation of the  
25 ferry. The County would set the schedule and do maintenance as part of the  
26 contract. The crew would be contracted out. Lummi Island has the most tax per  
27 square feet of any residential community in Whatcom County. The fire department  
28 is made up of younger people. If the community doesn't have young people, the  
29 community doesn't have a fire department.  
30

31 Wanda Cucinotta, 2303 Tuttle Lane, stated she is a medium income resident.  
32 She works on the island. It will be impossible to afford her business on the island.  
33 Her husband pays \$150 per month to commute. If she works in town, then her  
34 family will have to pay \$300 per month. Taxes are high. Use the tax money to  
35 supplement the ferry.  
36

37 John Granger, 2176 Granger Way, stated he lived here his entire life. There  
38 used to be two six-car ferries until they got the Whatcom Chief. Now, the lines are  
39 longer. The residents need some relief. The County plans aren't what the residents  
40 need. They are buying a ferry with a propulsion system that hasn't been tried.  
41 Twenty years ago, CH2M hill tried a new lift system for the dock, but it didn't work.  
42 Rely on residents to know what they are talking about.  
43

44 Annie Justice, 4332 Cedar Place, stated the ferry lines are long, but don't buy  
45 a ferry that will cost a lot and not reduce the lines. She read that the engine will  
46 use a lot of fuel. She wouldn't be able to live here anymore because of the fare  
47 increase.  
48

1 Ian O'Calahan, 2284 N. Nugent Road, stated the dock lease is up in 2010.  
2 The Lummi Nation hasn't said the deal is done. If the County is thinking of building  
3 a boat, know where they are going to land, first. The high cost of fares will be a  
4 burden. Get the most benefit they can for the money. Use money wisely. The  
5 proposal is not fiscally prudent.  
6

7 James Underwood, 1219 Beach Avenue, stated a rate increase may be  
8 necessary. If so, take precautions. Have on-island transportation so those without  
9 a second car can get around the island. The ferry will allow more walk on traffic.  
10 The new ferry will only increase capacity by five cars. It only benefits large  
11 vehicles. Charge the large vehicles a greater percentage of the cost. Normal  
12 people will not benefit, only large trucks, so the trucks need to shoulder the burden.  
13

14 Polly Hanson, 2781 West Shore Drive, stated there are things that can be  
15 done to help. Not just a new ferry will help. Coordinate better with WTA bus  
16 schedule, which will facilitate more walk-on service. Cars, not the people, cause  
17 the problems. Bus service will also prevent pollution and create road safety.  
18 Station a WTA bus here. It would stay on Lummi Island. All they have to do is  
19 come up with a fixed, predictable bus schedule and drivers. They need to get  
20 together and figure out how to do that. Also, have a very efficient, safe, waiting  
21 place near the ferry. They've tried to figure that out, but the County has been  
22 obstructive of their efforts. Think of things to make the community better. Don't  
23 blow money on a new ferry. Think about lack of water when planning buildings.  
24

25 Steven Thomas, 3321 Sunrise Cove, stated he has lived here 30 years. The  
26 population has changed over those years. Don't start the same pattern as  
27 happened in the early 1980's, when ferry rates and fuel costs went up. The ferry  
28 rates had to be rolled back to a reasonable amount, and ridership increased.  
29 Efficiently serve the waiting customer base without huge capital increases. There  
30 have been a lot of good ideas from the residents. If rates are raised, fewer people  
31 will ride the ferry.  
32

33 Connie Hahn, 2569 Islandview Lane, stated she moved to the island in 1986  
34 because it is a rural island and because of the large deaf community. She needs  
35 the support system and safety of living on this island. She must take the ferry for  
36 medical services. Property taxes should be used on the transportation system. A  
37 deaf community on Lummi Island has been here for many years.  
38

39 Kathleen Gallagher, 1655 South Nugent Road, stated the new ferry will cost  
40 \$7 million for 1,000 people. That money is meant to further the development of  
41 services, which will raise everyone's taxes and bring more people to the island.  
42 Island relationships nurture the rest of the county and world. Residents should put  
43 up with inconveniences to protect this lifestyle. People who want to develop the  
44 land and cash in on development don't care about the 1,000 residents.  
45

46 Speaker (*inaudible*) stated the community is very important. With a ferry  
47 increase and purchase of a new ferry, the ferry lines won't shorten. Just keep the  
48 Whatcom Chief. He asked Ken Richardson's background.  
49

1 Fleetwood stated the Council will leave the written comment period open for  
2 two weeks, and closed the public comment period.

3  
4 Brenner stated she chairs the Public Works Committee. The committee has  
5 discussed the issue. This proposal does not include the issues, concerns, and  
6 recommendations that were made in committee. Some questions may not be  
7 answered tonight. She has met with the administration and Lummi Island  
8 residents. She wrote a letter with questions that haven't been answered. She  
9 would like to see an answer to her questions and all questions asked to date, in  
10 writing. That would be more orderly.

11  
12 Crawford stated the administration has written down concerns expressed  
13 tonight. The administration should go over the questions they've written down.

14  
15 Ken Richardson, Public Works Department, stated the proposal was made to  
16 accomplish four things. The first thing is to meet the County Code requirement of  
17 55 percent of operating expenses. The proposal is also designed to encourage  
18 sales and purchase of multi-ride products, to ease administration and provide  
19 bigger discounts. The proposal is also to shift the burden from normal everyday  
20 commuting folks to casual, tourist, and commercial users. The proposal is also to  
21 eliminate products that did not sell well enough.

22  
23 *(Clerk's Note: End of tape one, side B.)*

24  
25 Richardson continued to state that the only service levels that are included  
26 are continuous operations and \$10,000 to start selling tickets on the island.

27  
28 Continuous operations means additional crew and running the ferry  
29 continuously during peak times, with no set schedule. That buys two ferry trips  
30 during the morning rush hour. It allows a bit more in the early afternoon.

31  
32 One big thing people have talked about is the difference in cost for a senior  
33 ticket. The proposal is no longer for a low income senior ticket. It is a senior ticket  
34 to anyone 65 years of age or older. A provision in the proposal is to allow them to  
35 determine what incomes qualify for a discount. They are considering what the  
36 Whatcom Transportation Authority (WTA) does to determine the income level  
37 qualification. People bring County ticket sellers that proof for a needs-based fare.

38  
39 He is not a naval architect. He is not a public relations guy. His background  
40 is military, oil industry, and financial management. He has many years of  
41 managing systems. The ferry is a system.

42  
43 Someone asked if they used a third party when the County looked at the  
44 feasibility of a new boat. A new boat is not on the table tonight. Tonight, the  
45 County Council is only considering a rate increase for the current operations with  
46 the current boat. A new boat isn't in these numbers. It is a decision the County  
47 Council will have to make at another time. The County did use third-party people  
48 who are very good naval architects, consultants, and facilities builders.

1           Jeff Monsen, Public Works Director, stated he will discuss rates first. The  
2 shift in calculating the operating cost was a question. This is the most expensive  
3 bridge the County has to operate. It would not pay to build a new bridge across  
4 the channel. The issue now is that there is a passenger and vehicle ferry service.  
5 This community and Council must determine the basic level of service provided. It  
6 is a financial calculation.

7  
8           There were comments on land use policies associated with the cost of living  
9 on this island. The ferry is an element of that. The ferry is never meant to be the  
10 reason for the land use development on the island. The ferry level of service  
11 dramatically impacts land use decisions on this island. Unfortunately, this is a  
12 messy process because they must separate steel and fuel decisions from policy  
13 debate about land use patterns.

14  
15           They want to become more self-sufficient in how they deal with the cost of  
16 operation. The staff suggested that cost of dock maintenance be included. A  
17 previous version of the policy was that depreciation on those elements would  
18 become part of the rate package. There is a lower cost to include dock  
19 maintenance and get rid of capital investments from the rates. Then they ended up  
20 with dock problems. He apologized for that. Unique situations have occurred since  
21 the new policy was put into place. They must revisit the policy.

22  
23           There were questions of why they are including administrative costs. The  
24 community should create a committee that can look over the shoulder of the Public  
25 Works Department to question every nickel that is spent. That would be a better  
26 chance for the island community to understand that someone is paying attention to  
27 the Lummi Island community. This is their best effort in including the real cost for  
28 services that this community is asking for. He is hearing tonight a different  
29 statement from the last two years about what that service should be. The policy  
30 question is what should be in the 55 percent operating cost. It has also been said  
31 that some in the community should pay more than others.

32  
33           Weimer stated a question was for an explanation of the administrative cost  
34 allocation. Monsen stated that for the last number of years, the County  
35 administrative investment for running the ferry was not included in the 55 percent.  
36 He recommended that the true operating cost of the boat must be more  
37 transparent, including the administrative cost. The real increase is that they are  
38 capturing operating costs they never charged before. He recommended that those  
39 true costs be captured, but it does show a big administrative cost increase in doing  
40 that.

41  
42           A question is whether they would see a decrease in some of those other  
43 areas. Those costs will go down. He doesn't need to spend his time on this as he  
44 has in the past, because his staff can now do it.

45  
46           Unidentified speaker stated there should be a shift in lower costs from other  
47 funds, so there is no net change. Monsen stated they won't see those shifts in  
48 costs for such things such as his time because he is spending more time on road  
49 maintenance activities that have been going undone.

1  
2 Crawford stated one comment was that the State does not include dock  
3 maintenance into overall system costs. He thought they were told that the State  
4 does do that. It seemed that Whatcom County was the only ferry entity that  
5 doesn't do that. Monsen stated dock repair and maintenance is part of operating  
6 cost calculation for all other ferry systems. When they clean the dock structure, it  
7 is maintenance. Replacing a dolphin is not maintenance. It is not repair and  
8 maintenance. An upgrade or major refurbishment is not included in operating cost.  
9 That is not how he is proposing to do it.

10  
11 Unidentified speaker asked the answer to the question that the Washington  
12 State ferry does not include dock maintenance in their operational costs. Monsen  
13 stated the State does include those costs. When they talk about repair and  
14 maintenance, rehabilitation and major repair can confuse the discussion.

15  
16 Unidentified speaker stated (inaudible) the survey asked which rate increase  
17 they would prefer. Sixty percent of the people said they want the smallest increase  
18 possible. One-third said they want a larger increase with no further increase for  
19 four years. The County has combined the worst of both. There is a tremendous  
20 increase with incremental increases for the next four years. Monsen stated the rate  
21 increase was developed with the predicted costs for 2006 only. Earlier in the year,  
22 they talked about predicting costs into the future. They tried to put together a rate  
23 increase proposal that looks forward. This proposal does not do that. This proposal  
24 is only for costs that are occurring this year. As inflation goes up for these  
25 operational costs, then fares will go up subject to the number of users. Nothing is  
26 planned other than basic inflation that will raise it next year.

27  
28 Brenner asked when written questions will be answered. Monsen stated the  
29 majority of those questions have been answered, included in the information  
30 handed out tonight. He delivered those late last week to as many people as they  
31 could.

32  
33 Nancy Ging stated administrative allocation is a circular argument. The staff  
34 working on the ferry issues is about personnel, not administrative allocation costs.  
35 Also, fuel and lube costs are predicted to go down. She asked what is in that  
36 administrative number. Monsen stated the administrative cost includes a second  
37 new account clerk at the ferry system, rather than having several Public Works  
38 Department staff do bits of it. Consolidate the work, to one staff person. He needs  
39 to review the administrative cost allocation. He would expect the administrative  
40 costs to decline as they finish this process.

41  
42 Kristine Pomeroy asked how frequently they can increase the ferry rate, by  
43 law. Monsen stated by law, they can happen as often as a decision is made. The  
44 County doesn't want to raise rates any more often than is necessary. The bottom  
45 line issue is the level of service this system should provide. Cost is simply a  
46 calculation of the cost. People are suggesting that the future service planned is not  
47 what this audience wants.

1 Crawford stated the rates are set by the County Council. The Council has  
2 adopted a two-year budget cycle for all budget issues. It is unlikely they would do  
3 a rate review for the Lummi Island ferry any more frequently than two years.  
4 That's not carved in stone, but normally it would not occur more than every two  
5 years. The last time it was done was four years ago.

6  
7 Dal Neitzel stated the law is that the County must annually account for all  
8 costs.

9  
10 Crawford stated they anticipate doing that through the two-year budget  
11 process.

12  
13 Richardson stated that in addition to saying they must recover 55 percent,  
14 there is a provision that in the event more than 55 percent will be recovered, the  
15 excess will be kept aside for later need. If less is recovered, that amount will be  
16 tracked and taken up in future rate increases. The rate does not have to be  
17 changed every year. It only has to be tracked.

18  
19 Victor Armfield stated the community has had a ferry committee since 2000.  
20 Previously, residents paid one-third of the cost, and the County paid two-thirds. He  
21 asked when that changed. Richardson stated the 55 percent was established in  
22 1989. When the administration analyzed actual contribution, the amount collected  
23 was never 55 percent. The 55 percent was a target. The County never asked for  
24 an increase. Now, 55 percent is required.

25  
26 Crawford asked the State's target. Richardson stated the State is moving  
27 toward 100 percent. The current rate the State is trying to get is 80 percent.

28  
29 Monsen stated the State's current collection is 55 to 60 percent.

30  
31 Kate Underwood asked how the property tax rate per capita compares to  
32 others in Whatcom county. She asked if some of that could be used for a ferry if  
33 they are paying more in property taxes.

34  
35 Dewey Desler, Deputy Administrator, stated a rate is established to pay  
36 property taxes.

37  
38 Underwood stated she understands the rate is the same for everyone. She  
39 asked the revenue brought in per capita, versus the revenue per capita of others in  
40 Whatcom County. Desler stated about 11 percent of total property tax goes to pay  
41 the County general fund. Those in the unincorporated portion of the county  
42 contribute to the road fund, which funds a major part of the 45 percent of the user  
43 fee. Only unincorporated residents contribute to operational support. He doesn't  
44 have the details specific to the Lummi revenue.

45  
46 Crawford stated those who don't live on the island are paying 100 percent of  
47 the cost of a new ferry. They are paying 45 percent of the ferry operating cost.  
48 Just like all Lummi Island residents pay a portion of all roads in the county. They  
49 all share in those costs.

1  
2 Jim Dickinson, 2094 West Shore Drive, stated Lummi Island residents are  
3 paying a great deal to the road fund for what it's getting. They are already paying  
4 for clerical operation of the ferry. The ferry crew is well-paid. The captain has little  
5 to do administratively any more. The County won't be able to reduce the captain's  
6 pay. However, they have another layer of bureaucracy. Reduce overhead. Get the  
7 captain a clerical worker for a few hours a week.  
8

9 Mark Southworth asked if they performed a hardship survey to find out how  
10 the increase would push people off the island. If not, do one. Monsen stated the  
11 administration did not do such a survey. They will propose a rate structure that  
12 includes a need-based discount. He doesn't know how many people would qualify.  
13

14 David Puckering, 2515 Taft, stated fuel costs have doubled. That justifies an  
15 increase in the fare. Administrative costs have skyrocketed. He asked how the  
16 County will rein in those costs. Monsen stated its time for the community to put  
17 together a committee to look over the administration's work.  
18

19 Puckering asked how the increase in cost will increase the level of service.  
20

21 Pete Kremen, County Executive, stated there is a difference between the  
22 reality and what the residents perceive. The County previously paid \$80,000 to  
23 \$85,000 dollars worth of administrative cost. Today, under the proposal, it's  
24 \$165,000. It has just about doubled. The administration will revisit that issue. He  
25 intends to set up a committee with balanced representatives so Lummi Island  
26 residents can have oversight and act as a conduit to the rest of the population.  
27

28 Puckering asked how the administrative costs increase the level of service.  
29 He would like that answer. It doesn't better the job performance in any way.  
30

31 Brenner stated the survey showed that 80 percent of people thought there  
32 should be an automatic senior discount. Discounts should be based on need.  
33

34 Vaccarino asked for a record of the comments.  
35

36 Cuccinata stated the community had a visioning committee when it worked  
37 on the subarea plan. She asked if they can have one of those for the ferry. Create  
38 a ferry district for the island. Have the tax reflect the need for the ferry to live  
39 here. Desler stated they can have a ferry district, which would allow people to pay  
40 the tax associated with operation of ferry. There is a new law to allow that.  
41

42 Dickinson stated a local radio commentator said the residents should be  
43 prepared to pay the cost of living on an island. People who believe that should be  
44 ready to pay a toll on bridges.  
45

46 Patrick O'Callahan, 2284 North Nugent Road, asked if the County is going to  
47 build a new larger ferry. Monsen stated it plans to, but the final decision hasn't  
48 been made.  
49

1 O'Callahan stated that a much larger dock for a new ferry will alienate the  
2 Lummi Nation, and the County will lose the lease. He asked the reason for a larger  
3 ferry. To accommodate more passengers, just run the existing ferry more often.  
4 The current ferry is more fuel efficient. Keep the current ferry. Upgrade it.  
5 Mosen stated reports are available on the decision-making process for a ferry.  
6 The boat needs to functionally be replaced. Deliberation has been on boat size, not  
7 whether or not the boat should be replaced.

8  
9 Wanda Cucinatta asked about making a visioning committee for ferry  
10 operations and issues. Kremen stated he is planning to create a committee for  
11 ferry issues on Lummi Island. It will have a certain number of members.

12  
13 Brenner stated she will sponsor a community meeting.

14  
15 Salamander Breiter, 1860 Constitution Road, stated a good percentage of the  
16 rate increases have to do with taking on the cost of maintaining docks and  
17 administrative duties. The administrators talk about how they split their duties up.  
18 Other members of the Whatcom County community do not have to pay for 80  
19 percent of their time, but the administration is asking Lummi Island residents to  
20 pay for 20 percent of their time. It seems strange to ask one part of the  
21 community to pay for their percentage of administrative time, but rest of the  
22 county taxpayers pay their administrative costs through their taxes. Part of the  
23 rate increase is placing traditional property tax costs onto the Lummi Island  
24 residents.

25  
26 Crawford stated the residents are being put in a position, through the fares,  
27 to pay for more of the system than they did before.

28  
29 Brenner stated the Council hasn't adopted the policy.

30  
31 Crawford stated the Council adopted it in December.

32  
33 *(Clerk's Note: End of tape two, side A.)*

34  
35 Mosen stated it is true, compared to taxpayers generally. The  
36 administration has already committed to look again at that issue because of the  
37 testimony.

38  
39 Earle Jewell, stated many want a low income ferry tickets. They've had them  
40 before. Millionaires got the low income tickets by hiding their income.

41  
42 James Underwood asked if residents who are not fulltime residents can pay  
43 more.

44  
45 Kremen stated that can be reviewed. It will be tough. The people who don't  
46 live here already pay 45 percent.

47  
48 Underwood asked if fulltime residents of the County could get a discount.  
49

1 Kremen stated that is worth looking at.

2  
3 Weimer stated the rate structure was set so a one-time purchase would pay  
4 significantly more, to benefit people who live here. Underwood stated the proposed  
5 new rate for a 100-ride pass is \$500. That isn't feasible for everyone who lives on  
6 the island.

7  
8 Brenner stated they discussed that in committee. Rather than a 25-ride  
9 ticket, do the ten ride ticket and raise the level of discount.

10  
11 Alan Shaw, Scenic Estate, stated the issue surrounds cars. The real issue is  
12 how to challenge the 55 percent ratio. Monsen stated a rate change is procedurally  
13 the same as reconsidering the 55 percent recovery rate. Discussion about 55  
14 percent recovery will occur after tonight.

15  
16 Shaw stated this situation is the same as for people in other parts of the  
17 county with difficult roads. They're not penalized. The burden is shared amongst  
18 County taxpayers. He asked if this could be viewed the same way to challenge the  
19 55 percent recovery rate. The other issues will go away.

20  
21 Brenner stated it's about what is in that 55 percent configuration. That's  
22 what they need to deal with. The Council did vote on putting the docks in. The  
23 Council hadn't received these comments. It's not a done deal. The ferry rates are  
24 the done deal. They are having that hearing now. The Council hasn't made a  
25 decision yet. They can vote to take that out. She appreciates the argument that  
26 it's part of a road. The Council hadn't heard that argument.

27  
28 McShane stated some people may say the recovery rate should be 90  
29 percent. It has to be justified broadly. The Council is trying to fund this ferry in a  
30 fair way. If not, the County will run into problems funding other road projects.  
31 That is an issue. Other roads are severely under-serving the population. The  
32 County has problems with funding and capacity. If they are not recovering money  
33 here, they will get political pressure from elsewhere.

34  
35 Bustamante asked what they are proposing to test income eligibility. The  
36 island residents want to keep economic diversity of its residents. Richardson stated  
37 the income test should be the same as is applied to other programs in the County  
38 and State, which is a sliding scale with families falling below 200 percent of poverty  
39 guidelines. The size of the family and amount of money being made by the family  
40 will affect the dollar amount. Establish that as a baseline to determine eligibility.  
41 Other agencies provide that proof of eligibility. The County can use that as a base  
42 for the discount.

43  
44 Jeanie Carlson, asked if the motivation for a bigger ferry is that it requires  
45 contracts with developers. She asked if those people give campaign donations to  
46 those who make the decisions on a bigger ferry.

47  
48 Kremen stated the basis for a new ferry was that the current Whatcom Chief  
49 is inadequate, deficient, and not code-compliant. It is nearing the end of its life.

1 They could nurse it along. The question isn't whether or not the County needs a  
2 new ferry, but when the County needs a new ferry and what size. The most  
3 expensive campaign he waged was \$24,000. Not one Councilmember ever  
4 received a contribution from a shipbuilder. He never has. They are not being  
5 motivated by campaign contributions.

6  
7 Unidentified speaker stated the issue of the new ferry deserves more than a  
8 five-minute response. Discuss this with the residents again.

9  
10 Kremen stated they have had meetings on a new ferry. They will continue.  
11 This meeting was really designed for a ferry fare increase proposal for the existing  
12 system.

13  
14 James Underwood stated other constituents don't want to pay for the ferry.  
15 However, there are roads in other parts of the County on which Lummi Island  
16 residents will probably never drive. Their money will go to those roads.

17  
18 Neitzel asked about continuous service. He asked how much they are  
19 expected to pay for continuous service. Richardson stated an additional crew would  
20 work for eight hours Monday through Friday, at a cost of \$100,000.

21  
22 Neitzel stated it is a waste of \$100,000 to get two additional runs.

23  
24 Kremen stated they have talked about this issue during two past meetings.  
25 The feedback the County got was to go ahead with the extra runs.

26  
27 Neitzel stated people here are not happy with the fare increase now.

28  
29 McShane stated this is a proposal from the administration. They can make  
30 adjustments based on public comments. Ultimately, the fare increase is approved  
31 by councilmembers. That's why the input is important. They hope to hear from  
32 everyone. It's not a done deal, and they are listening.

33  
34 Jim Thomas stated asked who is going to pay for the difference, assuming a  
35 55 percent threshold with discounts. Richardson stated the reason they went from  
36 \$1 to \$2 and \$4 to \$7 was to achieve a 55 percent contribution and offer discounts  
37 to the frequent users of the ferry system. The rates are designed to sell multi-rides  
38 and get the casual users to pay the most. The discounts are big because of the size  
39 of the ferry increase.

40  
41 Unidentified speaker said there aren't enough jobs on this island. If the  
42 County is going to hire people to handle tickets, hire island residents. Make more  
43 jobs over here that have to do with the ferry. She will volunteer with ticketing.

44  
45 Al Marshall stated many in the community said continuous runs was a good  
46 idea. However, the questions were asked out of context, without a suggested  
47 price. Once they decide what the administration wants, ask the community if it is  
48 willing to pay for it.

49

1 Gudron Gutsche, asked if any rate evaluation was done based on the  
2 numbers for a larger ferry. Richardson stated the County annually produces a 14-  
3 year capital ferry plan. That documents includes assumptions about investments  
4 and service levels. If that is approved as part of the transportation program, it will  
5 show that over the next 14 years, the price of operating the Lummi Island ferry will  
6 double. The only assumption about the rates is that 55 percent of the cost will be  
7 recovered from users. The cost will double. Rate-setting is still the purveyance of  
8 the Council.

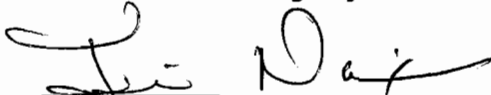
9  
10 Unidentified speaker asked if the large amount of money for a new ferry is a  
11 way to decrease the number of vehicles they are getting on the island. They need  
12 public transportation. They can't get students from Lummi Island to school on a  
13 public bus. They need funds for parking.

14  
15 Weimer stated he heard good ideas about how to reduce vehicles trips. They  
16 need to come up with ideas to get going.


17  
18 Kremen stated he is a member of the Whatcom Transportation Authority  
19 (WTA) board. He and Councilmember Fleetwood have advocated for having  
20 convenient coordination with the ferry and bus. Unfortunately, they are two of nine  
21 members of the board. It will cost the WTA to do that. He will continue to work  
22 harder to get some viable use out of WTA that will make sense for the island.

23  
24  
25 **ADJOURN**

26  
27 The meeting adjourned at 9:20 p.m.

28  
29   
30 \_\_\_\_\_  
31 Jill Nixon, Minutes Transcription

32  
33 The Council approved these minutes on September 26, 2006.

34  
35 ATTEST:  
36   
37  
38  
39  
40  
41 Dana Brown Davis, Council Clerk

WHATCOM COUNTY COUNCIL  
WHATCOM COUNTY, WASHINGTON

  
\_\_\_\_\_  
Seth Fleetwood, Council Vice-Chair