

# Recommendations of the Whatcom County Citizens' Task

## Force for the Lummi Island Ferry

### Section A: Recommendations on changes in expenditures and potential new revenue sources

1. Substitute current parking security service with surveillance camera system and emergency call button(s) tied to Lummi Police.

**RESPONSE:** Preliminary review of this recommendation finds several questions not answered. One, a more detailed cost of installing, maintaining, and supporting a surveillance camera system and an emergency call button(s). Since the County actually owns very little property in this area, it is likely to require an agreement and possibly compensation to the current owners of adjacent property.

Two, is the need for an agreement and possible compensation schedule for the Lummi Police. This is an increase of service that the County would be requesting from them and something they do not currently provide in the adjacent area already.

Essentially, this may be possible. However, the costs and time associated with the entire project from start to finish is not likely to yield the anticipated savings and will likely be more of an expense item. The electrical installation costs alone (marine environment) would be staggering based upon work the County has recently completed on the docks.

Public Works recommends a reduction in the current hours of contracted security service (7:00 PM to 5:00 AM) to include at least a three (3) hour service reduction per night.

2. Reduce service by making last trip to island at 10:30 pm Sunday through Thursday.

**RESPONSE:** Public Works agrees with this reduction in service proposal. However, it is not likely enough of a reduction in service to offset future operation costs in labor, fuel, and other general operation costs anticipated in the next three to five years.

**Please note that any ferry schedule change will involve organized labor group impact discussions.**

3. Utilize single engine operation when schedule and weather permit. Two-thirds of the annual hours of operation could be run on one-engine without modifying the current schedule..

**RESPONSE: Public Works does not agree that “two-thirds of the annual hours of operation could be run on one-engine without modifying the current schedule”. Public Works has had a standing verbal authorization for Captains to operate on one engine whenever feasible since 2008. The Captain on duty has full authority to determine when this type of operation is feasible and reasonable under the operating conditions at the time. Single engine operations take place primarily during early morning and late night operations when traffic is light.**

**It should be noted that it is not possible to keep the current schedule with single engine operations nor is it safe to operate with a single engine during certain weather conditions. However, it may be possible to operate more often with a single engine with the schedule proposed by the Task Force.**

4. Do not renew lease for parking on Gooseberry Point. Note that this expense reduction cuts maintenance costs and also increases vehicle traffic on the ferry.

**RESPONSE: Public Works notes for the record that it is not likely, at this writing, that there will be an offer to renew the lease extended from the current owner. This recommendation may take place by default. It is worth noting that limited parking during dry dock has created a massive “air of discontent” among Lummi Island residents. As such, Public Works staff are wondering how reasonable and feasible this recommendation truly will be. Regardless, Public Works will support this recommendation, with significant concern.**

5. Reduce Safety Specialist FTE (now .25) to common standards.

**RESPONSE: Public Works will base the assessment of the Safety Specialist purely on the actual number/percentage of incident reports combined with the actual dollar volume/percentage of losses incurred as a result of the Ferry Operations. It is fair and reasonable to assume that the costliest operations assume the higher costs of staff to manage the losses for the Public Works Department. Preliminary information at this writing indicates that the assessment will be lowered in 2012, based upon the logic we are applying, to 0.10 FTE.**

6. Reduce clerical FTE by implementing web ticket sales, outsourcing ticket sales, and/or limiting service hours.

**RESPONSE: Public Works agrees with the concept of implementing other methods of ticket sales, specifically utilizing new technology. Public Works has concerns that the savings noted in the report may not be realized via technology and, further, disagrees that reducing clerical FTE's would be feasible based upon actual Ferry related workload for these employees. A recent review (October, 2011) of actual allocation times to Ferry related issues by the clerical staff has indicated that the allocation will remain the same for 2012.**

7. Reduce crew to Master and purser for the 30 minute boat preparation/engine start-up at beginning of day. Severe weather might require three.

**RESPONSE: Public Works does not support this recommendation due to the crew safety implications and liability exposure. In addition, this is an issue that would require negotiation with the organized labor group(s) involved.**

**The Certificate Of Inspection (COI) clearly states a 3 person crew is required. Any deviation would probably need to be authorized by the USCG regardless of the reason.**

**The suggestion has the possibility to be a major safety issue. If something were to happen on deck (bad weather/low tides/slippery deck, etc...) there would not be anyone there to help the purser because the Master would be up in the wheelhouse. The potential cost of an accident/incident would likely negate any potential savings. Significant safety related incidents have occurred at preparation and shut-down times.**

8. Reduce hours of operation by eliminating the extra trip after midnight on Saturdays.

**RESPONSE: Public Works is supportive of this recommendation noting, however, that additional reductions in service may be necessary to reduce overall operating costs in the immediate future. Please refer to the response for number 2.**

9. Implement an electronic ferry ticketing system that accepts debit/credit card payment on-deck as well as collects and reports data through a robust database.

**RESPONSE: Public Works supports this recommendation. In the past, Public Works has considered such systems and the costs have been too high for further action. New technology, however, may make such changes more affordable and acceptable under these types of environmental conditions (salt water, ice, heat, etc.). It should be noted, however, that evaluation, introduction and support of new technology does not happen quickly in government in general and will take time and resources. Public Works staff have indicated that they feel the potential costs to implement this system have been underestimated in the Task Force report.**

10. Transfer cash often and fast to Ferry Fund from the inter-fund receivable to generate additional interest in the Ferry Fund (amount dependent on rates and balance).

**RESPONSE: Public Works has reviewed this recommendation with County Finance to determine if any changes should be made. The County has a desire to stay consistent with such practices across all County funds. Public Works will commit to a quarterly transfer schedule for Road Funds transferring to the Ferry Fund.**

11. Move start of drydock to 3rd week of April or last week of September to capture larger tourist market in September, but only if shipyard and substitute boat costs are equal or less than current 2nd week of September start.

**RESPONSE: Public Works does not agree with this recommendation. This concept has been discussed for many years.**

**Public Works employees indicate that drydock was originally, many years ago, in this time period (April/May) and based upon Islander requests it was changed to the September timeline. Public Works will review the possibility of moving the start date a little later in**

**September to avoid close proximity to the holiday. This action may push the completion time into October.**

12. Establish a ferry district. Administration costs to county estimated at about 4% and have been deducted from revenue shown.

**RESPONSE: Public Works is generally supportive of this recommendation depending on the final boundaries. This recommendation is primarily political in nature (Council/Executive driven) and is not a Public Works administrative or operational issue.**

13. Install on-vessel DVR for accident investigation.

**RESPONSE: Public Works is generally supportive of this recommendation. Actual cost information to install such a system on an aging vessel needs to be reviewed against anticipated value to the Department. Again, this item will require staff resources and time to move this suggestion forward.**

14. All current and retired crew members and their families are issued punchcards as part of their compensation. Amounts depend on fare levels.

**RESPONSE: This is an issue that would require negotiation with the impacted organized labor groups involved.**

**Section B: Recommendations on policies to improve long term fiscal balance in the ferry fund, or the efficiency and quality of ferry operations**

21. Add Extended Run Fare (1 run at end of day); can be arranged by calling ferry coordinator in county office the day before.

**RESPONSE: This is already available via current policy. The Rate table includes a fare for Special Trips. Public Works reserves the right to schedule based upon staff level requirements – therefore, we do not assure that a request “the day before” can be honored.**

22. Modify schedule so trips leave the same time every hour, whenever possible.

**RESPONSE: Public Works is supportive of the schedule proposed by the Task Force. Noting, however, that the reduction in level of service will not be enough to sustain future operational expenses in the next three to five years.**

23. Contract with Opportunity Council to perform screening for needs-based ferry fare discount; change three methods in current ordinance to one income-based guideline - HUD Very Low Income is recommended.

**RESPONSE: Public Works is generally supportive of this recommendation. However, costs associated with contracting will increase the operation costs of the Ferry and may, or may not, be offset by the intended reduction in abuse of the option. Public Works would prefer elimination of this reduced-rate option.**

24. Establish Citizen Ferry Advisory Group. The Ferry Task Force has illustrated that cost savings can be identified and supported by the community. Direct interaction between PW staff and community members is much more time-consuming (ie, not cost-effective).

**RESPONSE: Public Works is supportive of the work produced by the Task Force. Public Works is not supportive of an on-going Citizen Group *IF* there will be any expectation that Public Works will have to provide regular attendance and extensive/constant staff support. This is a resource related concern.**

25. Explore revision of farebox/county 55/45 shared operational expenses formula. At a minimum, revise sources of "farebox" revenue.

**RESPONSE: Public Works agrees that significant revisions to the current Ordinance via County Code 10.34 need to be considered. However, the intent of Public Works is to reduce, or place a cap on, the financial burden imposed on the Road Fund by the Ferry and associated lease operations. Public Works agrees with the Task Force desire to clean up and simplify the language related to the current Ordinance. Additional,**

**complicated language, requirements, and computations simply add to the administrative costs to support the ferry operations and makes it difficult for the public to understand the intent.**

26. Examine fund structure in conjunction with Ordinance 2005-094. Although the ferry fund is called an enterprise fund, it lacks certain common enterprise fund features, including assets such as a ferry, required in the operation of the fund.

**RESPONSE: Public Works agrees that the Whatcom Chief is not specifically identified as an asset of the Ferry Fund due to other requirements indicating that it must be indentified in the ER&R Fund as a Road Fund asset. If it were identified specifically in the Ferry Fund it might be construed to assume that the capital replacement cost of the Whatcom Chief would come from the Ferry Fund and that is not likely to be possible.**

27. Create and implement a Cash Reserve Policy. Accumulate cash reserves for rate stabilization and emergencies.

**RESPONSE: Public Works has no objection to the recommendation as it is clear that the current Policy established via the original ordinance is not working. Public Works contends that a cash reserve policy was created with the original creation of the Ferry Fund. However, the Ferry Fund was never replenished as per Ordinance through the increase of fares as originally intended.**

28. Develop long term capital asset management plan and update replacement costs in 14 year ferry plan.

**RESPONSE: Public Works agrees with this recommendation. Resources to actually implement a plan are simply not envisioned from the Road Fund and the staff resources have not been available to produce a comprehensive detail of the need. A consulting firm will likely be necessary to expedite this project and usher it through the lengthy public process.**

29. Consider expanding dock width when major maintenance is required. Utilize life-cycle costs as a predominant factor in the decision.

**RESPONSE:** Public Works will make, and has made, every attempt to improve existing docks when the opportunity presents itself. However, increasing the dock width also increases the impact to aquatic and other natural resources which requires extensive and expensive planning, permitting, and mitigation requirements. For most instances, this recommendation will not be compliant with current regulatory requirements. Life-cycle costs are considered with virtually every improvement/maintenance project pursued by Public Works. In the case of recent Ferry Dock work, I direct attention to the steel dolphins instead of timber.

30. Determine how and when the Whatcom Chief should be replaced. Consider the possibility of purchasing the ferry Christine Anderson (Pierce County) if/when available.

**RESPONSE:** Public Works agrees that there should be a plan developed, even if the costs of the project are prohibitive. Unless a replacement Ferry is very similar in size and width to the current Whatcom Chief, there will be many other expensive modifications to consider as well – new docking facilities at both locations, other impact considerations, etc. Acquisition of any Ferry, new or used, will require careful consideration related to compatibility with the route and docking systems and/or the cost to get them compatible. This is another activity that would be very resource intensive.

**Section C: Recommendations related to Classification of Ferry Expense and Accounting Practices**

41. Modify revenue recognition practices to record fare revenues at gross, with applicable discounts recorded to contra accounts. Discounts and free passage should be clearly disclosed in accordance with GAAP

**RESPONSE:** Public Works has considered this recommendation and consulted with County Finance. Additional administrative expense will be incurred for this level of additional accounting detail. Public Works would be interested in having the additional

**data but has not decided if the cost of pursuing the change adds enough value at this time. This recommendation does not hold the same priority as other recommendations at this time.**

**42. Modify accounting practices for ERR Fund charges: • Record "ERR" fund in recognizable components such as fuel, drydock, repair & maintenance. • Adjust ERR charges to Actual at year end**

**RESPONSE: Public Works has considered this recommendation and consulted with County Finance. Although additional administrative expense may be incurred for the additional level of reporting, Public Works agrees that an annual report outlining these costs is reasonable. Public Works does not agree to adjust ERR charges to actual costs at year end as this is not how the ERR Fund operates.**

**43. Utilize a Dry Dock project code to accumulate all ERR and cost center dry dock expenses.**

**RESPONSE: Public Works already does this for all dry dock expenses.**

**44. Record MVFT revenue attributable to docks as separate revenue item in the ferry fund to enhance transparency and understanding of revenue attributable to the ferry system.**

**RESPONSE: Public Works does not agree with this recommendation. This issue has been discussed multiple times in the last few years. Additional consideration could be given to this topic if/when a substitute Ordinance is considered related to fares, funding, etc.**

**45. Evaluate the Whatcom Chief's salvage value and remaining useful life and adjust depreciation, if needed**

**RESPONSE:** The salvage value has traditionally been established by an independent consultant employed by the insurance carrier and any depreciation was depleted long ago.

46. Examine the Professional Services Account charges and reclass (budget and actual) to comply with BARS definitions.

**RESPONSE:** Public Works has considered this recommendation and consulted with County Finance. Although additional administrative expense may be incurred for the level of additional accounting detail, Public Works agrees to expand this reporting level and pursue the changes.

47. Examine Clerk/Receptionist allocation (.4 FTE) to ferry fund. Updated technology or business process improvement analysis may identify methods to reduce time spent on support function.

**RESPONSE:** Public Works performed a recent review (October, 2011) of actual allocation times to Ferry related issues by the clerical staff and has concluded that the allocation will remain the same for 2012. As stated earlier, Public Works does not object to productive technology changes that would improve productivity. Additional resources will be necessary to evaluate and pursue technology opportunities.

48. Examine Accounting Supervisor FTE (.25).

**RESPONSE:** Public Works is evaluating, as they do every year, the cost allocation of staff. With the recent Lummi Nation lease and changes likely to take place related to the Ferry general operations, fares, etc. it does not seem likely that overall staff time will be reduced for Ferry functions and activity in 2012.

#### **Section D: Recommendations on fare levels and fare structures**

52. Current and retired crew and families use punchcards; this is subject to a county-union negotiation but we included the cost in fare calculations

**RESPONSE: Public Works will not comment on this recommendation as it is an organized labor related issue. Public Works will forward the recommendation to Human Resources for further consideration.**

53. All county vehicles and employees not actively maintaining or inspecting the ferry system pay via punchcards or cash

**RESPONSE: Public Works agrees with the concept of this recommendation but not necessarily the suggestion of punchcards and/or cash. The general administration of such a requirement may be better managed through other means. Public Works would prefer to evaluate some form of "pilot project" related to improved technology for this issue. Again, staff resources will need to be made available for this project if pursued.**

54. Revise the criteria and the application process to obtain needs-based discounted tickets so that one standard applies to everyone

**RESPONSE: Public Works has indicated a desire to eliminate this discounted ticket option. However, Public Works also supports the pursuit of an independent review group to screen and approve applicants. Refer to question number 23 response.**

55. Establish multi-ride ticket fares that give regular ferry users a discount from single ride cash fares.

**RESPONSE: This is a current practice and Public Works supports a reasonable discount associated with multi-ride ticket purchases.**

56. Offer an additional pedestrian and passenger vehicle discount for residents with low incomes of whatever age or disability

**RESPONSE: Public Works has indicated a desire to eliminate this discounted ticket option known as "needs based". Public Works is not supportive of a recommendation that would expand the scope of this option.**

57. Ages 6 through 18 (through high school) have free passage as passengers/pedestrian sake.

**RESPONSE: Public Works is supportive of this recommendation. Essentially, everyone under age 19 would have free passage as passengers/pedestrian. Public Works believes the loss in revenue would be offset by the reduction in administrative work to track and report.**

58. Focus should be on reducing operational expense to benefit both the island and the county.

**RESPONSE: Public Works agrees with the concept of this statement.**

59. Institute a summer surcharge for single trip (cash) purchases for June through September of \$1 to \$3 per trip.

**RESPONSE: Public Works will take this recommendation under advisement. This concept has been productive in the recent past.**

60. Change bicycle and motorcycle fares into a flat surcharge of \$3 on the appropriate pedestrian fare.

**RESPONSE: Public Works will take this recommendation under advisement.**

61. Discontinue motorcycle punchcards

**RESPONSE: Public Works will take this recommendation under advisement. This option was previously discontinued and there was a citizen effort to reinstate, which was approved.**

62. Replace current 10 and 25 trip punchcards with 20 trip punchcards

**RESPONSE: Public Works is generally supportive of this recommendation. However, Public Works may alter the actual trip card number as deemed more functional.**

63. Discontinue July - August student punchcards

**RESPONSE: Public Works is supportive of this recommendation.**

65. When truck fares are length determined, measure trailers as combined pulling vehicle and trailer length and charge

**RESPONSE: Public Works will take this recommendation under advisement. A significant Public Works concern is to assure that an additional process burden is not placed on the Purser as time is limited on the crossing.**

66. Add fare category of one extended run at end of day

**RESPONSE: This fare currently exists in the fare structure.**