

Lummi Island Ferry Report

- **Status of the 20-Year Plan**
- **Financial Summary for Year Ending 2002**
- **Operational Projections for 2003**

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Purpose of the 20-Year Plan

State law requires government-owned ferry systems in Washington to maintain a Capital Needs Assessment, to plan for future development, and to update the assessment at least every 14 years. Previous efforts by the County were primarily focused on financial planning elements that would ensure the preservation of functional capacity of the existing boat and docks through proactive repair and maintenance schedules.

Since the last assessment in 1990, the pressures of growth in ferry travel have led to longer peak periods for ferry operations and the associated longer delays for the users of the system. Simply preserving functional capacity is therefore no longer adequate to address the increasing service demands from the Lummi Island community. Completion of the Lummi Island Ferry 20-Year Plan will be the vehicle by which both operational capacity issues and sound financial planning can be addressed concurrently.

A proposed new element for the 20-year plan is the creation of a level of service standard that current and future ferry service levels can be measured against. In addition to the historical focus on cars, level of service should also recognize other service and capacity factors that affect overall mobility (parking, transit, etc.).

It is anticipated that a final draft of the 20-year plan should be complete Fall of 2003. An advisory ballot will likely be developed for island residents to indicate preferred long-term goals for ferry service, with the results being included in the final plan. The final 20-year plan will also contain a long-range financial analysis satisfying the statutory 14-year ferry planning requirements.

Future amendments to an adopted 20-year plan would occur following any revision to the land use plan, the need for changes to the financial element, or operational issues that would warrant refinement of the level of service standard.

Summary of the August 2001 Charette Report

Beginning in early 2001, the County began the work to prepare a 20-year plan. The proposed sequence of action steps included:

Phase I – Fact finding

Phase II – Further discussion, investigation, and analysis of key issues

Phase III – Selection and implementation of preferred alternatives

Following a series of fact finding events, a final Charette Report was published in August 2001 (a copy of the complete Charette Report is available through the County's web-site at "http://www.whatcomcounty.us/publicworks/pdf/ferry/ferry_report.pdf").

The simplified version of the long-term recommendations is:

- (A) All short-term and long-term solutions must include proactive use of Transportation Demand Management techniques (i.e. provision of parking, transit, and other pedestrian friendly facilities and services that reduce current and future “vehicle capacity” demands).

AND

- (B) Begin the exercise to determine whether we should acquire (1) a replacement vessel OR (2) a second vessel supplementing the existing boat.

Efforts to implement elements of (A) can continue to occur regardless of the timing and outcome of the land use planning process currently underway on Lummi Island. It remains problematic to design a process that could finalize action on (B) prior to the completion of the land use plan. However, substantial work can be undertaken to gather and refine information on current and conceptual services, designs, costs, and financing options; all of which will ultimately be needed for future public discussion and decision making.

Status of the Lummi Island Sub-Area Plan

In April 2001 written communication to selected representatives of the island community (also included in the final Charette report) describing the 20-Year Plan development process, the following statement was included:

“The most challenging part of this exercise is to mesh the 20-year ferry planning process with the proposed update of the Lummi Island Sub-Area element of the County Comprehensive Plan. For resource reasons, the sub-area work cannot formally begin until 2002. It is almost certain that any work on Phase III of the 20-year Ferry Plan will be delayed until it can better mesh with the Sub-Area planning process.”

It is anticipated that a public review draft of the sub-area plan will be available for Spring 2003, with a Public Meeting to discuss in late Spring. The current goal is for a recommended sub-area plan to be forwarded to the County Planning Commission by late Summer or early Fall, 2003. It is expected that once the recommended plan is forwarded to the Planning Commission the majority of inter-relationship issues with the 20-year ferry plan can be addressed.

Historical Data Pertaining to Ferry Operations

While limited information exists for ferry usage in the “off island” direction, very detailed information exists for the “to island” direction. This is due to the fact that fares are collected only for “to island” travel. In spite of this “one-way” data, significant ferry usage analysis and future projections can be made.

Table 1A includes the total number of users separated by the noted categories. Of particular note is the shift in usage between passenger cars and non-driver passengers and pedestrians between 2001 and 2002. The data indicates a clear shift towards parking and walking on the boat, certainly due in part to the fare increase implemented early 2002. As a separate matter, the unusually high number of non-driver passengers and pedestrians during 1997 was directly related to the number of children utilizing the boat, especially during the summer months (see table 1B).

The number of oversized vehicles (trucks and trailers) utilizing the ferry during 2002 was heavily influenced by major County road maintenance work on the island. While the value contained in Table 1A for oversized vehicles does not include publicly owned equipment, it does include equipment owned by private contractors working for the County at the time. However, due to the unusual nature of oversize vehicle usage of the ferry, 2002 data may not be a reliable source for predicting future demands within this category of vehicles.

TABLE 1A

Full Year Summary – West Bound Travel Only						
Year	total car & driver	total non-driver passngrs & peds	total bike & motorcycle & rider	total oversized & driver	total trailers	total passngrs
1990	94915	68855	1490	1684	353	166944
1991	107290	73492	1521	1941	359	184244
1992	119775	71639	1915	2365	386	195694
1993	117634	70846	1974	2708	576	193162
1994	128714	78169	2162	3312	656	212357
1995	129618	80309	2190	2661	582	214778
1996	122057	81601	1746	2324	710	207728
1997	124920	93636	1729	2477	726	222762
1998	131628	83816	1639	2819	777	219902
1999	137076	82522	1501	2920	795	224019
2000	138624	82087	1591	1865	779	224167
2001	139963	80236	1516	2124	694	223839
2002	131312	93321	331	2560	870	227524

Table 2 is a summary of the growth rates for each of the major categories of users. Of particular note is the fact that growth rates for passenger cars were generally higher in the early 1990's, and then slowing in more recent years.

TABLE 1B

Pedestrian Usage Detail		
Year	School Child and Child only	Other Non-driver Passengers
1990	7979	60876
1991	7343	66149
1992	10983	60656
1993	8186	62660
1994	9024	69145
1995	10633	69676
1996	15507	66094
1997	23233	70403
1998	18229	65587
1999	15795	66727
2000	14874	67213
2001	11824	68412
2002	7422	85899

TABLE 2

Full Year Summary – West Bound Travel Only					
Year	car & driver % Growth per year	non-driver passngrs & peds % growth per year	oversized veh & driver % growth per year	total passngrs % growth per year	
1990					
1991	13.04%	6.73%	15.26%	10.36%	
1992	13.15%	-2.69%	25.18%	6.86%	
1993	-2.26%	-1.15%	20.37%	-1.52%	
1994	11.67%	10.64%	35.87%	11.50%	
1995	0.95%	3.11%	-38.66%	1.45%	
1996	-7.97%	1.88%	-20.01%	-4.22%	
1997	3.02%	17.48%	9.09%	9.01%	
1998	7.07%	-14.26%	20.31%	-1.71%	
1999	5.74%	-1.88%	6.00%	2.47%	
2000	1.63%	-0.63%	-62.65%	0.09%	
2001	1.41%	-2.69%	15.38%	-0.20%	
2002	-9.11%	19.00%	25.60%	2.21%	
Average	3.20%	2.96%	4.33%	3.02%	

Table 3 is the calculated number of cars and passengers on an average boat trip, each direction. The numbers suggest that there has been little change over time in the number of users for the average boat trip, with the average boat trip including full, empty, and everything in-between. The primary reason for this number not changing significantly over time is that even though the total number of users has continued to increase, so has the number of boat trips.

TABLE 3

Year	Average number of cars each way	Average number of all passengers each way
1990	9.26	16.29
1991	10.25	17.60
1992	10.91	17.82
1993	10.22	16.79
1994	10.72	17.69
1995	10.73	17.78
1996	10.17	17.31
1997	10.17	18.13
1998	10.67	17.82
1999	10.94	17.88
2000	10.77	17.42
2001	10.90	17.43
2002	10.30	17.85

Tables 4A (car & driver), 4B (non-driver passenger and pedestrians), and 4C (oversized vehicles and drivers) describe the relative distribution of users between the months of the year. A significant factor influencing some of the values is the shift of drydock from May to September in 1999. Another significant item of note is that total usage growth has been more pronounced during the non-summer months. While there has been increasing usage during the summer, it has not been as significant as the non-summer months. This suggests that there is an increasing year-round population in comparison to seasonal population.

Additional data is currently being compiled and analyzed to identify trends in peak boat usage times relative to months of the year, days of the week, and time of day. This includes data currently being collected to provide comparable level of detail for the “off island” direction. Summary and analysis of this additional information will be included in the draft 20-year plan.

TABLE 4A

Monthly Distribution of car & driver					
	1990	1993	1996	1999	2002
Jan	6.86%	6.34%	6.61%	7.35%	7.46%
Feb	5.98%	6.62%	7.39%	6.73%	7.25%
Mar	7.63%	8.20%	8.43%	8.26%	8.02%
April	7.89%	8.59%	8.39%	8.74%	8.39%
May	9.04%	4.41%	5.69%	9.31%	9.41%
June	5.96%	9.21%	9.68%	9.50%	9.38%
July	11.75%	10.83%	10.75%	10.62%	10.37%
Aug	12.38%	11.64%	11.20%	10.75%	10.83%
Sept	10.05%	9.47%	8.97%	5.26%	4.99%
Oct	9.55%	8.99%	8.80%	7.39%	8.48%
Nov	5.82%	8.04%	7.50%	7.92%	7.76%
Dec	7.09%	7.66%	6.60%	8.18%	7.65%

TABLE 4B

Monthly Distribution of non-driver passengers and pedestrians					
	1990	1993	1996	1999	2002
Jan	4.92%	5.57%	5.18%	5.78%	4.39%
Feb	4.76%	5.46%	5.89%	5.40%	6.87%
Mar	6.89%	6.44%	7.14%	7.42%	7.10%
April	6.86%	7.23%	7.22%	7.36%	7.42%
May	8.26%	12.52%	12.13%	9.52%	8.72%
June	11.33%	10.00%	9.35%	8.75%	9.43%
July	12.83%	12.63%	11.27%	11.10%	12.05%
Aug	13.50%	11.76%	12.62%	11.22%	12.67%
Sept	10.19%	8.82%	8.33%	12.45%	11.35%
Oct	7.60%	7.60%	8.24%	8.46%	7.18%
Nov	7.27%	5.91%	6.98%	6.15%	6.60%
Dec	5.60%	6.04%	5.66%	6.39%	6.22%

TABLE 4C

Monthly Distribution of oversized vehicles					
	1990	1993	1996	1999	2002
Jan	6.24%	3.82%	4.72%	6.07%	5.23%
Feb	4.10%	4.63%	6.78%	5.51%	5.98%
Mar	6.95%	7.55%	6.72%	6.44%	6.02%
April	7.90%	7.64%	8.89%	9.20%	11.91%
May	9.44%	4.98%	5.80%	8.45%	19.80%
June	6.41%	7.68%	9.86%	11.25%	8.20%
July	9.92%	11.03%	11.49%	11.30%	7.73%
Aug	12.00%	8.15%	12.03%	11.39%	8.20%
Sept	11.22%	7.89%	10.41%	7.61%	5.74%
Oct	11.28%	8.15%	12.03%	6.07%	8.87%
Nov	7.54%	14.41%	7.10%	8.73%	7.42%
Dec	7.01%	14.07%	4.17%	7.98%	4.88%

2002 Year End Financial Analysis

The primary reason for an annual evaluation of ferry operating costs in comparison to fare revenue is based on the below listed Whatcom County Code excerpts:

WCC 10.34.020 K. It is the intent of this ferry rate schedule to recover 55 percent of the cost of the ferry operation, exclusive of dock maintenance and operation. Annually the council shall review this rate schedule in order to determine whether additional rate adjustments are necessary to carry out this intent. All revenues collected in excess of 55 percent will be managed as described in WCC 10.34.030.

WCC 10.34.030 All revenues collected in excess of 55 percent of the cost of ferry operation, exclusive of dock maintenance and operation, shall be deposited into the county road fund. The annual council review of the ferry rate schedule shall include an accounting of the excess moneys collected above the 55 percent. Set aside excess revenues are intended for, and shall only be utilized for, capital improvements to the ferry, docks, or other appurtenant ferry-related facilities. Set aside excess revenues are not to be utilized to offset any 55 percent recovery rate revenue shortfall for any given year.

Table 6 lists the operating costs side of the “55%” recovery rate relationship and Table 7 lists the fare revenue side. (Note: The projected 2002 values are figures prepared in late 2001 as a part of the fare structure increase discussions.)

For reference, Table 5 summarizes the overall changes in ferry operating costs over the past few years. Not surprisingly, labor costs continue to be the most significant element influencing the increase in total operating cost over time. Table 6 contains additional cost details for 2002. The significant increase between predicted and actual labor costs for 2002 can be attributed to greater than expected growth in overtime costs resulting from the ferry schedule adjustments implemented in 2001 together with settlement of a labor contract with the ferry crew.

In order to ensure an “apples to apples” calculation for the “55%” recovery rate, an end-of-year revenue adjustment was included for 2002 (see Table 6). This adjustment reflects unique financial transactions occurring as a result of the 2002 fare structure changes, especially since the change occurred the 1st of February (example: credits applied to the purchase of new punch cards from unused portions of obsolete punch cards purchased in 2001). In previous years this type of adjustment has not been necessary for the recovery rate analysis since continuation of a stable fare structure allows the December/January timing of revenue deposits to balance out from year to year. As a part of future recovery rate analysis, a similar adjustment may be necessary following any fare structure changes.

While the operating cost projections were understated, the revenue projections were much closer to the actual experience. It is worthwhile to note that had the fare increases gone into effect on January 1st, rather than the actual February 1st, it is estimated that approximately \$10,000 of additional fare revenue would have been generated.

While the cost recovery rate of 54.4% is lower than the target 55%, it does not of itself warrant any additional fare increase at this time. That being said, there is no “excess revenue” available from 2002 for expenditure on system enhancements as provided for in the County Code (WCC 10.34.030).

TABLE 5

Lummi Island Ferry Year-end Operating Costs				
	1999	2000	2001	2002
	\$895,183	\$909,042	\$1,145,975	\$1,183,789

TABLE 6

2002 Projected Versus Actual and 2003 Projected Operational Expenditures			
Expenditure Category	2002 Projected	2002 Actual	2003 Projected
Labor	\$627,000	\$723,964	\$720,000
Direct Boat Costs	\$240,000	\$241,091	\$245,000
Passenger Vessel	\$50,000	\$27,191	\$30,000
Security	\$54,000	\$53,060	\$55,000
Parking	\$13,000	\$0	\$15,000
Shuttle Van (rental and labor)	\$3,500	\$3,516	\$5,000
Miscellaneous	\$112,500	\$134,968	\$140,000
Total	\$1,100,000	\$1,183,789	\$1,210,000

TABLE 7

2002 Projected Versus Actual and 2003 Projected Fare Revenues			
Revenue Category	2002 Projected	2002 Actual	2003 Projected
Cash Fares	\$404,700	\$431,826	\$401,640
Punch Cards	\$233,480	\$193,242	\$218,328
Passess	\$0	\$9,212	\$22,000
End-of-Year Adjustment	\$0	\$9,773	\$0
Total	\$638,180	\$644,053	\$641,968
Percent Fare Box			
Recovery of Operating Costs	58.0%	54.4%	53.1%
Revenue Excess or Shortfall	\$33,180	-\$7,031	-\$23,532

2003 Projected Ferry Utilization and Operating Costs

Tables 6 and 7 also include projected expenditures and fare revenues for 2003. The revenue side of these projections are based on the information contained in Tables 8 and 9. Table 8 combines utilization information gathered during the first quarter of 2003 and compares this to historical use information contained in Tables 4A, 4B, and 4C. In addition, reviewing historical punch card sales data, approximately 90% of the punch card sales are "full fare" while approximately 10% are various discounted punch cards.

Two points are of particular note for the 2003 fare revenue projections. First, there has been a shift from cash fare to punch cards. While it is unknown whether this trend will continue, the projection reflects a conservative approach. Second, there is a continuing shift from "drive-on" to "walk-on." This is expected to continue following completion of expanded parking on the island and at Gooseberry Point.

The 2003 projections estimate a 53.1% recovery rate for this year. However, it is very difficult to prepare a recommendation as to possible fare structure changes to address this shortfall. Attempts will be made to minimize the growth in operating costs. However, at the same time there are significant unknowns that may result from labor negotiations which are currently underway. It is recommended to wait until later in the year to consider potential rate structure changes when better information will be available.

TABLE 8

2003 Ferry Usage			
	1st Quarter 2003	1st Quarter 2003 Annualized	Typical 1st Qrt % Of Full Year
CASH FARES			
Vehicle/Driver 1-8K	16821	74760	22.5%
Pedestrian	9938	53719	18.5%
Vehicle/Driver 8-20K	261	1483	17.6%
Vehicle/Driver 20-36K	102	580	17.6%
Vehicle/Driver 36-50K	106	602	17.6%
Trailer 1-16'	65	369	17.6%
Trailer 16-30'	38	216	17.6%
Trailer > 30'	6	34	17.6%
Motorcycle	34	400	8.5%
Bicycles			
Multi-ride and other FARES			
Pedestrian	3678	19881	18.5%
Student/Senior	409	2211	18.5%
Vehicle/Driver Card	11495	51089	22.5%
Veh/Senior/Disab Card	1277	5676	22.5%
Vehicle/Driver Pass	18	72	25.0%

TABLE 9

Ferry Usage by Class					
	1999	2000	2001	2002	2003 est.
CASH FARES					
Vehicle/Driver 1-8K	81164	81788	79245	80598	75000
Pedestrian	52502	53423	55058	63089	54000
Vehicle/Driver 8-20K	1332	1001	1264	1218	1500
Vehicle/Driver 20-36K	856	493	507	585	600
Vehicle/Driver 36-50K	732	371	353	757	600
Trailer 1-16'	288	341	262	437	400
Trailer 16-30'	460	400	386	398	400
Trailer > 30'	47	38	46	35	40
Motorcycle	190	264	225	307	400
Multi-ride FARES					
Pedestrian	14167	13790	13282	20325	20700
Student/Senior				2258	2300
Vehicle/Driver Card	48112	49582	52606	43504	51300
Veh/Senior/Disab Card				4834	5700
Vehicle/Driver Pass	100	93	104	44	100

Miscellaneous Information

Parking at Gooseberry Point

Public Works staff has been in discussion with representatives of the Lummi Nation for over two years attempting to gain permission to lease space near the Ferry Landing at Gooseberry Point for additional parking space. A complicating factor during these discussions was the assignment by Lummi Nation to the Lummi Commercial Company full authority to manage lands in this vicinity.

The County and the Lummi Commercial Company have agreed to terms which will allow creation of approximately 80 parking spaces at Gooseberry Point. These spaces are in addition to the ferry related parking spaces existing on the water-side of Lummi View Road, near the ferry terminal. The cost of these improvements are currently estimated to be under \$30,000 and should be accomplished sometime this Spring or Summer. The leasing the land began in May 2003 and the expense is intended to be included in future ferry operating cost calculations. On the other hand, the capital improvement costs for the parking lot are not intended to be part of the operating cost calculations.

Parking on Lummi Island

In 1999 when a parcel of property near the ferry terminal was placed on the market, the County acquired the property with the intent to develop additional parking. Due to concerns raised by property owners in the vicinity, the County promised to investigate possible alternate locations as well as to maximize the number of parking spaces available within the vicinity of the ferry terminal. As a result of this request, a few additional spaces were created near the ferry terminal. At that time there was no interest found amongst five property owners contacted in this area to sell their land for parking purposes.

During 2002 renewed efforts were undertaken to develop additional parking on Lummi Island. Continuing with the commitment made to the adjoining property owners, and with the assistance of evaluation criteria developed by the Lummi Island Transportation Committee, additional review was completed to identify potential alternate sites to the parcel owned by the County. This effort quickly focused on two properties: (1) open land adjacent to the Islander Store; and, (2) undeveloped land west of the Islander Store.

In April 2003, staff recommended the current parcel owned by the County be the site developed for additional parking, based on:

- Both of the alternate sites had negotiation and legal matters that would be difficult to resolve
- Preliminary estimates did not indicate that either of the alternate sites could be developed at a lower cost when considering lease and/or acquisition costs

- The current County parcel already has a preliminary parking plan design and is the location permitting and construction could be accomplished in the shortest period of time

At the same time as efforts increased to refine the development cost of the County owned parcel, renewed efforts also are occurring to analyze various alternative parking plans in the vicinity of the Islander Store. In order to provide a comprehensive evaluation of the alternatives, assuming negotiations are successful that would allow a viable alternative to the County parcel, it is contemplated that a complete development cost comparison will be completed prior to a final decision and permit application is made.

Similar to the Gooseberry parking plan, it is intended that potential costs of leasing land would be included in future ferry operating cost calculations and capital improvement costs for the parking would not.

Ferry Drydock

Parking and security remain significant issues during the annual drydock (September). Even though an agreement with the Lummi Commercial Company for parking at Gooseberry Point is imminent, this agreement will not provide more parking than has existed in the past near the ferry terminal. Mainland side parking will continue much as it has in the past, with the exception that two security guards are planned at the outset of the event this coming fall. Similarly, even though we recommend moving ahead on development of additional parking on the Lummi Island, it will be very difficult to complete the regulatory review and construction process prior to September this year.

Long-term Lease with Lummi Nation

Negotiations pertaining to the renewal of a lease with Lummi Nation are not active at this time. While at every possible opportunity County staff invite discussion, Lummi Nation representatives have not indicated any ability to address this matter quickly. With the need to develop and implement a long-term plan for ferry operations, negotiation of a lease agreement renewal remains a high priority.

Even with the limited level of discussions occurring between the County and Lummi Nation, the County remains optimistic for eventual lease renewal. While the completion of the 20-year plan will address potential future lease scenarios, the 20-year plan will almost certainly not include factors and conditions that are yet to be raised as issues and negotiated at a future date.

Labor Negotiations and Ferry Schedule

Island residents continue to request additional runs be offered during peak hours of operation, primarily focused on morning "off island" travel. As noted above (Additional Information and Data Pertaining to the Ferry), the growth over time in the number of

ferry runs provided resulted in the need for deliberate scheduling of breaks and down time in order to address potential legal and financial labor issues.

The only alternative available in the short-term would be to hire additional ferry staff that would have overlapping hours and work as “back-up” to the regular crew. Action of this type would allow the ferry to run uninterrupted, subject to required daytime maintenance and unexpected breakdowns. While this may address some of the current user demand, it could add up to an additional \$150,000 to \$250,000 to the annual operating cost. It would also accelerate the wear-and-tear on the existing vessel.

As previously in this report, the County and the unions are in preliminary labor contract negotiations and alternatives to address this situation will be raised and resolved as quickly as possible. Whatever the result of this matter, it will likely have long-term operating cost implications.