

LUMMI ISLAND FERRY ADVISORY COMMITTEE (LIFAC) MINUTES
5.10.23

Location: The Grange, Lummi Island

Meeting called to order by committee chair, Mary Marshall, at 6:04

ROLL CALL:

Mary Marshall, Judy Olsen, Jim Dickinson, Cris Colburn, Mike McKenzie, Todd Lagestee
Rich Frye (Zoom)

Randy Rydel, Financial Services Manager, Whatcom County Public Works
Approx. 20 members of public

Flag Salute & moment of silence

Mary opened meeting with prepared notes inserted here:

Welcome and thank you for coming tonight.

Introduced LIFAC Members

I would like to remind everyone that LIFAC is an advisory committee to the Whatcom County Council, we do not make decisions but rather work with both Public Works, Council and the Islanders to make recommendations regarding all things ferry related.

Given the rather contentious meeting we had in April, I would also like to remind everyone that this meeting will be conducted with respect for all, and any unprofessional or disrespectful behavior will not be allowed. I would like to offer a personal apology to Cris Colburn for derogatory comments made at last month's meeting that implied he did not belong here since he does not live on the Island. I know this does not represent who we are on the Island, a better representation are the signs that say "drive Islandly" so I would ask that we all obey the signs tonight in this meeting and behave Islandly. The reason there are two members of LIFAC that do not live on the Island is that our population only represents .04% of the total population of Whatcom County and yet the cost of the ferry is born by the entire county. Therefore, the charter for LIFAC requires 2 members to be residents of Whatcom County but not of Lummi Island.

Since we last got together, we've had a few updates. Diane Harper uncovered an old memo – referred to as the Monsen memo from 2010 that gives PW better guidance on how to apply the MVFT. When Randy had an opportunity to review, he recognized that it could have a significant impact of the ferry rates, not just today but historically. So, unlike the last deep dive he did and discovered that something had been misinterpreted earlier and caused the deficit to be worse, this one actually reversed our fortunes and put us back in the black. Randy is here tonight to explain it in better detail than I can.

Let's remember that everyone's opinion is valid and valuable, let's make sure that all are heard and assume positive intent. I think this will enable us to have a productive meeting.

Minutes Consent

Cris C. motion to approve, second Mike M.

Cris C. requests an addition to April meeting minutes noting that an unidentified participant shouted to Cris "You don't even live here. Why don't you go home."

Minutes approved by all with exception of Jim D. and Todd L. (abstain)

Open Session/Public Comments

Bob Anderson: [comments read and submitted in writing and inserted in minutes]

Prior to start of 3 min. comment period Bob asked to make comment:

I'd like to just briefly address Cris's comment adding that many of us in this room felt ashamed of that comment and a number of us I think called you to express that that is not the view of our community toward you. Cris states he received one call – Bob thought it was more. Bob wants the minutes of this meeting to include that we are not supportive of that kind of behavior or that kind of expression. Cris expressed that it is not so much personal but more a matter of the how the process works and of showing respect for the committee.

I'm Bob Anderson, a Lummi Island home owner for 20 years and a member of the Lummi Island Work Group which was formed a couple months ago to provide information, analyses and recommendations regarding ferry system issues, specifically ordinance amendments and fare increases. I have been asked to serve as the moderator for this group of 12 Islanders who have experience in legal, accounting and finance issues as well as Whatcom County processes and code language development. Most importantly as I have come to understand, they care a lot about the ferry as a critical resource for Islanders and have a depth of knowledge and history about the ferry, its financing and operations.

We Work Group members were pleased and actually buoyed by the outcome of the County Council meeting on April 25 when we heard Public Works withdraw their ferry fare proposal and endorse the Council's decision to suspend action on their proposed ordinance changes. We felt we had provided important information to Public Works that caused them to rethink their proposed fare plan and we applaud their willingness at the last moment to recommend this change in plans. And we appreciate Councilmember Donovan's thoughtful voice in the deliberations of the Council to put a pause on any decisions until more accurate and complete information can be developed to formulate amendments to the ordinance for the June 20 Council meeting and in the ferry fares later this year.

What is even more satisfying, and frankly hopeful for our Group, is the possibility of having a more collaborative and complementary relationship and engagement with LIFAC, Public Works and the County Council, one in which the needs and interests of Islanders are better articulated, and a deeper understanding of issues and concerns on all sides is achieved. To this end we have proposed that LIFAC create an Ad Hoc Committee comprised of a subset of LIFAC members with

four of our Work Group members. We sincerely hope that request receives favorable action tonight.

In less than a month from the last LIFAC meeting when most of us left with a sense of disappointment in the inconclusive outcome and many conflicting comments expressed, we stand here tonight with a readiness to roll up our sleeves, contribute our best thinking and listening skills in an effort to work together between now and June 14 when LIFAC convenes again. Our hope is to generate a consensus view on ordinance amendments that will create the framework for our ferry system for the next few years and for the new ferry in our future. Following me are four other members of the Work Group, one who will speak remotely.

Rhayma Blake

I am a former LIFAC member and all-around cheerleader. I'm here to celebrate the process and thank LIFAC for 'keeping on keeping on.' It's about making good choices and I'm thrilled we are here together talking about what the possibilities are. It all started with the task force committee back in 2010. Jim D. was a part of that and was a part of forming LIFAC when Rhayma worked with then council member Carl Weimer to get the committee formed. It's exactly what we need for moments like this. Thank you for listening to Islanders and Ad Hoc committees and for incorporating new information from Public Works. We all have to work together to move forward – we need to keep county solvent and the island vibrant.

Janice Holmes

I think it's important to discuss what matters here and I think it doesn't matter how long we've lived on the island, if we don't live on the island, if we were born here or we moved here last week. What matters is that we have a vested interest in the efficient and fair operation of government and our government services. I've been involved with this working group and what has been important is the expertise.

We have taken a deep dive into the ferry operations. All the information we reviewed is public record. We just took a deep dive -- analyzed what Monson's letter said – this was all public record.

I think citizen advisory committees play a really important role in development process to question and investigate materials that they're given and utilize expertise of others within the community and I think it's important to understand the issues not only from your constituents, who are your friends and neighbors, but also from the point of view of public works and to achieve some sort of fair responsible ordinance going forward.

The existing ordinance and the proposed amendments have the potential to have a really significant impact on future finances of the ferry. We've identified some of these and we want to collaborate with LIFAC to create a strong ordinance that sets the stage for operations going forward and addresses the needs both the ferry users and public works.

One specific example is that the current ordinance provides that any surplus fare box revenue shall be used for future ferry operations and that's just not quite right because any excess fare box revenue came from ferry fares that were paid so that revenue surplus should be set aside and held and used when there's a deficit from fare being collected, not just for future sort of

undefined operational costs. Its fares paid; it's held in reserve when there's a downfall in revenue from fares that reserve is there to fill the gap.

That's just one specific example of an issue with the current ordinance.

Another specific example of the proposed changes is the change to the definition of what is operational cost and right now the definition is actual operation cost and what's been proposed is total operational expenses. That can be a significant difference and have a large impact on the ferries financial picture going forward.

So those are some of the reasons why we think an ad hoc committee is really important.

Charles Bailey [comments read and submitted in writing and inserted in minutes]

Good evening LIFAC members. I'm Charles Bailey and a member of the Ferry Work Group. I had the good fortune to serve two terms on LIFAC, from 2016 to 2022. I'd like to say a particular hello to the people I worked with who are still on LIFAC: Jim Dickinson, Judy Olsen, Mike McKenzie and Cris Colburn.

I'd like to add my personal shout out to Cris. Evidently not everybody on Lummi Island knows this, but when County Council created LIFAC in 2012 they required two of its seven members should be off-Island. Cris Colburn of Bellingham has been one of the off-Island members since 2016. He's now in his third term. No one else, none of us on Lummi Island, has served on LIFAC as long as Cris has ---that's about 80 LIFAC monthly meetings so far. Cris-- Thank you.

All of us, we did good things together—a new Level of Service (LOS) standard, design criteria for the new ferry, and we voted to make it electric. During those years we also reviewed Public Works' annual accounts for the ferry. We had surpluses so why worry!? But last Fall the situation changed. I can empathize with the challenge you have been faced with since then.

On April 25th County Council gave us citizens an opportunity to recommend changes to the ferry ordinance and we have about a month. So what was before a challenge is now an opportunity. This is the chance, and now is the time to modernize the code, clarify it and perhaps simplify it. Many good things will flow from this. I'll just name three.

First, as you know, Council has set aside \$1 million in Covid relief/ ARPA funds for the ferry. If it turns out that less ARPA money is needed for the ferry, as now seems the case, Council can reallocate the freed up funds to the Food Bank. This is a win-win for all residents in the county, every last one of us.

Second, the new ferry system project is huge--\$50 million—and in two years the county will need to issue a sizeable municipal bond to complete the funding package. Going into this, the ferry financial system needs to be clear, robust, transparent—in short, shipshape.

And finally, future LIFAC members will thank you profoundly for having made their annual scrutiny of the ferry accounts so much easier.

So as you review the existing code and propose changes, I recommend you include the accounting and legal expertise of your neighbors in the Ferry Working Group. LIFAC draws its strength from the support of its stakeholders. We have a deep bench of talent on Lummi Island. I encourage you to use it.

Thank you.

Pam Gould [comments read and submitted in writing and inserted in minutes]

My name is Pam Gould, I am a 50 year plus Island resident and homeowner and I was a commuter for most of those years. I am the final member of the work group to speak and I would like to reiterate the work groups desire to work collaboratively with LIFAC, Public Works and the Whatcom County Council. It has been a privilege to be part of this work group. We have not always agreed, but I have watched as members openly changed positions on strongly held beliefs, based on information from others' opinions or completely new information. It is always respectful and an ongoing process. Businesses and government have seen the effects of various groups working on a project in a silo, each creating their own work without without the benefit of all the information available.

As we navigate our way through ordinance amendments, fares, and with a new ferry system on the horizon, let's be sure to use all of our amazing Island resources. We are fortunate to have dedicated Islanders with expertise and eagerness ready to assist LIFAC and Public Works. I urge LIFAC to approve and participate in the ad hoc committee we've requested so we can all work collaboratively on the complex but critically important issues we face. An open working relationship will give us all a chance to plan, adjust and welcome our new ferry, despite challenges and differing views that are likely to emerge during the process. Informed and active communities are able to plan and support each other, and collaborative communities are the most resilient. Citizens feel more confident making decisions when they have a chance to work with accurate necessary information and to plan ahead. An ad hoc committee is just so appropriate now, and a great example of what we can do in the future as well. Opportunities are magnified and exciting when we all work together. Thank you all for the tremendous work you have done on the Island's behalf and for your dedication to the work ahead. Our common ground is not only this island, but also the Whatcom Chief, our lifeline.

Mary Ross

My name is Mary Ross. I am the newly elected president of LICA. I have been involved with the ferry since the beginning of LIFAC and was also privileged to work with Carl Weimer and the folks that wrote the initial ordinance. I have supported and tried to assist LIFAC, I have never served on the board.

LICA has teamed up in the past to host public meeting and townhalls and agrees it would be appropriate to have a town hall meeting to include LIFAC, Public Works, Council members as able. We hope to have a respectful dialog where people who have information to share with the community can share. We are looking at either 5/31/23 or 6/2/23 in the evening.

The other thing that we are concerned about is that we know that we will need to come together as a community to start discussing implications of the transition to the new ferry.

We would like to have that as an opportunity for LIFAC to hear from members of the community as to what the communities needs and wants are. Our goal with this is to have the community come together and feel involved because the thing that I walked away from at last month's meeting was a really sad feeling that it didn't feel like the community had really gotten behind things and I know the power we have when we all work together.

Patrick Vincent

Nothing to add except I'm glad we are working collaboratively.

David Kershner [via Zoom]

My name is David Kershner and my mother is right next to me she's Jean Kershner. We are full time residents as is my brother. I just wanted to express my gratitude for all the members of LIFAC for your service. I know that serving on a county committee can be a thankless task at times, having served on one for about five years. Also, thank you especially for those off-island members to have to make the trek to island meetings. I also wanted to express my gratitude for making this meeting a hybrid so that my mother and I could participate from home. I wanted to just address one item on the agenda and that was the letter to the Lummi Nation. I heard second hand that some members of Lummi Nation have concerns about eelgrass on the Gooseberry side around the dock with respect to the new ferry and I'm just wondering if it may be premature to be contacting Lummi Nation about the name of the ferry -- even though I enthusiastically submitted a name of a few years ago.

I'm wondering as a question -- if LIFAC has considered approaching Lummi Nation perhaps to do a listening session to see about any concerns they might have about the new ferry and how those might be addressed. All of that may be in process already but I just wanted to bring that up. I thank you all for your time.

Jim D. comment to Dave K. New ferry shouldn't have any increase effect on (eel grass) not any different than what we currently have (with existing ferry.)

**Committee Activity Items
Reports, Presentations, Discussion**

Randy Rydel, Financial Services Manager, Whatcom County Public Works presentation

Since I was last here presenting to you the status of the cumulative fare box deficit, it showed numbers none of us wanted to see, but numbers that had been calculated based on the code.

As of yesterday, new information was provided to me that made me question some of the motor vehicle fuel tax – what was getting paid for in the MVFT.

We'll go over that today.

Randy' Presentation was recorded and transcribed. Appendix A is the full recording with minor clean-up of automated transcription.

Action Items

Mary -- Address request from the working group to form an Ad Hoc committee. Asks if LIFAC would like to make motion.

Cris motions and Mike seconds.

Discussion:

What's being proposed is an Ad Hoc group of 3 LIFAC members (max. allowed by OPMA to avoid having a public meeting) and 4 working group members to make recommendations specific to proposed amendments ordinance 10.34 to Whatcom County governing ferry system.

LIFAC members to be Mary, Mike, Cris

Working Group members to be Diane Harper, Janice Holmes, Peter Earle, Bob Anderson

Goal is to come up with some agreed upon recommendations that we can be proposed and voted on at our meeting on the June 14th and if we have something substantive then those will be forwarded to council at that time – that's what's proposed.

Bob Ferguson - Pleased that LIFAC considering this – hard to get detailed precise work done which is the rationale for having this Ad Hoc Committee – realize LIFAC works under certain limitations – take those away and work on the issues.

Judy - Questions regarding permanent or temporary and single topic

Ad Hoc committee formed only until June 14th LIFAC and sole purpose is to work on proposed changes to ordinance.

Pam Gould - Hopes to do it on numerous topics in the future

Todd Lagestee – against this. Concerned with - what if the County Council got together and made a motion to create an Ad Hoc committee where three members get together with members of public and work on something and then present that. Some might feel we wanted that to be part of the more open process. I think there's nothing that says you can't e-mail but when we put an Ad Hoc committee together it becomes a little more official - would rather see it be a few people put out an e-mail and do that privately versus through LIFAC.

Jim - we had one before and it really got us into places that got us information that we wouldn't have otherwise gotten.

Cris - The point of having limited term and limited objective helps keep it in bounds. Some of what Jim is referring to - we have also had not such positive experiences with side committees - the model can work it is not always good.

Judy – reminds all that general understanding that any recommendations from an Ad Hoc committee come back to LIFAC.

Mike – to Todd – like putting organization to it – it’s been a big email campaign and hasn’t always been useful.

Vote to form a limited term special focus (Ad Hoc) group with members of working group with sole intent of coming back with a recommendation by June 14th LIFAC meeting.

Vote is 6 for and one against (Todd Lagestee) Committee is formed.

Mike McKenzie

Naming of new ferry. This has been on the agenda on and off for several months but it's been two years in the making. We were informed by public works that it would be positive to have the ferry named as work solidifies for new vessel design.

See Appendix B “Proposed Task force for Naming the replacement Ferry”

Todd L. - Doesn’t think LIFAC should be reaching out directly to Lummi Nation, we are only advisory to council and not on equal standing in terms of government-to-government communication. We are only in advisory role.

Cris – Someone at PW is the designated liaison to Nation and he has suggested doing it this way(Roland).

Idea – offset cost by advertising on WTA busses.

Mike asks Todd to submit idea in writing.

Cris – the subject of some kind of advertising has come up before

Judy – offer opinion of KISS (Keep it simple) principle – idea of involving service sector maybe too much.

Cris – we learned some time back that before new construction can begin, the vessel must have a name – this is reason for getting started with plenty of time.

Mary – Update Ferry Operations – Rich Hudson

All going well – no surprises in terms of more time or costs for this Dry Dock.

Scheduled to be back on time.

Mary - subject of having Roland attend June meeting to discuss new ferry “constriction” / eel grass beds – may need to push back to July pending discussions on ordinance and Roland availability.

(Mary) - Mary Ross will invite Roland to Town Hall.

Jim – start thinking about committee to look at new ferry design -- continues to have concerns.

Handicap pass – seems to be shortage of spaces.

Fire Department – (Jim observes) have had only one day they did not have at least one emergency carry over including 2 fatalities - situation with passenger only not good idea for aging of island residents.

Bob Anderson – Underscores importance of Mary Ross announcement of Public forum courtesy of LICA to create open forum to listen and contribute.

Mary - thanks to all: LIFAC, Leslie + (Zoom), working group, Randy for coming and contributing.

Adjourn 7:30

Appendix A: Transcribed recording of Randy Rydell's presentation

The ferry receives two different subsidies from the state and one of those is ferry deficit reimbursement, that's the name in RCW 4668090 in the distribution there that RCW lists out all the monies that come out of the motor vehicle statewide fuel tax collection and that money because of that RCW its pulled out ahead of time. There's one more subsidy that comes to the ferry through motor vehicle fuel tax and that comes through the County Road administration board and what they do is after all these talk pieces have come off the motor vehicle fuel tax they get the remaining amount to distribute between 39 counties around Washington. In that distribution they look at how many roads you have how many gravel roads you have how many bridges you have all these different things including whether you have a ferry and they say how much do each one of those costs operate and because we have a ferry and three other counties have a ferry they decided to put a little bit more than the calculation for those counties with ferries and that is known as the motor vehicle fuel tax attributable to ferry operations. So knowing those two names ferry deficit reimbursement which is an agreement with WADOT and this motor vehicle fuel tax attributable to ferry the reading of this use of ferry user fees this is Washington County code 10.34030 down at the bottom there's the beginning January 2007 any interest income or income from state motor vehicle fuel tax or ferry operations there's a lot like that CRAB board one it will be deducted from the actual operating costs and that interpretation of it is where that previous and jump back where this one came from saying that that's supposed to be the motor vehicle fuel tax that's attributable to ferries because those are the same names this -- the famous Monson memo states in there that the ferry deficit reimbursement money also comes out of that same pot of money and so I looked at our state reporting system I looked at the RCW and said yep

it is because the ferry deficit reimbursement money comes out of that same pot it is income from state motor vehicle fuel tax for ferry operation. As soon as I heard that called up legal counsel and said hey do we have an option -- is there an ability to say that this is a reasonable interpretation that hasn't been followed correctly and we talked through the ramifications of it and got an opinion from the lawyer not a not an official opinion but we got their go ahead and said yeah it's reasonable when you go back and look at the notes in the meeting leading up to this and I looked at those in those notes it was a little bit obscure there was - someone said that the very deficit reimbursement money came from a deficit reimbursement account of the state you know so it there was question and at the time we moved forward with these calculations in 2007 one of these was chosen and it was just the very deficit reimbursement money not the other money that was attributable from CRAB. At this time we believe that it's reasonable to say we don't know it was it's not clear it's not clearly written here and we think that we should be putting both of those funding sources in because we don't know.

So what that ends up doing is this is spelled out the implications of adding both of them and we're going to go to the next page here that says it changes this ferry fund because as we call it now the ATOE calculation for people who got on board with that terminology even if you don't like the code changes the ATOE calculation is the calculation of what expenses are actually going to be recoverable by farebox

so with the old calculations we didn't have the ferry deficit reimbursement money in here we just had this motor vehicle fuel tax credit and consequently the -- from 2006 to 2022 -- the

amount of expense that needed to be covered by either fare box or other funding sources was \$42.8 million. With this new interpretation we see we take \$3.6 million off of that and it brings it down to \$39 million worth of collection. We're following - we could say that the 39 million dollars

55% of that per code is required to be covered by farebox and that gives us a \$21 million recovery need that's our goal for recovery over the years

2006 to 2022 we've actually recovered \$22.5 million so good job. With this recalculation we're a million dollars ahead. So it's a recalculation this is something that at this point is Public Works intent to move forward and ask council for a resolution that says we believe the facts of the statement are that this was passed in 2008 when this ordinance was passed this provision of the ordinance it was unclear at the time but at the time a calculation was done through 2022. We believe that there is a room for interpretation in that definition that description of the way that the law was written and we would like council to retroactively go back to 2007 and let us include this in the calculation. And a resolution from council if approved would be council's approval that we're moving forward with this new interpretation and that's the way we're going to interpret it and moving forward. I will also say that this same interpretation is what has already been included in the code change the code change already included these numbers and this motor vehicle fuel tax and ferry deficit reimbursement money in the calculation so public works is trying to move forward with that before this memo was even located before this problem was found.

So we all good so far

We're gonna move on then I do have one question (Todd Lagestee) yes so we talked about a ferry reserve fund right basically we're talking about the operating reserves

we are talking about the yes we'll hold that but yeah go ahead and ask your question so do we like the city of Bellingham has a general fund and they have an ordinance for their general fund that says that they should have a reserve amount of about 15% do we have a guidance for what the reserve amount should be in the operating fund for the ferry?

Randy We do not would you please restate yes certainly questions from time was Todd was whether we have a ordinance or policy that states how much reserve should be held in the ferry fund for operations and no I'm not aware of one I know it has been discussed over the years it's been discussed as I've been out at LIFAC meetings that is a great conversation to be had and something that I think would be worthwhile to go for yeah (Mary Marshall - and he's got something in here that's going to actually address that) thank you

so as we move forward you can see the line the red line was the old farebox deficit the blue line is the new one so yes there's some rejoicing it's understandable (he's an accountant so let's just you know he's not gonna get too excited) so 2022 is where we ended the year we went from last time a negative a deficit of \$1,000,000 to a now positive surplus of \$1,000,000 and you can see though where the trend heads from here and keep in mind this trend is not based on dolphin repairs it's based on expenses that have come down the road more expensive dry docks more expensive wages more expensive Sani Cans - everything that adds up to this ferry operations has gone up in expense and they've gone up in expense without the fares raising and without ridership increasing so these projections that show it going down they show that steep decline it's prudent for us to be looking to level that decline out so that we don't lose money on it

Ralph Steel - one of the issues brought up with the new ferry was being imagined was that one of the problems with the chief is because of its age dry dock costs were escalating and that having a new ferry would likely make dry dock costs not continue to escalate is that included in your calculation. Restate question real quick -- with a new ferry there's an assumption that dry dock costs won't cost this much or repairs in general may not cost as much and is that in this calculation

First off this calculation is through 2026 - we will not have a new ferry by then and we need a ferry to keep operating until then we can't bridge the gap with the foot ferry if we don't have money to do the repairs and if this results in some kind of fare change in the future with the new ferry then that's great

that's part of why we've rewritten the code to look at this every year and see where we're at with things but the reality is right now this is a trend without anything happening the trend is downward one more question

Todd L. I'm going to assume that you didn't actually find \$3.6 million in a shoe box in Satpal's office that it actually came out of a different fund

I think that will be addressed shortly

So once again without comparing the two this is where we're at the newly calculated fare box projects that we'll have still have still a fare box surplus of \$150,000 at the end of 2024 that's with no fare increase that \$150,000 is about the farebox contribution to one month's worth of operating expenses for the ferry so a lot of times people in business will talk about how much they need in reserve as Todd had mentioned before they may put 15% or something like that just for a little guidance on this slide I put in a line for three months and six months of expense reserve really and that's what these two lines in here are they are intended to help give guidance to those who want to be looking at these about maybe where farebox deficit and reserve --

where that balance should be. I don't think that operating it as zero don't think anybody likes living paycheck to paycheck but that's why there's some guidance in here on that expenses that I use for this I used a three-year rolling average so that it wouldn't be wouldn't spike any one year because of this or drop any year because we didn't take the boat out or something like that so those are kind of the guidelines you can see that as of 2022 I should say part way through 2022 will drop down below this \$792,000 which is the six month and end by the end of 2023 we're expected to have that three month's worth as the reserve and keep in mind we're starting 2022 with \$1,000,000. Todd's next question about where the money came from where the money came from and where the money is it's been a big question I know because if you call the Whatcom county treasurer and you ask what the ferry fund balance is for 2022 Steve - sorry - Mr Oliver will let you know that there was \$2.1 million of cash in the ferry fund now that \$2.1 million is attributable to two different pots of money combined one of them is fare box we've already talked about it the \$1 million of fare box that you all have over contributed to the fund the other is \$1,000,000 of road fund that has been over contributed to the fund

Ralph Steel -

A month ago we were told that the road fund had over contributed 3 million dollars that was 1.5 million 2006/7 initial contribution over contribution to get the 4500 another 1.5 million and that three million in the bank deficit for the fair box doesn't million and that offset to get 2.1 million load fund one of the other difference

Randy - yeah the way the numbers work out is if there's \$2 million in the fund and the farebox has not collected -- to use old numbers and I don't really want to go back to old numbers because this is what it is -- but to use old numbers if the fare box goes below 0 which in the old calculation- it was well below zero was \$1,000,000 below 0 - no one else contributed money to that other than the road fund - that's a million dollar loan essentially on top of \$2 million of cash in the fund that's where the \$3 million number came from at that time so

Ralph -- going forward proposal is to have both funds cash go to revenue into the very fund

Randy -- no going forward it is public works intent to remove the excess road fund contribution because the way this fund is intended to work is that you all should be able to look at it and see what the balance is and know that that is the balance that came from fares and the road fund has the money to be able to contribute on a moments notice their 45%

Ralph - so from the financial accounting perspective

Mary -- OK you know what Ralph I really do appreciate your questions and maybe you guys can talk about that later but we do need to move on because we have other things we have a really good take this much time

So what we have here in this graph is a look at where the cash goes and as I mentioned the road fund was - it's the road funds intent to pull out that excess contribution that they have made and pay in just the 45% for that ATOE calculation that is required of them because it gets too confusing when the road fund access cash is commingled in that fund we don't plan on doing it all this year if it comes out by 2024 what we will have is we will have that fund will work like it's supposed to you can look at the cash balance and know that that's the excess of fares and as it starts to get low that something is needed in terms of the fare increase it'll be a a bright line so that looked kind of bad right I don't know if you saw that last one 2025 that that's where cumulative farebox is going so if we look and say let's perhaps imagine a 15% increase in 2024 and a 10% increase in 2025 and a 10% increase in 2026 what we get there is we get this trend to start to level out and we don't go negative and those are much more moderate increases if prescribed we don't know what will happen in 2025 we don't know what ridership will do we may have to adjust it you may have to adjust it it may have to be adjusted and it can be adjusted because it can be looked at every year that kind of modeling of 15/10/10 provides a baseline fair box reserve for right now we don't know what it will look like in the future all we can do is say where might it go to help give the island a sense of what they can expect because they can't stay 0

so I think that's all that I have OK

Mary - take one or two quick questions and then we'll need to move on

Todd - I appreciate the point about the reserves amount

what did you use to determine that because I know there's the government accounting Standards Board that sets certain ideas about whether you should have 90 days or a certain amount based on the type of fund that it is did you use those rules or did you where did you come up with the three and six months

Randy - I did not use I put them in purely as a baseline because I know that a lot of people have business experience and business experience tends to yield a three to six month as a minimum the question from Todd was just about whether the government standard had been utilized to come up with these three month farebox goals and six month farebox goal monies dashed lines in here and that know those lines were just based off of some business practices perfectly

Ralph - any about updates on dolphins and about ARPA

Randy - ARPA not my deal it's the council and the executives so I don't have an update on that and I'm not sure what an update on dolphins would be

Mary - They had a council meeting yesterday and they were put on hold as far as so there was no ARPA funds allocated to the ferry fund as of yet primarily because of this new information at least that was from Todd Donovan. Todd do you want to speak to that anymore (he's online don't know if you can hear me - Todd did you wanna speak to whether or not ARPA funds will be available or is that for a further date

Mary - OK so we won't worry about that right now

Steve T. - Looking at the chart and where your peak is and where it start to fall coincides with COVID and two years' worth of lost ridership which would then be covered by the ARPA so really a unusual situation various signs for central services only so it's actual with a deficit should cover that which would even up that and

Mary - Randy thank you really appreciate the presentation and hopefully that provided a lot of clarity with exactly where we are

Rich Frye - a couple of questions about the assumptions that you're making in these charts which we've been seeing for so many months now and in particular since these are probably going to be tied to some kind of fare increase sometime in the next few years could you clarify for us what the assumptions are we're making about 1. how ridership is going to change whether there's a price change or not simply due to the end of COVID and 2. what assumptions you're making about consumer response to fare increases should they come about there's a footnote in your earlier chart that suggested that your assumption is that price increases will have no effect whatsoever on consumer behavior. Is that still the case?

Randy - I have not modeled in an increase in ridership so the ridership because the COVID's done and the other was ridership going down because fares are increasing I have not modeled either of those things in those are beyond my modeling capabilities to know to make any assumptions either way so I have modeled this as 2023, 2024, 2025 with the same ridership as 2022 best we can get

PROPOSED TASK FORCE for NAMING the REPLACEMENT FERRY
Submitted by Mike McKenzie, Lummi Island Ferry Advisory Committee
3/7/23 at LIFAC monthly public meeting

1. The intent is to involve all sectors of stakeholders in naming the replacement vessel for the Whatcom County/Lummi Island ferry.
2. LIFAC would create a task force involving the various stakeholder sectors that would gather suggestions for the new ferry's name from within the areas they represent.
The groups would submit suggested names (one or two recommended) from consensus within their group. LIFAC would select a name from the suggestions for its recommendation in advising County Council.
3. I recommend that the task force comprise the following representative stakeholder groups that would report the group's suggestion(s) to LIFAC:
 - LIFAC (which includes 2 members w/ off-island representation)
 - Lummi Island Community Association (LICA)
 - Lummi Nation (through LIBC, its Business Council)
 - Whatcom County Fire District 11 (Lummi Island)
 - Whatcom County Public Works
 - Lummi Island Ferry Crew
 - Bellingham Regional Chamber of Commerce
 - Other possibilities:
 - Any of the other 7 Chambers of Commerce in the County (e.g., Ferndale, Birch Bay, *et al*)
 - Outside of the task force, I volunteer to write a letter to specific vendor/ service companies that use the ferry on a regular basis such as propane providers, SSC (trash/recycling), FedEx & UPS & USPS, Ferndale School District, Puget Sound Energy.
 - Any other suggested sectors.....
4. Each sector would decide on its own method for gathering suggestions (*i.e.*, who they involved, how suggestions are solicited, etc.)

LIFAC's only involvement would be to invite selected representative stakeholders onto the Task Force and then collect their respective submissions for consideration in making a final recommendation to County Council.