

**RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS
WEDNESDAY, JULY 6, 2005**

***T 9:00 a.m. – 10:00 a.m.** Public Hearing – Modification to the M/V Guemes Island Ferry Rates

The Skagit County Commissioners met in regular session on Wednesday, July 6, 2005, with Commissioners Don Munks, Kenneth A. Dahlstedt and Ted W. Anderson present.

PUBLIC HEARING – MODIFICATION TO THE M/V GUEMES ISLAND FERRY RATES.

Public Works Director Chal Martin stated that the ridership figures previously presented for July and August were in error as they were compiled using data from 2001-2004. It was reported that summertime ridership was only 4% higher than at other times. Mr. Martin said the actual figures show a significant increase in July and August that exceeds the average by approximately 40%.

Mr. Martin said a proposal is before the County Commissioners that would generate an increase in fares for the Guemes Island Ferry of about \$200,000 per year. He emphasized that even with the fare increase; expenses continue to exceed revenues by a large amount, clear into the future. He presented several charts/graphs showing total ridership, future revenue estimates, operational expenses and a rate proposal. Mr. Martin indicated that the methodology for the proposed increases involved recouping the \$200,000 by establishing higher fares for frequent user passes.

Chairman Munks opened the public hearing.

Bob Cromack of Guemes Island inquired about the steep spike that appears on the Guemes Island Ferry Expense vs. Revenue chart for 2003-2004. Chairman Munks said the Public Works Department would be able furnish the information for him.

Glen Veal, 4453 Edens Road, Anacortes, presented a summary of information, which was given to Commissioners Munks and Dahlstedt recently. He said the packet of information was also left at the office for Commissioner Anderson.

Mr. Veal urged the Board to base their decisions on facts. As a result of hard work and many efforts on the part of the Guemes Island Ferry Committee, there is a resolution in place that defines how fares are to be recovered. It also identifies the procedure and expenditures that are to be included. Mr. Veal stated that Mr. Martin presented information that is flawed as the numbers are incorrect. He provided a document stating that if any fare model and recovery expenditures exceed the direct operating costs, it would preclude the possibility of Federal funding. Mr. Veal said there is a bill in Congress at this time which deals with improvement to transportation and it is possible that Washington State could be awarded funding for ferry improvements.

According to Mr. Veal, Guemes Islanders are not against a fare increase if it is based on information and facts that can be agreed upon. He believes the Ferry Committee has numerous members with a large amount of information to share that would like to be part of the process.

Al Millikan, 4929 S. Shore Drive, Anacortes, said he and his wife support everything that Mr. Veal has spoken about today. He said the Ferry Committee is a vital part of the community and he asked the Board to work carefully with them to resolve what they consider to be a very important issue for the islanders. Mr. Millikan questioned the figures used for the rate increase, as well as the addition of a fourth crew member.

Bob Anderson, 6966 Holiday Boulevard, Anacortes, asked questions about issues of fairness and democracy. He said he and other islanders have regretfully concluded that the Commissioners don't believe their own talk about democracy on Guemes Island despite all the assurances to the contrary. Mr. Anderson advised the Board to follow Mr. Veal's excellent suggestions.

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Carl Cady, 6185 Section Avenue, Guemes Island, asked to clarify several points. He suggested looking at what other counties are doing with their ferry operations and gain knowledge from them when setting fares and amending or updating procedures. Mr. Cady said you can glean ideas from other people, massage them a bit and make them fit your circumstance.

Vic Schultz, 6900 Channel View Drive, Guemes Island, spoke about his analysis of the fare proposal. He said he resents the whole closed-door approach to the rate increases.

Mr. Martin indicated that the resolution that is currently in place is flawed and needs to be changed. He said the County has tremendous capital expenses associated with the ferry and the money has to come from somewhere. He agrees that the roundtable process has been worthwhile and needs to continue. The revenue vs. expense is so far out of balance that action needs to be taken immediately. Mr. Martin said that he is concerned about a 216% total increase for frequent users, which is why he didn't propose more of an increase. This proposal recovers most of the increased revenue strictly from frequent users.

Mr. Martin made mention of the study that was done, which resulted in a resolution. At the time the resolution was put into place, it was the intention of the Board to move forward in good faith with the public process. However, Mr. Martin feels the resolution needs a mid-course correction. He said an issue was raised about the increase of vehicles being parked on the Anacortes side, which is a concern because only limited parking is available. Mr. Martin also responded to comments that were made regarding the services that are provided on Guemes Island.

Commissioner Anderson asked several clarification questions, which were answered by Mr. Martin.

Commissioner Dahlstedt stated that when committees are formed, they should be given respect with regard to the information they provide as it is important to learn from others. Commissioner Dahlstedt said staff won't be making a decision on this issue; that would be up to the County Commissioners.

Chairman Munks thanked everyone for attending the public hearing. He stated that written comments would be accepted until 4:30 on Friday, July 8, 2005.

Commissioner Dahlstedt motioned to close the public hearing. Commissioner Anderson seconded the motion, which passed unanimously. The public hearing was closed.

ADJOURNMENT.

Commissioner Dahlstedt made a motion to adjourn the proceedings. Commissioner Anderson seconded the motion, which passed unanimously.

**BOARD OF COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Don Munks, Chairman

Kenneth A. Dahlstedt, Commissioner

Ted W. Anderson, Commissioner

ATTEST:

JoAnne Giesbrecht, Clerk of the Board
Skagit County Board of Commissioners