

Guemes Island Ferry

2009-2010 Operations Status Report



September 2010
Skagit County Public Works



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1. Overview of the Guemes Island Ferry System & Facilities

The Guemes Island Ferry operates 7 days a week, 365 days a year between Anacortes and Guemes Island. Skagit County has operated the ferry since the early 1960's when it was purchased from a private operator. The vehicle and passenger ferry M/V Guemes is a US Coast Guard inspected vessel and is rated for 3 crew, 99 passengers, and 22 vehicles. We transport approximately 200,000 vehicles and 400,000 passengers a year. The ferry crossing is $\frac{3}{4}$ of mile in distance and a round trip takes approximately 20 minutes to complete.

The M/V Guemes was built in 1979 by Gladding Hearn shipyard in Somerset, Massachusetts. She was delivered and put into service in 1980. The M/V Guemes has been well maintained with a regular preventative maintenance program that has kept the vessel in good condition. At all times Skagit County has in storage one spare main engine and one spare propulsion unit, as well as 2 spare propellers. Each time an engine, propulsion unit, or propeller is replaced, the old one will be sent out to be refurbished and then stored at the County Road Shop as a spare for the next replacement.

The current dock facilities were built in 1980 after the M/V Guemes was put into service. The dock structures have had minimal maintenance over the last 30 years and, as a result, they are in need of major work. A dock rehabilitation project for both docks is scheduled to begin in the spring of 2011. The bridge mechanical, electrical, and hydraulic systems have been well maintained over the years keeping the bridges operational.

The ferry division has 21 employees to include 1 full-time senior master/ manager, 1 full-time mechanic/deckhand, 7 regular full-time, 3 regular part-time, 4 part-time, and 5 on-call positions. The US Coast Guard Certificate of Inspection requires that the vessel be manned with 3 persons while underway. This is to include 1 Captain and 2 Deckhands. The Guemes Island Ferry operates with a base 3-person crew to include 1 Captain, 1 Deckhand, and 1 Purser (who is also a deckhand while the vessel is in transit). All employees are represented by the Inland Boatman's Union.

The Guemes Island Ferry operates Monday through Thursday, 6:30am to 8:30pm, Friday and Saturday, 6:30am to 11:00pm, and Sunday, 8:00am to 8:00pm per Resolution R20080556 signed by the Board of County Commissioners the 16th of December, 2008. The current sailing schedule, which went into effect March 3rd, 2009, is included in Section 2 of this report.

The Fare Schedule for the Guemes Island Ferry was established per Resolution R20080577, signed by the County Board of Commissioners the 23rd of December, 2008. The current fare schedule is included in Section IV of this report. Resolution R20100050, signed by the County Board of Commissioners on February 16th, 2010, established the methodology for calculating the Guemes Island Ferry Ticket Fares.

2. 2009-2010 Regular Ferry Service Sailing Schedule

GUEMES ISLAND FERRY SCHEDULE

Anacortes Departure Times

Effective 3/1/09

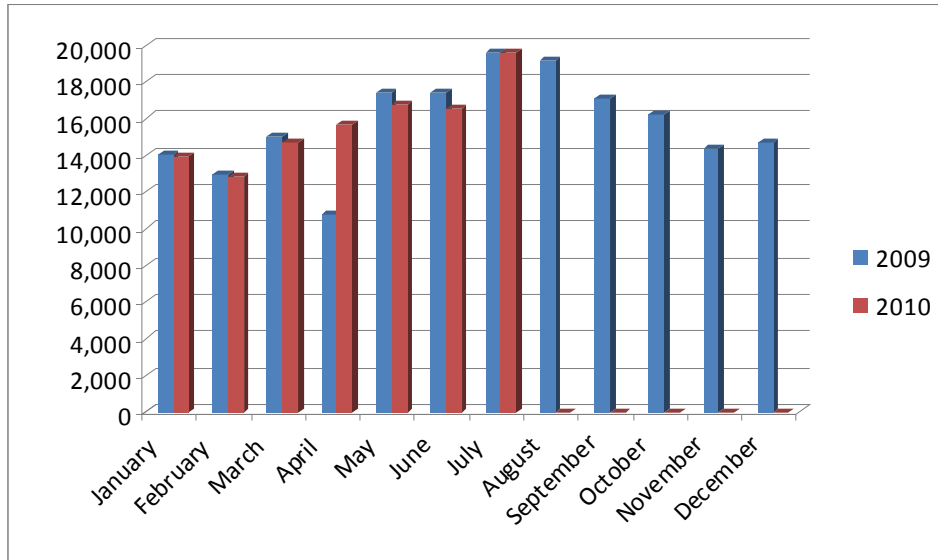
PHONE: (360) 293-6356

Mon-Thurs.	Friday	Saturday	Sunday
6:30 AM	6:30 AM	6:30 AM	
7:00 AM	7:00 AM	7:00 AM	
7:30 AM	7:30 AM		
8:00 AM	8:00 AM	8:00 AM	8:00 AM
8:30 AM	8:30 AM		8:30 AM
		9:00 AM	9:00 AM
9:15 AM*	9:15 AM		
9:45 AM	9:45 AM		
10:15 AM	10:15 AM	10:00 AM	10:00 AM
10:45 AM	10:45 AM	10:45 AM	10:45 AM
11:15 AM	11:15 AM	11:15 AM	11:15 AM
1:00 PM	1:00 PM	1:00 PM	1:00 PM
1:30 PM	1:30 PM	1:30 PM	1:30 PM
2:00 PM	2:00 PM	2:00 PM	2:00 PM
2:30 PM	2:30 PM	2:30 PM	2:45 PM
3:15 PM	3:15 PM	3:15 PM	3:30 PM
4:00 PM	4:00 PM	4:00 PM	4:00 PM
4:30 PM	4:30 PM		
5:00 PM	5:00 PM	5:00 PM	5:00 PM
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6:00 PM	6:00 PM	6:00 PM	6:00 PM
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7:45 PM			
8:30 PM	8:15 PM	8:15 PM	8:00 PM
	9:00 PM	9:00 PM	
	10:00 PM	10:00 PM	
	11:00 PM	11:00 PM	

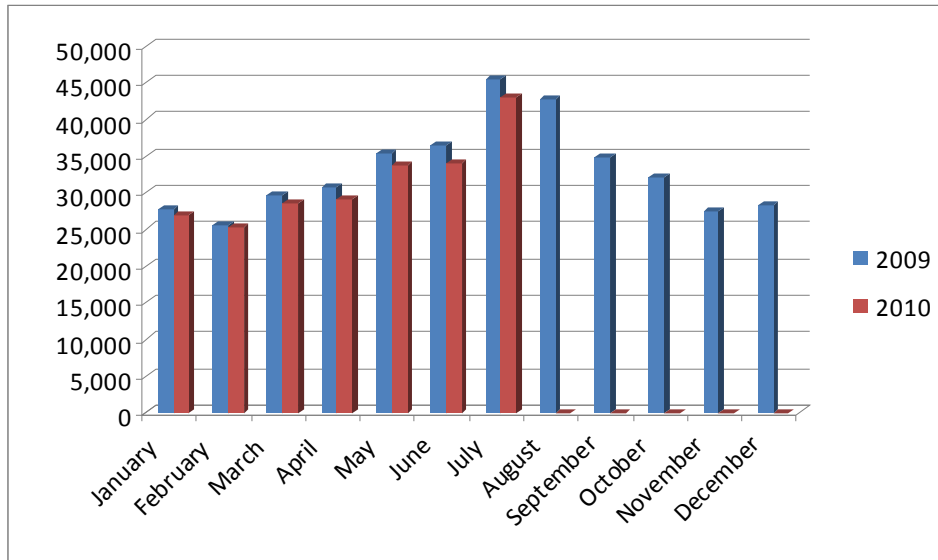
3. Passenger & Vehicle Ridership Summaries

2009 – 2010 Ridership

VEHICLES

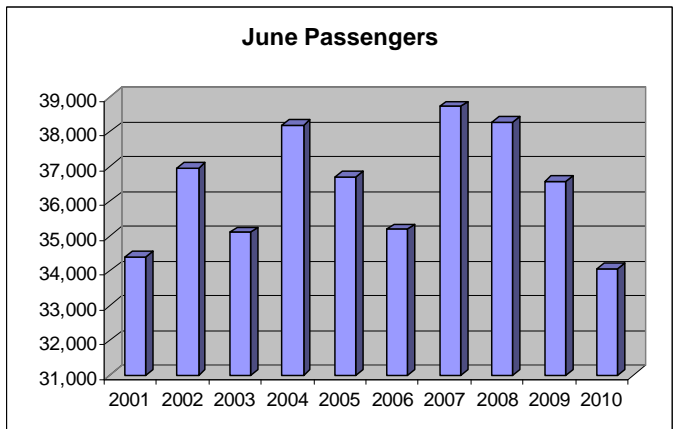
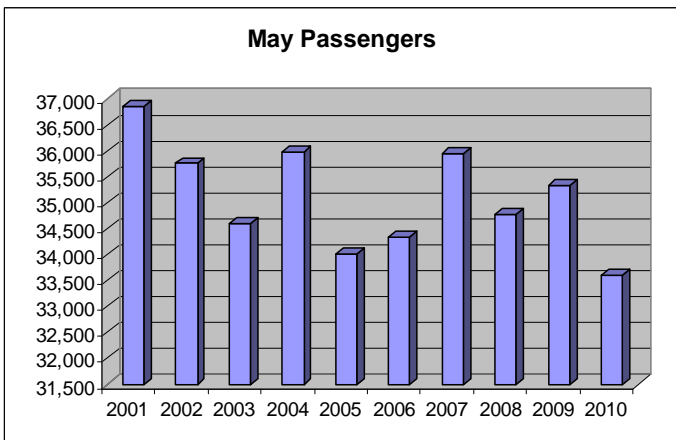
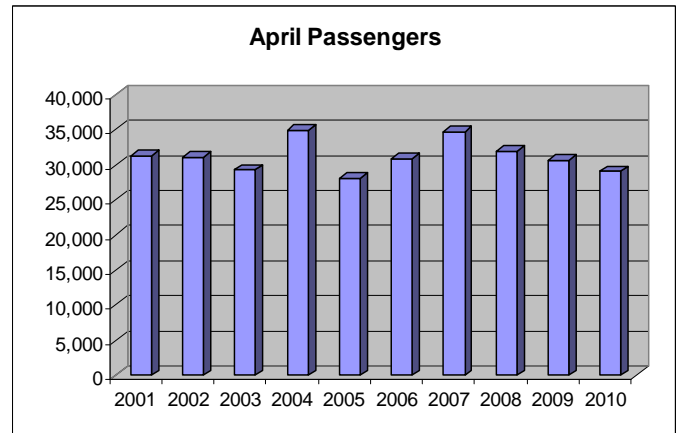
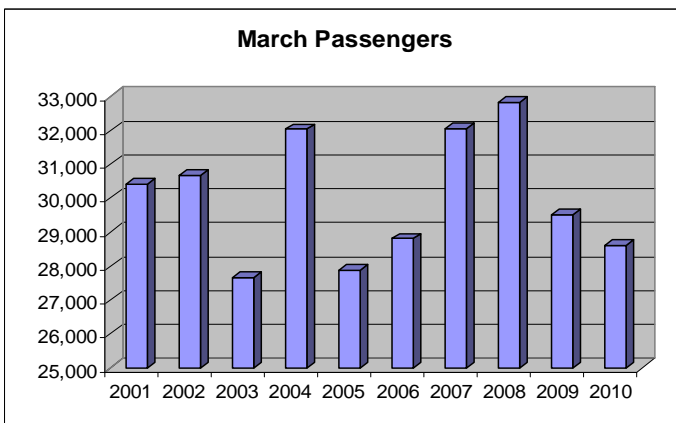
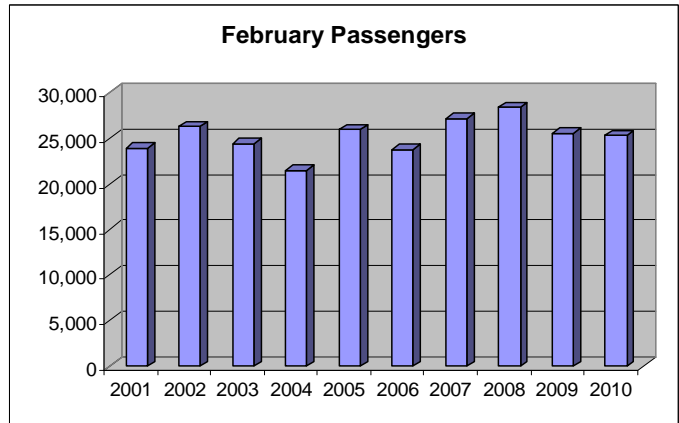
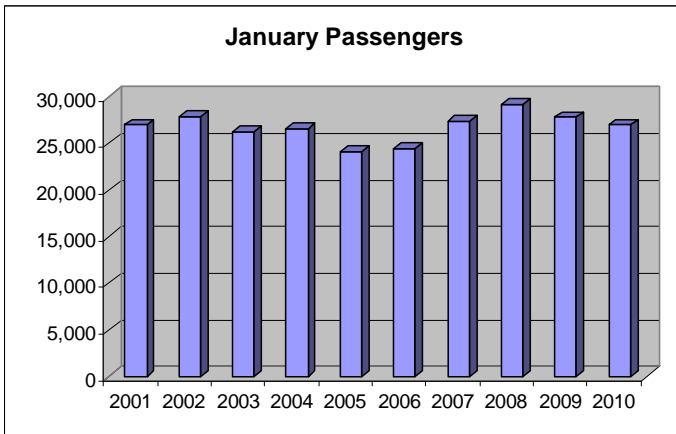


Passengers



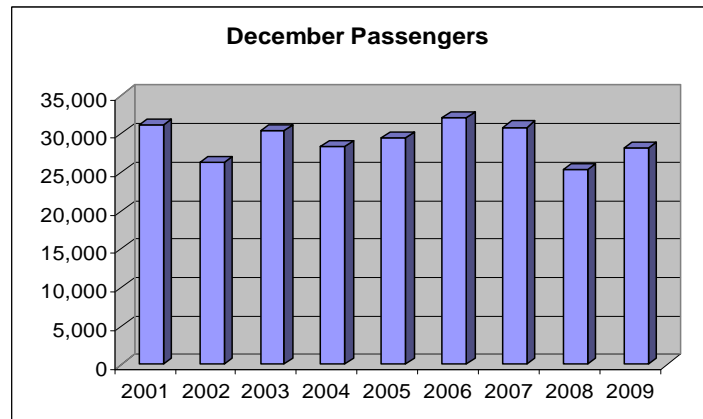
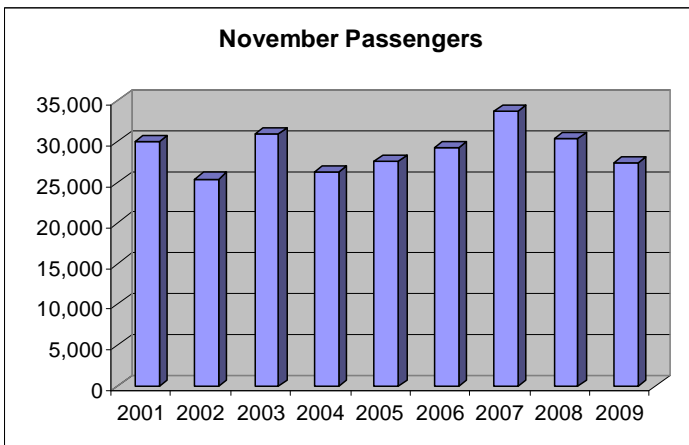
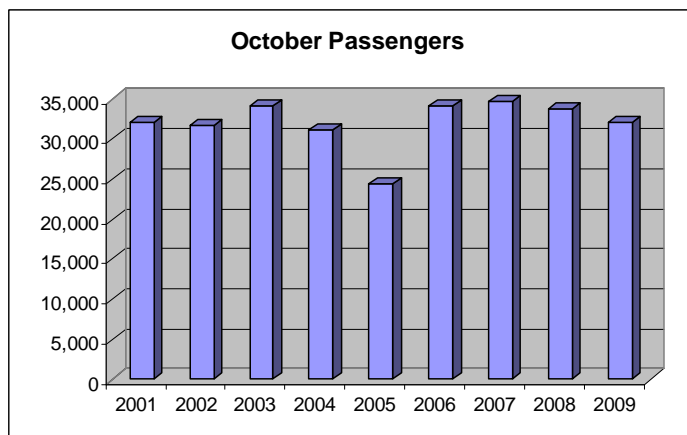
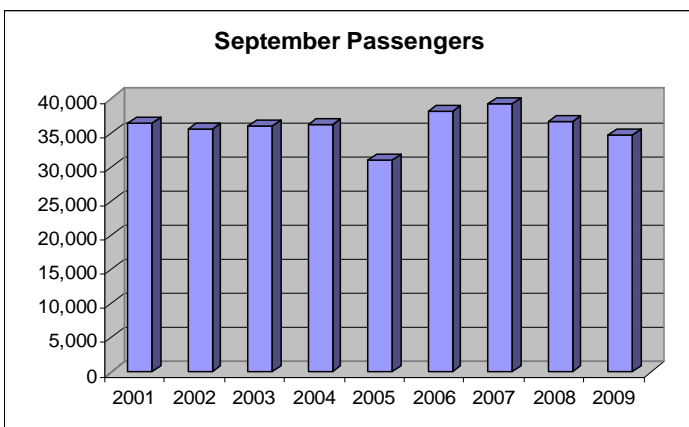
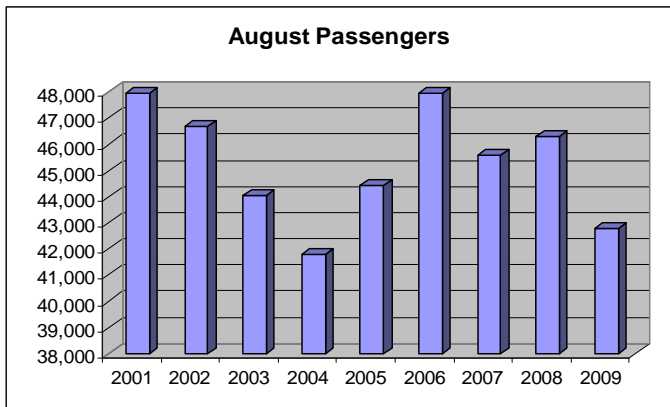
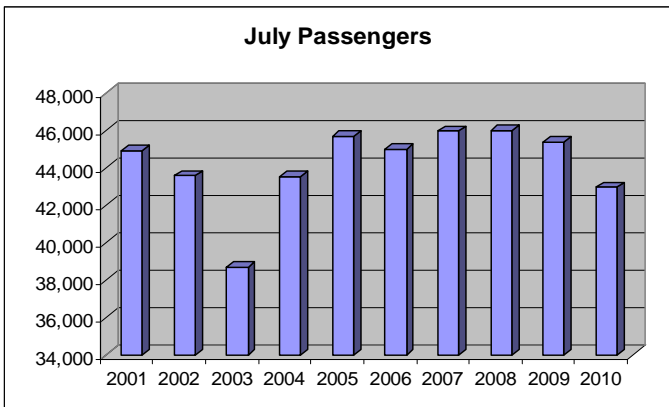
* All ridership numbers based on United States Coast Guard counts.

MONTHLY PASSENGER RIDERSHIP



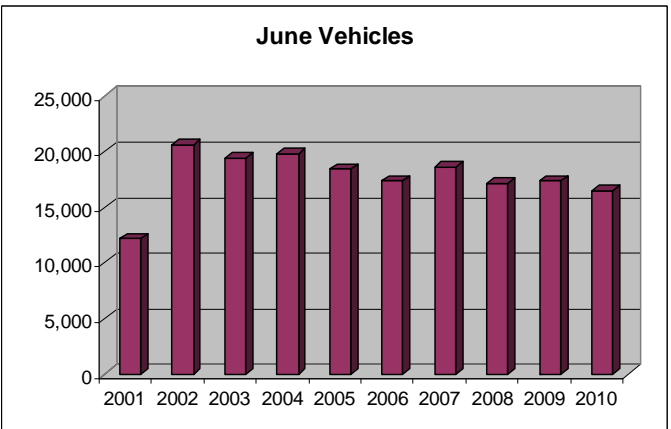
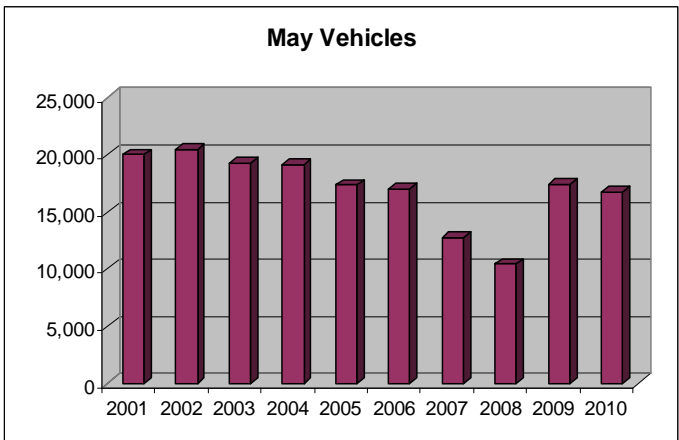
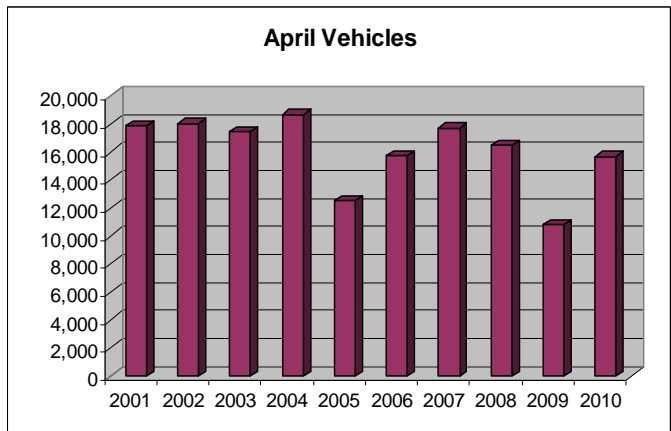
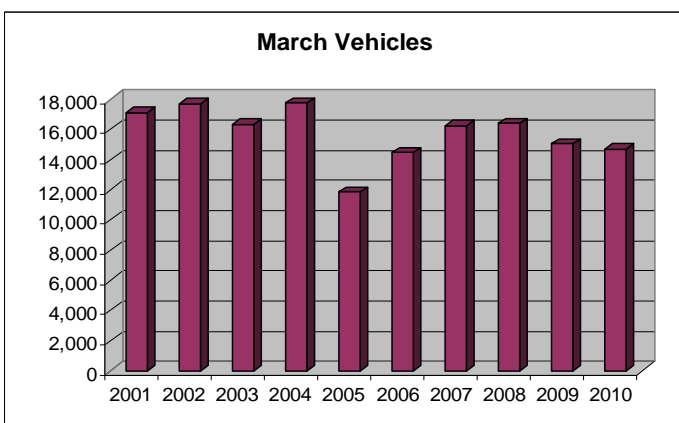
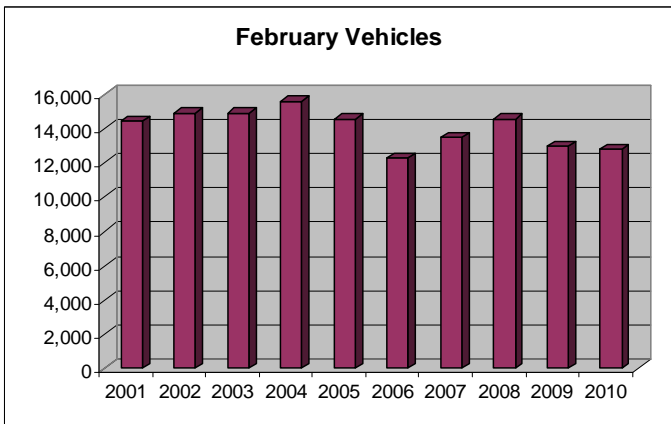
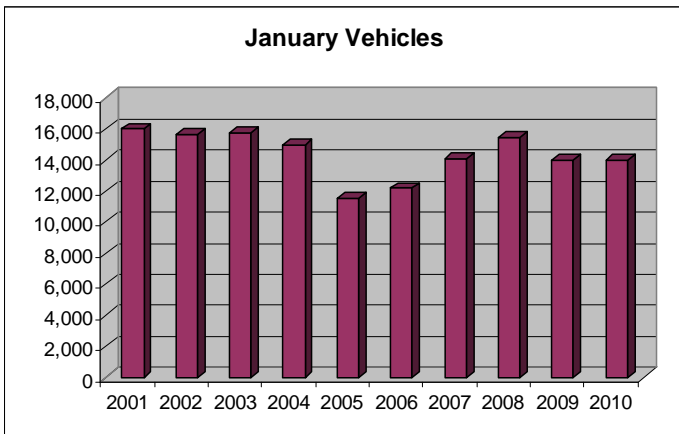
*All ridership data based on United States Coast Guard counts.

MONTHLY PASSENGER RIDERSHIP



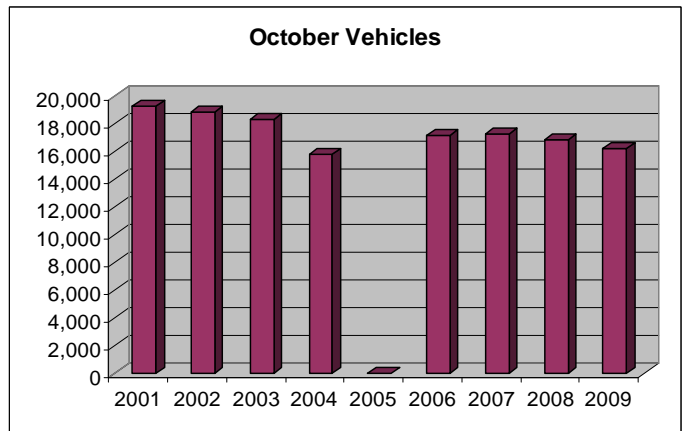
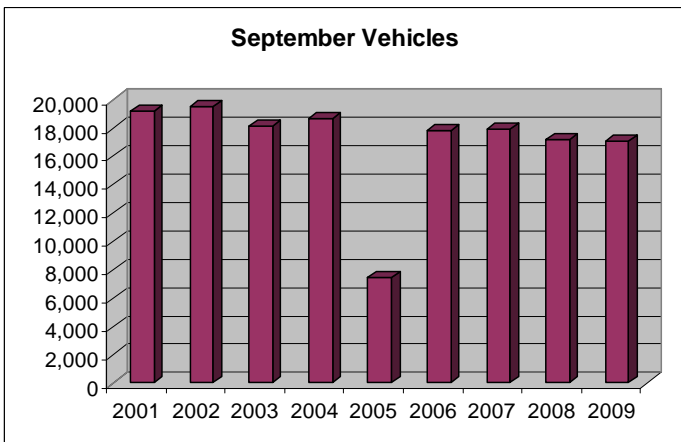
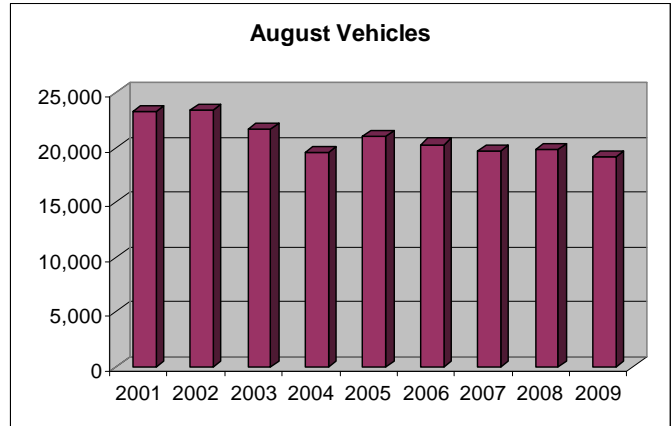
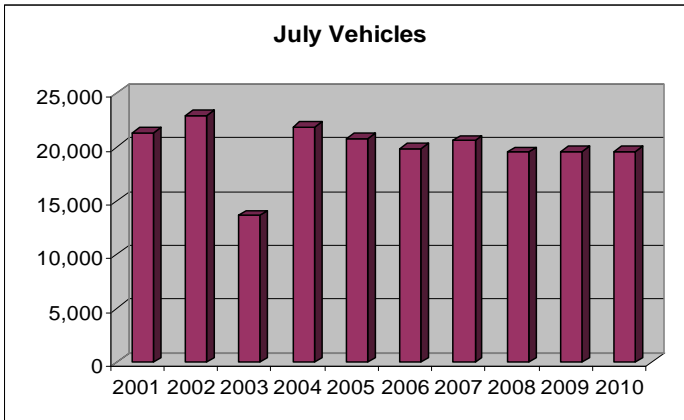
*All ridership data based on United States Coast Guard counts.

MONTHLY VEHICLE RIDERSHIP

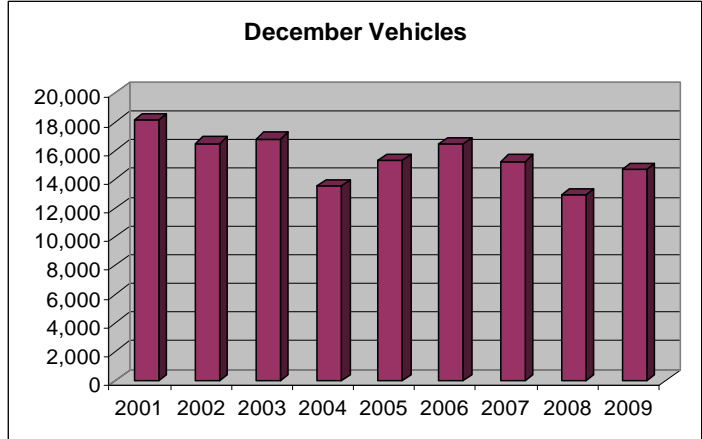
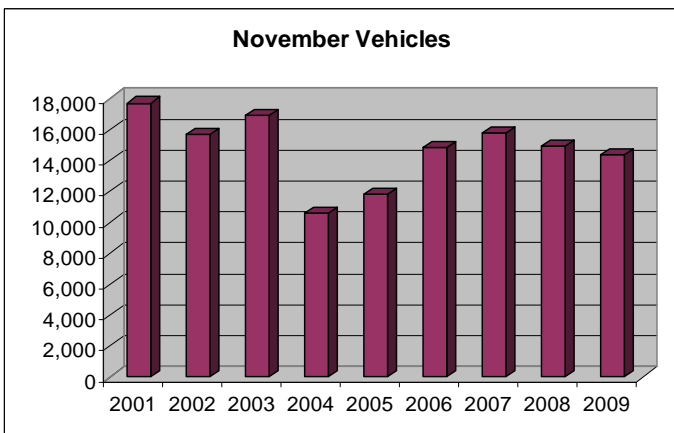


*All ridership data based on United States Coast Guard counts.

MONTHLY VEHICLE RIDERSHIP



*There is no vehicle ridership shown for October 2005 due to a haul-out that lasted longer than anticipated.

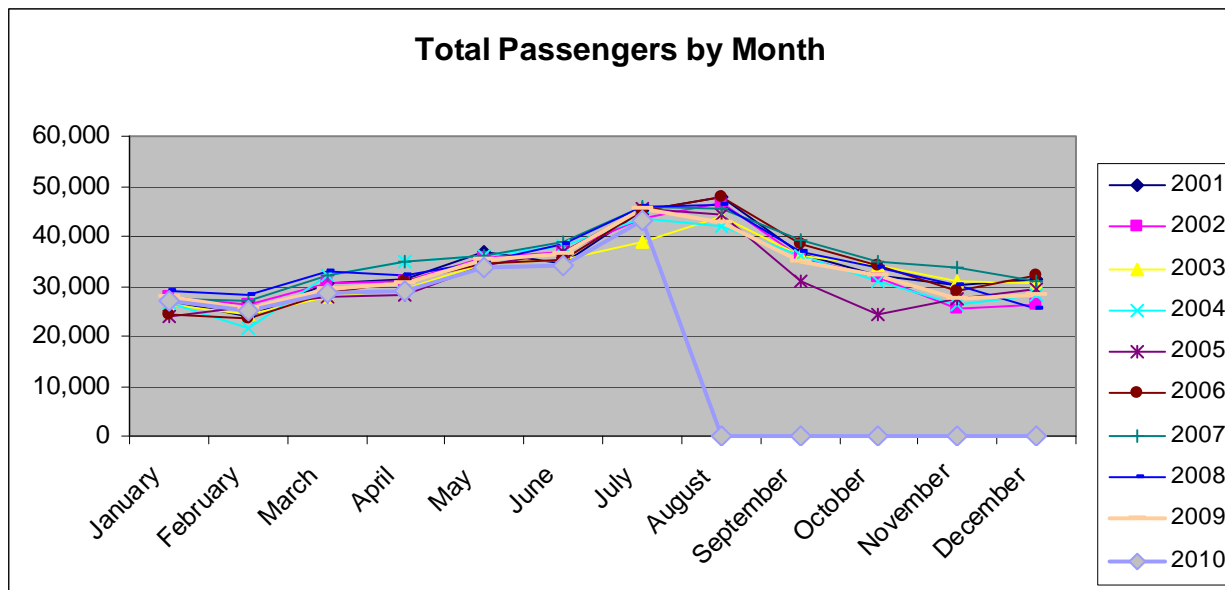


*All ridership data based on United States Coast Guard counts.

Total Ridership 2001 – 2010

TOTAL PASSENGER RIDERSHIP JANUARY 2001 – JULY 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
January	26,981	27,855	26,312	26,545	24,117	24,448	27,348	29,183	27,793	27,005
February	23,888	26,289	24,468	21,517	25,983	23,716	27,220	28,410	25,588	25,287
March	30,421	30,665	27,657	32,041	27,890	28,803	32,067	32,837	29,506	28,616
April	31,380	31,131	29,306	35,030	28,088	30,962	34,802	32,029	30,727	29,104
May	36,861	35,757	34,605	35,971	34,007	34,345	35,957	34,785	35,332	33,597
June	34,397	36,958	35,110	38,182	36,707	35,189	38,727	38,283	36,583	34,054
July	44,917	43,583	38,683	43,552	45,673	45,010	45,963	46,021	45,404	42,968
August	47,933	46,709	44,030	41,791	44,425	47,966	45,603	46,285	42,773	0
September	36,382	35,654	35,992	36,206	31,039	38,271	39,294	36,742	34,745	0
October	32,139	31,782	34,214	31,155	24,493	34,195	34,735	33,783	32,173	0
November	30,002	25,424	30,904	26,337	27,525	29,194	33,793	30,317	27,328	0
December	31,257	26,321	30,440	28,400	29,517	32,094	30,917	25,404	28,239	0
Total	406,558	398,128	391,721	396,727	379,464	404,193	426,426	414,079	396,191	220,631

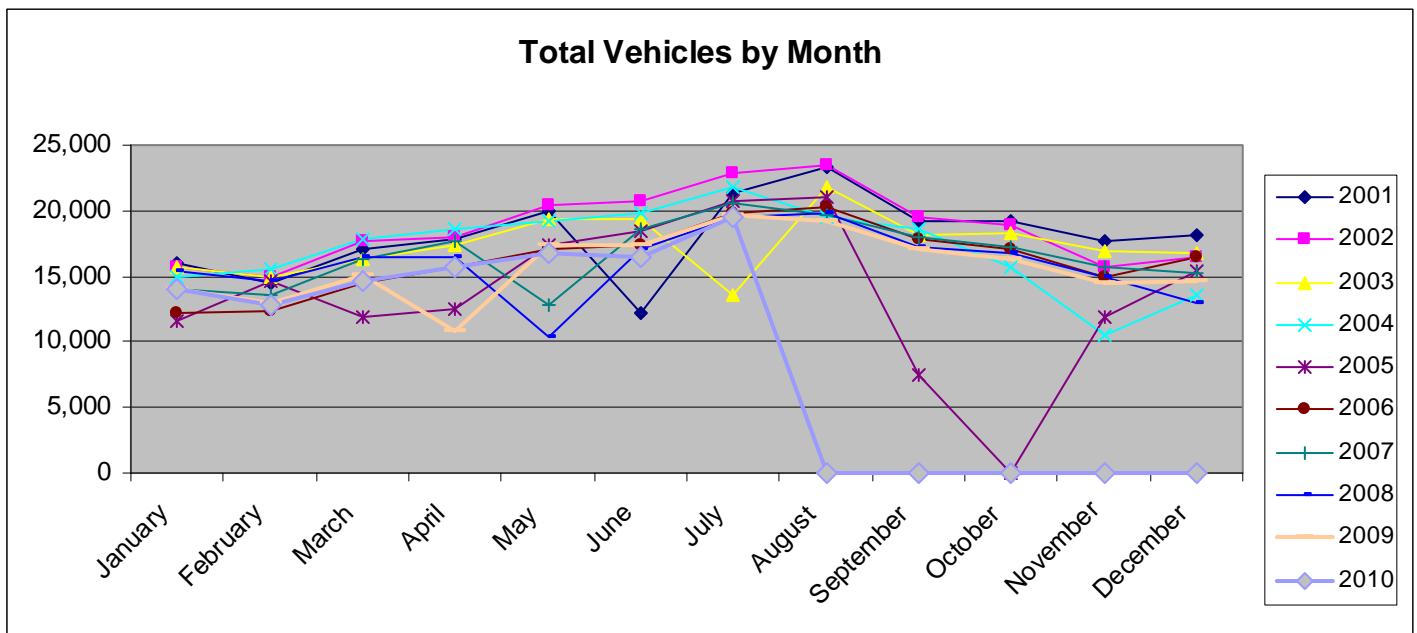


*All ridership data based on United States Coast Guard counts.

Total Ridership 2001 – 2010

TOTAL VEHICLE RIDERSHIP JANUARY 2001 – JULY 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
January	16,002	15,689	15,767	14,990	11,575	12,177	14,074	15,450	14,022	13,971
February	14,444	14,905	14,907	15,604	14,603	12,289	13,511	14,609	12,968	12,802
March	17,106	17,722	16,329	17,761	11,839	14,458	16,245	16,422	15,034	14,699
April	17,879	18,041	17,436	18,651	12,497	15,725	17,734	16,464	10,794	15,639
May	20,010	20,471	19,321	19,146	17,371	17,021	12,738	10,421	17,381	16,763
June	12,188	20,657	19,401	19,779	18,429	17,354	18,625	17,118	17,372	16,529
July	21,354	22,907	13,643	21,845	20,789	19,853	20,579	19,507	19,630	19,569
August	23,264	23,421	21,737	19,540	20,997	20,292	19,714	19,768	19,142	0
September	19,187	19,573	18,115	18,641	7,456	17,867	17,949	17,221	17,128	0
October	19,244	18,901	18,293	15,753	0	17,126	17,293	16,823	16,260	0
November	17,736	15,681	16,944	10,575	11,857	14,870	15,760	14,956	14,413	0
December	18,165	16,516	16,830	13,579	15,360	16,494	15,275	12,884	14,708	0
Total	216,579	224,484	208,723	205,864	162,773	195,526	199,497	191,643	188,852	109,972



*All ridership data based on United States Coast Guard counts.

4. 2009-2010 Ferry Fare Schedule

GUEMES ISLAND FERRY FARES

Effective January 1, 2009

VEHICLE		Winter Fare	Summer Fare
Cash Fares	Vehicle & Driver	\$7.00	\$9.00
(20ft & under including overhang)	Senior (65 yrs.+)/Disabled	\$6.00	\$7.50
	Motorcycle	\$4.00	\$6.00
	Motorcycle with trailer	\$7.00	\$9.00
	Motorcycle, Senior (65 yrs.+)/Disabled	\$3.00	\$4.50
	Motorcycle with trailer (65 yrs.+)/Disabled	\$6.00	\$7.50
Multi-Ride Vehicle	VALID FOR THE CALENDAR YEAR PURCHASED:		
Punch Cards	10 Trip Vehicle & Driver	\$63.00	
	10 Trip Vehicle & Driver-Senior/Disabled	\$54.00	
	10 Trip Motorcycle	\$36.00	
	10 Trip Motorcycle-Senior/Disabled	\$27.00	
	NON-TRANSFERABLE MONTHLY VEHICLE (VALID FOR MONTH PURCHASED):		
	23 Trip Monthly Vehicle & Driver	\$129.00	
	23 Trip Monthly Motorcycle	\$74.00	
PASSENGER			
Cash Fares	Adult Passenger	\$2.00	\$3.00
	Senior (65 yrs.+)/Disabled/Youth (6-17yrs.)	\$1.00	\$1.50
	Age 5 & Under		FREE
	Adult w/ Bike	\$3.00	\$4.00
	Youth/Senior w/ Bike	\$2.00	\$3.00
Multi-Ride Passenger	VALID FOR THE CALENDAR YEAR PURCHASED:		
Punch Cards	25 Trip Adult	\$45.00	
	25 Trip Senior (65 yrs.+)/Disabled/Youth (6-17yrs.)	\$23.00	
	NON-TRANSFERABLE MONTHLY PASSENGER (VALID FOR MONTH PURCHASED):		
	23 Trip Monthly Passenger	\$37.00	
OVERSIZE VEHICLE			
Cash Fares	Vehicle over 20 ft to less than 25 ft	\$10.00	\$12.00
	Vehicle over 25 ft to less than 30 ft	\$15.00	\$17.00
	Vehicle over 30 ft to less than 35 ft	\$20.00	\$22.00
	Vehicle over 35 ft to less than 40 ft	\$26.00	\$28.00
	Vehicle over 40 ft to less than 45 ft	\$33.00	\$35.00
	Vehicle over 45 ft to less than 50 ft	\$41.00	\$43.00
	Vehicle over 50 ft to less than 55 ft	\$50.00	\$52.00
	Vehicle over 55 ft to less than 60 ft	\$59.00	\$61.00
	Vehicle over 60 ft to less than 65 ft	\$70.00	\$72.00
	Each 5 ft increment over 65 ft	\$4.00	\$4.00
	Over width charge (over 8 ft, 6 in)		Double Length Charge
MISCELLANEOUS			
Cash Fares	Extended Run (1 run at end of day) plus fare	\$100.00	
	Guemes Special (crew call out) plus fare	\$315.00	
	Charter Rate (3 hr min) plus fare	\$1,000.00	
	\$ per hour, each additional hour	\$325.00	

5. Ferry Ticket Sales Summary / Revenue

TICKET SALES SUMMARY (January 2005 – August 2010)						
	2005	2006	2007	2008	2009	2010
# Of C&D & Mtcy Freq User Passes	57,620	22,490	19,500	32,430	44,223	32,427
# Of Cash C&D Tickets	19,313	64,384	67,974	49,491	44,034	28,349
# Of Cash Motorcycle Tickets	307	595	605	742	820	503
# Of Oversize Vehicle Tickets	5,117	7,171	6,986	6,569	6,173	4,407
Total Vehicle Tickets Purchased	82,357	94,640	95,065	89,232	95,250	65,686
# Of Passenger Freq User Passes	55,080	24,780	20,880	27,355	40,437	30,978
# Of Cash Passenger Tickets	43,504	62,815	66,899	58,484	58,058	37,970
# Of Bicycle Tickets	979	2,017	1,930	2,144	2,132	1,579
Total Passenger Tickets Purchased	99,563	89,612	89,709	87,983	100,627	70,527
Totals Tickets Purchased	181,920	184,252	184,774	177,215	195,877	136,213

FARE BOX REVENUE 2005-2011	
2005	\$ 476,491.45
2006	\$ 788,509.10
2007	\$ 781,027.67
2008	\$ 827,225.40
2009	\$ 888,285.80
2010 Budgeted	\$ 851,425.00
2011 Projected	\$ 790,658.00

*All ticket counts & fare box revenue are based on actual ticket sales

6. 2009 / 2010 Ticket Sales Revenue

2009

FERRY REVENUE 2009	TOTAL	% of TOTAL
CAR & DRIVER	\$286,910.00	32.30%
SENIOR/DISABLED C&D	\$43,900.50	4.94%
ADULT PASSENGER	\$95,554.00	10.76%
S/D/Y PASSENGER	\$23,427.00	2.64%
ADULT BICYCLE	\$6,039.00	0.68%
S/D/Y BICYCLE	\$1,209.00	0.14%
MOTORCYCLE	\$3,554.00	0.40%
S/D MOTORCYCLE	\$301.50	0.03%
MOTORCYCLE W/ TRAILER	\$0	0%
S/D MOTORCYCLE W/ TRAILER	\$0	0%
MISC	\$3,530.00	0.40%
OVERAGE	\$180.00	0.02%
MONTHLY TRIP CHARGE	\$979.00	0.11%
23 TRIP C & D	\$20,511.00	2.31%
10 TRIP C & D	\$137,781.00	15.51%
10 TRIP SENIOR C&D	\$97,254.00	10.95%
23 TRIP ADULT COMMUTER	\$4,403.00	0.50%
25 TRIP ADULT COMMUTER	\$43,830.00	4.93%
25 TRIP STUDENT COMMUTER	\$12,282.00	1.38%
10 TRIP MOTORCYCLE	\$1,548.00	0.17%
10 TRIP SENIOR MOTORCYCLE	\$567.00	0.06%
23 TRIP MOTORCYCLE	\$148.00	0.02%
TRUCKS < 25 ft	\$35,339.00	3.98%
TRUCKS < 30 ft	\$18,485.00	2.08%
TRUCKS < 35 ft	\$11,578.00	1.30%
TRUCKS < 40 ft	\$16,885.00	1.90%
TRUCKS < 45 ft	\$8,886.00	1.00%
TRUCKS < 50 ft	\$4,661.00	0.52%
TRUCKS < 55 ft	\$2,202.00	0.25%
TRUCKS < 60 ft	\$2,205.00	0.25%
TRUCKS < 65 ft	\$4,030.00	0.45%
TRCH MONTHLY TRIP CHARGE	\$106.80	0.01%
TOTAL	\$888,285.80	100.00%
VEHICLES	\$701,541.80	
PASSENGERS	\$186,744.00	
TOTAL REVENUE	\$888,285.80	

2010

FERRY REVENUE 2010 Jan 1 to Aug 31	TOTAL	% of TOTAL
CAR & DRIVER	\$189,904.00	30.68%
SENIOR/DISABLED C&D	\$29,001.00	4.69%
ADULT PASSENGER	\$63,500.00	10.26%
S/D/Y PASSENGER	\$16,880.00	2.73%
ADULT BICYCLE	\$4,690.00	0.76%
S/D/Y BICYCLE	\$842.00	0.14%
MOTORCYCLE	\$2,344.00	0.38%
S/D MOTORCYCLE	\$144.00	0.02%
MOTORCYCLE W/ TRAILER	\$0	0%
S/D MOTORCYCLE W/ TRAILER	\$0	0%
MISC	\$1,561.00	0.25%
OVERAGE	\$102.00	0.02%
MONTHLY TRIP CHARGE	\$610.50	0.10%
23 TRIP C & D	\$11,481.00	1.85%
10 TRIP C & D	\$102,690.00	16.59%
10 TRIP SENIOR C&D	\$73,332.00	11.85%
23 TRIP ADULT COMMUTER	\$2,257.00	0.36%
25 TRIP ADULT COMMUTER	\$31,095.00	5.02%
25 TRIP STUDENT COMMUTER	\$11,316.00	1.83%
10 TRIP MOTORCYCLE	\$1,368.00	0.22%
10 TRIP SENIOR MOTORCYCLE	\$324.00	0.05%
23 TRIP MOTORCYCLE	\$0.00	0.00%
TRUCKS < 25 ft	\$24,612.00	3.98%
TRUCKS < 30 ft	\$14,256.00	2.30%
TRUCKS < 35 ft	\$9,666.00	1.56%
TRUCKS < 40 ft	\$13,018.00	2.10%
TRUCKS < 45 ft	\$5,927.00	0.96%
TRUCKS < 50 ft	\$3,048.00	0.49%
TRUCKS < 55 ft	\$1,538.00	0.25%
TRUCKS < 60 ft	\$783.00	0.13%
TRUCKS < 65 ft	\$2,576.00	0.42%
TRCH MONTHLY TRIP CHARGE	\$66.60	0.01%
TOTAL	\$618,932.10	100.00%
VEHICLES	\$488,352.10	
PASSENGERS	\$130,580.00	
TOTAL REVENUE	\$618,932.10	

Skagit County Public Works Department

Ferry Operations Division

GUEMES ISLAND FERRY FARE REVENUE TARGET REPORT

January 1, 2009 through December 31, 2009



7. 2010 Guemes Ferry Fare Revenue Target Report

January 1, 2009 through December 31, 2009

The following report was prepared for submittal to the Skagit County Board of Commissioners September 28th, 2010, pursuant to Skagit County Resolution R#20100050, which established the Guemes Island Ferry Ticket Fare Methodology. This report is the first such evaluation conducted since the enabling resolution was adopted on February 16th, 2010.

Beginning January 1st, 2010, counties that operate ferries will be required to submit annual reports to the Washington State Department of Transportation (WSDOT) on a calendar-year basis instead of the State fiscal year ending June 30th, 2010. The Skagit County Public Works Department has reviewed the impact of this change in the WSDOT reporting timeline and has implemented Resolution R#20100050.

The Ferry Fare Revenue Target Methodology provided for in Attachment “B” of Resolution R#20100050 is to utilize data from January 1st to December 31st of each evaluation period. The Ferry Fare Revenue Target is to be calculated as follows:

“The five (5) calendar year average of ferry operating and maintenance costs as computed in the prior annual deficit reimbursement reports submitted to the State. For purposes of this resolution, capital expenditures are not included in the ferry operating and maintenance costs and shall be defined as all capital expenditures defined in WAC 136-400-030 and other capital costs including financing and depreciation expenses applied to the replacement, expansion, or creation of ferry system physical elements, less the five (5) year average of the State Motor Vehicle Fuel Tax received by the County for operation and maintenance of the ferry system, less the five (5) year average of the State Ferry Deficit Reimbursement received by the County, the total of the above multiplied by 65%”.

TABLE 1 - REVENUE TARGET CALCULATION 2010						
FARE REVENUE TARGET METHODOLOGY: #R20080018						
Fiscal Year	2005	2006	2007	2008	2009	5 Year Ave
Operation & Maintenance Expenditure	\$2,061,013	\$1,614,877	\$1,770,599	\$2,105,750	\$1,699,309	\$1,850,310
Attributable State Motor Vehicle Fuel Tax	(\$95,468)	(\$106,309)	(\$131,625)	(\$132,236)	(\$125,527)	(\$118,233)
WSDOT Ferry Deficit Reimbursement Payment	(\$264,291)	(\$289,739)	(\$150,419)	(\$211,328)	(\$74,164)	(\$197,988)
Subtotal	\$1,701,253	\$1,218,829	\$1,488,555	\$1,762,186	\$1,499,618	\$1,534,089
Fare Recovery Requirement						65%
2010 Ferry Fare Revenue Target						\$997,158

Table 1 re-states the revenue target for 2010 based upon the calendar year versus the state fiscal year as the preceding 2009 ferry fare revenue target report indicates.

Table 2 shows the 2011 revenue target, using projected totals for 2010. It is important to note that the projected 2010 expenditures in this table are based on the 2010 projected budget as of June 30th, 2010, rather than on a five (5) year calendar average. The state motor vehicle fuel tax and WSDOT ferry deficit reimbursement payment is based on the five (5) year calendar average.

TABLE 2 - REVENUE TARGET CALCULATION YEARS 2011						
FARE REVENUE TARGET METHODOLOGY: #R20080018						
Fiscal Year	2006	2007	2008	2009	2010 Projected	5 Year Avg
Operation & Maintenance Expenditure	\$1,614,877	\$1,770,599	\$2,105,750	\$1,699,309	\$1,684,762	\$1,775,059
Attributable State Motor Vehicle Fuel Tax	(\$106,309)	(\$131,625)	(\$132,236)	(\$125,527)	(\$118,233)	(\$122,786)
WSDOT Ferry Deficit Reimbursement Payment	(\$289,739)	(\$150,419)	(\$211,328)	(\$74,164)	(\$197,988)	(\$184,728)
Subtotal	\$1,218,829	\$1,488,555.49	\$1,762,186	\$1,499,618	\$1,368,541	\$1,467,546
Fare Recovery Requirement						65%
2011 Ferry Fare Revenue Target						\$953,905

As indicated in Table 3, the projected "Fare Box" Revenue for the calendar year ending December 31st, 2010 was \$851,425, a decrease of nearly \$37,000.00 from the previous calendar year's fare box revenue of \$888,285. 2011 projections reflect anticipated lost revenue due to the ferry being out of service for approximately 60 days due to dock rehabilitation work, during which time all vehicle fares will be eliminated.

TABLE 3 - FARE BOX REVENUE 2005-2011	
2005	\$ 476,491
2006	\$ 788,509
2007	\$ 781,028
2008	\$ 827,225
2009	\$ 888,286
2010 Budgeted	\$ 851,425
2011 Projected	\$ 790,658

Summarized in Table 4 is the shortfall from revenue target that occurred from 2005 to 2009 assuming a ferry fare revenue target of 65%. The 2010 projected deficit reimbursement / motor vehicle fuel tax is estimated as the five (5) year calendar average from 2005-2009.

TABLE 4 - SUMMARY REVENUE TARGET						
	2005	2006	2007	2008	2009	2010 Projected
Expenses	\$2,061,013	\$1,614,877	\$1,770,599	\$2,105,750	\$1,699,309	\$1,850,310
Deficit Reimb/MVFT	(\$359,759)	(\$396,048)	(\$282,044)	(\$343,564)	(\$199,691)	(\$316,221)
Subtotal	\$1,701,254	\$1,218,829	\$1,488,555	\$1,762,186	\$1,499,618	\$1,534,089
Fare Recovery Requirement	65%	65%	65%	65%	65%	65%
Ferry Fare Revenue Target	\$1,105,815	\$792,239	\$967,561	\$1,145,421	\$974,752	\$997,158
Fare Box Revenue	\$476,491	\$788,509	\$781,028	\$827,225	\$888,286	\$851,425
Shortfall From Rev Target	\$629,324	\$3,730	\$186,533	\$318,196	\$86,466	\$145,733

Table 5 illustrates the amount of Road Fund dollars used to support the operation of the Guemes Island Ferry for the period of 2005-2009, and projected for 2010. As shown, the Road Fund will have spent over \$4,000,000 for ferry operations by the end of 2010.

TABLE 5 - ROAD FUND SUBSIDY							
	2005	2006	2007	2008	2009	5-Year Total	2010 Projected
Expenses	\$2,061,013	\$1,614,877	\$1,770,599	\$2,105,750	\$1,699,309	\$9,251,548	\$1,850,310
Deficit Reimb/MVFT	(\$359,759)	(\$396,048)	(\$282,044)	(\$343,564)	(\$199,691)	(\$1,581,106)	(\$316,221)
Fare Box Revenue	(\$476,491)	(\$788,509)	(\$781,028)	(\$827,225)	(\$888,286)	(\$3,761,536)	(\$851,425)
Road Fund Subsidy	\$1,224,763	\$430,320	\$707,527	\$934,961	\$611,333	\$3,908,907	\$682,664

Table 6 shows projections for 2011. The projected fare box revenue is \$163,247 less than the target, and based on the submitted 2011 budget, the Road Fund subsidy will be \$822,078.

TABLE 6 - 2011 PROJECTIONS	
	2011 Projected
2011 Ferry Fare Revenue Target	\$ 953,905
2011 Projected Fare Box Revenue	\$ 790,658
Projected Shortfall	\$ 163,247
Requested 2011 Operational Budget	\$ 1,612,736
2011 Projected Fare Box Revenue	\$ 790,658
Projected Road Fund Subsidy	\$ 822,078

SUMMARY:

2009 was a relatively normal year for ferry ridership, as is 2010 to date.

Actual ferry revenues did not meet the revenue target for 2009 by \$86,466.

Projected 2010 fare revenue is anticipated to be \$851,425. The revenue target for 2010 is \$997,158, which implies a projected shortfall of approximately \$145,000 when calculated using the five (5) year calendar average of expenses, deficit reimbursement, and motor vehicle fuel tax

The requested operational budget for 2011 is \$1,612,736.

The revenue target for 2011 is \$953,905 and the projected revenue for 2011 is \$790,658, indicating a projected shortfall of approximately \$163,247. It is important to note that this revenue target is based on the five (5) year calendar average of expenses, deficit reimbursement, and motor vehicle tax figures with the exception of the 2010 projected expenditures, which are estimated based on the 2010 projected budget as of June 30th, 2010.

The Public Works Department continues to review additional cost control measures that would streamline the ferry operation while continuing to provide safe, reliable, and efficient service.

RECOMMENDATIONS:

As per Attachment "A" of Resolution 20100050, Public Works is expected to report annually to the Board during the month of September regarding Guemes Island Ferry operations. This report is to be included in the annual report. The Public Works Department recommends adjusting the requirements for evaluation of this report and presentation to the Board of County Commissioners until April of the year following the evaluation period. This will provide adequate time for one (1) full calendar year's worth of data to be compiled prior to making fare recommendations. Fare increases could then be implemented September 11th of each calendar year. This change in reporting requirements would assist the department in eliminating projected revenues and operating costs, and allow us to utilize the actual revenues, expenses, and deficit reimbursement and motor vehicle fuel tax figures. Public Works is confident that should this report include one (1) full calendar year's reporting cycle, it will present a more accurate picture of the revenue target and the effects of cost control measures implemented during the year prior. With this in mind, Public Works is not recommending a fare increase to take effect January 1st, 2011.

8. Washington State Ferry Deficit Report

RCW 47.56.725

County ferries – Deficit reimbursements – Capital improvement funds

(1) The department is hereby authorized to enter into a continuing agreement with Pierce, Skagit, and Whatcom counties pursuant to which the department shall, from time to time, direct the distribution to each of the counties the amounts authorized in subsection (2) of this section in accordance with RCW [46.68.090](#).

(2) The department is authorized to include in each agreement a provision for the distribution of funds to each county to reimburse the county for fifty percent of the deficit incurred during each previous fiscal year in the operation and maintenance of the ferry system owned and operated by the county. The total amount to be reimbursed to Pierce, Skagit, and Whatcom counties collectively shall not exceed one million dollars in any biennium. Each county agreement shall contain a requirement that the county shall maintain tolls on its ferries at least equal to tolls in place on January 1, 1990.

(3) The annual fiscal year operating and maintenance deficit, if any, shall be determined by Pierce, Skagit, and Whatcom counties subject to review and approval of the department. The annual fiscal year operating and maintenance deficit is defined as the total of operations and maintenance expenditures less the sum of ferry toll revenues and that portion of fuel tax revenue distributions which are attributable to the county ferry as determined by the department. Distribution of the amounts authorized by subsection (2) of this section by the state treasurer shall be directed by the department upon the receipt of properly executed vouchers from each county.

(4) The county road administration board may evaluate requests by Pierce, Skagit, Wahkiakum, and Whatcom counties for county ferry capital improvement funds. The board shall evaluate the requests and, if approved by a majority of the board, submit the requests to the legislature for funding out of the amounts available under *RCW [46.68.090\(1\)](#) (j). Any county making a request under this subsection shall first seek funding through the public works trust fund, or any other available revenue source, where appropriate.

COUNTY FERRY SYSTEM OPERATIONS REPORT
Pertaining to Calendar Year 2009

Required Submittal Date: April 1, 2010

Skagit County

Expenditures	
(*)(1) Operation and Maintenance	\$1,639,166
Capital	\$381,443
Other Work and Repairs considered Capital	
Interest	
Depreciation	\$42,528
Total Expenditures	\$2,063,137

Revenues	
(*)(2) Ferry Toll Receipts (344.91)	\$881,450
Ferry Deficit Reimbursement (334.03 or 336.00)	\$74,164
Other Revenues	
Total Revenues	\$955,614

(*) WSDOT / Ferry Deficit Reimbursement Net Amount Claimed	
(1) O&M (+)	\$1,639,166
(2) Tolls (-)	\$881,450
(3) MVFT (-)	\$125,527
Net Claimed	\$632,189

MVFT General Distribution	(**) CRAB Calculated MVFT Distribution Factor	2.2039
	Total MVFT County Roads (336.00.89)	\$3,007,064
MVFT Attributable to the Ferry System	(**) CRAB Calculated MVFT Distribution Factor w/o Ferry System	2.1119
	(*)(3) Calculated MVFT Attributable to the Ferry System	\$125,527

(*) Utilized by WSDOT to calculate the Pierce, Skagit, and Whatcom County Deficit Reimbursement payments for 2010

(**) CRAB provided data

Ferry System Current and Replacement Values					
VESSELS	Year Built	Current Value	Replacement Value	Year Replacement Value Established	IPD Adjusted Replacement Value for Report Year
M/V Boat A	1979	\$1,957,742	\$12,250,000	2008	\$12,286,750
FACILITIES					
Mainland Dock	1979	\$2,697,000	\$7,515,404	2008	\$7,537,950
Mainland Waiting Facilities	1979	\$58,000	\$645,339	2008	\$647,275
Mainland Parking Facilities	1979	\$99,467	\$1,617,667	2008	\$1,622,520
Island Landing	1979	\$1,874,000	\$5,782,064	2008	\$5,799,410
Island Waiting Facilities	1979	\$1,000	\$10,603	2008	\$10,635
Island Parking Facilities	1979	\$150,100	\$564,275	2008	\$565,968
Ferry System Total Current Value					\$6,837,309
Ferry System Total Replacement Value					\$28,470,508

I hereby certify that the above County Ferry Operations Report is true and accurate and that I have reviewed and approved the report for submission to the County Road Administration Board (CRAB) and the Washington State Department of Transportation Highways & Local Programs (WSDOT). I hereby acknowledge and accept the Motor Vehicle Fuel Tax (MVFT) Distribution Factors determined by CRAB to calculate the MVFT attributable to the ferry system, and the application of the Implicit Price Deflator for Washington to determine the adjusted system replacement values for the report year.

Consistent with the terms of Interagency Agreement GCA6429, I certify that the receipts and costs shown in this voucher are true and correct; that the ferry tolls are at least equal to the tolls in place on January 1, 1990; that the net amount claimed is due and payable from the County share of the gas tax under the terms of Interagency Agreement No. GCA6429 and applicable laws rules and regulations, and that I am authorized to sign for the claimant.

Signed: _____ Date: _____
 County Engineer

Signed: _____ Date: _____

9. 2010 Ferry Operations Work Plan

Skagit County Public Works intends to gather public advisory input on the Guemes Island Ferry Operations 2010 Work Plan. As set forth in Resolution R20100050, Attachment A, any interested organization or citizen at large may provide input through the Public Forum process.

2010 Work Plan Topics of Interest:

A. Ferry Ticket Fare Structure:

- Review the current ferry ticket fare structure for the purpose of determining if it would be appropriate to reduce or increase the number of ticketing categories, and if so, propose to the Board of County Commissioners a revised fare structure.
- Review the current ferry ticket price structure for the purpose of determining the need for rate adjustments for the year 2011 and any possible rate adjustment due to a revised ferry ticket fare structure.
- Review the current ferry ticket price structure to determine if adjustments would distribute the cost burden more fairly among the users while continuing to encourage walk-on ridership.

B. Fare Recovery Model:

- Review the entire current and projected cost of the ferry operation together with the current fare recovery model for the purpose of determining the equitability of the current model, and if needed, propose to the Board of County Commissioners a revised fare recovery model taking into consideration the total cost of providing ferry service between Anacortes and Guemes Island.
- Review the methods used in accounting for costs associated with the entire ferry operations for the purpose of confirming that all costs are being accurately reflected as to the type of cost being incurred.

C. Cost Containment:

- Develop a series of performance measures for the ferry operations which reflect the level of service desired for providing ferry service between Anacortes and Guemes Island.
- Investigate the total cost for providing ferry service between Anacortes and Guemes Island for the purpose of identifying and quantifying all of the cost elements involved in providing the ferry service.
- Review potential methods of selling and dispensing tickets for the purpose of reducing the cost associated with ticket vending.
- Review the current staffing levels and associated duties for the purpose of determining the staff needs to maintain the current levels of ferry operation.

D. Ferry Schedule:

- Review the current ferry schedule for the purpose of determining the need to expand the number of runs during high demand times of the year, as well as the need for establishing different summer and winter schedules considering seasonal demands and staffing needs to reflect the ferry operation level of service and demand management needs.

E. Ferry Operations Master Plan:

- Participate in the development of a Ferry Operations Master Plan for the purpose of identifying the long-range needs, costs, and funding strategies to provide ferry service between Anacortes and Guemes Island together with the landside support facilities and staffing needs.

F. ADA Accessibility During the Annual Ferry Outages:

Review the procedures taken in past ferry outages to accommodate ADA walk-on riders using the passenger ferry facilities. Compare these procedures with State ADA standards and determine if additional accommodations are possible / appropriate.

* Note: It is anticipated that the Public Works Department may incorporate citizen advisory input from the Guemes Island Ferry Committee, other interested organizations or citizens at large that the County may meet with throughout the year to gather information on specific topics incorporated within the Annual Ferry Fare Revenue Target Report and the Work Plan.

10. Draft 2011 Ferry Operations Work Plan

Skagit County Public Works intends to gather public advisory input on the Guemes Island Ferry Operations 2011 Work Plan. As set forth in Resolution R20100050, Attachment A, any interested organization or citizen at large may provide input through the Public Forum process.

2011 Work Program Topics of Interest

A. Level of Service Standards

- Establish a series of performance measures for the Guemes Island Ferry Operations which reflect the level of service desired for providing ferry service between Anacortes and Guemes Island.
- The Level of Service Standards should take into consideration demand, ridership, capacity, wait times, congestion, sailing schedules, reliability, costs, and staffing needs.
- The LOS Standards should be data driven, focus on asset utilization, and help inform strategic investment decisions.
- The LOS Standards should focus on peaks and valleys in ridership and also how to best fit the service to the overall demand and fill up the spaces outside the peaks.

B. Ferry Schedule

- Review the current ferry schedule for the purposes of determining the need to expand the number of runs during high demand times of the year as well as the need for establishing different summer and winter schedules considering seasonal demands and staffing needs to reflect the ferry operation level of service and demand management needs.
- This will require data analysis of 2010 that is based on capacity.

C. Ferry Ticketing

- Evaluate any changes made to the ticket fare structure the previous year for the purposes of determining if it would be appropriate to reduce or increase the number of ticketing categories.
- Evaluate any ticket selling methods implemented the previous year for the purposes of determining the most appropriate means of increasing efficiency.

D. Fare Recovery Model

- Review the entire current and projected cost of the ferry operation together with the current fare recovery model for the purposes of determining the equitability of the current model.
- Adjust reporting requirements for BCC Presentation of the Ferry Fare Revenue Target Report so that a full year's worth of data may be compiled prior to presentation.
- Continue to review costs involved in providing ferry service between Anacortes and Guemes Island and methods for reporting those costs to ensure that all costs are being accurately reflected as to the type of cost being incurred.

E. ADA Accessibility during the Annual Ferry Outages

- Continue to review state ADA standards so that possible and appropriate accommodations may be made available during ferry outages.

* Note: It is anticipated that the Public Works Department may incorporate citizen advisory input from the Guemes Island Ferry Committee, other interested organizations or citizens at large, and that the County may meet with these parties throughout the year to gather information on specific topics incorporated within the Annual Ferry Fare Target Revenue Report and the Annual Work Plan.

11. 2009-2010 Operational Summaries

Statistically, the year 2009 was a relatively normal year for ferry operations.

- According to ridership data, passenger counts for the calendar year 2009 were down 2% from the 2008 calendar year.
- Vehicle traffic in 2008 was down slightly, less than 1%, from 2008 figures.
- Overall, sales were up in 2009, as 177,215 tickets sold in 2008 and 195,877 tickets sold in 2009.
- Revenues in 2009 totaled \$888,285.80, which were approximately \$45 thousand above 2008 figures.
- Actual ferry revenues did not meet the revenue target for 2009 by \$86,466.

Year to date figures indicate that 2010 will be a relatively normal year as well.

- According to ridership data through July 31st, 2010, passenger counts are down 2% below the year to date figures from 2009.
- Conversely, vehicle count is up 1% over 2009 year to date figures.
- Revenues as of August 31st, 2010 totaled \$618,932.10.
- The revenue target for 2010 is \$997,158.
- Budgeted revenue for 2010 is \$851,425.

Public Works continues to pursue cost saving efforts to reduce overall ferry operating costs. During the years 2009 and 2010, most of the cost savings were and continue to be a result of a reduction in staffing.

- In 2009, the Guemes Island Ferry was staffed with a 3-person base crew from January to April, only adding a terminal attendant as needed. The ferry was staffed May through September with a terminal attendant on shift every day, and in October and November the ferry was staffed with a terminal attendant Monday through Friday. In December 2009, the staffing at the ferry was permanently reduced to a 3-person base crew every day.
- The continuous and gradual staffing reduction in 2009 resulted in a cost savings of approximately \$10,800 from the previous year.
- To date, in 2010, the Guemes Ferry has operated with a base 3-person crew every day with the exception of busy & holiday summer weekends, Fourth of July through Labor Day.
- It is projected that this further reduction in labor will result in a cost savings of approximately \$92,000.

Per Resolution R20100050, Public Works Staff has held two (2) Public Forums on Guemes Island in 2010 for the purposes of soliciting advisory input on topics of interest included in the 2010 Work Plan as they pertain to cost containment, ticketing, fares, sailing schedule, and levels of service.

Public Works staff is working toward procuring an electronic ticketing system, as well as developing mail-in and / or online avenues for ticket purchasing.

Minor modifications between classification of fares and the price associated with the resulting classifications are being considered, as well as adjustments to the expiration dates of frequent user passes. Recommendations will be brought before the Board of County Commissioners for consideration by the end of the calendar year, 2010.