

Guemes Ferry Replacement **Vessel Replacement Surcharge**

Public Hearing, 9:00 a.m., Tuesday, April 17, 2018
Board of Skagit County Commissioners



Vessel Replacement Surcharge

RCW 36.54.200

“Vessel replacement surcharge – Use of revenues.

A County or ferry operating ferries under this chapter may impose a vessel replacement surcharge on every ferry fare sold. The surcharge must be at least equal to the surcharge amount included in the Washington state ferry fares identified in RCW 47.60.315(7). Revenue generated from the surcharge may only be used for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. The surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself.”

RCW 47.60.315(7)

“The commission shall impose a vessel replacement surcharge of twenty-five cents on every one-way and round-trip ferry fare sold, including multiride and monthly pass fares. The surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself.”



Vessel Replacement Surcharge

Background

- The M/V Guemes was built in 1979
- No replacement fund was established

Why a surcharge now?

- Replacement efforts are underway
- A new vessel could be in service as early as 2020 or 20 years from now
- Skagit County currently has \$0 in the bank for construction
- The vessel should be considered a piece of equipment
- A replacement fund is prudent

How much revenue can we generate?

- Current proposal – approximately \$245,000/year
- In 40 years – nearly \$10 million

How long will the surcharge be in effect?

- Ultimately up to the Board of Skagit County Commissioners
- Implementation could be as early as May 20, 2018



Vessel Replacement Surcharge

What are legal uses of the surcharge revenue?

- The purchase and construction of a new vessel
- To pay the principal and interest on bonds authorized for the construction or purchase of a new vessel

What are illegal uses of the surcharge revenue?

- Operations and maintenance
- Re-power or re-furbish
- Other dock or ferry capital improvement projects

Where will the surcharge revenue be deposited?

- In a separate fund
- Fund balance can be reported any time



Vessel Replacement Surcharge

Proposed surcharge details

- \$0.50 per senior/disabled/youth passenger
- \$1.00 per adult passenger
- \$1.00 per motorcycle & rider
- \$2.00 per vehicle & driver
- \$5.00 per oversized vehicle
- Frequent-user punch cards adjusted & discounted accordingly
- Represents an average per-ticket price increase of 23%

Other proposed fare changes

- Extend expiration of vehicle punch cards from 90 to 120 days
- Eliminate the fee for bicycles



Vessel Replacement Surcharge

Senior/disabled/youth passenger

- 5.56% of total sales
- Proposed surcharge – \$0.50 per fare sold
 - Non-peak: \$2 to \$2.50
 - Peak: \$2.50 to \$3
- 25-trip punch cards adjusted & discounted
 - Non-peak season discount – 23%
 - Peak season discount – 36%
 - Expiration unchanged – valid for one year



Vessel Replacement Surcharge

Adult passenger

- 14.57% of total sales
- Proposed surcharge – \$1.00 per fare sold
 - Non-peak: \$3 to \$4
 - Peak: \$4 to \$5
- 25-trip punch cards adjusted & discounted
 - Non-peak season discount – 13%
 - Peak season discount – 30%
 - Expiration date unchanged – valid for one year



Vessel Replacement Surcharge

Motorcycle & rider

- 0.43% of total sales
- Proposed surcharge – \$1.00 per fare sold
 - Non-peak: \$6 to \$7
 - Peak: \$8 to \$9
 - Non-peak senior/disabled: \$5 to \$6
 - Peak senior/disabled: \$7 to \$8
- 20-trip punch cards adjusted & discounted
 - Non-peak season discount – 15%
 - Peak season discount – 35%
 - Expiration date proposed at 120 days



Vessel Replacement Surcharge

Vehicle & driver

- 67.91% of total sales
- Proposed surcharge – \$2.00 per fare sold
 - Non-peak: \$10 to \$12
 - Peak: \$12 to \$14
 - Non-peak senior/disabled: \$8 to \$10
 - Peak senior/disabled: \$10 to \$12
- 20-trip punch cards adjusted & discounted
 - Non-peak season discount – 15% & 20% (senior/disabled driver)
 - Peak season discount – 27% & 33% (senior disabled driver)
 - Expiration date proposed at 120 days



Vessel Replacement Surcharge

Oversize vehicles

- 11.53% of total sales
- Proposed surcharge – \$5.00 per fare sold
 - 9 different categories
 - Current non-peak price range: \$13 - \$81
 - Proposed non-peak price range: \$18 - \$86
 - Current peak price range: \$16 - \$99
 - Proposed peak price range: \$21 - \$104



Vessel Replacement Surcharge

This proposal may be approved, modified, or rejected by the Board of Skagit County Commissioners. Your views for or against this matter are invited by attendance, representation, or letter.

Public comment period

- Open through close of public forum, Saturday, April 28
 - Written comments due Friday, April 27, at 4:30 p.m.
- Email comments are preferred
 - ferrycomments@co.skagit.wa.us

More information

- Available at www.skagitcounty.net/ferry

