

Whatcom County Council Public Works & Health Committee

**COUNTY COURTHOUSE
311 Grand Avenue, Ste #105
Bellingham, WA 98225-4038
(360) 778-5010**



Committee Minutes - Final

Tuesday, April 23, 2024

11:10 AM

Hybrid Meeting

**HYBRID MEETING - ADJOURNS BY 12:30 P.M., MAY BEGIN EARLY
(PARTICIPATE IN-PERSON, SEE REMOTE JOIN INSTRUCTIONS AT
www.whatcomcounty.us/joinvirtualcouncil, OR CALL 360.778.5010); MAY BEGIN
EARLY**

COUNCILMEMBERS

Kaylee Galloway
Jon Scanlon
Mark Stremmer

CLERK OF THE COUNCIL

Dana Brown-Davis, C.M.C.

Call To Order

Committee Chair Jon Scanlon called the meeting to order at 11:03 a.m. in a hybrid meeting.

Roll Call

Present: 3 - Kaylee Galloway, Jon Scanlon, and Mark Strempler

Tyler Byrd, Todd Donovan, and Ben Elenbaas

Announcements

Committee Discussion

1. [AB2024-241](#) Discussion of an ordinance amending WCC 10.34 Ferry Rates

Pam Gould, Whatcom County Ferry Advisory Committee, read from the document titled “WCFAC proposed code changes for 4.23.2024 Committee” (on file).

ISSUE 1: New on 4/9 “Ferry Fund Reserve Target” concept, Section 10.34.005

Gould asked why Public Works decided to make a change in their accounting policy to drain the reserve fund in a situation where they were already struggling with finances. In the new language, they are asking to begin to build a new ferry reserve fund out of fares and it is not very defined in the language how that is going to happen over ten years.

Randy Rydel, Public Works Department, spoke about how the ferry fund balance came to where it is today. He stated there are two components of the ferry fund. There is the Road Fund contribution portion and the ferry fare contribution portion. The way the code is written, the ferry fare portion is required to be 55 percent of this calculated number. That means that no matter how much cash the Road Fund has for its 45 percent portion, it is still not cash that can be accessed by ferry operations because they are still limited by that 55 percent ferry fare calculation. There was \$2 million of cash in there at the end of 2022 but, in the interest of trying to keep some of the cash in the Road Fund, Public Works did not fully fund the 2022 45 percent because they considered it pre-funded many years earlier. The Road Fund has enough to put money in when it is needed, but the fares take a long time to collect and build up. He answered whether some of the \$2 million was excess fares and whether that could have been used to pay for the underfunded 55 percent, and stated approximately \$1 million was excess fares, but \$800,000 of that was used up in expenses larger than farebox

collections in 2023. He answered whether Public Works' proposed Code changes anything and how this would work moving forward, and stated the Code does not change how Public Works is operating. They will continue to put money in, as the County is required, to fund the other 45 percent. He answered whether they have to maintain a certain amount of reserves to ensure the stability of the fund as with other County budgets, and stated the reserve fund target is consistent with the Flood Fund (as an example) which maintains a reserve balance in case of emergency situations.

Elizabeth Kosa, Public Works Department Director, spoke about the proposed Code language and stated it is just codifying what they do and does not represent a new way of doing business.

Rydel answered how the deposit in 2006 to get the Ferry Fund started fits in to this and spoke about the County meeting its target goals for its 45 percent contribution, which includes that deposit. He and Kosa answered what would trigger the action of coming to the Council to ask for additional funds.

ISSUE 2: New on 4/9 proposal for restricting ferry rates, Section 10:34.020 M

Gould spoke about the advisory committee's recommendations to delete the proposed restriction on multi-ride tickets.

Kosa answered what the impact of this recommendation would be, and stated the proposed language will make it easier to process fare price adjustments and is to provide stability. She stated the 20 percent discount seems to be the rule of thumb with State ferries.

Issue 3: New on 4/9 proposal for annual fare increases in Section 10:34.030

Gould stated yearly increases in fares seems cumbersome and potentially more expensive. The advisory committee proposed a summer surcharge and using the Consumer Price Index (CPI) to determine whether or not there should be a fare increase. Their suggestion is to adjust fares every three years.

Galloway spoke about her intent in her suggestion to institute some form of a more predictable fare increase to avoid huge increases that would come as a surprise to islanders, and for tying it to some form of economic indicator.

Kosa answered how cumbersome an annual fare increase would be. She

stated the language does not say they are going to do an increase every year. What it says is that they could either do an adjustment due to inflation, or look at their overall expenses and operating costs. If fare increases, though, are well thought out and planned, they are not that difficult to do. Making them more routine was something that the former Lummi Island Ferry Advisory Committee wanted to see.

Donovan asked about the advisory committee's recommendation (pages five and six of their proposed changes) to change "ferry system fund" to "Cumulative Fare Box Reserve" and redefine "operating costs" to "deficits in reaching the Fare Box Recovery Goal." He asked how much that would be a shift in terms of affecting what the Road Fund would have to cover.

Rydel stated the wording of Public Works' proposal has been chosen carefully. They would have to do a more thorough review to know the impacts of changing that language. He spoke about using CPI as an indicator and stated they would expect the needs of the fund, as far as expenses, to track somewhat with CPI increases or decreases year over year.

Issue 4: The new category of "Non-capital Emergency Repairs" in Sections 10.34.005 E, F, and G

Could read from their remarks on issue four which states that if there is no cap on the costs to be included in fare calculations, then major and emergency costs should not be added into the Adjusted Total Operating Costs. She also spoke about issue five and stated their feeling has been that lease is a capital cost and that in the County Charter, it is supposed to be a capital cost.

Donovan asked whether they would expect the farebox to eventually cover a costly unanticipated repair, and stated he thinks that is a situation they do not want to happen, where the farebox is never going to be able to make that up.

Kosa answered what Public Works would do if, hypothetically, there was a \$2 million repair needed. She stated the new language (WCC 10.34.005 (C)) allows the Council, by Council action, to contribute toward it if something like that were to happen when the reserve is not there. She stated once this work is completed, they also have a commitment to look at other revenue sources or potential adjustments to service.

Rydel answered what 10 percent of total revenue is right now for comparison's sake with Public Works' proposed \$150,000 contribution for

emergency repairs and stated for 2023 it would be about \$158,000.

Councilmembers, Rydel, and Gould discussed the advisory committee's 10 percent proposal and that the new Public Works Code language gives Council some discretion to supplement the funds with other sources.

This agenda item was DISCUSSED.

Committee Discussion and Recommendation to Council

1. [AB2024-220](#) Ordinance amending WCC 2.106 to change reporting due date for the Child & Family Well-Being Task Force

Ann Beck, Health and Community Services, briefed the Councilmembers. She stated the task force wound up having to spend some time working on their recommendations for the Comprehensive Plan so it delayed their ability to get the report ready by the ordinance's March 30th deadline. They hope to extend it. They do not want to do anything with the ordinance, but rather would like to let the Council know that they plan to come on May seventh to do the presentation. There is no action needed from the Council at this point.

Dana Brown-Davis, Clerk of the Council, stated the ordinance has been advertised and is on the Council agenda tonight so there may be people coming to speak to it. Her recommendation would be to let it go to the night meeting with no recommendation from committee and then just vote it down this evening.

Councilmembers and Beck discussed the deadline in the ordinance, what chapters of the Comprehensive Plan the task force is focusing on, the fact that Council does not need to adjust the Code since they are assuming that missing the deadline will just be a one-time thing, why this was on the agenda, and why the report could not be given today even though they were able to get it ready.

This agenda item was FORWARDED TO COUNCIL WITHOUT A RECOMMENDATION.

2. [AB2024-166](#) Ordinance amending Whatcom County Code 8.10, Solid Waste and Residential Recycling Collection

Jennifer Hayden, Health and Community Services, briefed the Councilmembers on changes to the proposed Code since the last discussion.

Hayden and Ted Carlson, Sanitary Service Company, answered how Sanitary

Service Company (SSC) is educating the participants in the pilot of this new system and how they are planning to educate the public if it moves forward.

Hayden answered whether they are doing things backward by responding to the City of Bellingham and what happens with the cities that are not going to this collection system, if the effort is “to support a consistent recycling system across Whatcom County.” She stated this change just allows for other jurisdictions to make changes but does not require it. She answered whether it is a mischaracterization of the Comprehensive Solid Waste Management Plan that State law gives the County the authority for solid waste management for the entire county.

Galloway stated she is not ready to vote on this today. She would like to hold it and send it back to the Solid Waste Advisory Committee so they can review the points that former Councilmember Weimer has made and then come back to Council with a recommendation.

Elenbaas stated the deciding factor for him is when he looks at the outcome of where the recycling is going. Regardless of how we pick it up in Whatcom County, it is being blended downstream so we are just adding a layer of burden to the employees who are picking it up. He is ready to vote on it.

Donovan asked if it matters that they have a plan which states a process and they are not doing that process. He asked if they need to rewrite the plan if they go this route.

Hayden stated the plan needs to be amended either way.

Stremmer stated he had a conversation with Hayden about the Nooksack Valley disposal carrier and how they still have the opportunity to do business as they would like. That helped him because he thought this was a blanket statement for the entire county.

Hayden answered what the process would be for updating the plan if this is adopted tonight. She stated it would likely be an amendment which involves redlining the applicable sections and proposing just those changes, which they would do with the Solid Waste Advisory Committee.

Scanlon stated he gets the sense that a lot of this is outside of the things they can control and change in State law is probably a better route for fixing some of the things that have been identified. He likes how, the way this is

written, it provides flexibility to our multiple operators within the county. He is comfortable recommending this to Council.

Scanlon moved that the Ordinance Requiring a Public Hearing be RECOMMENDED FOR ADOPTION. The motion carried by the following vote:

Aye: 2 - Scanlon, and Stremler

Nay: 1 - Galloway

Items Added by Revision

There were no agenda items added by revision.

Other Business

There was no other business.

Adjournment

The meeting adjourned at 12:15 p.m.

ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WA

Jon Scanlon-via email 5/1/2024

Dana Brown-Davis, Council Clerk

Jon Scanlon, Committee Chair

Kristi Felbinger, Minutes Transcription

SIGNED COPY ON FILE