

1. General Overview of recent Ferry code 10.34 History:

- **First** week of October 2022, PW/finance discussion with LIFAC about the health of the ferry fund.
- January 2023, New fares and ordinance language proposed
 - open session brought important concerns, such as (name a few):
 - needs-based,
 - loss of investment of old multiride punch card
 - process for review and timing with future fare adjustments
- February 2023, briefed the council on an updated working draft ordinance proposal that incorporated concerns.
- March 2023, PW recommended a code change to add both the MVFT and Ferry Deficit funds to the top of the farebox recovery calculation.
 - current Code only has the Ferry Deficit funds benefiting the road fund contributions. The new code would now allow ferry users to enjoy that benefit as well.
- April 2023, Updated code for council committee discussion and introduction at the evening council meeting.
- July 2023, Four of the seven members of LIFAC resign.
- July 2023, the County Council approved the updated code.
- August 2023, Executive Sihdu exercised the power to veto the approved code due to public process.
- October 2023, County Council rewrites LIFAC enabling ordinance to establish the new WCFAC.
- November 2023, New WCFAC members appointed.
- December 2023, First meeting of WCFAC, officers elected.
- **February** 2024, 3 options of draft code sent to the WCFAC for advice.

- February 2024, Executive Sihdu informs the Council of the need to make an immediate fare increase.
- (Today) March 5, 2024, Public Works presents the forecasted shortfall of the Ferry Operating Fund.

RANDY GIVES FINANCIAL PRESENTATION

2. Options for Path Forward

- ARPA Funds: approximately \$350K (number rounded up) for the loss in fare revenue due to COVID impacts – *temporarily helps but does not fix the overall issue (rate of loss) of the ferry user fee revenue shortfall*
- Fare Increase – *a partial solution as rate of loss is too great to implement in a single fare increase.*
- Road Fund Loan for Ferry user fee shortfall – *temporary solution, would be paid back with interest, problematic (reduces leveraged dollars and erodes the ability to cashflow)*
- County Wide Ferry District – *solution, with potential for public reaction*
 - Relieves the burden on RF, establishes a county-wide solution
 - A County-wide district can be implemented w/out a vote from the public, anything less than county-wide requires a public vote.
- Putting forth HB or SB to include county vehicle ferry systems as transit eligible – *potential long term benefit, would need more work to quantify the benefit.*
 - opens untapped opportunity that is available to county passenger-only ferries (i.e. Kitsap County ferries) that is not afforded to vehicle/passenger ferries.
- Increase County subsidy for the ferry system – *not a viable solution, shifts the problem to other PW businesses.*
 - Any further subsidy directly equates to a loss of service in another area of work performed by the county.
 - loss of cashflow for grant-funded projects
 - loss of leveraged dollars
- Targeted service cuts – *long drawn out process that may or may not yield a savings*

- Studies on other options/other options – *additional upfront cost, hiring a 3rd party (like Pierce County), may or may not yield savings.*

3. Tentative Schedule:

- March 14th WCFAC meeting:
 - Financial discussion with WCFAC, and WCFAC decides (pending) on recommendations to the Council.
- March 19th Council:
 - WCFAC will give a report out/presentation at Committee of the Whole on the advisory committee's recommendation on code.
- March 19-25th:
 - council opportunity to ask specific questions
 - WC to review WCFAC report for items to include in the final WC code proposal
 - WC to provide a response memo to any council-requested questions
- April 9th Council:
 - WC introduces and has a discussion on the updated ferry code at the Committee of the Whole, The updated 10.34 code is introduced
 - ARPA funds are introduced in the budget supplemental at the evening council meeting.
- April 23rd Council:
 - Council adopts 10.34 code, Council approves the ARPA budget supplemental.

4. Fares:

- Finalize total revenue required and identify the targeted amount for the initial fare increase.
- set the individual ticket pricing structure
- determine the schedule to implement