



ELIZABETH KOSA
DIRECTOR

MEMORANDUM

To: The Honorable Satpal Singh Sidhu, Whatcom County Executive and The Honorable Members of the Ferry District Board of Supervisors

From: Elizabeth Kosa, Director *EK*

Subject: Resolution for Initial Budget Level for the Whatcom County Ferry District

Date: June 29, 2026

Enclosed is a resolution establishing an initial budget level for the Whatcom County Ferry District in the amount of \$5.2 million.

Requested Action

Public Works respectfully requests that the Ferry District Board of Supervisors approves this proposed resolution to set an initial Ferry District budget in the amount of \$5,200,000. This budget amount is estimated to equate to an approximate taxing rate of \$0.08 per \$1,000 of property valuation. That rate equates to an approximate \$42.00 in ferry tax per year, for the median home price of \$526,120.

Background and Purpose

On May 18, 2026 the Whatcom County Council voted 5-2 to form a county wide Ferry District, in order to support the county's ability to continue to operate a 100-year-old ferry system. The Ferry District's general purpose is to construct, purchase, operate, and maintain ferries and wharves. The governing body of the Ferry District is the Board of Supervisors, of which the County Council members are designated, and under RCW36.54.130, has taxing authority to carry out the purposes for which the Ferry District was created.

The Board of Supervisors has the authority and responsibility to approve a baseline district budget for Ferry Services in 2027, of which will be used by the Assessor's office as the metric to set the taxing levy rate, effective in 2027. A district budget that equates to ten cents or less per \$1,000 of property valuation is approved by the Board of Supervisors and for budgets exceeding that threshold are required to be approved by the tax payers.

The \$5.2 million budget amount incorporates providing a funding source to support current and future ferry services including: Annual Operating Expenses (45%), Near Term Capital Improvements, Replacement Project Debt Payments, and the Operating Reserve Fund. It also includes preparing and planning for future system expenses including the Gooseberry Terminal Relocation Reserve and the Mid-cycle Vessel Refurbishment.

The budget proposed is considered a net budget amount because it is not indented to cover the full cost of ferry services. Other dedicated ferry system revenues exist which are required to continue to contribute to ferry system expenses.

Please Laura Frolich at 360-778-6205 or lfrolich@co.whatcom.wa.us if you have any questions or concerns regarding this agenda item.