10.34 Ferry Fare Code Change Presentation Notes

4/9/2024

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 interpretation to add both the MVFT and Ferry Deficit funds to the top of the farebox recovery calculation.

- Monsen's letter
- Yielded a $1.2M infusion of fare box revenue

· April 2023, Updated code for council committee discussion and introduction at the evening council meeting.

· July 2023, Four of the seven members of LIFAC resigned.

· July 2023, the County Council approved the updated code.

· August 2023, the County Executive 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, the County Executive informs the Council of the need to make an immediate fare increase.

· March 5, 2024, Public Works presents the forecasted shortfall of the Ferry Operating Fund to the Council.

· March 19, 2024, WCFAC report on code recommendations, council passes a resolution to support an executive order fare change

· March 28, 2024, the County Executive raises fares through an executive order

2. Summary of Code Changes

If we have learned anything over the past years, it is that words matter and the 10.34 Ferry Rates code was not as clear as it could have been. With these proposed changes we sought to clarify language through the addition of missing definitions and the rearrangement of language for better flow and readability. Additionally, we added new language to address concerns and issues not captured in the existing language. Feedback was gathered and considered from a variety of sources spanning more than a year and a half of public process. (Council, LIFAC, WCFAC, PW Employees, Public Comment). Items highlighted in BLUE are new additions since the last time the Council approved the code, which was later vetoed for process.

Let's walk through the issues and what changes were made to address them:

A. Maintenance vs Capital (10.35.005)
    a. (Council, LIFAC, WCFAC, PC) Definitions were updated to include non-capital emergency repairs.
        i. Previous code was silent on expensive emergency maintenance/repair items (AKA dolphin repairs)
    b. (Council, WCFAC) Calculations were updated to now provide an additional subsidy of $150K, when these events occur in the future.
B. Fare Box Reserve Calculation (10.34.005) (Council and LIFAC)
    a. Better defined
    b. Inclusion of lease in calculation to follow historical practice as an operational cost.
    c. Reduces confusion with existing code, the equation was not straightforward, and parts of the equation were located throughout the code language
C. Fund Balance

a. Funding Opportunities (10.34.005 C)
    i. (LIFAC, WCFAC, PC, Council) Fare Box Considered Revenue to account for council designated funding from other sources.
b. Ferry Fund Reserve Target (10.34.005 N)
    i. (Council, LIFAC) This is new and works to set aside both fare box and county funds at a level that could provide coverage for 6 months of operating expenses.
c. Inflation (10.34.030)
    i. (Council, LIFAC) Annual increases to fare revenue or decreases to operating expenses based on annual Consumer Pricing Index increases. This helps keep fare rates in line with inflationary costs and provides structure allowing ferry users to plan for a fare change at the beginning of each year.
d. Reporting (10.34.030)
    i. (LIFAC, WCFAC, Council) We strengthened language that provides for an annual review by setting a timeline and required elements for the annual report out to Council and the community. The report will cover prior year's ferry costs, collections, and ridership patterns as well as an analysis of the Cumulative Fare Box Revenue and any trends that may or may not affect it.

D. Multi Ride Cards
a. Discounts (10.34.020 M)
    i. Capped at 20% unless Needs Based
b. Needs Based guarantee (10.34.020 K)
    i. (LIFAC, PC) This reinforces that the needs-based discount will always be the most significant discount available, ensuring that those in need will not be disproportionately affected by future fare changes.
c. Fare Change Grace Period (10.34.020 M)
    i. (WCFAC, LIFAC) This change reduces the length of time prior rate punch cards can be used. Existing code allows for 6 months. This code change brings it down to 30 days.
d. Credit for new rate punch cards (10.34.020 M)

i. (LIFAC, WCFAC, PC, Council) Allowing valid multi-ride punch cards purchased at previous fare rated to be used as credit toward the purchase of punch cards at updated rates. Punch card users simply lost out on their investment when a fare change occurred.

E. Interpretation of Rate Schedule

a. Remains (10.34.020 P)

i. (PC) Added language about after-hours ferry operations for transportation of deceased individuals

b. Employee Trips (10.34.020 I)

i. (WCFAC) County employees (other than Public Works and the Sheriff department) will now pay regular ticket price into fare box.

c. Incorporated Fire Department interagency agreement for free passage (10.34.020 G)

d. Student Fare (10.34.020 G replaced)

i. Discounted ticket has been removed due to lack of use and undue administrative cost for the amount of use. Pedestrian multiride punch cards have a sizeable discount.

e. Over-width Vehicle (10.34.020 F)

i. (WCFAC) Clarified what it means to be over-width.

F. Housekeeping

a. Children Trips (10.34.020 H)

b. Location of punch card sales (10.34.020)

c. Defacing/Intact punch cards (10.34.020 M)

3. *Next Steps:*

- 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 in the evening.
- April 23rd Council:
  - Council adopts 10.34 code
- May 7th Council:

- ARPA funds are introduced in the budget supplemental at the evening council meeting.

- May 21st Council:
  - Council adopts supplemental budget