

Appendix F



Guemes Island Ferry

Schedule & Fare Policy Analysis Task Force

2004



Fare and Schedule Proposal Package

Final Task Force Recommendations

December 18, 2003

Public Input and Amendments to the November 15th Proposal

PUBLIC INPUT

The following is a brief overview of the most frequently expressed comments related to schedule and fare recommendations.

New Schedule:

- Schedule should remain as is
- Proposal is too complicated with too many new sailings to keep track of
- More service should be added going off the Island in the morning
- Additional sailings and fixed sailing times were a good idea
- Schedule day should be extended past 6:00 PM Monday-Thursday

Fares and Fare Revenue Requirement:

- Concern about unknown impacts of future costs and how costs have been assigned to customers
- Lack of trust in management to manage in a cost effective way
- Frequent user categories are too complicated; the best price is going to the most frequent users
- Highest increases are going to the resident users
- Commercial and oversize fares should increase more
- Motorcycle users should get access to frequent user discounts

AMENDMENTS

The Task Force made several amendments to its original recommendations based on public comments and additional discussions. The following key key changes were made:

- Revised the frequent user categories to simplify and address affordability issues
- Minor modifications to the schedule to address crew break requirements
- Shortened the summer peak season (May 1 - Labor Day)
- 20-minute service on Sunday in Summer start at 11:00 AM instead of 3:00 PM
- Changed the oversize fare pricing methodology
- Changed revenue requirement formula to use a five-year average for Motor Vehicle Fuel Tax and State Deficit Reimbursement



1. NEW SCHEDULE

Design schedule to meet changing needs of ferry

SCHEDULE PARAMETERS

As the Task Force considered ferry schedule issues and challenges, the following schedule parameters emerged:

- The schedule should be **designed to meet the demand** within the currently defined schedule day.
- **Match staffing with demand for service.** Where demand warrants, crew will be added to improve service. It is possible and required to operate a 20-minute schedule with a 4-person crew in high demand periods and a 30-minute schedule with a 3-person crew in lower demand periods (with revised cash handling/proof of purchase procedures).
- The mode of operation should change from a mix of scheduled and on-demand service to one based on **a fixed schedule**. This will improve management's ability to manage the service and staff appropriately, provide predictability for customers and crew, and eliminate a source of tension between crew and customers by eliminating the need for the crew to determine when it is appropriate make "extra trips".
- **Most costs of operating the ferry during the regular schedule day are fixed.** The only additional cost of making an extra trip is the cost of fuel. In 2002, the average cost of fuel for a round trip was \$4.68. This is not enough of a savings to reserve the option of on-demand sailings.
- The **crew's breaks should be explicitly accounted for** in the schedule.
- **Provide the necessary supporting policies, procedures and facility improvements** to enable the crew to meet the 20-minute and 30-minute schedules without compromising safety or cash handling procedures.

WHY IS THE SCHEDULE BEING CHANGED?

The current schedule is largely built around a demand-responsive approach that provides flexibility by leaving gaps throughout the day where the crew has discretion to add extra trips based on demand.

This approach made sense when traffic levels were much lower, but today:

- In the winter, there are 20% more actual sailings than scheduled sailings, in the summer there are 40% more.
- As volume has grown, so has the number of conflicts between the crew and customers around how the crew's discretion for extra service is being used.
- Flexibility comes at a significant cost in terms of service predictability for customers and additional management challenges.



1. NEW SCHEDULE

Design schedule to meet changing needs of ferry

SUPPORTING POLICIES & PROCEDURES

- To facilitate and expedite ticketing and loading, **restripe the dock** to allow for 2 staging lanes.
- To improve safety and reduce loading time, provide a barrier to **separate passengers from vehicles** so they can be loaded separately.
- Provide a **visual cue** (lights/clock) to **inform arriving customers as to the loading status** and likelihood of making the next sailing.
- A **"cut off" time for loading before each sailing** will be established by the Roundtable. Leaving on time is the priority and customers are encouraged to arrive early for their sailing.

WHY NOT EXTEND THE DAY?

The Task Force decided to leave the Monday through Thursday last sailing at 6:05 PM. This was done after much discussion and for the following reasons:

1. **Cost.** Extending the day will increase operating costs which in turn would require a greater fare increase.
2. **Lack of Island consensus on this issue.** Guemes Island is split on this issue, with no clear consensus to deviate from the traditional Monday-Friday schedule day.
3. **Consequences of extending weekday service needs to be evaluated in a more comprehensive way** and the impacts discussed as part of a community-wide dialogue. The subarea planning process may represent an opportunity for this dialogue.

OTHER RECOMMENDED SCHEDULE POLICES

- **End of Schedule Day Policy:**
 - Those in line in time for the last run of the schedule day, or for a special civic or school purpose trip, are guaranteed passage to Guemes Island.
 - Passage to Guemes Island for a vehicle arriving after the last scheduled trip will be space contingent and provided if there is room on the vessel on the trip caused by an overload situation.
- **Holiday Schedules:**
 - When the day before a holiday (New Year's Day, 4th of July, Thanksgiving or Christmas) falls on a Monday through Thursday, Ferry service will be provided on the Friday schedule - but stopping at 10 PM.
 - When a holiday (see above) falls on a Monday through Thursday, Ferry service will be provided on the Sunday schedule.

WHEN WILL WE SEE SOME OF THE CHANGES AT THE DOCK?

The proposed schedule is contingent on making the facility improvements and procedural changes identified by the Task Force. These changes will be in place by May 2004.

HOW WILL THE NEW SCHEDULE CHANGE THE 6PM RUN?

With the new schedule, 66% more service (4 more trips) has been added during the busiest part of the day -- between 3 PM and 6 PM. This should significantly reduce the afternoon backlog, and potentially reduce the demand at 6 PM and the need for extra runs to accommodate overloads at the end of the day.



1. NEW SCHEDULE

Winter Schedule (Wednesday after Labor Day through April 30)

	Trip	Mon - Thurs	Friday	Saturday	Sun & Holidays	
Morning	1.0		6:30 AM	6:30 AM	6:30 AM	
	2.0		7:00 AM	7:00 AM	7:00 AM	7:00 AM
	3.0		7:30 AM	7:30 AM	7:30 AM	7:30 AM
	4.0		8:00 AM	8:00 AM	8:00 AM	8:00 AM
	5.0		8:30 AM	8:30 AM	8:30 AM	8:30 AM
	6.0		9:00 AM	9:00 AM	9:00 AM	9:00 AM
			0:15:00 Minute Break			
	7.0		9:45 AM	9:45 AM	9:45 AM	9:45 AM
	8.0		10:15 AM	10:15 AM	10:15 AM	10:15 AM
	9.0		10:45 AM	10:45 AM	10:45 AM	10:45 AM
	10.0		11:05 AM	11:05 AM	11:15 AM	11:15 AM
	11.0		11:25 AM	11:25 AM		
12.0		11:45 AM	11:45 AM	11:45 AM	11:45 AM	
Mid Day		0:45:00 Lunch Break				
	13.0		1:00 PM	1:00 PM	1:00 PM	1:00 PM
	14.0		1:20 PM	1:20 PM		
	15.0		1:40 PM	1:40 PM	1:30 PM	1:30 PM
	16.0		2:00 PM	2:00 PM	2:00 PM	2:00 PM
		0:15:00 Minute Break				
	17.0		2:40 PM	2:40 PM		
	18.0		3:00 PM	3:00 PM	3:00 PM	3:00 PM
	19.0		3:20 PM	3:30 PM	3:30 PM	3:30 PM
	20.0		3:45 PM	3:45 PM		
	21.0		4:05 PM	4:05 PM	4:00 PM	4:00 PM
	22.0		4:25 PM	4:25 PM	4:30 PM	4:30 PM
23.0		4:45 PM	4:45 PM			
24.0		5:05 PM	5:05 PM	5:00 PM	5:00 PM	
25.0		5:25 PM	5:25 PM	5:30 PM	5:30 PM	
26.0		5:45 PM	5:45 PM			
27.0		6:05 PM	6:05 PM	6:00 PM	6:00 PM	
	0:15:00 Minute Break					
28.0			6:40 PM			
29.0			7:00 PM	7:00 PM	7:00 PM	
30.0			7:20 PM	7:30 PM	7:30 PM	
	0:45:00 Dinner Break					
31.0			8:30 PM			
32.0			9:00 PM	9:00 PM	9:00 PM	
33.0			9:30 PM	9:30 PM	9:30 PM	
34.0			10:00 PM	10:00 PM	10:00 PM	
35.0			10:30 PM	10:30 PM		
36.0			11:00 PM	11:00 PM		
	Crew Break & Terminal Clean Up					
37.0			12:00 AM	12:00 AM		
Evening						



2. REVENUE REQUIREMENT

Balance taxpayer and ferry customer responsibility

RECOMMENDED CHANGES IN FORMULA

The Task Force endorses the concept of the Bridge Analogy and recommends that the current formula be changed to be consistent with the policy basis.

- Revenue from ferry fares should equal:
 - 100% of ferry crew wages and benefits
 - plus 100% of fuel and insurance costs
 - plus 100% Ferry Manager's time spent at the dock (excludes administrative time)
 - less the sum of a 5-year average of State funding for ferries (MVFT for ferry operations) and 5-year average of State Deficit Reimbursement

Phasing in the Changes. The Task Force recognizes that this change, if implemented all at once, would result in significant impacts on fares. As a result, it is recommended that the change in the fare revenue target formula should be phased in over time. At this time, the Task Force will recommend a Phase I fare proposal. Subsequent phasing decisions and appropriate fare changes will be developed through the Operations and Performance Roundtable.

WHAT IS THE OPERATIONS AND PERFORMANCE ROUNDTABLE?

The Operations and Management Analysis recommended a mechanism for Public Works and the Ferry Committee to resolve ongoing operations issues. The Task Force has added to this concept by recommending that an Operations and Performance Roundtable be established through County Resolution to resolve issues associated with implementation of the Task Force recommendations and on-going operations and performance issues.

HOW DOES THE GUEMES ISLAND FERRY COMPARE TO OTHERS?

Ferry (Operator)	Crossing Time	Roundtrip Ridership (2002)	Base Car Fare	Base Passenger Fare	Last Fare Change (%)	Total System Recovery (FY 02)
Guemes Island (Skagit County)	5 min.	202,802	\$5.25	\$1.25	1992 (1% cars; 4% passengers)	31%
Lummi Island (Whatcom County)	5 min.	227,524	\$4.00	\$1.00	2002 car fares only (25% base fare)	39%
Anderson Island Ketron Island (Pierce County)	20 min. 10 min.	191,059	\$11.50	\$3.30	2002 (10%)	58%



3. FARE STRUCTURE CHANGES

Define Equity Among Customers

POLICY ELEMENTS OF A FERRY FARE STRUCTURE

- **Base Fare** establishes the full cash fare for each mode of travel. This should form the basis from which all other fares are derived.
- **Discounts** are provided to customers to promote desirable travel behavior or to certain groups, such as frequent users, youth, seniors or disabled passengers. Depending on the fare media, discounts may have an added efficiency benefit at the point of sale. Pre-paid frequent user passes can reduce cash handling at the ferry dock reducing through put time.
- **Peak/Non Peak.** During high-use times when space is at a premium, the service provider may increase rates. A peak charge for passage corresponds to a seasonal peak in ridership.
- **Size Considerations.** Vehicle fares generally have some relationship to the space that the vehicle will occupy on board the vessel. Larger vehicles are assessed higher fares and smaller vehicles, like motorcycles, are charged less than the base car and driver fare.

FARE STRUCTURE PRINCIPLES

As the Task Force discussed the fare structure, members agreed to the following principles:

- To reduce customer confusion, where possible, fare categories should be consistent with WSF and other ferry or transit systems.
- To the maximum extent possible, the fare structure should consider operational impacts, in particular the needs for efficient ticket processing, and impact of oversize vehicles on loading efficiency.
- Fares should be applied and enforced on a consistent basis.
- Vehicles should pay in proportion to the space they consume.

HOW MUCH DOES IT COST TO OPERATE THE FERRY?

For fiscal year 2003, total costs of operating and maintaining the ferry (including overhead) were \$1,250,158.



3. FARE STRUCTURE CHANGES

Define Equity Among Customers

PASSENGER FARE STRUCTURE RECOMMENDATIONS

- **Standard Passenger Fare.** The standard passenger fare is applied to persons 18 to 65 years of age.
- **Youth Fares.** Youth, 6-18 years of age, are afforded a 50% discount from the standard passenger fare. Children under the age of 6 travel free of charge. Students making school-related trips will be given a special school pass, allowing students to make free school-related trips.
- **Senior and Disabled Passenger Discounts.** A 50% discount from the standard passenger fare is proposed for seniors, age 65 and older. In addition, disabled passengers are afforded a 50% discount from the base passenger fare. A senior/disabled vehicle fare (the base vehicle fare less 50% standard passenger fare) would also be available. It is necessary to offer a 50% discount to seniors and disabled passengers to preserve the option of potential future federal transportation capital funding.

CHARTER & EXTRA SERVICE OUTSIDE OF SCHEDULED SAILINGS RECOMMENDATIONS

Special runs are offered to accommodate additional service needs and does not include base fares for passage. With the exception of the Charter Rate, emergency medical service (EMS) or fuel runs, any vehicle or passenger wishing to travel (as space allows) may do so after paying the appropriate fare if a special run is provided. The price for special runs and charter fares are based on full cost recovery for these extra services.

- An **Extended Run Rate** of \$100 is available for the first trip beyond the schedule day. This rate assumes a one-hour minimum and that the crew is readily available and does not need to be called in to provide the service. Passengers and vehicles also must pay regular fares for passage.
- After any extended runs or before the first trip in a schedule day, a **Guemes Special Rate** of \$315 is available. This rate assumes a three-hour minimum and that the crew must be called in to provide the service. Passengers and vehicles also must pay regular fares for passage.
- A **Charter Rate** of \$1,000 for the minimum three-hour period and \$325 for each additional hour to those wishing to charter the vessel outside of normal crew hours. This is based on total cost to run the vessel, plus a 50% mark up.
- The following exemptions were also recommended:
 - o School rates remains at the current rate of \$175 plus fare for each passenger/vehicle. If an overload occurs, the District should not be charged for additional trips.
 - o Fire or medical vehicles be allowed free passage.
 - o Sheriff vehicles be assessed the current rate of \$175 plus appropriate base fare.
 - o Puget Sound Energy be assessed the Guemes Special Rate of \$315 plus appropriate base fare.



Meet Revenue Needs of System

RECOMMENDED FARE INCREASE

For fiscal year 2003 (July 2002-June 2003), fare revenue was approximately \$400,000. The proposed change in the fare revenue requirement formula would result in a fare revenue requirement of approximately \$640,000, a 62% increase. The Task Force recommends a 2004 Fare Change to be Phase 1 in a multi-year implementation of the proposed fare revenue target policy changes.

The 2004 Fare Proposal is based on meeting a revenue target of \$500,000 (a 25% increase in revenue), which is based on the current formula (Resolution 11939) less the cost of the 4th crewmember. To meet this revenue requirement the following are recommended:

- The standard car & driver fare would be increased from \$5.25 to \$5.75.
- The standard passenger fare would be increased from \$1.25 to \$1.50.
- May 1 through the Tuesday following Labor Day, a summer surcharge will be assessed to all vehicle cash fares, including motorcycles. The peak period surcharge is 25% of the applicable base season vehicle fare.

Subsequent phases would be developed in the Operation and Performance Roundtable process and will take into account the actual impacts of Phase 1 fare implementation and changes to the schedule policies. Continued implementation of the fare revenue policy goal will only be enacted through separate resolutions passed by the Board and will be based on recommendations from the Operations and Performance Roundtable and after successful implementation of the Phase 1 fare and schedule recommendations. An annual ferry operations and performance report will be delivered to the Board by no later than November 1 of each year, indicating whether collected fare revenue has met the policy target. The report will also identify progress and recommended next steps in the implementation of the fare revenue policy goal. The first of these reports is due November 1, 2005.

WHEN WILL FARE CHANGES GO INTO EFFECT?

Fare changes will go into effect when the new schedule is implemented. This will occur by May 2004, after supporting facility improvements and procedural changes have been made.



Operations and Performance Roundtable**DRAFT PROPOSED 2004 WORKPLAN**

The Operations and Management Analysis recommended an ongoing forum for Public Works and the Ferry Committee to discuss and resolve operations and performance issues. The Task Force has added to this concept by recommending that an Operations and Performance Roundtable be established through County Resolution to address issues associated with implementation of the Task Force recommendations and on-going operations and performance issues. The current list of issues for the Roundtable include:

- Develop and adopt Roundtable working guidelines
- Implementation of the Task Force recommendations
 - o Dock changes to facilitate loading (restriping; separating passengers & vehicles)
 - o Development of frequent user media
 - o Signage, information and communication improvements at the dock
 - o Final operating procedures for 3 and 4 person crews to ensure compliance with Auditor requirements
 - o Procedures for enforcing policy for last run on Monday through Thursday
- Development of a regular performance reporting mechanism to track progress in implementing recommendations of the Operations Management Analysis and the Task Force
- Development of a passenger enhancement program with measurable goals to encourage more walk-on and passenger use of the ferry
- Monitoring impacts of schedule and fare changes
- Issues related to the biennial ferry haul out
- Transportation demand management issues
- Passenger and bicycle passage procedures and policies
- Parking lot and passenger enhancement issues
- On-going issues of customer service
- Development of standards and criteria for implementation of additional fare increases toward the target goal of 100% of crew wages and benefits
- Other items to be determined on an on-going basis



ENCOURAGING PASSENGER TRAFFIC

Ticketing

- Use of auto frequent user card for free passenger fare.
- Further develop the idea of a 12-month photo pass. If possible, the Roundtable is also urged to investigate the possibility of linking the pass to SKAT transportation, as well.

Public Transportation

- Interface with SKAT schedule in Anacortes with Guemes ferry schedule.
- Provide an "Around Guemes" shuttle bus that travels to Anacortes and back to Guemes twice in the morning and twice in the afternoon each day. The bus would have priority loading. This could be possible with an experimental grant between Federal/State/County and SKAT.
- Investigate all costs and implications of an additional passenger-only ferry.

Operations

- Promote carpooling (or vanpooling). Consider offering preferential parking or loading to carpools.
- Facilitate passenger egress/ingress to decrease clustering effect of passengers at top of ramp.
- Consider scheduling crew to cover later hours of schedule to prevent overtime costs, if demand warrants continued overload situations.