

RESOLUTION NO. _____
RESOLUTION RECINDING R20040054
AND ESTABLISHING
GUEMES ISLAND FERRY TICKET FARE METHODOLOGY

WHEREAS, Skagit County operates the Guemes Island Ferry between Fidalgo Island, Washington and Guemes Island, Washington; and

WHEREAS, it is the desire of the Skagit County Board of Commissioners (Board) to operate the Guemes Ferry system safely and efficiently, with the goal of meeting ridership needs while carefully controlling system costs and system revenues.

WHEREAS, current revenue sources for operating and maintaining the Guemes Island Ferry system include, ferry fares, State Ferry Deficit Reimbursement, State Motor Vehicle Fuel Tax and County Road Tax.

WHEREAS, on February 9, 2004, Resolution R20040054 was adopted which established a policy for setting Fare Recovery Requirements for the Guemes Island Ferry.

WHEREAS, the Board desires to rescind R20040054, and adopt a new policy for establishing a ferry fare revenue target for the Guemes Island Ferry.

WHEREAS, in adopting a new policy for establishing a ferry fare revenue target, the Board desires a policy that is easily understandable and explainable, and whose data is generated from the Deficit Reimbursement Report

WHEREAS, it is the desire of the Board that the ferry fare revenue target be calculated as a percentage of overall system operating and maintenance costs as computed in the annual Deficit Reimbursement Report less revenues from the Motor Vehicle Fuel Tax and State Ferry Deficit Reimbursement.

WHEREAS, to even out potential large variations in year-to-year maintenance costs and revenues from the Motor Vehicle Fuel Tax and State Ferry Deficit Reimbursement, these costs and revenues will be averaged over the previous five state fiscal year periods.

NOW THEREFORE BE IT RESOLVED, THAT

Section 1. The Ferry Division of the Public Works Department shall operate the Guemes Ferry system in a safe and cost effective manner, while adhering to all Coast Guard regulations.

Section 2. Resolution R20040054 is rescinded.

Section 3. Ferry fare revenue target shall be calculated as follows:

Ferry Fare Revenue Target (utilizing data from July 1st to June 30th, see attached example) =

The five (5) year average of ferry operating and maintenance costs as computed in the annual deficit reimbursement reports submitted to the State. For purposes of this resolution, capital expenditures that are not included in the ferry operating and maintenance costs shall be defined as all capital expenditures defined in WAC 136-400-030 and other capital costs including financing and depreciation expenses applied to the replacement, expansion, or creation of ferry system physical elements, less

the five (5) year average of the State Motor Vehicle Fuel Tax received by the County for operation and maintenance of ferries, less

the five (5) year average of the State Ferry Deficit Reimbursement received by the County, the total of the above

multiplied by 65%.

Section 4. Prior to November 30th of each year, the Public Works Department shall prepare and submit a report to the Board that calculates the ferry fare revenue target pursuant to Section 3, and shall recommend a ferry rate schedule for the upcoming calendar year with an estimate of fare revenues based on these rates. The report shall be discussed at an Operations and Performance Roundtable meeting prior to submittal to the Board. The Board shall review the report and by resolution set fare rates for the following year.

Section 5. For year 2008, the ferry fare target is established at \$840,226.

BE IT FURTHER RESOLVED, THAT

This resolution is effective upon adoption.

**WITNESS OUR HANDS AND THE OFFICIAL SEAL OF OUR OFFICE THIS _____
DAY OF _____, 2007.**

APPROVED:

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

SHARON D. DILLON, Chair

DON MUNKS, Commissioner

KENNETH A. DAHLSTEDT, Commissioner

Attest:

Clerk of the Board

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