

January 11, 2005

To: Guemes Island Ferry Committee
Subject: Guemes Ferry Financial Analysis Answers

The following are responses to questions asked by the Ferry Committee in their memo of December 9, 2004 that pertain to the accounting department:

1. What situation triggered the establishment of a new category of crew wages called "Leave Wages" in 1998 and why do these wages appear to be additive costs to the crew wages? In July of 1997 Skagit County switched to a new financial system that broke wages down to a previously unreported level, to include "Leave Wages". These wages were not in addition to crew wages, just a further breakdown of the same wages, not previously available.
2. Why have the total crew wages increased from \$645,000 in 2001 to \$910,000 in 2004? (apparently \$130,261 is a result of the 4th crew person and \$43,000 of Steve Cox wages are included (50%)) July 2003 – June 2004 ferry salaries and fringes, as stated on the 2004 Ferry Deficit Report, were \$922,371. The July 2000 – June 2001 ferry salaries and fringes, as stated on the 2001 Ferry Deficit Report, were \$645,826. The \$276,545 difference in salaries and fringes between these two years resulted from: The cost of a 4th crew member - \$130,261; Increase of ferry manager time from 30% to 100% - \$55,000 (approximate); Increase in the cost of health benefits - \$89,797; and contractual union changes including cost of living increase (COLA's) - \$1,487.
3. Are there any health benefits associated with the 4th crew person's wages that are not included in the \$130,261? No. The \$130,261 figure supplied to Mr. Cady in October of 2004 included health insurance premiums for eligible employees.
4. See Steve Cox
5. See Steve Cox
6. Please identify the recent consulting services fees and where they are posted to the financial statements. The known consulting agreements from the Skagit County web site are Berk & Assoc C20020106 \$66,732 2/25/02; C20030387 9/9/03; C20020016 1/27/03; A20030060 5/19/03; A20030122 8/25/03; A2004010 and KPFF A20020097 8/13/02 In the last ½ of 2003, there were \$95,487.58 listed on the deficit summary under FE8-90-1 as professional services. These were all Consulting Fees, paid to Berk & Assoc. In the first ½ of 2004 there were \$33,068.75 listed under FE8-90-1 as Professional Services with \$77.50 paid to Express Personnel and the remaining \$32,991.25 paid to Berk & Assoc.
7. Why are there no mechanics wages charged to the "Guemes Dock" in 2004 to complement the \$1,186 in benefits charged? The Ferry Committee did not receive a copy of the corrected summary (attached) that shows that wages/benefits for 2004 all listed on the wrong line. The corrected copy

shows wages of \$1,518.09, overtime of \$999.74, and benefits of \$1,258.95 for 2004.

8. Is pay for emergency ferry runs, not made during normal schedules, significant? Can the annual amounts be tabulated for the past 5-10 years? See attached reports showing the requested information dating back to July 1997.
9. See Steve Cox
10. See Steve Cox

Extended Schedule Analyses

→ 2 possible different operational scenarios: 3 person crew and 4 person crew.

→ Assumptions

- All regular full-time employees work 176 hours each per month.
- Any hours left to work above and beyond the 1,056 that the regular full-time crew works will be worked by on-call part-time (in our existing staffing situation) or by either regular full-time or on-call part-time crew (proposed).
- We used a 30% bump up on hours available per month based upon history. (This means that if there were 2000 scheduled hours in a month, the actual number worked - and therefore paid - would be 2600.)

→ Conclusions

3 person crew

\$528,190.20 / year (existing schedule)

\$722,400 / year (proposed schedule)

Difference = \$190,210 / year (+/-)

6 regular full-time crew, 5 regular part-time crew, many on-call part-time crew

4 person crew

\$648,117.60 / year (existing schedule)

\$952,800 / year (proposed schedule)

Difference = \$304,682 / year (+/-)

6 regular full-time crew, 9 regular part-time crew, many on-call part-time crew

8/5/2005 - 3 person crew - Balanced Shifts

| DAY | CAPT | CAPT | CAPT | PSR II | PSR II | PSR II | PSR I | PSR I | PSR I | PSR II | PSR II | PSR I | PSR I | PSR I | PSR I | PSR I | MECH | |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------------|
| 1 MO | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 | \$1,726.60 |
| 2 TU | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 | \$1,726.60 |
| 3 WE | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 8.0 | \$1,669.04 |
| 4 TH | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | \$1,613.20 |
| 5 FR | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | | | | | | | | \$1,613.20 |
| 6 SA | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | | | \$1,395.20 |
| 7 SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | | 10.0 | \$1,726.60 |
| 8 MO | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 | \$1,726.60 |
| 9 TU | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 | \$1,726.60 |
| 10 WE | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 8.0 | \$1,669.04 |
| 11 TH | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | \$1,613.20 |
| 12 FR | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | | | | | | | \$1,613.20 |
| 13 SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | | \$1,395.20 |
| 14 SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | | 10.0 | \$1,726.60 |
| 15 MO | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 10.0 | \$1,726.60 |
| 16 TU | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 10.0 | \$1,726.60 |
| 17 WE | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 8.0 | \$1,669.04 |
| 18 TH | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | | \$1,613.20 |
| 19 FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | | | | | | | | \$1,613.20 |
| 20 SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | | \$1,395.20 |
| 21 SU | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | 10.0 | \$1,726.60 |
| 22 MO | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 | \$1,726.60 |
| 23 TU | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 8.0 | \$1,669.04 |
| 24 WE | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | | \$1,613.20 |
| 25 TH | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | | \$1,613.20 |
| 26 FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | | | | | | | | \$1,613.20 |
| 27 SA | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | | | | | | | | | \$1,395.20 |
| 28 SU | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | | | | | | | | 8.0 | \$1,669.04 |
| 29 MO | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 8.0 | \$1,669.04 |
| 30 TU | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 | \$1,726.60 |
| 31 WE | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 | \$1,726.60 |
| Sub-Total | 161.0 | 178.5 | 186.0 | 161.0 | 178.5 | 186.0 | 161.0 | 178.5 | 186.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$50,946.44 |
| S/L | | | | | | | | | | | | | | | | | | \$0.00 |
| VAC | | | | | | | | | | | | | | | | | | \$0.00 |
| N/OP | 15.0 | 0.0 | 0.0 | 15.0 | 0.0 | 0.0 | 15.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | \$1,308.00 |
| TOTALS | 176.0 | 178.5 | 186.0 | 176.0 | 178.5 | 186.0 | 176.0 | 178.5 | 186.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$52,254.44 |

Cost of Manager Including Benefits Per Month

\$2,500.00

Total Crew Costs per Month (based upon scheduled hours available)

\$52,254.44 (Incl. Mech.)

\$47,131.60 (Less Mech.)

Cost of Crew Members Including Benefits per Hour

Captain \$29.87

Purser/Deckhand II \$29.87

Purser/Deckhand I \$27.46

Mechanic \$28.78

Total Crew Costs per Month (based upon hours paid)

\$65,241.65 (Incl. Mech.)

\$60,118.61 (Less Mech.)

Scheduled Hours (based upon scheduled hours available) = 1576.5

Paid Hours (+ 30%, based upon hours paid) = 2049.5

Total "additional" hours = 473.0

Cost of "additional" hrs. (worked by Reg. P/T employees) = \$12,987.21

8/5/2005 - 3 person crew - Unbalanced Shifts

| DAY | CAPT | CAPT | CAPT | PSR II | PSR II | PSR II | PSR I | PSR I | PSR I | PSR II | PSR II | PSR I | PSR I | PSR I | PSR I | PSR I | PSR I | MECH | |
|-----------|------|-------|-------|--------|--------|--------|-------|-------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------------|
| 1 | MO | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | | | | | | | 10.0 | \$1,726.60 |
| 2 | TU | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 10.0 | \$1,726.60 |
| 3 | WE | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 10.0 | \$1,726.60 |
| 4 | TH | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 8.0 | \$1,669.04 |
| 5 | FR | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | | | | | | | | \$1,613.20 |
| 6 | SA | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | | | \$1,613.20 |
| 7 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | | | \$1,395.20 |
| 8 | MO | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | | | | | | | 10.0 | \$1,726.60 |
| 9 | TU | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | | | | | | | 10.0 | \$1,726.60 |
| 10 | WE | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | | | | | | | 10.0 | \$1,726.60 |
| 11 | TH | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 8.0 | \$1,669.04 |
| 12 | FR | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | | | | | | | \$1,613.20 |
| 13 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | | \$1,613.20 |
| 14 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | | | \$1,395.20 |
| 15 | MO | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | | 10.0 | \$1,726.60 |
| 16 | TU | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | | 10.0 | \$1,726.60 |
| 17 | WE | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | | | | | | | 10.0 | \$1,726.60 |
| 18 | TH | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | | | | | | | 8.0 | \$1,669.04 |
| 19 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | | | | | | | | \$1,613.20 |
| 20 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | | \$1,613.20 |
| 21 | SU | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | | \$1,395.20 |
| 22 | MO | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 10.0 | \$1,726.60 |
| 23 | TU | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | | 10.0 | \$1,726.60 |
| 24 | WE | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | | 10.0 | \$1,726.60 |
| 25 | TH | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | | 8.0 | \$1,669.04 |
| 26 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | | | | | | | | \$1,613.20 |
| 27 | SA | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | | | | | | | | | \$1,613.20 |
| 28 | SU | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | | | | | | | | | \$1,395.20 |
| 29 | MO | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 8.0 | \$1,669.04 |
| 30 | TU | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 8.0 | \$1,669.04 |
| 31 | WE | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | | | | | | 10.0 | \$1,726.60 |
| Sub-Total | | 159.5 | 183.0 | 183.0 | 159.5 | 183.0 | 183.0 | 159.5 | 183.0 | 183.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$50,946.44 |
| I/L | | | | | | | | | | | | | | | | | | | \$0.00 |
| I/AC | | | | | | | | | | | | | | | | | | | \$0.00 |
| I/OP | | 16.5 | 0.0 | 0.0 | 16.5 | 0.0 | 0.0 | 16.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | \$1,438.80 |
| TOTALS | | 176.0 | 183.0 | 183.0 | 176.0 | 183.0 | 183.0 | 176.0 | 183.0 | 183.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$52,385.24 |

Cost of Manager Including Benefits Per Month
\$2,500.00

Total Crew Costs per Month (based upon scheduled hours available)
\$52,385.24 (Incl. Mech.)
\$47,262.40 (Less Mech.)

Cost of Crew Members Including Benefits per Hour

| | |
|--------------------|---------|
| Captain | \$29.87 |
| Surser/Deckhand II | \$29.87 |
| Surser/Deckhand I | \$27.46 |
| Mechanic | \$28.78 |

Total Crew Costs per Month (based upon hours paid)
\$65,372.45 (Incl. Mech.)
~~\$60,249.61 (Less Mech.)~~

Scheduled Hours (based upon scheduled hours available) = 1576.5
Paid Hours (+ 30%, based upon hours paid) = 2049.5
Total "additional" hours = 473.0

Cost of "additional" hrs. (worked by Reg. P/T employees) = \$12,987.21

8/5/2005 - 4 person crew - Balanced Shifts

| TE | DAY | CAPT | CAPT | CAPT | PSR II | PSR II | PSR II | PSR I | PSR I | PSR I | PSR I | PSR I | PSR I | PSR I | PSR I | PSR I | PSR I | MECH | |
|-----------|-----|-------|-------|-------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
| 1 | MO | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | 8.0 | | 8.5 | | | | 10.0 | \$2,179.69 |
| 2 | TU | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 10.0 | \$2,179.69 |
| 3 | WE | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 10.0 | \$2,179.69 |
| 4 | TH | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 8.0 | \$2,122.13 |
| 5 | FR | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | 9.0 | 9.5 | | | | | | \$2,121.21 |
| 6 | SA | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | 9.5 | 9.0 | | | | | | \$2,121.21 |
| 7 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | 8.0 | 8.0 | | | | | | \$1,834.56 |
| 8 | MO | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | 8.0 | | 8.5 | | | | 10.0 | \$2,179.69 |
| 9 | TU | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | 8.0 | | 8.5 | | | | 10.0 | \$2,179.69 |
| 10 | WE | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | 8.0 | | 8.5 | | | | 10.0 | \$2,179.69 |
| 11 | TH | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 8.0 | \$2,122.13 |
| 12 | FR | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | 9.0 | 9.5 | | | | | \$2,121.21 |
| 13 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | 9.5 | 9.0 | | | | | \$2,121.21 |
| 14 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | 8.0 | 8.0 | | | | | | \$1,834.56 |
| 15 | MO | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | | 10.0 | \$2,179.69 |
| 16 | TU | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | | 10.0 | \$2,179.69 |
| 17 | WE | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | 8.0 | | 8.5 | | | | 10.0 | \$2,179.69 |
| 18 | TH | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | 8.0 | | 8.5 | | | | 8.0 | \$2,122.13 |
| 19 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | 9.5 | | 9.0 | | | | | \$2,121.21 |
| 20 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | 9.5 | 9.0 | | | | | \$2,121.21 |
| 21 | SU | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | 8.0 | 8.0 | | | | | \$1,834.56 |
| 22 | MO | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 10.0 | \$2,179.69 |
| 23 | TU | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | | 10.0 | \$2,179.69 |
| 24 | WE | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | | 10.0 | \$2,179.69 |
| 25 | TH | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | | 8.0 | \$2,122.13 |
| 26 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | 9.5 | | 9.0 | | | | | \$2,121.21 |
| 27 | SA | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | | 9.0 | | 9.5 | | | | | \$2,121.21 |
| 28 | SU | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | | 8.0 | | 8.0 | | | | | \$1,834.56 |
| 29 | MO | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 8.0 | \$2,122.13 |
| 30 | TU | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 8.0 | \$2,122.13 |
| 31 | WE | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | 8.5 | 8.0 | | | | 10.0 | \$2,179.69 |
| Sub-Total | | 161.0 | 178.5 | 186.0 | 161.0 | 178.5 | 186.0 | 161.0 | 178.5 | 186.0 | 0.0 | 161.0 | 178.5 | 186.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$65,376.67 |
| S/L | | | | | | | | | | | | | | | | | | | \$0.00 |
| VAC | | | | | | | | | | | | | | | | | | | \$0.00 |
| N/OP | | 15.0 | 0.0 | 0.0 | 15.0 | 0.0 | 0.0 | 15.0 | 0.0 | 0.0 | 0.0 | 15.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | \$1,756.05 |
| TOTALS | | 176.0 | 178.5 | 186.0 | 176.0 | 178.5 | 186.0 | 176.0 | 178.5 | 186.0 | 0.0 | 176.0 | 178.5 | 186.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$67,132.72 |

Cost of Manager Including Benefits Per Month

\$2,500.00

Total Crew Costs per Month (based upon scheduled hours available)

\$67,132.72 (Incl. Mech.)
 \$62,009.88 (Less Mech.)

Cost of Crew Members Including Benefits per Hour

Captain \$29.87
 Purser/Deckhand II \$29.87
 Purser/Deckhand I \$27.46
 Mechanic \$28.78

Total Crew Costs per Month (based upon hours paid)

\$84,449.00 (Incl. Mech.)
 \$79,326.16 (Less Mech.)

Scheduled Hours (based upon scheduled hours available) = 2102.0
 Paid Hours (+ 30%, based upon hours paid) = 2732.6
 Total "additional" hours = 630.6
 Cost of "additional" hrs. (worked by Reg. P/T employees) = \$17,316.28

8/5/2005 - 4 person crew - Unbalanced Shifts

| DATE | DAY | CAPT | CAPT | CAPT | PSR II | PSR II | PSR II | PSR I | PSR I | PSR I | PSR II | PSR II | PSR I | PSR I | PSR I | PSR I | PSR I | MECH | |
|------------------|-----|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|------------|------------|------------|--------------|--------------------|
| 1 | MO | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | 6.5 | | 10.0 | | | | 10.0 | \$2,179.69 |
| 2 | TU | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 10.0 | \$2,179.69 |
| 3 | WE | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 10.0 | \$2,179.69 |
| 4 | TH | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 8.0 | \$2,122.13 |
| 5 | FR | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | 9.0 | 9.5 | | | | | | \$2,121.21 |
| 6 | SA | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | 9.5 | 9.0 | | | | | | \$2,121.21 |
| 7 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | 8.0 | 8.0 | | | | | | \$1,834.56 |
| 8 | MO | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | 6.5 | | 10.0 | | | | 10.0 | \$2,179.69 |
| 9 | TU | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | 6.5 | | 10.0 | | | | 10.0 | \$2,179.69 |
| 10 | WE | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | 6.5 | | 10.0 | | | | 10.0 | \$2,179.69 |
| 11 | TH | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 8.0 | \$2,122.13 |
| 12 | FR | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | 9.0 | 9.5 | | | | | \$2,121.21 |
| 13 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | 9.5 | 9.0 | | | | | \$2,121.21 |
| 14 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | 8.0 | 8.0 | | | | | | \$1,834.56 |
| 15 | MO | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | | 10.0 | \$2,179.69 |
| 16 | TU | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | | 10.0 | \$2,179.69 |
| 17 | WE | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | 6.5 | | 10.0 | | | | 10.0 | \$2,179.69 |
| 18 | TH | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | | 6.5 | | 10.0 | | | | 8.0 | \$2,122.13 |
| 19 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | 9.5 | | 9.0 | | | | | \$2,121.21 |
| 20 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | 9.5 | 9.0 | | | | | \$2,121.21 |
| 21 | SU | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | 8.0 | 8.0 | | | | | \$1,834.56 |
| 22 | MO | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 10.0 | \$2,179.69 |
| 23 | TU | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | | 10.0 | \$2,179.69 |
| 24 | WE | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | | 10.0 | \$2,179.69 |
| 25 | TH | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | | 8.0 | \$2,122.13 |
| 26 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | 9.5 | | 9.0 | | | | | \$2,121.21 |
| 27 | SA | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | | 9.0 | | 9.5 | | | | | \$2,121.21 |
| 28 | SU | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | | 8.0 | | 8.0 | | | | | \$1,834.56 |
| 29 | MO | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 8.0 | \$2,122.13 |
| 30 | TU | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 8.0 | \$2,122.13 |
| 31 | WE | | 10.0 | 6.5 | | 10.0 | 6.5 | | 10.0 | 6.5 | | | 10.0 | 6.5 | | | | 10.0 | \$2,179.69 |
| Sub-Total | | 159.5 | 183.0 | 183.0 | 159.5 | 183.0 | 183.0 | 159.5 | 183.0 | 183.0 | 0.0 | 159.5 | 183.0 | 183.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$65,376.67 |
| S/L | | | | | | | | | | | | | | | | | | | \$0.00 |
| VAC | | | | | | | | | | | | | | | | | | | \$0.00 |
| N/OP | | 16.5 | 0.0 | 0.0 | 16.5 | 0.0 | 0.0 | 16.5 | 0.0 | 0.0 | 0.0 | 16.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | \$1,931.66 |
| TOTALS | | 176.0 | 183.0 | 183.0 | 176.0 | 183.0 | 183.0 | 176.0 | 183.0 | 183.0 | 0.0 | 176.0 | 183.0 | 183.0 | 0.0 | 0.0 | 0.0 | 178.0 | \$67,308.33 |

Cost of Manager Including Benefits Per Month

\$2,500.00

Total Crew Costs per Month (based upon scheduled hours available)

\$67,308.33 (Incl. Mech.)

\$62,185.49 (Less Mech.)

Cost of Crew Members Including Benefits per Hour

Captain \$29.87

Purser/Deckhand II \$29.87

Purser/Deckhand I \$27.46

Mechanic \$28.78

Total Crew Costs per Month (based upon hours paid)

\$84,624.60 (Incl. Mech.)

\$79,501.76 (Less Mech.)

Scheduled Hours (based upon scheduled hours available) = 2102.0

Paid Hours (+ 30%, based upon hours paid) = 2732.6

Total "additional" hours = 630.6

Cost of "additional" hrs. (worked by Reg. P/T employees) = \$17,316.28

SteveFlude

From: SteveFlude
Sent: Thursday, July 14, 2005 3:36 PM
To: ChalMartin
Cc: SteveCox
Subject: Extended Hours Analysis

Tracking: **Recipient Delivery** **Read**
 ChalMartin Delivered: 7/14/2005 3:36 PM Read: 7/14/2005 3:37 PM
 SteveCox Delivered: 7/14/2005 3:36 PM Read: 7/15/2005 8:51 AM

Chal,

Steve and I have finished our analysis of the extended hours proposal that was presented to the IBU last week. The analysis was somewhat complicated by the fact that we have 2 possible different operational scenarios: 3 person crew and 4 person crew. We were, nevertheless, able to navigate our way through each scenario. However, to do so, we were forced to make a couple of assumptions....

- 6 Reg. F/T employees work 176 hours each per month.
- ~~Any hours left to work above and beyond the 1,056 that the Reg. F/T crew works will be worked~~ by O.C. P/T (in our existing staffing situation) or by either Reg. P/T or O.C. P/T crew (in the proposed staffing situation).
- We used a 30% bump up on hours available per month based upon history. (This means that if there were 2000 scheduled hours in a month, the actual number worked - and therefore paid - would be 2600.)

I won't bore you with all the math here. Instead, the bottom line is...

3 person crew
 \$528,190.20 / year (existing schedule)
 \$722,400 / year (proposed schedule)
 Difference = \$190,210 / year (+/-)

Staffed with 6 Reg. F/T crew, 5 Reg. P/T crew, and several O.C. P/T crew

4 person crew
 \$648,117.60 / year (existing schedule)
 \$952,800 / year (proposed schedule)
 Difference = \$304,682 / year (+/-)

Staffed with 6 Reg. F/T crew, 9 Reg. P/T crew, and several O.C. P/T crew.

These numbers are nowhere near the \$80,000 target you have suggested, Chal.

One item of note: Steve and I have also looked at our staffing needs in light of the contract proposal. Our proposal includes 4 new Reg. P/T crew. After looking at this further, we could justify 5 Reg. P/T crew. Thus, if the current schedule stays the same, our crew mix will be 6 Reg. F/T, 5 Reg. P/T, and several O.C. P/T. The analysis above did not use this scenario as the base comparison staffing level. Instead, we used 6 Reg. F/T and several O.C. P/T crew as the base staffing level. (This is the staffing

mix we currently have.) If you prefer, we could certainly compare the above scenarios to the proposed contract's proposed staffing mix (6 Reg. F/T, 5 Reg. P/T, and several O.C. P/T). Doing so will lower the difference, but probably not enough. You will note that even if we don't implement the proposed schedule, we are looking at a significant jump in wages since, if the labor contract ever gets approved, we'll be replacing 4 (or 5) O.C. P/T crew with 4 (or 5) Reg. P/T crew. I estimate that cost to be about \$120,000 per year for 3 man crew and \$140,000 per year for 4 man crew. This gets us in the ballpark of \$80,000 (at least for a 3 person crew).

sf

Steven T. Flude, P.E.
Asst. County Engineer
Skagit County Public Works

☎ (360) 336-9400

JeanAlden

From: SteveCox
Sent: Wednesday, December 21, 2005 11:44 AM
To: JeanAlden
Subject: FW: FW: Extended Hours Analysis

From: SteveFlude
Sent: Wednesday, December 21, 2005 11:28 AM
To: SteveCox
Subject: FW: FW: Extended Hours Analysis

Steve,

You might want to look at this e-mail below, too. It gives my thinking on the subject you and I just discussed.

sf

From: SteveFlude
Sent: Thursday, July 14, 2005 3:36 PM
To: ChalMartin
Cc: SteveCox
Subject: Extended Hours Analysis

Chal,

Steve and I have finished our analysis of the extended hours proposal that was presented to the IBU last week. The analysis was somewhat complicated by the fact that we have 2 possible different operational scenarios: 3 person crew and 4 person crew. We were, nevertheless, able to navigate our way through each scenario. However, to do so, we were forced to make a couple of assumptions....

- 6 Reg. F/T employees work 176 hours each per month.
- Any hours left to work above and beyond the 1,056 that the Reg. F/T crew works will be worked by O.C. P/T (in our existing staffing situation) or by either Reg. P/T or O.C. P/T crew (in the proposed staffing situation).
- We used a 30% bump up on hours available per month based upon history. (This means that if there were 2000 scheduled hours in a month, the actual number worked - and therefore paid - would be 2600.)

I won't bore you with all the math here. Instead, the bottom line is...

3 person crew
 \$528,190.20 / year (existing schedule)
 \$722,400 / year (proposed schedule)
 Difference = \$190,210 / year (+/-)

Staffed with 6 Reg. F/T crew, 5 Reg. P/T crew, and several O.C. P/T crew

4 person crew
 \$648,117.60 / year (existing schedule)
 \$952,800 / year (proposed schedule)
 Difference = \$304,682 / year (+/-)

12/21/2005

Staffed with 6 Reg. F/T crew, 9 Reg. P/T crew, and several O.C. P/T crew.

These numbers are nowhere near the \$80,000 target you have suggested, Chal.

One item of note: Steve and I have also looked at our staffing needs in light of the contract proposal. Our proposal includes 4 new Reg. P/T crew. After looking at this further, we could justify 5 Reg. P/T crew. (Steve was right, I was wrong). Thus, if the current schedule stays the same, our crew mix will be 6 Reg. F/T, 5 Reg. P/T, and several O.C. P/T. The analysis above did not use this scenario as the base comparison staffing level. Instead, we used 6 Reg. F/T and several O.C. P/T crew as the base staffing level. (This is the staffing mix we currently have.) If you prefer, we could certainly compare the above scenarios to the proposed contract's proposed staffing mix (6 Reg. F/T, 5 Reg. P/T, and several O.C. P/T). Doing so will lower the difference, but probably not enough. You will note that even if we don't implement the proposed schedule, we are looking at a significant jump in wages since, if the labor contract ever gets approved, we'll be replacing 4 (or 5) O.C. P/T crew with 4 (or 5) Reg. P/T crew. I estimate that cost to be about \$120,000 per year for 3 man crew and \$140,000 per year for 4 man crew. This gets us in the ballpark of \$80,000 (at least for a 3 person crew).

sf

Steven T. Flude, P.E.
Asst. County Engineer
Skagit County Public Works

☎ (360) 336-9400

--- Larry Halvorson
--- lhalvorson@earthlink.net
Halvorson & Saunders PLLC
800 Fifth Avenue, Suite 4100
Seattle, WA 98104
Tele: 206-849-1066
Fax: 760-406-5075

12/21/2005

Analysis of Extended Ferry Schedule

| Existing Schedule | 3-Man | 4-Man |
|---|----------------------|----------------------|
| Scheduled Hours | | |
| Hours available to work/per person/per week | 107 | 107 |
| Crew Members | 3 | 4 |
| Hours per week | 321 | 428 |
| Hours/Month (Hrs/week * 52 / 12) | 1,391 | 1,855 |
| Actual Paid Hours (Scheduled Hrs + 30%) | 1,808 | 2,411 |
| | | |
| Hrs worked by 6 Reg F/T (6 * 176 per month) | 1,056 | 1,056 |
| Hours to be worked by On-Call P/T | 752 | 1,355 |
| | | |
| Cost of hrs worked by Reg F/T (Avg of \$29.87/hr) | \$ 31,542.72 | \$ 31,542.72 |
| Cost of hrs worked by On-Call P/T (Avg of 16.58/hr) | \$ 12,473.13 | \$ 22,467.01 |
| Total cost /month | \$ 44,015.85 | \$ 54,009.73 |
| | | |
| Total cost/year | \$ 528,190.25 | \$ 648,116.70 |
| | | |
| Proposed Schedule | | |
| Scheduled Hours | | |
| Hours available to work/per person/per week | 123 | 123 |
| Crew Members | 3 | 4 |
| Hours per week | 369 | 492 |
| Hours/Month (Hrs/week * 52 / 12) | 1,599 | 2,132 |
| Actual Paid Hours (Scheduled Hrs + 30%) | 2,079 | 2,772 |
| | | |
| Hrs worked by 6 Reg F/T (6 * 176 per month) | 1,056 | 1,056 |
| Hours to be worked by On-Call P/T | 1,023 | 1,716 |
| | | |
| Cost of hrs worked by Reg F/T (Avg of \$29.87/hr) | \$ 31,542.72 | \$ 31,542.72 |
| Cost of hrs worked by On-Call P/T (Avg of 16.58/hr) | \$ 16,956.37 | \$ 28,444.65 |
| Total cost /month | \$ 48,499.09 | \$ 59,987.37 |
| | | |
| Total cost/year | \$ 581,989.03 | \$ 719,848.42 |
| | | |
| Additional cost of extended schedule/year | \$ 53,798.78 | \$ 71,731.71 |
| | | |
| Anticipated cost of negotiated employee status changes per year | \$ 133,523.71 | \$ 223,988.74 |
| | | |
| Total anticipated cost increase | \$ 187,322.50 | \$ 295,720.45 |

Note: Scheduled hours are increased by 30% to paid hours for vacation/sick time. This is based upon historical data. Also, the mechanic's time is not included in this computation. Calculations are based on current average salaries and do not include any COLAs that may take place as a result of IBU contract negotiations.

RECEIVED

NOV 04 2005

SKAGIT COUNTY
PUBLIC WORKS ADMIN.

RECEIVED
NOV 01 2005
SKAGIT COUNTY
COMMISSIONERS

5683 Section Avenue
Guemes Island, Washington 98221
October 31, 2005

Skagit County Board of commissioners
1800 Continental Place, Suite 100
Mount Vernon, Washington 98273

11/8
comment
Steve
Steve C.
and

Dear Commissioners:

I am sure by now you have seen the ad taken out by the Friends of Guemes Island in Sunday's Skagit Valley Herald. In that ad the Friends are very critical of you, the Commissioners and Public Works about the huge expenditures attributed to the Guemes ferry and that extending ferry service later in the evening during the week will only cause more expenses that will need to be paid for only by Skagit County taxpayers. The Friends are misrepresenting the facts. Lets look at the real facts:

- +The expenses for maintaining the ferry are large but operationally necessary and extending ferry service will have virtually no effect on those maintenance expenses.
- +Setting aside funds for a replacement ferry are smart and necessary and extending ferry service will only have a positive financial effect on that escrow account.

+The Guemes Island ferry does not operate in an economic vacuum. Extending service will create increased expenses but will also generate increased revenue. Direct operating expenses for operating the ferry on an extended service schedule can be easily paid for by the direct users of that service and will cost Skagit County taxpayers nothing. Enclosed is an analysis of extended ferry service using the new fares recently approved. The breakeven point works out to a load factor of only 32% on the late ferries or slightly over seven "revenue units" for each of the six late ferries even with a four person crew. In comparison, the schedule currently in operation with the same four person crew takes a load factor of about 49% just to break even. Why? Because it is very inefficient in the scheduling the ferry and the utilization of the crew.

The agenda for the Friends of Guemes Island is quite clear - they don't want later ferry service, period. And, they are perfectly willing to distort the "facts" to the taxpayers of Skagit County to attain that goal.

Sincerely,

[Signature] *Tonia Schmokel*

Steve and Toni Schmokel
enclosures

P. 11

Financial Analysis of the Guemes Island Extended Service Schedule (using new fares approved 10/14/2005)

This document provides a financial analysis of the Guemes Island ferry Extended Service Schedule (service from 6:00 pm through 10:00 pm Monday - Thursday) and compares unit expenses from that schedule to those from the Current Schedule in use (10/31/2005) and a :45 Minute Extended Service Schedule. In preparing this document the following assumptions were validated and applied:

- +The Guemes ferry will be operated by three or four crew members (see notes # below)
- +One ferry turn (Anacortes - Guemes -Anacortes) fuel, oil and insurance cost is assumed to be \$10.00. Maintenance costs for the ferry, docks ramps, etc. are not included.
- +Crew member cost is assumed to be \$27.00 / hour (this covers salary and all benefits) using the contract in effect 10/21/2005.
- +A car and driver fare (ranges from \$6.30 to \$7.00) is assumed to be \$6.60.
- +A adult passenger (or walk on) fare (ranges from \$1.80 to \$2.00) is assumed to be \$1.90.
- +A child passenger (or walk on) fare (ranges from \$.92 to \$1.00) is assumed to be \$1.00.
- +A "Revenue Unit" is 1 car and driver (+) 1 adult passenger (+) 1 child passenger and is assumed to be \$9.50.

EXTENDED SERVICE SCHEDULE

Additional Expense Analysis

Crew Expenses:

| | |
|---|--------------------------|
| Monday - Thursday (7:00 pm - 11:00 pm) | = 4.0 hours / day |
| (4.0 hours / day) X (4 days / week) | = 16.0 hours / week |
| (16.0 hours / week) X (52 weeks / year) | = 832 hours / year |
| (832 hours / year) X (\$27.00 / hour) | = \$22,464 / crew member |
| (\$22,464 / crew member) X (#three person crew) | = \$67,392 / year |
| (\$22,464 / crew member) X (#four person crew) | = \$89,856 / year |

Ferry Expenses:

| | |
|---|-----------------------|
| Monday - Thursday | = 6 extra turns / day |
| (6 turns / day) X (4 days / week) | = 24 turns / week |
| (24 turns / week) X (52 weeks / year) | = 1,248 turns / year |
| (1,248 turns / year) X (\$10.00 / turn) | = \$12,480 / year |

Total Additional Expenses

| | |
|--------------------|--------------------|
| #Three person crew | = \$ 79,872 / year |
| #Four person crew | = \$102,336 / year |

Breakeven Load Factor

Using the fare calendar above, the following revenue conclusions can be made:

The breakeven load factor / turn for the six extended service schedule turns (6:30 pm, 7:00 pm, 8:15 pm, 8:45 pm, 9:15 pm and 10:00 pm Monday - Thursday) is:

For a #three person crew - 31% which consists of 6.74 "revenue units" (this equates to approximately 8,387 additional revenue units / year).

For a #four person crew - 39% which consists of 8.63 "revenue units". (this equates to approximately 10,745 additional revenue units / year).

Expense Offsets:

| | |
|---|----------------------|
| Eliminating "school specials" | = (-)\$3,800 / year |
| Providing better emergency service coverage | = (-)\$4,000 / year |
| Eliminating "cleanup turns" after 6:00 pm | = (-)\$10,000 / year |
| Total offsets | = (-)\$17,800 / year |

Total Additional Expenses Using Offsets

| | |
|--------------------|------------|
| #Three person crew | = \$62,072 |
| #Four person crew | = \$84,536 |

Breakeven Load Factor Using Offsets

Using the fare calendar above, the following revenue conclusions can be made:

If these offsets are taken into consideration, the breakeven load factor / turn for the six extended service schedule turns (6:30 pm, 7:00 pm, 8:15 pm, 8:45 pm, 8:45 pm, 9:15 pm, and 10:00 pm Monday - Thursday) is:

For a #three person crew - 24% which consists of 5.24 "revenue units". (this equates to approximately 6,534 additional revenue units / year).

For a #four person crew - 32% which consists of 7.13 "revenue units". (This equates to approximately 8,899 additional revenue units / year).

SUMMARY

In a manner similar to the above calculations, data from the current schedule (in use October 31, 2005) and from an optional extended service schedule utilizing a three person crew and :45 minute turn times (6:45 pm, 7:30 pm, 9:00 pm and 10:00 pm Monday - Thursday) were calculated. A summary of the results of these calculations appear in the table below.

Schedule Comparisons

| Schedule | #Crew | Total Added Costs | Breakeven % | Breakeven Units | #Added Turns |
|-----------------------------------|-------|-------------------|-------------|-----------------|--------------|
| Extended Service with Offsets | 3 | \$62,072 | 24% | 6,534 | 6 |
| Extended Service with Offsets | 4 | \$84,536 | 32% | 8,899 | 6 |
| Current Schedule with Offsets | 3 | N/A | 38% | N/A | N/A |
| Current Schedule with Offsets | 4 | N/A | 49% | N/A | N/A |
| Extended :45 Service with Offsets | 3 | \$57,912 | 33% | 6,096 | 4 |

From the data presented in the above table, with cost being the only criteria, the optimum method of integrating extended service to the Guemes Island ferry with for a one year trial period would be to utilize the three crew member Extended :45 Minute Schedule for the first six months followed by the four crew member Extended Service Schedule for the second six months. This would allow increasing demand to be met by a gradual increase in capacity. Total annual additional cost would be \$71,224 and breakeven revenue units would be 7,497.

RECEIVED

NOV 04 2005

SKAGIT COUNTY
PUBLIC WORKS ADMIN.

RECEIVED

NOV 03 2005

SKAGIT COUNTY
COMMISSIONERS

5683 Section Avenue
Guemes Island, Washington 98221
November 2, 2005

Skagit County Board of commissioners
1800 Continental Place, Suite 100
Mount Vernon, Washington 98273

Dear Commissioners:

Enclosed is a partial list of activities that Guemes Island High School kids and their parents will be missing out on during the month of November, 2005. Lack of evening ferry service has destroyed any chance to participate in the basketball season for both girls and boys and unless something is done soon wrestling and swimming will be gone too. Also please note that many school sponsored college preparation meetings will not be available to students and their parents.

One thing we can be pretty sure of is that the of the "Friends of Guemes Island" are not friends of Guemes Island parents who want their kids to be able to participate in the many important activities available to other Anacortes High School students.

I hope you can do something soon as the first term of school is almost over.

Sincerely,



Steven A. Schmokel
enclosures (2)

Sports Corner

Boys' Basketball (Varsity)

Varsity Coach: Rick Mergenthaler
 Nov 29 @Oak Harbor; 7:30 PM

Varsity Football

Head Coach: Charlie Bell
 Asst Coaches: Bill Evans, Matt Brown,
 Glenn Strachan
 Nov 3 @Burlington; 7 PM

Basketball Cheer Squad

Coach: Erin Clark
 Chelsea Bodding, Aley Herrick, Kellie Huff,
 Whitney Panzero, Lindsay Raymer, Megan
 McDeane, Ariel Treiber, Ashley Wade, Mer-
 cedes Wright

Girls' Swim and Dive

Head Coach: Leslie Mix
 Asst Coach: Russell Zawitowski
 Nov 4 & 5 District Meet, TBA
 Nov 11 & 12 State Meet, Away, TBA

Girls' Bowling

Head Coach: Mary Eelkema
 Ass't Coach: Kim Janz
 Nov 8 Everett@Majestic Lanes; 3 PM
 Nov 11 Ferndale@Mt. Baker Lns; 3:30 PM
 Nov 14 Mt. Vernon@Glacier Lns; 3:30 PM
 Nov 22 Jackson@Riverside Lns; 3:30 PM
 Nov 29 Cascade@Majestic Lanes; 3:30 PM

Boys' Basketball (JV)

Coach: Brett Senff
 Nov 29 @Oak Harbor; 5:45 PM

C-Team Football

Coaches: Dustin South, Case Devries
 Nov 2 Sedro-Woolley, 3 PM

Girls' Basketball (C-Team)

Coach: Rod Theer
 Nov 30 Oak Harbor; 5:45 PM

Boys' Basketball (C-Team)

Coaches: Mike Baribault, Mike Trafton
 Nov 29 @Oak Harbor; 5:45 PM

Girls' Basketball (Varsity)

Coach: Ken Welk
 Nov 30 Oak Harbor; 7:30 PM

Girls' Basketball (JV)

Coach: Jeff Thomas
 Nov 30 Oak Harbor; 5:45 PM

Cross Country

Head Coach: Gary Horrell
 Ass't Coach: Brian Backman
 Nov 6 State Meet @ Pasco

Wrestling Cheer Squad

Coach: Karen Mantell
 Rachel Baldwin, Liz Bechtle, Ashley Gul-
 ticksen, Melissa Hering, Eilcen Crawford

Sportsmanship...Education...Commitment...Learned through Athletics

Seahawk Athletic Booster Association News

ABA representatives have been busy this past month. The fall sports are slowly wrapping up but there is still a lot of action! Hope you have been able to attend a fall sport or another school activity! Winter Sports Calendars will be available at the Winter Sports Kickoff Saturday, November 19th in the high school cafeteria. Winter sports—Boys' Swim, Girls' and Boys' Basketball, Wrestling, Girls' Bowling and Cheerleading—will start the week of November 14th

Many thanks to Girls' Volleyball parents and coaches as well as Girls' Basketball parents who have worked at the home Football Concessions. We appreciate all the fans' patience in waiting for food and drinks. We have worked to remedy this situation and hope we are ready for the next two football games. The concessions workers are all volunteers and we appreciate all their help.

A portion of concession profits go to the volunteer group and are used for banquets, Senior Flowers, necessary equipment, Season Kick-offs, and in many other ways that support AHS athletics. SABA membership is only \$5 a year. Contact President - Sydney Olausen at 293-0303, Treasurer - Darla Simpson at 293-3093 or Vicki Evans at 293-3039 for any SABA questions, to place an ad in one of the sports calendars, or to request a sports calendar or membership form. SABA meets the second Monday of every month in the AHS library. Thanks for your support—the students appreciate it. See you at an event!

Syd Olausen, President/Publicity Chairperson



Winter Sports Update

The Girls' Bowling season begins on October 31, 2005. Wrestling, Girls' Basketball, Boys' Basketball and Boys' Swim/Dive seasons all begin on Monday, November 14, 2005. If your student participated in a fall sport, please have them contact the Athletic Office to move their paperwork to their winter sport. They must pay a second sport fee of \$15.00. If this is their first sport they will need to have their sports physical, ASB card and all registration papers completed and turned into the Athletic office prior to Thursday, November 10, 2005.

There are two ways to slide easily through life: to believe everything or to doubt everything. Both ways save us from thinking.

Alfred Korzybski (1879 - 1950)

Calendar

October 28—AHS Marching Band Showcase and Field Show, Brodniak; 6:15 PM

October 29—Homecoming Dance, Port of Anacortes, 9-12 PM

October 31—Cupcake Day

November 1—"Focus on Your Future", a college fair plus.....AHS cafeteria, 6:30—8:00 PM

November 2—PTSA Board Meeting, AHS Library; 6:30 PM

November 7—College Funding and Financial Aid - Brodniak; 7:00 PM

November 8—School Board Meeting, District Boardroom; 6:15 PM

November 9—ASVAB testing - East Lecture Hall 8:00 AM

November 9—Senior Seminar - West Lecture, Auditorium, Library 9:00 AM

November 11—Veteran's Day; NO SCHOOL

November 17—Parent-Teacher Conferences, AHS Cafeteria; 6-9 PM

November 18—Parent-Teacher Conferences, AHS Cafeteria; 12—2:30 PM, Early Release

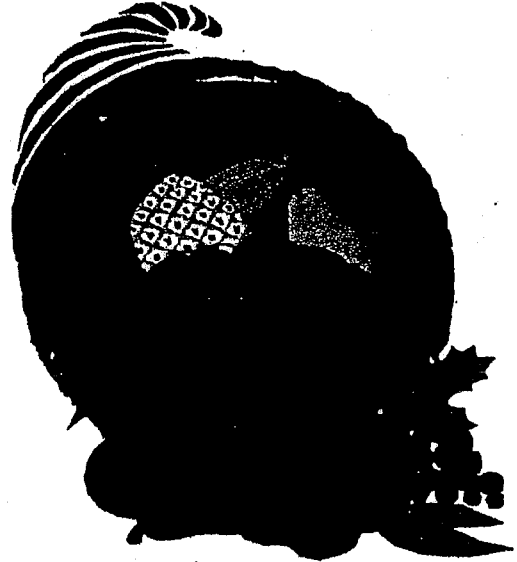
November 21—Poinsettia Pick-up, AHS Cafeteria; 2:30—6 PM

November 22—School Board Meeting, District Boardroom; 6:15 PM

November 23—Early Release

November 24,25—Thanksgiving Break; NO SCHOOL

December 12—AMS and AHS Winter Concert, Brodniak; 7:30 PM



The deadline for the December newsletter is November 15th.
Contact editor Marykay Pasnick at 466-5402 or topas@fidalgo.net

Anacortes High School
1600 20th Street
PTSA Box
Anacortes, WA 98221

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SteveFlude

From: SteveCox
Sent: Monday, July 11, 2005 10:57 AM
To: SteveFlude
Subject: Proposed crew schedule and actual comparison with costing

Steve-Attached are crew schedules and cost estimate per day based on figures received from accounting(attached).



AUG 05 3 crew
shift.xls (29 KB...



Pay Documentation
for crew 2-3...



31 Day Month
Present Cost Esti...

To: JeanAlden
Subject: RE: ferry question

Thank you 3 days early.

From: JeanAlden
Sent: Thursday, February 03, 2005 10:27 AM
To: SteveCox
Subject: FW: ferry question

Per payroll,

Captain 29.87/hr

Purser/Deckhand 27.46/hr

On-call Purser/Deckhand 16.58

Mechanic 28.78/hr

This includes benefits and other costs.

J

Jeannie

From: JeanAlden
Sent: Tuesday, February 01, 2005 10:28 AM
To: SusanEsary
Subject: ferry question

Steve Cox needs by next Monday afternoon the hourly cost including benefits and all other payments for:

Captain

Purser deckhand II

Purser deckhand III

Thanks,

Jeannie

Jean Alden, Controller

Skagit County Public Works

1800 Continental Place

Mount Vernon, WA 98273-5625

Phone: 360-336-9400

Fax: 360-419-3368

email: jeana@co.skagit.wa.us

P/T P/T P/T
August-05

F/T F/T F/T F/T F/T F/T

| DATE | DAY | CAPT | CAPT | CAPT | PSR II | PSR II | PSR II | PSR I | PSR I | PSR I | PSR II | PSR II | PSR I | PSR I | PSR I | PSR I | PSR I | MECH |
|--------|-----|-------|-------|-------|--------|--------|--------|-------|-------|-------|--------|--------|-------|-------|-------|-------|-------|-------|
| 1 | MO | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 |
| 2 | TU | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 |
| 3 | WE | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 |
| 4 | TH | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 8.0 |
| 5 | FR | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | | | | | | | |
| 6 | SA | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | | |
| 7 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | | |
| 8 | MO | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 |
| 9 | TU | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 |
| 10 | WE | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 |
| 11 | TH | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 8.0 |
| 12 | FR | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | | | | | | | |
| 13 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | |
| 14 | SU | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | | |
| 15 | MO | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 10.0 |
| 16 | TU | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 10.0 |
| 17 | WE | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 10.0 |
| 18 | TH | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | | | | | | | | 8.0 |
| 19 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | | | | | | | |
| 20 | SA | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | | | | | | | |
| 21 | SU | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | | | | | | | |
| 22 | MO | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 |
| 23 | TU | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 10.0 |
| 24 | WE | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 10.0 |
| 25 | TH | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | | 8.0 |
| 26 | FR | 9.5 | | 9.0 | 9.5 | | 9.0 | 9.5 | | 9.0 | | | | | | | | |
| 27 | SA | 9.0 | | 9.5 | 9.0 | | 9.5 | 9.0 | | 9.5 | | | | | | | | |
| 28 | SU | 8.0 | | 8.0 | 8.0 | | 8.0 | 8.0 | | 8.0 | | | | | | | | |
| 29 | MO | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 8.0 |
| 30 | TU | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 8.0 |
| 31 | WE | | 8.5 | 8.0 | | 8.5 | 8.0 | | 8.5 | 8.0 | | | | | | | | 10.0 |
| S/L | | | | | | | | | | | | | | | | | | |
| VAC | | | | | | | | | | | | | | | | | | |
| N/OP | | | | | | | | | | | | | | | | | | |
| TOTALS | | 161.0 | 178.5 | 186.0 | 161.0 | 178.5 | 186.0 | 161.0 | 178.5 | 186.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 178.0 |

Cost of Crew Members Including Benefits per Hour

| | |
|--------------------|-------|
| Captain | 29.87 |
| Purser/Deckhand II | 29.87 |
| Purser/Deckhand I | 27.46 |
| Mechanic | 28.78 |

Cost of Manager Including Benefits Per Month

\$5,000.00
Total Crew Costs per Month

\$55,946.44

* Based upon my analysis, w/ a 3 person crew there will be a need, at a minimum, for an additional 4.84% hours (68 hrs/mo.) to cover for vacation I believe another 5% hours (70 hrs/mo.) will be needed to cover for sick leave.

July-05

COST PER

| DAY | RON | GARY | KATE | HOLLY | KIRK | DOUG | MIKE | CAROL | KATHLEEN | JANE | MONTE | KENT | CHRIS | JESSE | DIANE | BETH | BOB | DAY |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|----------|-------|-------|-------|-------|-------|-------|------|-------|-------------|
| 1 FR | 0.0 | 8.0 | 10.5 | 0.0 | 0.0 | 10.5 | 10.5 | 0.0 | 0.0 | | | 8.0 | 10.5 | 0.0 | 8.0 | 8.0 | 10.0 | \$2,389.73 |
| 2 SA | 10.0 | | 10.0 | | 0.0 | 10.0 | 10.0 | 0.0 | 0.0 | 8.0 | | 8.0 | | 0.0 | 8.0 | 8.0 | | \$2,068.70 |
| 3 SU | 8.0 | 8.0 | | | X | 8.0 | 8.0 | X | X | | | 8.0 | 8.0 | X | 8.0 | | | \$1,815.28 |
| 4 MO | 8.0 | 8.0 | X | 8.0 | X | 8.0 | X | X | X | 8.0 | | 8.0 | 8.0 | X | 8.0 | | | \$1,853.84 |
| 5 TU | | 10.0 | X | 10.0 | X | | X | X | X | 10.0 | | 7.5 | 7.5 | 7.5 | 7.5 | 10.0 | 10.0 | \$2,282.30 |
| 6 WE | X | | 10.0 | 10.0 | 10.0 | | 3.5 | | X | 10.0 | | | 3.5 | 3.5 | | 3.5 | 10.0 | \$1,867.04 |
| 7 TH | X | | 10.0 | | 10.0 | | 3.5 | 10.0 | X | | | 10.0 | | 3.5 | 3.5 | | 10.0 | \$1,818.84 |
| 8 FR | X | 10.5 | 8.0 | 8.0 | 10.5 | 8.0 | | 8.0 | 10.5 | | | | X | 10.5 | | | | \$2,428.29 |
| 9 SA | 8.5 | 10.0 | | 8.5 | 10.0 | 8.5 | | X | 10.0 | | | X | X | 10.0 | | 8.5 | | \$2,141.70 |
| 10 SU | 8.0 | 8.0 | | 8.0 | 8.0 | 8.0 | 8.0 | X | 8.0 | | | | 8.0 | | | | | \$1,853.84 |
| 11 MO | X | | 10.0 | 10.0 | | 10.0 | | X | 3.5 | 3.5 | | | 3.5 | | 10.0 | 3.5 | 10.0 | \$1,851.38 |
| 12 TU | X | | 10.0 | | | | 10.0 | X | | 3.5 | | 10.0 | 3.5 | 10.0 | 3.5 | 3.5 | 10.0 | \$1,803.18 |
| 13 WE | X | 10.0 | | | 10.0 | | 10.0 | X | | 3.5 | | 10.0 | 3.5 | 3.5 | 3.5 | | 10.0 | \$1,827.28 |
| 14 TH | X | 10.0 | | 10.0 | 10.0 | 10.0 | | X | | 3.5 | | | 3.5 | 3.5 | | 3.5 | 10.0 | \$1,875.48 |
| 15 FR | 10.5 | 8.0 | 8.0 | 10.5 | 8.0 | X | 8.0 | X | 10.5 | | | | | | 10.5 | X | 8.0 | \$2,370.73 |
| 16 SA | 10.0 | 8.5 | 8.5 | X | 8.5 | X | 8.5 | X | X | 10.0 | | | | | 10.0 | 10.0 | | \$2,141.70 |
| 17 SU | 8.0 | 8.0 | 8.0 | X | 8.0 | X | 8.0 | X | X | 8.0 | | | 8.0 | 8.0 | | | | \$1,853.84 |
| 18 MO | | | 10.0 | 10.0 | | 10.0 | | 10.0 | 3.5 | | | 3.5 | 3.5 | | 3.5 | X | 10.0 | \$1,842.94 |
| 19 TU | X | | 10.0 | 10.0 | | 10.0 | | | 3.5 | | | 3.5 | 3.5 | 10.0 | 3.5 | | 10.0 | \$1,842.94 |
| 20 WE | X | 10.0 | | | 10.0 | 10.0 | | 3.5 | 3.5 | | | 3.5 | | 10.0 | 3.5 | X | 10.0 | \$1,842.94 |
| 21 TH | X | 10.0 | | 10.0 | 10.0 | | 10.0 | 3.5 | 3.5 | | | 3.5 | | | 3.5 | | 10.0 | \$1,842.94 |
| 22 FR | 8.0 | | 10.5 | 8.0 | 10.5 | | | | 10.5 | 10.5 | | | 8.0 | 8.0 | | X | | \$2,146.52 |
| 23 SA | | | 10.0 | 8.5 | 10.0 | 8.5 | 10.0 | | | 10.0 | | 8.5 | X | | 8.5 | | | \$2,145.31 |
| 24 SU | 8.0 | | 8.0 | 8.0 | 8.0 | 8.0 | | 8.0 | | 8.0 | | 8.0 | X | | | | | \$1,873.12 |
| 25 MO | X | 10.0 | | 10.0 | | 10.0 | 3.5 | 3.5 | | 10.0 | | 10.0 | X | 3.5 | 3.5 | X | 10.0 | \$1,842.94 |
| 26 TU | X | 10.0 | | | | 10.0 | 3.5 | | 3.5 | 10.0 | | 3.5 | X | 3.5 | | 10.0 | 10.0 | \$1,842.94 |
| 27 WE | 10.0 | | 10.0 | | X | | 3.5 | 3.5 | | 10.0 | | 3.5 | X | 3.5 | 10.0 | X | 10.0 | \$1,842.94 |
| 28 TH | 10.0 | | 10.0 | 10.0 | X | | 3.5 | 3.5 | 10.0 | | | 3.5 | X | | | 3.5 | 10.0 | \$1,842.94 |
| 29 FR | | 10.5 | 8.0 | 10.5 | X | 10.5 | 10.5 | | 8.0 | 8.0 | | | X | | 8.0 | X | | \$2,146.52 |
| 30 SA | | 10.0 | X | 10.0 | X | 10.0 | | 10.0 | 8.5 | 8.5 | | 8.5 | X | X | 8.5 | | | \$2,124.83 |
| 31 SU | | 8.5 | X | | X | 8.0 | 8.0 | 8.0 | | 8.0 | | 8.0 | X | X | 8.0 | 8.0 | | \$1,830.22 |
| | | | | | | | | | | | | | | | | | | \$0.00 |
| | | | | | | | | | | | | | | | | | | \$3,584.40 |
| | | | | | | | | | | | | | | | | | | \$0.00 |
| TOTALS | 177.0 | 176.0 | 179.5 | 178.0 | 181.5 | 176.0 | 140.5 | 71.5 | 97.0 | 141.0 | 0.0 | 137.0 | 86.0 | 98.5 | 137.5 | 91.5 | 178.0 | \$64,837.54 |

Cost of Crew Members Including Benefits per Hour

Cost of Manager Including Benefits Per Month

\$5,000.00

Captain 29.87
 Officer/Deckhand II 29.87
 Officer/Deckhand I 27.46
 Mechanic 28.78

Total Crew Costs per Month

\$69,837.54

JeanAlden

From: ChalMartin
Sent: Monday, May 23, 2005 8:51 AM
To: SteveFlude
Cc: JeanAlden; JaniceMarlega; CliffButler; DaveBrookings
Subject: Ferry Items

Steve
I was thinking about the basic package elements to bring back to the Board. Here are my ingoing ideas:

- 1) Ferry depreciation capital fund: I think we should create a new fund for this, transfer \$300k/year into it from the Road Fund
- 2) Raise fares 25% now, 25% beginning in 2006, and 25% beginning in 2007
- 3) Cut Steve's hours back to the minimum needed for retirement (what was that percentage?), and convert his position from an exempt range 28 to a non-exempt range 17. Then pay O/T when required.
- 4) Pursue other cost saving measures
- 5) Extend schedule to 10:00 p.m. with a fare penalty provision, reevaluate after 6 months.

Chal

Chal A. Martin, P.E.
Director / County Engineer
Skagit County Public Works Department
1800 Continental Place
Mount Vernon, WA 98273
(360) 336-9400 chalm@co.skagit.wa.us

JeanAlden

From: ChalMartin
Sent: Tuesday, May 17, 2005 10:28 AM
To: SteveFlude
Cc: SteveCox; JeanAlden; JaniceMarlega; DaveBrookings; CliffButler
Subject: Ferry Recommendation

Steve

Board wants a combined recommendation from us for both fares and extended schedule. Looks like our only shots at this are 31 May or 21 June, unless we schedule a special session. Commissioner Anderson stated that he would like to take a first look at the frequent discount.

I spoke with Glen and Carl after the presentation. They would like to run through the "model" and see what it produces by way of revenue. Glen was pushing the model but I told Glen that in my view, the "model" better produce a lot more revenue. I told Glen the issue was so straight forward that it did not need obsessive analysis. I told Glen that realistically, we were not going to get even near the additional revenue needed for the operation -- even a 50% revenue increase would bring in less than \$200k/year, which is still hugely deficient. Glen and Carl were concerned about making more of an effort on our part to achieve cost savings. I told Glen I would consider cost savings if the savings were not linked to reduced safety. Glen and Carl also said they were analyzing the extended hours proposal, and would provide us with their analysis. I asked them to not over-analyze it and get it on one page. Glen said he would try. One other point that Glen brought up which I thought was valid: if I insisted on including capital improvement expenses, then these expenses should be depreciated over time. That would be OK with me.

One of the things I would like you to prepare is a 15-year spreadsheet showing all proposed expenses, including capital improvements. Let's discuss. Thanks Chal

Chal A. Martin, P.E.
Director / County Engineer
Skagit County Public Works Department
1800 Continental Place
Mount Vernon, WA 98273
(360) 336-9400 chalm@co.skagit.wa.us

JeanAlden

From: ChalMartin
Sent: Friday, April 15, 2005 11:23 AM
To: SteveFlude
Cc: JaniceMarlega; SteveFlude; CliffButler; JeanAlden
Subject: RE: Ferry Finances Stand Alone Item

Steve
Mostly my thought was to just provide a heads up, that we are not coming close to recovering the cost of the operation.
Chal

From: SteveFlude
Sent: Friday, April 15, 2005 10:25 AM
To: ChalMartin
Subject: RE: Ferry Finances Stand Alone Item

Chal,

I see we've got an agenda item for next week's commissioners' meeting to discuss ferry finances. I assume you're gonna talk about the capital costs associated with the operation and how we need to recoup some/all of them through fares. I know where you ultimately want to go with this information (and I agree with you on this point). Raising fares is something that I think we need to do. That's probably only part of the story though if one also takes into consideration extending the schedule. To that end, are you planning on saying anything about our plan RE: extending the schedule and/or our analysis of David W's proposal? If so, I do have a Ferry Committee meeting today during which I could give them a heads up.... or not. Your thoughts?

Thanks.

sf

Steven T. Flude, P.E.
Asst. County Engineer
Skagit County Public Works

☎ (360) 336-9400

Skagit County Guemes Ferry Costs Revenues

| | 2000 | 2001 | 2002 | 2003 | 2004 | Total |
|---------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Operational Costs | | | | | | |
| Salaries & Wages | \$ 439,277 | \$ 482,589 | \$ 545,956 | \$ 653,828 | \$ 667,070 | \$ 2,788,720 |
| Personnel Benefits | \$ 95,116 | \$ 102,336 | \$ 106,577 | \$ 126,960 | \$ 133,643 | \$ 564,632 |
| Supplies | \$ 110,311 | \$ 95,074 | \$ 105,119 | \$ 131,605 | \$ 128,944 | \$ 571,053 |
| Other Services & Charges | \$ 75,821 | \$ 300,738 | \$ 147,678 | \$ 467,632 | \$ 460,860 | \$ 1,452,729 |
| Intergov/Interfund Svc/Taxes | \$ 24,093 | \$ 7,549 | \$ 7,776 | \$ 7,167 | \$ 7,909 | \$ 54,494 |
| Interfund Payments for Services | \$ 25,649 | \$ 22,258 | \$ 15,938 | \$ 18,552 | \$ 27,866 | \$ 110,263 |
| Subtotal | \$ 770,267 | \$ 1,010,544 | \$ 929,044 | \$ 1,405,744 | \$ 1,426,292 | \$ 5,541,891 |
| Project Costs* | | | | | | |
| Parking Lot | \$ 55,858 | \$ 93,416 | \$ 50,538 | \$ 38,599 | \$ 712,397 | \$ 950,809 |
| Dolphins | \$ - | \$ - | \$ - | \$ 62,499 | \$ 738,199 | \$ 800,698 |
| Transfer Span | \$ - | \$ - | \$ - | \$ 5,607 | \$ 11,874 | \$ 17,481 |
| Non-Project Capital Costs** | \$ - | \$ - | \$ - | \$ 11,739 | \$ 388,616 | \$ 400,355 |
| Subtotal | \$ 55,858 | \$ 93,416 | \$ 50,538 | \$ 118,445 | \$ 1,462,470 | \$ 2,169,343 |
| Total Costs | \$ 826,125 | \$ 1,103,960 | \$ 979,582 | \$ 1,524,189 | \$ 2,888,762 | \$ 7,711,234 |
| Revenue | | | | | | |
| Property Tax | \$ 277,816 | \$ 285,747 | \$ 297,794 | \$ 297,824 | \$ 358,341 | \$ 1,517,522 |
| Fares | \$ 389,183.00 | \$ 395,954.00 | \$ 401,332.00 | \$ 376,549.00 | \$ 457,551.00 | \$ 2,020,569 |
| Deficit Reimbursement | \$ 277,363.00 | \$ 142,827.00 | \$ 222,941.00 | \$ 249,004.00 | \$ 218,047.00 | \$ 1,110,182 |
| Subtotal | \$ 944,362 | \$ 824,528 | \$ 922,067 | \$ 923,377 | \$ 1,033,939 | \$ 4,648,273 |
| Net Profit/(Loss) | \$ 118,237 | \$ (279,432) | \$ (57,515) | \$ (600,812) | \$ (1,854,823) | \$ (3,062,961) |

*Includes Parking lot, Terminal Repairs, and Transfer Span expenses paid by 117 Division 8 in years prior to 2004.

**Non-project Capital Costs are:

- Land Acquisitions - \$367,945
- Bus Shelter (Guemes side) - \$7,989
- Traffic Arms (Both sides) - \$12,683