RESOLUTION FORMING TEMPORARY TECHNICAL ADVISORY GROUP (TAG) FOR EVALUATION OF GUEMES FERRY FARE METHODOLOGY AND CALCULATION.

WHEREAS, the Skagit County Board of Commissioners ("Board") is responsible for establishing policy and setting fares for the Guemes Island ferry system consistent with applicable law and the financial and transportation needs of the County; and

WHEREAS, currently utilizes a ferry fare framework and calculation methodology as established pursuant to Resolution # R20230152 that is intended to achieve a target level of cost recovery for the Guemes Island ferry system of sixty-five percent (65%), and is used by the County to evaluate and update ferry fare rates annually in accordance therewith; and

WHEREAS, the current fare methodology and calculation framework is complex and involves numerous assumptions, inputs, calculations, and adjustments, creating challenges related to transparency, consistency, administration, and the potential for calculation errors; and

WHEREAS, changes in ferry fares, including significant increases in recent years, have affected ridership, fare revenue, and the financial performance of the ferry system, demonstrating the importance of considering the relationship between fare levels, ridership, cost recovery, and revenue when evaluating future fare policy; and

WHEREAS, the Board desires to evaluate and consider potential revisions to the County's existing fare methodology and calculation framework to create a simpler, consistent, and reliable framework that can be readily explained, replicated, reviewed, and administered; and

WHEREAS, the Board further desires to evaluate potential fare structures and incentives that may support ridership and revenue objectives, including consideration of time-of-day pricing, multi-ride passes, volume discounts, and other fare incentives, while recognizing that any such changes must be evaluated within applicable legal, financial, operational, and policy requirements; and

WHEREAS, the Board recognizes that users of the Guemes Island ferry have significant experience with the ferry system and may provide valuable perspectives concerning the Gumes Island ferry; and

WHEREAS, because such County Road Fund revenues (collected countywide) are currently disproportionately used to support the Guemes Island ferry system, decisions concerning ferry fares, cost recovery, and the financial sustainability of the ferry

system have implications for taxpayers and residents throughout Skagit County, including residents who do not use or rely upon the ferry; and

WHEREAS, the Board therefore desires that perspectives from all three (3) Commissioner districts in Skagit County, in addition to users of the Guemes Island ferry, be considered; and

WHEREAS, the Board wishes to provide a defined, limited time opportunity for individuals with relevant knowledge and experience to assist the County in evaluating the current ferry fare methodology, while maintaining a clear distinction between a technical advisory group and the County's established public engagement processes and decision-making authority; and

WHEREAS, the Board does not intend to amend, replace, or delegate any existing statutory responsibilities, authorities, public engagement processes, or decision-making responsibilities of the Board, County departments, elected officials, or other County officers through creation of this Technical Advisory Group ("TAG") as provided herein; and

WHEREAS, the classification and accounting of County expenditures, including the determination of whether particular expenditures are appropriately categorized as operating or capital expenditures, is governed by applicable law, accounting requirements, and the statutory responsibilities of the Skagit County Auditor and is outside the authority and scope of this Technical Advisory Group resolution and shall not be considered by the Technical Advisory Group; and

WHEREAS, the Board has determined that any proposed future changes to the Guemes Island ferry fare framework and calculation methodology must include a minimum sixty-five percent (65%) ferry cost recovery target; and

WHEREAS, the Board desires to create a limited temporary Technical Advisory Group ("TAG") solely to provide technical and policy advisory recommendations concerning the Guemes Island ferry fare framework and calculation methodology.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby adopts the following terms as the organizational document for the temporary limited advisory body referred to herein as the Skagit County Guemes Ferry Fare Technical Advisory Group (herein the "Technical Advisory Group" or "TAG"), as follows:

I. Term and Duration of TAG.

This resolution shall become effective immediately upon adoption by the Board, although the Technical Advisory Group formed hereby shall expire and dissolve by its own terms (without further action by the Board) on August 31, 2027, or upon completion of the final

TAG report and recommendations (whichever occurs sooner, even if the final TAG report and recommendations are incomplete). All TAG members shall be appointed by resolution of the Board and will serve at the pleasure of the Board (unless or until such TAG member resigns and/or is replaced by the Board). This resolution may only be amended by subsequent resolution of the Board. All TAG members shall serve without financial compensation or reimbursement from the County, and no stipends and/or other payments whatsoever will be made by the County to any TAG member(s) appointed by the Board.

II. Limited Purpose & Authority of TAG

The Technical Advisory Group ("TAG") is hereby formed solely for the limited purpose of providing only advisory recommendations to the Board concerning the methodology, framework, structure, and calculation of Guemes Island ferry fares ("Guemes Island ferry fare framework and calculation"). Such advisory recommendations provided by TAG are intended to assist the Board and applicable County staff in the development and evaluation of potential options for a revised Guemes Island ferry fare framework and calculation methodology (with a sixty-five percent [65%] ferry cost recovery target), intended to effectively meet the financial and transportation needs of the ferry system while providing financial sustainability for the continued operation of the Guemes Island ferry. The Board may consider the TAG's recommendations, along with information from County staff, the public, subject matter experts, legal counsel, the Skagit County Auditor, and other sources, but the Board shall not be bound by any advisory recommendations of the TAG. The Board does not delegate any authority, decision making or duties whatsoever to the TAG pursuant to the terms herein. Further, TAG shall not act on behalf of the County, conduct any hearings nor receive any public comment. Skagit County will freely accept any public comment on TAG activities during the term of the Technical Advisory Group.

III. Limited Mission and Objective of TAG

The limited mission of the TAG is to assist the Board in providing advisory recommendations regarding potential proposed changes and improvements to the current Guemes Island ferry fare framework and calculation that must include a minimum sixty-five percent (65%) ferry cost recovery target. It is anticipated that the TAG may consider various factors in the development of a new framework for the, Guemes Island ferry fare methodology and calculation, with the intention that any new Guemes Island ferry fare framework and calculation(s) recommended by TAG will be simpler, consistent, more understandable, administratively efficient, and more easily explainable to the public. Furthermore, in addition to including the required minimum sixty-five percent (65%) ferry cost recovery target, any new Guemes Island ferry fare framework and calculation(s) recommended by TAG may be:

- Based on clearly defined and verifiable inputs;
- Capable of being independently replicated and reviewed;
- Responsive to changes in ferry costs, ridership, revenue, and other relevant factors; and
- Consistent with applicable law and other County policies.

The TAG may identify policy choices and tradeoffs for consideration by the Board but shall not make final policy decisions on behalf of the Board.

The limited mission and objective of the TAG is only to provide advisory recommendations to the Board on potential options changes to the Guemes Island ferry fare methodology and calculation options for Guemes Island consistent with the requirements of this resolution. The goal of the TAG is to provide well researched advisory recommendations to the Board (in accordance with the terms of this resolution) concerning potential changes to the Guemes Island ferry fare methodology and calculation that adequately serves the needs of both residents of Guemes Island and also considers the financial burdens placed on the larger Skagit County community overall by such continued Guemes Island ferry operations. The TAG's mission is focused solely on recommendations concerning fare methodology and fare calculation options for the Guemes Island ferry. The TAG shall not evaluate ferry operations, projected or actual operating costs, or potential operational cost-saving measures.

IV. Limited Scope of TAG

The advisory recommendations to be provided by the TAG to the Board shall include a minimum sixty-five percent (65%) ferry cost recovery target, and may otherwise focus on the following:

A. Evaluation of Existing Fare Methodology.

The TAG may review and consider the existing Guemes Island ferry fare framework and methodology, including, but not necessarily limited to, the following:

- Major inputs and assumptions;
- The manner in which costs, ridership, revenue, and other factors are incorporated;
- The mathematical methodology and formulas used;
- The administrative process for implementing the methodology; and
- Opportunities to simplify the methodology and reduce opportunities for error.

B. Development of Alternative Fare Methodologies.

The TAG may evaluate and develop one or more recommended alternative Guemes Island ferry fare framework and methodologies that could be considered by the Board. Any such recommended alternative(s) shall include a minimum sixty-five percent (65%) ferry cost recovery target, and may also include:

- A simplified cost-recovery methodology;
- A formula based on clearly defined annual inputs;
- A methodology using fewer variables or adjustments;
- A methodology with clearly defined escalation or indexing provisions; and
- A methodology that establishes defined parameters for annual fare adjustments.

C. Cost Recovery and Ridership.

In providing recommended alternative Guemes Island ferry fare framework and methodologies that could be considered by the Board, any such recommended alternative(s) shall include a minimum sixty-five percent (65%) ferry cost recovery target, and may also consider and evaluate the relationship between:

- Fare levels;
- Ridership;
- Fare revenue;
- Changes in ridership possibly resulting from fare changes;
- Capacity utilization;
- Affordability and user impacts; and
- The financial sustainability of the ferry system.

The TAG may provide recommendations regarding how these factors should be considered within a future fare methodology consistent with the requirements of this resolution.

D. Fare Incentives and Alternative Fare Structures.

In providing recommended alternative Guemes Island ferry fare framework and methodologies that could be considered by the Board, any such recommended alternative(s) shall include a minimum sixty-five percent (65%) ferry cost recovery target, and may also consider and evaluate potential fare incentives and pricing structures, including, but not limited to:

- Reduced fares during selected periods of lower demand;
- Time of day or demand-based pricing;
- Multi ride passes;

- Volume discounts;
- Frequent rider programs;
- Different fare structures for different categories of trips;
- Incentives designed to encourage ridership during selected periods; and
- Other approaches that may affect ridership, revenue, affordability, or utilization of ferry capacity.

For each significant alternative, the TAG may identify potential benefits, costs, risks, administrative considerations, and potential effects on ridership and revenue.

Alternatives identified by TAG shall not include, anticipate, and/or recommend the formation of a ferry district per RCW 36.54.

E. Transparency, Replicability, and Error Reduction

In providing recommended alternative Guemes Island ferry fare framework and methodologies that could be considered by the Board, any such recommended alternative(s) shall include a minimum sixty-five percent (65%) ferry cost recovery target, and may also consider and may develop recommendations for a fare calculation framework that may reasonably consider the following:

- Required inputs;
- Source of each input;
- Responsible party for each input;
- Calculation methodology;
- Timing of calculations;
- Treatment of changes in assumptions;
- Required documentation;
- Review and verification procedures; and
- How the resulting fare can be independently reproduced from the underlying inputs and formula.

F. Implementation

In providing recommended alternative Guemes Island ferry fare framework and methodologies that could be considered by the Board, any such recommended alternative(s) shall include a minimum sixty-five percent (65%) ferry cost recovery target, and may also consider and identify potential steps that may be appropriate for transitioning from the current methodology to a revised methodology, and may include, but is not limited to, the following:

- Potential implementation timeline;
- Required policy decisions;
- Administrative changes;
- Data requirements;
- Public communication needs;
- Potential transition provisions; and
- Recommended frequency for future review of the methodology.

V. Limitation

The TAG is only an advisory group (as may be appointed by resolution[s] of the Board) and the TAG shall not make recommendations concerning matters outside the limited purpose identified in this resolution.

For purposes of evaluating recommendations for a revised Guemes Island ferry fare framework and methodology, the TAG may review and use financial information and expenditure data provided by the County. However, the TAG shall treat the County's established accounting and expenditure classifications as inputs to its analysis and shall not make those classifications themselves as part of a TAG recommendation. All decisions regarding ferry fares and fare policy shall rest solely with the Board.

VI. TAG Goals and Deliverables

1. Primary TAG Goal:

It is intended that any proposed changes to the Guemes Island ferry fare framework and methodology recommended by TAG shall be consistent with the terms of this resolution and shall be provided prior to the expiration of the TAG on August 31, 2027. The TAG will present an advisory update on the work in progress by TAG to the Board no later than by April 30, 2027.

2. Key Deliverables to Be Produced by TAG (before August 31, 2027):

- **Comprehensive Final TAG Advisory Report:** The TAG shall provide a report providing final advisory recommendations to the Board (the "Final TAG Advisory Report") before August 31, 2027. Such Final TAG Advisory Report shall include a minimum sixty-five percent (65%) ferry cost recovery target, and may also include: (a) a current state assessment with a clear description of existing fare methodology, including its objectives, inputs, formulas, assumptions, administrative process, and identified areas of complexity or potential error, (b) recommended principles or criteria that the Board may consider when establishing a future fare methodology, (c) one or more alternative fare methodologies, with sufficient detail to allow the Board and

County staff to understand and evaluate how each would operate, (d) an analysis of the relationship between fare levels, the cost recovery objective, ridership, and revenue, including identification of significant tradeoffs associated with different approaches, (e) recommendations concerning potential fare incentives or alternative fare structures, including an analysis of anticipated effects, administrative requirements, and potential risks, (f) a recommended framework designed to make future fare calculations transparent, reproducible, consistent, and less susceptible to error, and (g) implementation recommendations including recommended steps, sequencing and considerations for transitioning to a revised methodology.

- **Interim Deliverable:** The TAG shall provide an interim advisory update to the Board no later than by April 30, 2027. Such interim update should be consistent with the requirements of this resolution and may identify work completed, key issues identified, alternative methodologies being evaluated, preliminary observations regarding fare incentives and ridership, and issues requiring additional information or analysis.

- **Public Presentation of Final TAG Advisory Report:** It is anticipated that the TAG will provide an advisory briefing to the Board of County Commissioners concerning the Final TAG Advisory Report in or about July or August of 2027 (but before August 31, 2027).

VII. TAG Membership.

The temporary TAG will consist of a total of nine (9) members, all appointed by resolution of the Board, and shall include two (2) non-voting Skagit County employee representatives, and seven (7) TAG voting members. Membership of the seven (7) voting TAG members shall consist of:

- Four (4) current residents or property owners of Guemes Island; and
- Three (3) persons comprising one (1) representative from each of the three Skagit County Commissioner districts.

The Board's appointment of one voting TAG member from each Commissioner district is intended to ensure that the TAG includes perspectives from throughout Skagit County. The Guemes Island ferry system is supported in part by County Road Fund revenues generated through taxes paid by residents throughout the County. Accordingly, the financial and policy decisions associated with the ferry system have County wide implications, including for residents who do not live on Guemes Island and/or do not use the ferry.

The four (4) Guemes Island voting TAG members may provide their perception of their direct experience and knowledge concerning the Guemes Island ferry and its use, while the three (3) district voting TAG members may provide perspectives concerning the broader County wide financial, transportation, and public-service interests affected by the ferry system. Collectively, the seven (7) person voting TAG membership is intended to provide a range of perspectives relevant to evaluating the Guemes Island ferry fare framework and methodology. Appointment as a voting TAG member does not constitute formal representation of a constituency, district, or geographic area.

Except as outlined below under "County Membership on TAG," Skagit County employees cannot be appointed as members of the TAG. Appointed TAG members are intended to represent a diversity of stakeholders, and the TAG may be organized as follows:

- **TAG Chair:** The TAG Chair shall be a person considered to be a neutral and experienced leader nominated to the position by the seven (7) voting members of the TAG, and approved by subsequent resolution of the Board of County Commissioners (Board). The selected TAG Chair must be an appointed member of the TAG. The selected TAG Chair (appointed by resolution of the Board) will preside over all TAG meetings, may assist with developing agendas, and will serve as the spokesperson for the TAG. The TAG Chair will be responsible for preparing the final recommendation report and public presentation to the Board (subject to the terms herein).

- **County Membership on TAG.** Both the Skagit County Administrator/Budget and Finance Director and also the Skagit County Public Works Director (or their designee) shall also serve on the appointed TAG as the two (2) non-voting TAG members (without the need for appointment by the Board).

- **Representative of Guemes Island.** Four (4) of the voting TAG members appointed by resolution of the Board shall be residents of and/or property owners on Guemes Island. Such four (4) voting TAG members may preferably have (but are not required to have) relevant experience and perspectives including financial or budgeting experience, data analysis, transportation or transportation finance, public-sector finance, business or customer experience, or experience evaluating complex systems or formulas.

- **Representatives of Skagit County citizens**. Three (3) of the voting TAG members appointed by resolution of the Board shall include one (1) representative from each of the three (3) Skagit County Commissioner Districts. Each of such three (3) voting TAG members shall be full-time residents of Skagit County, but not be residents of (or own property on) Guemes Island. Such three (3) TAG voting members may preferably have (but are not required to have) relevant experience

and perspectives including financial or budgeting experience, data analysis, transportation or transportation finance, public-sector finance, business or customer experience, or experience evaluating complex systems or formulas.

- **County Staff Support.** County staff shall reasonably provide information, technical assistance, data and subject matter expertise as may be reasonably necessary for TAG to perform its advisory role consistent with the terms of this resolution. County staff shall not be directed by the TAG and shall retain responsibility for their statutory and administrative duties.

- **TAG Facilitator Role.** The County shall retain a qualified independent facilitator (consultant) to support the TAG (the "TAG Facilitator"). The TAG Facilitator's responsibilities may include, but are not necessarily limited to, the following:

    - Developing meeting agendas in consultation with County staff and appointed members of the TAG;
    - Facilitating productive and respectful discussion among TAG members;
    - Helping the TAG establish a work plan and timeline;
    - Keeping TAG discussions focused on the approved scope and requirements of this resolution;
    - Assisting the TAG in identifying areas of agreement, disagreement, and unresolved policy questions;
    - Supporting development of the TAG's final report, while maintaining a clear distinction between technical analysis, member perspectives, and policy recommendations; and
    - Helping to ensure that all appointed TAG members reasonably have an appropriate opportunity to participate.

  The TAG Facilitator shall not have authority to make decisions on behalf of the TAG or the County.

1. **TAG Member Responsibilities.**

All appointed TAG members (including the TAG Chair) are expected to attend designated TAG meetings, review materials provided in advance of meetings, approach issues in a constructive and collaborative manner, consider information and perspectives presented by other members, distinguish personal preferences from technical analysis, adhere to the limited scope and requirements established by this resolution, and work toward clear, understandable, and well supported recommendations. The final TAG Advisory Report may identify areas of consensus as well as differing perspectives or alternative recommendations where the TAG is unable to reach advisory consensus. Any scheduled meetings shall consist of at least five (5) appointed TAG members, with electronic participation permitted (via conference call and/or virtual attendance online).

2. **Administrative Support to be Provided by TAG Members.**

All appointed voting TAG members (excluding the two [2] County employees designated as non-voting members) are expected to reasonably provide administrative support for all TAG meetings, such as preparing TAG meeting minutes and documentation. Such TAG meeting minutes and other documentation will be promptly provided by the TAG Chair to a designated Skagit County staff member.

VIII. TAG Meetings and Process.

All TAG meetings shall be held in accordance with the following:

- **Frequency of TAG Meetings:** The TAG may meet at least monthly, or more frequently if needed (and scheduled by the TAG Chair). The TAG Chair shall provide reasonable advance notice to the Skagit County Public Works Director and to all other appointed TAG members of all scheduled TAG meetings.

- **Location of TAG Meetings:** All TAG Meetings will be held during evening hours, and shall be held at the Anacortes Public Library (located at 1220 10th St, Anacortes, WA 98221), with an online remote attendance option.

- **Public Engagement:** All TAG Meetings will be open and accessible to the public, but TAG members do not need to engage with persons in attendance who are not TAG members, and persons in attendance who are not appointed TAG members may not to disrupt the meeting. Opportunities for public comment are to be directed to Skagit County and may be provided at any time prior to August 31, 2027 via ferrycomments@skagitcountywa.gov.

- **TAG Meeting Procedure:** If needed, TAG Meetings may be conducted according to Robert's Rules of Order.

- **TAG Meeting Records:** All TAG meetings shall be recorded, and meeting summary shall be promptly prepared by the TAG Chair. Such recordings and meeting minutes are public records subject to public disclosure pursuant to applicable law (including RCW 42.56.). Written communications of TAG members with any Skagit County employee and/or official (including e-mail messages) are also subject to public disclosure pursuant to applicable law (including RCW 42.56.).

The Skagit County Board of Commissioners (Board) is not obligated or bound whatsoever at any time to follow, adhere to, or comply with any of the advice and/or recommendations as may be provided by the Technical Advisory Group (TAG), and the

TAG has not been delegated any decision-making authority by the Board. This Resolution shall become effective immediately upon adoption. This Resolution shall terminate and expire by its own terms (without further action by the Board) on August 31, 2027.

PASSED this 23 day of November, 2026.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

Ron Wesen

Ron Wesen, Chair

Peter Browning, Commissioner

Joe Burns, Commissioner

SKAGIT COUNTY COMMISSIONERS SEAL COURT STATE OF WASHINGTON

Attest: Linda Hamma

Clerk of the Board

Approved as to form:

11/18/26

Civil Deputy Prosecuting Attorney

Approved as to Content:

Michael Lee

Department Head