

Campbell River/Quadra/Cortes Ferry Advisory Committee

Date: November 30, 2007

Time: 12:00 p.m.

Location: Quadra Community Centre – Main Hall
Quadra Island

Attendees:

Committee

John Sprungman, Chair
Jim Abram
Bob Brown
Connie Burns
Terry Hooper
Gerry Hornby
Ted Harrison
Jenny Hiebert
Bertha Jeffery
Alois Stranan

BC Ferries

Captain Gordon Nettleton, Marine Superintendent
Captain Jay Holliday, Senior Master, *MV Tenaka*
Captain Wayne Maxted, Senior Master, *MV Powell River Queen*
Rob Clarke, Chief Financial Officer
Manuel Achadinha, Vice-President, Terminal Operations
Parv Bal, Regional Director, North Region
Amar Johal, Director of Sales & Community Relations
Robert Seitz, Project Manager, Terminal Construction
Kim Macaulay, Regional Manager, North Region
Darlene Cadwallader, Terminal Operations Supervisor
Jane King, Manager, Sales & Community Relations

1. **Call to Order:** The meeting was called to order at 12:02 p.m.
2. **Approval of Agenda:** The agenda was approved.
3. **Presentations:**
 - a. Public presentations:
 - Bill Assu, a member of the Cape Mudge Band spoke on behalf of other members of the community that are on a fixed income. He explained that due to the exorbitant cost of real estate, members can't afford to sell property and go to where there isn't a ferry. He also added, "Can't go to the bank and say I need more money for the ferry." He requested the government increase the subsidy for inter-island transportation.
 - b. Operations Report: Captain Gordon Nettleton presented the Operations Report. The following issues and comments arose from the report:
 - Dip in on-time performance due to heavy commercial traffic.
 - Capital Expenditures for the *MV Powell River Queen* include the upcoming deck replacement which will assist with heavy commercial traffic.
 - Chief Financial Officer, Rob Clarke spoke on the Revenue slide. He noted on route 23, 50% of revenue comes from the rider, while the remainder comes from provincial and federal government subsidies. On route 24, 83% of the revenue comes from

government subsidies while 17% comes from the rider. On operating expenses, route 24 saw a lift due to a major refit of the *MV Tenaka*.

- FAC Member, Alois Stranan asked whether the 83% on route 24 is always the same. Rob Clarke advised the provincial subsidy doesn't change over the first performance term, which ends March 31, 2008, however the provincial service fee will be reset for *Performance Term Two*. The funds from the federal contract vary with the Vancouver Consumer Price Index. He also noted the tariff revenue does not include the fuel surcharge.
- FAC Member, Alois Stranan also asked what BC Ferries is doing to reduce fuel consumption. Rob Clarke confirmed there are a number of measures BC Ferries is using which include: fuel monitoring devices, adding discipline to on-time performance (New Policy Ticket Sales and Cut-Off Times), new engines/new technology and smoothing hulls – e.g. sandblasting hulls.
- Rob Clarke also emphasized the challenge BC Ferries is up against is that the company is miles behind on maintaining Capital infrastructure. Currently BC Ferries is delivering 99.8% of the service it's supposed to, which can't be maintained if the assets continue to deteriorate. "If we don't upgrade – we're going to lose the service. We have to make investments – if they're not made – there will eventually be no service, at any fare level."
- FAC Member, Jenny Heibert asked for clarification on the Consumer Price Index: Vancouver's CPI is used in the federal contract; the BC CPI is used in the Price Cap.
- FAC Member Connie Burns asked whether there is going to be a replacement shelter when the *MV Powell River Queen* is in refit. Captain Nettleton advised he was 95% sure the shelter on the ship would be moved. However, the 5% uncertainty was with Transport Canada.
- FAC Member, Gerry Hornby asked why boarding passes can't be obtained ahead of time for seniors or any other passenger. BC Ferries advised tickets are sold for each specific sailing and tied to the passenger count.
- FAC Member, Alois Stranan stated there was a need for extra ferry service to Cortes during the summer months and asked whether or not BC Ferries would consider free transportation for a community bus. CFO, Rob Clarke advised that providing free transportation isn't an option, but a more efficient transportation linkage could be discussed with the local transportation provider. He suggested that the FAC could play a role in bringing the parties together.
- Captain Wayne Maxted confirmed the New Policy of Ticket Sales and Cut-Off Times is needed in order for the crew to complete safe shore closure procedures. FAC Member, Jim Abrams felt in his opinion, this mandate was not needed. Manuel Achadinha, Vice-President, Terminal Operations emphasized customers demand a safe/secure operation. The New Policy will enable crews to have the time for safe shore closure procedures, which will be consistent fleet wide.

4. Minutes of Previous Meeting held on May 17, 2007 were approved and distributed on August 30, 2007. Review of action items:

- a. Committee requested for future reports, a month to month comparison over the last two fiscal years for vehicle and passenger stats. **COMPLETED.**
- b. BCF to look at the foot passenger flow and traffic access and analyze the traffic flow for line painting. **Kim Macaulay to discuss in New Business – Terminal Upgrades.**
- c. BC Ferries to provide contact information to FAC Chair on Chairs of past surveys. **COMPLETED.**

5. New Business:

- a. FAC Chair, John Sprungman asked whether the *MV Tachek* would be available for summer service. Captain Nettleton advised there are no spare ships over the next two years. Vice-President, Terminal Operations, Manuel Achadinha confirmed the challenges of vessel replacements for refit relief, aging assets all need to be replaced at the same time. CFO, Rob Clarke also pointed out the incremental costs associated with spare ships. **ACTION: Captain Nettleton to advise FAC of *MV Tachek's* future service plan.**
- b. Corporate News and Update on Super Cs was not discussed. FAC Members previously received the Super Cs presentation by mail.
- c. PT2 Update: Amar Johal presented an update on the *Performance Term 2*: the following discussions arose:
 - CFO, Rob Clarke advised the \$7,000,000 received from the provincial government was used to reduce the balance of the fuel deferral accounts, which in turn lowered the *Performance Term Two* price caps. He noted that this extra funding was a direct result of the work of the Ferry Advisory Committees.
 - CFO, Rob Clarke also advised the federal government has announced the duty remissions on the *MV Northern Adventure*. BC Ferries and the province are in negotiations as to what to do with that money. He confirmed BC Ferries is talking to the government about using the funds to reduce the price caps. Rob Clarke again emphasized, "We wouldn't be getting anywhere if it weren't for the FACs."
 - CFO, Rob Clarke confirmed the major routes do not receive a subsidy. Riders are paying 100% of the fares, except seniors, students and those on medical passes. Rob Clarke also confirmed the government is providing in excess of \$100 million per year to support the non-major routes, where they used to put in \$73 million. BC Ferries pays the government a dividend of \$6 million.

- d. Fare Increases: CFO, Rob Clarke presented a slide show illustrating the price cap and tariff structure. He further advised BC Ferries has been operating with average tariff yields that are under the price cap. This is partly due to the growing use of pre-paid tickets. Rob Clarke identified there is an opportunity for the FAC and communities to work with BC Ferries with price innovation to help design future tariff structures.
- e. Smart Media: CFO, Rob Clarke advised because the Smart Card works off a POS system and Cortes Island does not have one at its terminal, BC Ferries is working to find a solution for processing the card at non-POS terminals.
- Rob Clarke also emphasized the need to replace the pre-paid tickets is due to a revenue control problem, e.g. unlawful duplication and the costs associated with producing and managing the tickets.
 - FAC Member, Terry Hooper asked for clarification on how the card would work with seniors traveling for free during the week, but not on the weekend. Also if you decided to walk on and not take a vehicle with an already pre-paid discount loaded for both. He was advised that the senior would present his Gold Card as he currently does during the week and only use the Smart Media Card for his vehicle, if applicable. In the case of a walk on passenger, he would use the Smart Media Card for a passenger only discount fare.
 - BC Ferries confirmed in order to have access to the discounts, customers must load a minimum of \$75 onto the card for vehicle and passenger and passenger discounts and \$40 for passenger only discounts. Once the minimum is loaded, customers will have access to all available discounts on all routes where it is currently available. The level of discount is the same as is currently offered with pre-paid paper ticket books.
 - FAC Member, Connie Burns asked whether the BC Ferries Disability Card could be made plastic and possibly linked to the Smart Card in the future. **ACTION: BC Ferries to investigate the possibility of making the Disability Cards plastic and whether or not the disabled status can be linked to the Smart Card in the future.**
- f. Terminal Upgrade: Project Manager, Robert Seitz (taken over for Rory Kulmala) presented drawings on the new passenger facility upgrade at Quathiaski Cove. The facility is similar to the Alert Bay terminal which was completed in August. He advised during construction lane five will be taken out of service. The bus shelter will remain and the O'Bean coffee trailer will be moved to the other side of the bus shelter. The plan is for the construction to be complete by the summer.

The FAC asked whether local contractors would be allowed to bid on the work. Seitz advised the General Contractor has been encouraged to use as many local sub trades as possible.

FAC Member, Connie Burns requested clarification on the temporary washroom facilities during the construction. BC Ferries will have one special needs port-a-potty along with two or possibly three regular ones.

FAC Member, Alois Stanan asked if the terminal wasn't built if the fares would be reduced. CFO, Rob Clarke confirmed if the community says they do not want the terminal, BC Ferries would re-think it. FAC Chair John Sprungman asked the Committee if anyone did not want it built. No one raised their hand.

FAC Chair, John Sprungman asked for clarification on the number of washrooms which the current design shows is less than what is currently in place. BC Ferries advised the new building will have the same number of washrooms as what is available now. **ACTION: BC Ferries to email drawings to the FAC.**

- g. Traffic Management at Quathiaski Cove: Terminal Manager, Kim Macaulay advised the crosswalks are painted, as are the holding lanes. Also, that she walked the shoulder of the new pavement today, which is hard crush and adequate for foot traffic.
- h. Cortes Island Assured Loading Policy: Captain Nettleton advised there was a one-off situation when the Cortes Island ferry was late that the assured loading passes were handed out anyway. BC Ferries confirmed the only assured connection for Cortes Island traffic will be on the 9 a.m. sailing.
- i. Assured Loading for Doctors: FAC Member, Bob Brown requested some kind of procedure be in place for medical emergencies for patients as well as doctors. Vice-President, Terminal Operations, Manuel Achadinha advised BC Ferries is currently in discussions with the Vancouver Island Health Authority on setting up a clear process to deal with medical emergencies. **ACTION: BC Ferries to outline procedures for doctors and patients to follow in the case of medical emergencies. BC Ferries also to advise the FAC of the outcome of future discussions with VIHA.**
- j. Amar Johal to email the FAC a survey to be filled out and returned.

6. Correspondence: There was no correspondence received.

Next Meeting: To be determined.

Meeting adjourned: 3:46 p.m.

Approved:

John Sprungman

Date: January 7, 2008

Captain Gordon Nettleton

Date: December 24, 2007