

Meeting Details:

FAC:	Southern Sunshine Coast Ferry Advisory Committee
Date:	June 17, 2008
Location:	Cedars Inn, 895 Gibsons Way, Gibsons, BC
Time:	9:00 a.m. – 12:15 p.m.

Attendees:

<i>Committee:</i>	<i>BC Ferries:</i>
Chair, Ed Steeves	Captain Steve Graham – Marine Superintendent
Pat Barber	Jason Bowman – Regional Director, Terminal Operations
Jakob Knaus	Rob Clarke – Chief Financial Officer
David Dick	Amar Johal - Director, Sales & Community Relations
LeeAnn Johnson	Grant Bierlmeier – Director, Pricing & Revenue Performance
Barry Cavens	Penny Lidstone – Manager, Sales & Community Relations
Tom Paul, Sechelt Band	
Absent: Marita Paul Frank	
Guests: Joyce Clegg - Gambier Keats FAC Chair Shannon Bond - Coast Reporter Celia Robben - Sunshine Coast, B&B and Cottage Owners Association 1 member of the public	

1. **Call to Order:** The meeting was called to order at 9:05 a.m.
2. **Introductions:** Round table introductions were completed.
3. **Approval of Agenda:** One agenda item was added and that was the inquiry from the Sunshine Coast, B&B and Cottage Owners Association about any schedule changes and increased sailings to the Sunshine Coast during the Olympics.
4. **Public Presentations:**
 - a. Public
 - None
 - b. Marine Superintendent Operations Report

- Capt. Graham presented the Operations Report summarizing operations for the period since the last meeting. This report is attached.
- FAC inquired about the new 10 minute cut off time at Horseshoe Bay and what would happen if the vessel was late. Jason Bowman confirmed that the cut off time would be adjusted accordingly and that all passengers in line at the cut-off time would be loaded if there was room on the vessel.
- FAC inquired about the Community Development Fund and if that was money that could be used to reduce fares. BC Ferries replied that this is a nominal amount of money and that BC Ferries is committed to partnering with the Communities we work and live in.

5. Minutes of Previous Meeting – Review of Action Items:

- **Rob Clarke to confirm to FAC fuel budget (in liters) for the upcoming fiscal year.** This action was complete.
- **Amar Johal to forward revised FAC terms of reference noting appointment process in writing for FAC review.** This action was complete.
- **FAC to provide Captain Graham with feedback on Summer 2008 schedule.** The FAC provided this and Steve Graham confirmed the schedule had been revised to include an additional sailing on Friday afternoon and a late night sailing on Sunday night.

The FAC would like to start discussing the Summer 2009 schedule and also wants to discuss the Tuesday/Wednesday schedules. They are concerned the community is being damaged by the schedule due to a loss of working families who can't plan their work on the ferry schedule. FAC would like to be part of the scheduling meeting so they can understand all the issues.

Action – Steve Graham to confirm if FAC can attend this meeting.

- **BC Ferries is committed to formal consultation with Stakeholders as part of the Langdale Master Planning.** This action was completed.

6. FAC Business:

- a. Status of funding for the Gambier/Keats dock - Ed Steeves has sent letter to David Hahn and waiting to hear back on BCF requirements. Joyce Clegg is looking at all users of dock to ensure they are all paying fairly and proportionately.
- b. Caps versus Actuals - Jakob Knaus says 4.4 is the proper increase and that he feels Route 3 higher than this. He spoke with Ferry Commissioner and was told to talk with BCF. Rob Clarke confirmed that Route 3 tariffs are appropriate to the Price Cap. BCF is very precise with these calculations and they are audited from time to time by external sources. He also said the composition of revenue types can affect the calculations of the index that the FAC do. BCF stated it strives to end each fiscal year slightly over the cap in order to ensure that revenues are maximized. Any overage goes into a liability account and is returned to customers during the next several months in the form of price adjustments.

- c. *Island Sky* Communications – BCF confirmed the vessel will be in service in Fall 2008 as summer too busy to conduct crew training. FAC is concerned about the effect this may have on SSC traffic. BCF confirmed that the *Queen of Tsawwassen* will stay in service until *Island Sky* is ready for service. FAC wants to be communicated about this and Rob Clarke says BCF will continue to communicate with the appropriate FAC (Route 7) that is responsible for vessel.
- d. Cut Off Times at Horseshoe Bay – Jason Bowman presented the new policy and said it allows for consistency and transparency. At 10 minutes to scheduled departure, or if the vessel is running late, the commencement of vessel loading, the tower will notify the ticket booths. Everyone in line at that time (vehicle & passenger) will be sold a ticket (as long as you are in pre ticket area). This policy is about safety as BCF needs adequate time to load and requires all traffic on the vessel 2 minutes ahead of departure to ensure proper shore procedure. BCF also confirmed that all reservation policies will remain the same ie vehicles have to report 30 minutes ahead of the scheduled sailing time.
- e. Coast Savers Weekend Discounts - Rob Clarke confirmed that the primary purpose behind these promotions was price cap management. Revenues in excess of price cap are returned to customers through these promotional prices, which are targeted to shift ridership patterns. These promotions work particularly well on the Major Routes. BCF is doing a lot of Coast Savers on Route 30 to try and shift traffic out of HB and to use underutilized sailings. He also stated the reason you don't see Coast Savers on Route 3 is because that route is not over the price cap.

Rob Clarke said one of the other issues on Route 3 that would prevent Coast Savers is that Langdale to Horseshoe Bay is a non fare route so a pricing discount would not incent traffic on that route as you would need ticketing on both ends.

The FAC noted that BCF charges for reservations out of Langdale so is there any way those costs could be discounted to incent traffic? Rob Clarke says this has already been researched and thinks it will be too confusing with other fare discounts. He did agree to revisit this issue with the Marketing and Operations Departments.

- f. Horseshoe Bay Upgrades - FAC says the upgrades were scheduled to be complete in November 2007 but they went until January 2008 and wants to know what was the cost overage?

Jason Bowman said work was finished in early June 2008 and upgrades were not just for the Super C vessels as many of the marine structures were at the end of their useful lives. There was an overage of 3% and this was driven by the work clearing the sea bed floor and difficulties securing piles. Rob Clarke said the terminal costs are allocated on a route by route basis based on vehicle throughput.

BCF also noted that the target date for Departure Bay is September 2008 based on a decision to completely reconstruct the market and quay area vs just upgrading the existing buildings. This is a change to the scope and overall cost of project.

- g. Deferral Fuel Account Balances per April 1, 2008
Rob Clarke said closing balances of \$18.5 million were forecasted and this was based on estimates of consumption, price of fuel, revenue from fuel surcharges etc. This amount was built into price cap for PT2 and any deviation would form the opening balance of fuel deferral account starting on April 1, 2008. Since the actuals were \$11.9 million, mostly from fuel hedging program (\$3.9 million) and from lower fuel consumption there is now a credit in the opening balances of the PT2 fuel deferral accounts, as per spreadsheet.

Hedge gains and losses are allocated to individual route groups based on fuel consumption. FAC asked about the Northern Routes being protected and Rob Clarke says the government will be making an announcement. Rob Clarke said based on our estimates the latest that a fuel surcharge will be implemented is in November 2008 but that BCF may try and get the surcharge implemented sooner so there will be less dramatic increases later. Also, by implementing it during the busy summer season, tourists can help to off set the cost.

FAC decided to discuss the Carbon tax at this point in the meeting. They have noticed that Canadian Pacific Railway is making this a tax not a surcharge and asked if this is appropriate for BCF? The difference is that BCF is regulated and CPR isn't so we would need Commissioner to approve. They FAC also asked is it true that the carbon tax will come back to corporation in reduced taxes? Rob Clarke said not for BCF as we don't pay taxes as we are exempt.

- h. Fare Structure per April 1, 2009 discussion re:
- i. Student ages – FAC said that at age 12 kids don't have identification so is this an appropriate policy? They think 12 is too low to have the cut off and can BCF increase this age to 16? They also have an issue with school sport teams having to play their home games on the mainland and that school travel on Bowen is free.

BCF said that Terminals aren't requiring ID right now but this may change with new security implications. Rob Clarke said that we will review the policy and application and discuss it with province as it is their policy but he is not sure what the outcome will be. He also said BCF can review the age policy but if kids pay less but he wants the FAC to remember that others will pay more.....so it's a decision of where to charge these costs. Rob says it is our goal to streamline all rates on this route as currently over 100 different fares on Route 3 alone. BCF admits there are inequities on different routes as there are over 4400 different fares charged across all routes BUT if any changes occur they will need to be revenue neutral. An early September meeting of the FACC regarding these fare changes will be scheduled.

Action – Rob Clarke to advise FAC of date and outcome of this meeting.

- ii. Small cars - FAC asked if BCF would we consider giving priority loading and unloading for small cars. BCF said the Terminal issue is there are 12 products they are dealing with for all 3 routes out of Horseshoe Bay and only 7 lanes so it is very difficult to focus on a specific product like this. BCF said that Bowen also wants priority given to high occupancy vehicles right at front of queuing area. FAC wants to leave us with the fact that there are options in this area for our consideration. Barry Cavens asked if we can have a sub committee to discuss fares specifically. Rob Clarke said the SSC FAC only has one route to focus on and we can probably address this at a FAC level.

Leanne Johnson would also like BCF to look at bicycles options when reviewing fares.

iii. Commercial fares - Jakob Knaus inquired why there is such a small difference in commercial fares on Major routes vs Route 3? Rob Clarke said that is fair comment and as long as it's revenue neutral then BCF can set fares. Rob says if we set fares right then we incent traffic, earn more revenue for BCF and lower fares for customers. It must be simple, equitable and easy to administer. FAC wanted to reiterate that they are concerned about the inequity of fares and note that fares are affecting commercial traffic.

i. Competition - Passenger Ferry Gibsons

The FAC asked if BCF had any comments and Rob Clarke said that competition is always good. FAC asked if the new ferry service will qualify for social assistance fares. BCF said that is government policy and it will be up to them to determine that.

j. BC Ferries FAC Website

The FAC asked about the status of the website and BCF confirmed that it was not created yet but that we have gathered all necessary information and are currently working out the different stages of web development. The FAC website will probably be implemented in phase 3. There were a lot of different requests from the different FAC's and BCF needs to find a middle ground that balances costs with needs.

The FAC also asked about wireless at Terminals. BCF said we are looking to tie into the "wireless over water" on vessels but will take some time.

k. BC Ferries Safety

Consultation has been effective and positive with Ottawa. BCF is still working on physical security plans and estimated implementation date is Fall 2009. However, minor changes are already being implemented. FAC asked if passengers will have to show ID and BC Ferries replied that we don't know yet as that is a Transport Canada decision. BC Ferries noted that passengers already need to do this on Northern Ferries to ensure there is a passenger manifest but there has been no mention of this yet for other routes.

FAC asked about the areas outlined in paint in front of the elevator access. They said they presume these painted areas are to indicate that vehicles should not be parked over them and to keep these areas clear for regular and emergency access. They would like to see the loading practices of the vessel support these restricted areas. They also requested if the painted lines are not intended for that purpose that they should be painted over or otherwise removed.

Action – Captain Graham to look into this and respond to the FAC.

l. Carbon Tax – already discussed earlier in meeting.

m. Summer Schedule – already discussed in the Operations Report.

n. Boy Scout group left commuters behind

FAC wants commuters given priority but BCF says that is not possible or practical. BC Ferries said we will try to communicate with large Scout, Cub

groups etc to encourage large groups travel on less busy sailings. BC Ferries cannot guarantee they can communicate with all groups.

Action item: BC Ferries to communicate with large groups in an attempt to avoid the Friday 5:30pm sailing where possible.

- o. 2010 Sailing schedule – Celia Robben from the Sunshine Coast, B&B and Cottage Owners Association asked about BC Ferries plans for the sailing schedule during the 2010 Olympics as this will affect travel to SSC. She also noted that tickets go on sale October 2008. BC Ferries stated that the schedule has not yet been finalized but we are reviewing potential traffic and schedule needs.

Action Item: BC Ferries to follow up with FAC about 2010 sailing schedule.

7. New Business:

- a. FAC Appointment Process - Amar Johal presented the new Terms of Reference to the FAC (presentation attached). Amar Johal presented the re-appointed process for the new FAC term commencing 2009.
In regards to the mandate that the FAC provide feedback to communities Ed Steeves feels they have no tools for this. He would like us to provide examples of what other groups do. Joyce Clegg, Gambier Keats FAC Chair, said her group sends articles out an island wide email system.

There was public feedback at the meeting that more meeting notices would be helpful. Pat Barber proposed a potential communications budget be allocated. BC Ferries stated that an ad is run for every meeting and meetings are also posted on the BC Ferries website.

The FAC also had issues with appointment process and feels the SSC is a very complex community and that BC Ferries will have a hard time selecting people with connections in the community. FAC feels if BC Ferries appoints the committee then we own it and they think it belongs to the community.

Rob Clarke said the FAC is a committee for the purpose of advising BC Ferries and that we want to ensure there is a good representation of all groups from the community on the committee to ensure balance. BCF has been mired in political process over most of its history and is now trying to de-politicize this process. There is no statutory requirement for BC Ferries to have FAC's, however, BCF sees the value in FAC's provided they have broad community representation. The process needs to be consistent in all communities and to work for both parties. BC Ferries in not interested in stacking the committee with "yes men" as a lot of time is invested in the FAC process and we wouldn't do that if they didn't serve to advise us of real community concerns. FAC insists that the local governments are much better placed than BC Ferries to assure broad community representation.

Action Item: Amar Johal to send FAC examples of what other FAC's do to communicate with their communities.

- b. Survey Results - Amar Johal presented the feedback from the FAC Surveys (results attached)

- c. Experience Card Update - Amar Johal presented Experience Card updates and Barry Cavens asked if he had just keep the minimum amounts on the card to receive discounts. BC Ferries replied that in order to receive discounts you must load at least the minimum level each time. FAC also thinks the communication process around the card could be improved.
- d. BC Ferries Environmental Initiatives - Amar Johal presented key initiatives. The FAC asked if it is necessary to leave lights on all night long at the Terminals and BC Ferries replied that we are currently looking into this.

8. Next meeting: The next full committee meeting is scheduled for Fall 2008.

9. Correspondence: There was none.

10. Meeting adjourned: At 12:15 p.m.

Approved:

Captain Steve Graham, Marine Superintendent
Ed Steeves, Chair

Date: July 15, 2008
Date: August 1, 2008