

Southern Gulf Islands Ferry Advisory Committee Meeting

Overview: Sidney Pier Hotel, May 6, 2015

In Attendance:

Committee: Dave Dryer, Robert Fitzgerald, Mary Greenwood, Brian Hollingshead, Jill Justice, David Maude, Roy Moore, Conny Nordin, Mike Sywulich, Harold Swierenga (Salt Spring Island FAC)

BC Ferries: Corrine Storey- VP Customer Services, David Hendry- Strategic Planning Director, Captain Lewis MacKay- Marine Superintendent, Steve Nussbaum- Terminal Operations Director, Monique Turgeon- Terminal Operations Regional Manager, Darin Guenette-Public Affairs Manager

Meeting Highlights:

The objective of the meeting was to: discuss previous issues and explore options for addressing issues brought to the FAC from the community.

The next meeting is planned as a WebEx meeting during the fall of 2015, with the FAC members likely to gather in the Sidney area; morning times preferred.

Issues Summary and Resolution Plan

A. Issue: Chair selection

Definition: Brian Hollingshead was appointed committee Chair, with a plan to ask another member to assume the position at the two-year point of the term. Selection of Vice-Chair and ‘island reps’ deferred.

BC Ferries Commitment to Resolution: none required.

Action Plan:

Action	Responsible	Date
n/a		

B. Issue: Terms of Reference review

Definition: This being the first meeting of a new, four-year FAC term, the general TOR was discussed. There was general agreement that the new policy of a maximum two-term limit for committee members makes sense, given there could be discretion to allow members to remain past two terms if committee turnover seemed to great.

BC Ferries Commitment to Resolution: none required.

Action Plan:

Action	Responsible	Date
n/a		

C. Issue: 'BCF 101' review

Definition: BC Ferries has developed a document (nicknamed 'BCF 101') to provide high-level information about key aspects of coastal ferry service, including sections on: BC Ferries, the Coastal Ferry Services Contract, the BC Ferry Commission, fares and FACs. The main intent of BCF 101 is to bring all FAC members to a common baseline of understanding, to better facilitate issue discussions during meetings.

BC Ferries Commitment to Resolution: Consider posting TOR & BCF 101 on FAC section of website.

Action Plan:

Action	Responsible	Date
Send FAC docs/link to TOR/BCF 101	Darin	When able

D. Issue: ICF scheduling project

Definition: BC Ferries provided a summary of the 'ICF scheduling project' that was recently implemented in preparation for the 2017 implementation of two new Intermediate Class Ferries (ICF) in the Southern Gulf Islands. The intent of the process is to explore opportunities to improve service while achieving greater efficiencies on Routes 5/5a/9/9a.

This scheduling project includes three phases of public consultation over approximately nine-months, followed by a fourth phase culminating in determining Route 5/5a/9/9a schedules to be implemented in 2017. These first three phases are:

- a needs assessment survey (April 16 – May 7)
- exploration of schedule options (summer 2015)
- determination of preferred option (fall 2015)

To facilitate these phases, a Frontline Working Group (internal BCF reps) and External Working Group (FAC reps, other key stakeholders) have been initiated, with the first EWG meeting planned for end-May.

The first significant public input opportunity was the online needs assessment survey, aimed at identifying what customers need from ferry service. The schedule exploration phase will include a series of open houses on each of the five islands, in Richmond/Sidney and on vessels.

Brian noted that some SGI FAC members have been invited to participate on the EWG, and will endeavour to provide community input to the process. The first four EWG meetings are planned for May 27, June 8, 15 and July 7.

After further exploration on pros/cons around different days/times to hold the community open houses, it was generally agreed that BC Ferries initial plan of hosting these sessions on weekday evenings may make good sense. Final suggestions for BC Ferries included ‘make on board announcements to promote open houses’ and ‘keep track of comments received and share them’.

Discussion occurred regarding general possibilities for ICF deployment, and was followed by an update on the build status. The following is a summary:

- Remontona Shipyard reps have been visiting BC to observe numerous aspects of current operations and ensure they incorporate relevant aspects into vessel design.
- Final vessel design is still to be finalized, with a particular focus on getting the ‘lower deck’ arrangement correct.

BC Ferries Commitment to Resolution:

Provide project information to FAC members.

Action Plan:

Action	Responsible	Date
Provide key SGI scheduling info to FAC	BCF	Key project points

E. Issue: SGI-SSI throughfare

Definition: The FAC had previously suggested BC Ferries consider implementing a reduced fare for customers who wish to travel between Salt Spring and the other Southern Gulf Islands, when they have to transfer through Swartz Bay to do so. BC Ferries explained that the Route 9 throughfare was established to provide an alternate to Route 9, due to a lack of availability during peak season, and not as a simple alternative routing.

BC Ferries’ Pricing section has looked at how to price this SSI-SGI fare, but there is uncertainty of the need to set up this throughfare, as a focus on revenue neutrality was important. FAC members suggested a throughfare rate would encourage incremental traffic/revenue, and would also stimulate island interaction and economies.

BC Ferries Commitment to Resolution:

Continue to consider a SSI-SGI throughfare.

Action Plan:

Action	Responsible	Date
Encourage continued SSI-SGI analysis	Pricing section	As possible

F. Issue: Major Routes cost savings

Definition: An update on the 2014 service adjustment/cost savings process.

David Hendry explained that, because BC Ferries issues bonds, they are subject to securities regulations and currently in a post-fiscal year blackout period for disclosure of financial information; with results available in June. BC Ferries' Board of Directors has requested an analysis of the impact of the service level adjustments made in 2014, including an assessment of whether net savings were realized through these, and the company is working on reports that will fulfill this request. Preliminary analysis indicates that the net savings targeted are being realized at a system-wide level, but there are variations across routes affected.

Additionally, utilization has increased on impacted routes and it appears the estimated traffic/revenue loss from the SLA is less than predicted. BC Ferries will not commit to whether the savings analysis will be made available on a route by route basis and it needs to be recognized that there are other variables impacting this analysis and it is difficult to isolate changes specific to the service level adjustments. The important point is that the net savings are applied system wide and benefit all routes in a cross subsidized fare system.

As for Major routes, BC Ferries conducted extensive analysis on a variety of options for reducing service to achieve the \$4.9 million in net savings, but found that estimated revenue losses exceeded cost savings in all cases. It was pointed out that the Major routes have already had up to eight per cent service reductions between 2008 and 2014 as well.

These reductions came from service that was being provided above CFSC requirements prior to 2012 as well as the recent flexibility in the CFSC (400 round-trips) to further reduce service. As a result of this, it becomes harder to find Major route service reductions without impacting revenue which, in turn, would put further pressure on fares in a cross subsidized system.

The \$4.9 million of net savings still needs to be achieved by BC Ferries in Performance Term-4 to achieve the 1.9% annual price cap but BC Ferries will find these net savings through measures not related to service level reductions. It is important to also recognize that the BC Ferries Commissioner has further tasked BCF to continue the analysis related to longer term and larger measure initiatives related to the Major routes in order to identify large savings (\$100M) in our capital program.

FAC members added that the appearance of Minor routes having to happen while the Major routes were spared will leave a bitter taste to Minor route customers. On a related note, Conny pointed out that the Wednesday Route 9 reductions (9 weeks 2015 and 2016) had a negative impact on Galiano customers.

BC Ferries Commitment to Resolution: none required.

Action Plan:

Action	Responsible	Date
n/a		

G. Issue: Salt Spring Island ‘three terminal analysis’

Definition: FAC asked BC Ferries to summarize analysis that may be underway with respect to the efficiency and future requirement for all three Salt Spring Island terminals, as noted by BC Ferries in the PT-4 submission to the Commissioner. BC Ferries replied that this analysis process will occur, but not in the short/near term.

BC Ferries Commitment to Resolution: none required.

Action Plan:

Action	Responsible	Date
n/a		

H. Issue: Operations Report

Definition: Capt MacKay provided a summary of recent and near-future vessel and terminal developments related to Route 5/5a/9/9a, including traffic and on-time performance statistics. Of note, during upcoming ramp work planned at Otter Bay, there may be a possibility of a partial closure.

This summary also included a look ahead to the planned Mid-Life Upgrade of the Queen of Cumberland (fall/winter 2015), and some discussion followed around some options for providing a relief vessel during the MLU. As well, the Queen of Nanaimo will undergo refit October 14 to November 21, with the Queen of Burnaby as the planned relief vessel.

BC Ferries Commitment to Resolution:

Inform and engage the FAC when ‘MLU refit and relief vessel plans’ are being made.

Action Plan:

Action	Responsible	Date
Forward ‘MLU/relief plan’ to FAC	Capt MacKay	August - done

I. Issue: Island Reports

Definition: A rep from each of the four islands was invited to provide a summary of any relevant issues or events on their island. Only Galiano Island had two points to bring forward; a June 18-20 large event that may affect ferry traffic, and a sharing of a letter

forwarded by a resident greatly affected by the suspension of Route 9 service on nine Wednesdays this past January to March.

BC Ferries Commitment to Resolution: none required.

Action Plan:

Action	Responsible	Date
n/a	Morris	Completed

J. Issue: Clock at Swartz Bay terminal

Definition: BC Ferries confirmed that a standalone clock will be installed in the Land’s End building in the near future.

BC Ferries Commitment to Resolution: install a clock in Swartz Bay terminal building.

Action Plan:

Action	Responsible	Date
Install a clock for customers in Land’s End	Monique	completed

K. Issue: Schedule distribution

Definition: David Maude stated that, even after discussions at previous FAC meetings, there are still difficulties consistently obtaining printed SGI schedules on vessels or at terminals.

BC Ferries Commitment to Resolution: Continue to work with vessels/terminals to ensure supplies are kept current and available for customers.

Action Plan:

Action	Responsible	Date
Discuss schedule distribution plans with vessels/terminals	Steve/Capt MacKay	As appropriate

L. Issue: Size up the Savings

Definition: BC Ferries explained that a promotion that provides a discount for non-commercial over-length customers using Route 1 and 30 will be running again this summer...similar to the one in 2014. Details to be announced soon.

BC Ferries Commitment to Resolution: none required.

Action Plan:

Action	Responsible	Date
n/a		