



As we enter our centennial year

'The future has never been brighter'

A message from your Port of Kingston Commissioners

It's natural to worry about change. Thanks, to Jim Pivarnik and a lot of dedicated folks, the future of the Port and Kingston has never been brighter. Let us tell you why.

Out-going Port Executive Director Jim Pivarnik played an important role forging collaborative coalitions that further strengthened Kingston's tradition of cooperation. Working together, we accomplished many great things over the past two-and-one-half years both for the port and the community.

His departure is a springboard, not a speed bump. The community of people who helped make it all happen are still here.

Here are five major opportunities for tomorrow we are addressing today:

- Port leadership
- The Kitsap Transit ferry
- Traffic congestion,
- Moorage rates, and
- The Comprehensive Plan.

Port leadership

Jim's greatest contribution may have been helping

the commissioners tighten administrative procedures, improve communications, and strengthen transparency — keys to developing successful partnerships.

We are committed to finding the right person, or persons, who will help us maintain that professionalism. We are not going to be rushed; the decision is too important to the Port's future. We are listening to staff, community members, and professionals in the field of public port administration before making our decision.

The Kitsap Transit ferry

The passenger loading area is essentially completed and, as of now, the passenger loading barge is expected back in October. We anticipate everything will be ready when the ferry enters service.

Traffic congestion

We are working with the Washington State Dept. of Transportation, Kitsap County and Kitsap Transit to see if we can create an additional car ferry holding lot at Lindvog Road. We hope to be able to announce significant progress yet this year.

Moorage rates

It is critical to the ongoing success of the marina that we

establish moorage rates that cover operations and management expenses as well as replacement costs. To help us plan and budget, we have hired BST Associates to conduct a moorage rate analysis. You will find a summary explanation on the back page of this issue. The Port website (www.portofkingston.org) has the full

BST Power Point presentation and will have the schedule of public comment sessions.

Comprehensive Plan

It's your public port and your future. Which is why we commissioners enjoy, appreciate, and encourage public comment.

In addition to the rate survey, our next major community conversation will concern strategic planning updating the Port's seven-



Cooperation personified: The Port, Kitsap Community Foundation, Washington State, and Kitsap County collaborated with the donor and Kiwanis to make the new Port of Kingston Kiwanis Park a reality. Photo: Terryl Asla

year comprehensive plan. This will involve community meetings to help shape priorities and ideas regarding the direction the Port should go in the future.

We want you to know we understand the issues and are addressing them. Thank you.

Mary McClure
Laura Gronnvoll
Steve Heacock

Farewell letter from Port of Kingston Executive Director Jim Pivarnik

Words alone cannot begin to express my gratitude to the Kingston community for your friendship and support over the two-and-a-half years I have spent here as executive director of the Port of Kingston.

As I write this, I look out my office windows at many of the tangible projects the community and the Port have completed by working together.

There is the renovated Port office, the new roofs on the marina's covered moorage, the handsomely renovated passenger holding area for Kitsap Transit's

fast ferry, and the Port's new park on Washington Boulevard where, on August 15, some 175 of us gathered to thank the donors and organizations who made it possible.

It is that growing sense of community of which I am most proud. I'm talking about the great team: Port Commissioners, Port staff, volunteers, businesses and community partners. They do so much to enrich and vitalize this port and community.



Jim Pivarnik

I plan to retire in 2020. I could happily have spent the last 18 months of my professional career here in Kingston. Indeed, up until a month ago, I expected to do just that.

So, then why am I leaving? There are several reasons why I chose to accept the Port of Port Townsend's offer to become their interim executive director and end my career there.

Those of you who know me know I love a challenge. And Port

Townsend has more challenges today than Kingston once had. Having served as Port Townsend's deputy port director for 15 years, I know the port, the town and the people. I believe I can make a significant difference there. My wife, Christina, and I live there. I am vice commodore of the Port Townsend Yacht Club.

Finally, I can help them find and train my replacement before Christina and I hit the road in our new motor home for an extended vacation. Again, thank you for inviting me to be part of your wonderful community.

Port of Kingston conducting marina rate analysis

What you need to know even if you don't have a boat at the marina

This a summary of the introductory presentation on the Port marina rate survey and analysis made by BST Associates at the Aug. 22 Port Commission meeting. The BST Power Point presentation and the schedule of public meetings on this topic when it is posted will be available at www.portofkingston.org/governance/2018-moorage-rate-study.

Why do we need to do a marina rate analysis?

What is required is a rate model and rate structure that covers all anticipated marina costs including operations and maintenance and depreciation or cost of replacement.

The latter is critical. It is anticipated that the docks will have to be replaced within the next 15 years and the Port will need a down payment as well as bonding money.

How do our current rates compared to other ports?

As of 2014 (see below), Kingston was among the least expensive marinas when it came to renting a slip for, say, a boat up to 30 feet. As part of the survey, moorage fees will be updated for ports of comparable size.

What are the different methods to use for establishing moorage rates?

Three ways commonly used:

- Cost of living percentage increase;
- Market-based rate; and

- Cost recovery or replacement.

Cost of living percentage increase (CPI) is the method the Port of Kingston currently uses to determine rate increases.

This method assumes rates are already at the appropriate level to cover operations and management (O&M).

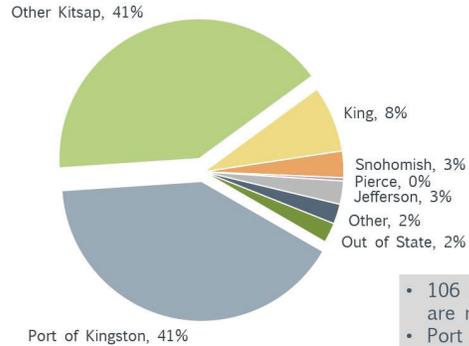
According to BST, this is usually not the case, particularly when capital projects (like future dock replacement) are factored in. Also, marina costs tend to increase faster than the CPI.

Market-based rate assumes rates at competitive marinas are set properly and annual changes cover changes in O&M costs. This approach is often used as a backup method for setting rates.

This method is based on where the marina fits in with regional marinas in terms of size and charges. To compare apples to apples, comparable rates should include all charges.

Cost recovery or replacement (CRR) sets rates

Market Region – Existing Customers



- 106 out of 261 customers are residents of Port District
- Port District has 4,693 active registered voters

to cover all O&M costs as well as the annual costs to replace the marina.

Of the three methods, this is the only one that shows the real costs of owning a marina.

Traditionally, only the length of the boat is figured in determining slip costs. Not the width. Consequently, smaller boats actually are charged more per square foot under the current CPI method. CRR is based on the square footage of the slip, Rates are progressive; so bigger boats with greater width would pay more than smaller boats.

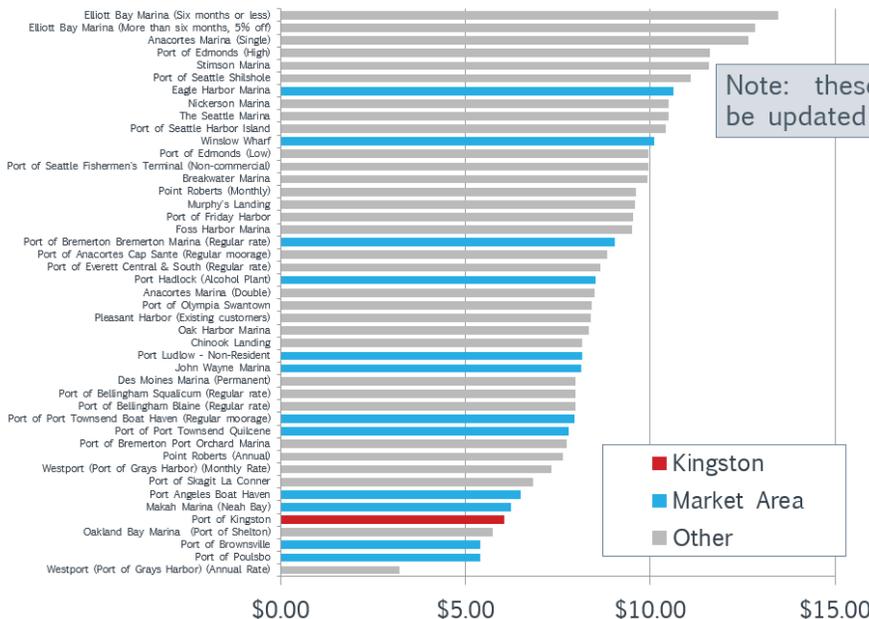
YOUR INPUT IS NEEDED

■ As shown above, only 106 out of 261 marina slip customers live in the Port District. Is it fair to ask the 4,693 active registered voters in the Port District to underwrite these other boaters?

■ Should only people who live in the Port District be allowed to participate in the rate survey? Out-of-district folks at the Aug. 22 meeting pointed out they come to Kingston to shop and buy fuel because their boats are here.

Meeting times are posted on the portofkingston.org website. Come to one of the public input meetings. or share your thoughts by emailing office@portofkingston.org.

2014 Rate Comparison: 30-foot Open Slip



Note: these rates will be updated

PORT OF KINGSTON NEWS

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