claims & Questions

# Claim: The port is a completely unregulated entity & ED OPERATES AUTONOMOUSLY

* Ports are highly regulated - see Title 53 of the Revised Code of Washington and numerous regulations driven by other agencies at every level. Ports are subject to statutes and laws at the federal, state, county and city level. Ports are audited by the State Auditor Office (SAO) at a minimum of every other year.
* The Executive Director does not act unless directed by Commission. On employee matters, the ED keeps them informed and provides information if matters rise to the level of potential litigation, compensation and benefit administration, or any matter that requires Commission direction or action.
* The Port does have statutory authority – See Chapter 53.08 RCW.

# claim: port not representing “people”

* Like many governmental entities – especially cities, counties, and special districts (ports), the “people” are represented by elected officials. As such, these people take an oath of office, and are charged with representing their electorate. The commissioners have to balance all the constituents’ views, and needs throughout the Port district. Our port district has nearly 7,000 residents.
* One or more groups may want a certain direction, but a vote of the commission can accept, modify, or change that direction as elected representatives of all the electorate.

# claim: toth property not usable

As many know, these properties were acquired before this Commission and this ED were here. However, over the last several years this property has been the subject of Port and community planning (e.g. see Heartland Study 2017 & Stakeholder Interviews - 2021).

The Toth area was open to the public for some time, but in 2018 it was clear that the Port had added maintenance and liability with an open site. Trees were dangerous and open access created other issues, so considering the number of open spaces in the adjacent areas, Kola Koala Park, Mike Wallace Park and Arness Park, it was closed for an extended time as planning proceeded and to obtain a permit to remove hazardous trees.

All these properties are zoned residential. The Hill House has been rented since the port has owned it. Residential zoning restricts the uses of the property, so for the last couple years, the port has worked to get 1) the bulk of the port property rezoned to the same as downtown Kingston (which has been completed) and 2) re-zone the residential property to a similar commercial zone.

The Port has benefited substantially because the property has continued to appreciate since it was acquired.

# claim: Hill house has gone to ruin (with no standard of care - rent too low relative to a mortgage). Moorage rates up, why not hill house (To same degree?).

Residential zoning restricts the uses of the property. Priorities and effort have, over the past three years, been focused on other assets. However, recent activity is focused on the structural integrity of the Hill House, and potential use in a commercial setting which assumes the rezone application is successful. The results are not yet completed.

Any examination of rental houses will demonstrate that it is not possible to obtain monthly rent equivalent to a mortgage payment - even with typical down payment. This is due to any number of factors, but condition & age of the structure is part of that - e.g. older building, less insulated structures require more costs for heat. The rental market, even with newer homes, rent for less than typical mortgage payments. It’s the market.

With regard to maintenance, issues with the house continue to be addressed - upgraded heating system, safety issues, and meeting health and safety standards.

Moorage is a different market altogether. First, the demand is there. Because of its below market moorage rates, Kingston has been home for boats owned throughout the area - not necessarily from Kingston. Moorage is a totally different market than housing and expectations for similar treatment cannot be expected.

The arguments for obtaining revenue to support the ever increasing cost of marina maintenance present another set of issues that need to be considered.

# claim: specific moorage gone up over the last 3 years 71% while employee wages (Particularly the ED’s) have also gone up 71% (apparently trying to convey cause / effect)

The Claimant’s specific situation was mischaracterized as to what actually occurred. His specific moorage changed. He spoke to “his moorage.”

The Claimant got off of the Wait List in March, 2020 and occupied a 32’ Slip on C Dock (Slip C-08) with a 36’ boat. The Claimant was not charged for the overhang of the slip which is counter to the rules and regulations. He was switched to a 36’ Slip on D Dock (Slip D-16) in September, 2021 without being on the Wait List. Both slips are covered moorage. The slip length increased when the Claimant was switched to D Dock moorage and so the moorage rate increased as well. A 36’ slip costs more than a 32’ slip. This helps account for the differential he quoted. The percent change he claimed does not reflect actual annual rate adjustments. The D Dock slip rate went up 36% during that 4 year period or 9% annually on average. The claim of 71% is false. His moorage, even with the increase in slip length, which again also means an increase in moorage rate, went up 54% over that four year period – even with the increased rate for a bigger slip.

Employee payroll during that same four year period, 2020-2023, went up 38%. The ED’s compensation went up 26%. In 2018, employee compensation was far below market. When the positions were benchmarked by a compensation consultant the associated increases were clearly needed to bring the port to market.

Clearly employee pay is not directly correlated with marina rates. Yes, everything has increased, but as the law requires, marina rates are connected to the fair market value, and employee pay is connected to sound management and the Port’s compensation system which is based on market data, years of experience, skill sets, performance and achievement of goals.

# Claim: Retirement for port employees is connected to wages AND FORMER EMPLOYEES SIGNED NONDISCLSOURE AGEEMENTS

True in part and false in part. The Port operates under the state retirement system. Depending on the date the employee entered the system, different rules apply. But, generally retirement for all employees enrolled in PERS 2 program, the pension benefit is based on the following formula:

2% x Service Credit Years x Average Final Compensation = Monthly benefit

Service credit are the years of service, and Average Final Compensation is the average of your 60 consecutive highest earning months in your career.

As to nondisclosure agreements, the Port does not execute those with former employees as those would be inconsistent with the Open Public Meetings Act and Public Records Act. Further, any such agreement would need to be approved in Open Public Session.

# claim: harbormaster position - has only had 2.33% raise over last FOUR years while Others at the port received 5 to 15% and ED at 25%.

First, the claim is false. The claim is based on the information received from a public records request that asked for the base salaries and/or hourly rate for staff. The total cash compensation for the Harbormaster should also include lump sum distributions and overtime. This information was not requested however. Public records requests have to be taken literally.

From 2018-2023, the Harbormaster’s compensation has increased an average of 12% per year with total increase of 53%. The Harbormaster’s average compensation for the five years was $111,670. In 2021, according to a salary survey, the Harbormaster was in the top five highest paid harbormasters for any public port. Only Everett, Seattle, Edmonds, and Olympia were paid more for this position.

From 2019-2023, the Executive Director’s compensation has increased an average of 8% per year with a total increase of 35%. The ED’s average compensation was $133,921. The ED’s compensation is controlled by the Commission.

# claim: individual has “Been STIFLED” by not getting information from Records requests

Public records requests are handled according to Chapter 42.56 RCW and while the Washington State Attorney General’s Model Rules on Public Disclosure (chapter 44-14 WAC) provide practical non-binding, advisory guidance. The staff responds as quickly as possible given the clarity and complexity of the request, and staffing limitations. There is no allowance which would deliberately “stifle” obtaining public information. The business of the port still takes precedence.

# Claim: AN EMPLOYEE’S illness may have been caused by the “actions of the port” and “stress caused by” the ed.

To assume that job stress has caused an employee to fall ill is unwarranted in my view. Almost all human activity and certainly almost all jobs can cause stress. Sound management in almost all organizations requires accountability which can involve deadlines and deliverables. That said, if stress were negatively affecting an employee and that employee notified me, I would certainly try to take steps to mitigate the stress so that we have productive and happy employees. Employees also have avenues through the Employee Assistance Program. I have no record of receiving such a report of stress by an employee.

# Claim: a HARASSMENT episode was followed by ed counseling conducted by a family friend.

There has been no documented “harassment” episode which led to counseling. In the last 3 years, the Harbormaster reported to a member of the Commission that the ED (in conversation) questioned the lack of action by the Commission on a specific issue. This led to the Commission hiring a “coach” selected by the Port’s attorney to provide “coaching” for the ED. There was no family or other previous relationship with any port personnel.

# Claim: Planning for the port (referring to strategic planning “kick off” meeting). does the port ever ask for boater input? (response should include # marina from Kingston)

With reference to the October 9, 2023 Strategic Planning Session, only staff, Commissioners, and two planning consultants were present. All assets were discussed, but no decisions made. A follow-up session is planned for the future to bring more focus on issues and shape a strategic plan. No plan has been prepared which has not received public comment opportunity. One of the people present at the session, namely Commissioner McClure, is a boat owner, has a slip in the marina, and is a member of the Kingston Cove Yacht Club.

The KCYC is a tenant of the Port and as such has opportunity to discuss issues with the Port Commissioners, management and staff. As can be seen in the recent budget discussions, marina rates have been a central point of discussion over several public meetings. Also, staff have discussions with boaters every day.

# claim: The port has “poisonous roots” in that ED and “henchman” on the second floor and commissioners have passed budgets that are “discriminatory”

The Commissioners and staff are dedicated to their roles. Budgets represent a balance of needs, and desires among all the Port district voters, and are undertaken and approved by their representative - the Port Commission. To claim that the actions of the Commission and staff are discriminatory is unjustified.

# Claim: The port does not pay based on merit, longevity, and in a fair manner. Port has done none of those.

Each position at the Port has a corresponding pay grade and range. The ranges establish the minimum and maximum pay that employees can receive for performing jobs assigned to a particular position. The ranges were reviewed and confirmed by a third party compensation expert. Each year, the Port industry conducts a comprehensive market pricing study to determine existing pay and associated ranges. Port staff compensation is aligned with the external market and adjustments are made when necessary to ensure that our pay ranges remain competitive. Employees are benchmarked within the range based on a number of factors including performance, management of staff, skills, years of experience, and achievement of goals.

Consistent with a total compensation philosophy, the Port is committed to providing a fair and competitive **compensation program** that attracts, retains, and rewards employees who support the Port’s mission and values.

# Claim: Commissioners have not studied or learned (about the people you are regulating and the people in the port district)

First, the three Port Commissioners have lived in the district for a combined total of over 100 years. To our knowledge, this Port Commission meets more often in open session than any other Port district of its size. For almost all of the last 5 years, meetings have been weekly. Each year the Commission meets for over 60 meetings all of which are open to the public. These meetings have been and are opportunities for the Commission to study, learn, and discuss Port issues in depth. Also, Port commissioners attend up to four conferences each year held by the Washington Public Port Association where training on port issues, regulatory requirements, and commissioner education occurs. This claim is without merit as it fails to recognize the extraordinary level of effort the Commission exerts on an on-going basis.

questions

# What does the port need with residential property? Sell THE PROPERTY and use THE MONEY for other needs.

This idea has been discussed but not considered seriously given the efforts to re-zone this property from residential to commercial. A new set of uses will be available after this re-zone (hopefully achieved in this County Comprehensive Plan Update in 2024). Then the properties will be evaluated in this context. Port Districts generally do not buy and sell assets. Ports buy and hold in perpetuity. Buying decisions are carefully considered to begin with and are strategic – not speculative.

# Why not use bonds to make future marina users pay

Bonds (loans) are typically used when there is a current need that cannot be paid with available funds. It is generally illegal to generate bond funds and bank them. The needs currently are maintenance & operations while building a capital account for future needs (float replacement, breakwater repair, or other large capital projects). Borrowing money increases costs for projects. It is far better to pay as much as possible from existing funds. When bonds are issued, both existing and future customers will pay until the bonds are paid off. Keep in mind that all revenue sources can be used to pay bonds - so the same applies to all port district property owners and port tenants (marina or otherwise). The Port of Kingston has very limited bonding capacity. The Port cannot bond our way to preserving and repairing the existing portfolio of assets much less replacing them.

# is access to the beach in the budget? (should IT be?)

Currently beach access is not in the budget, and not in the capital plan (5 year). All capital projects are in the capital plan (current or revised).

Capital projects are prioritized in the following order

1) health and safety 2) revenue generating 3) discretionary.

The port has considerable “park-like” property to maintain - with no direct revenue generation. Again, balance is an objective during budget deliberations.

# did past lawsuits cause marina rates to rise (is the port totally dependent on marina rates)?

Lawsuits are not good for the Port. In past years there have been several - all settled currently. While past lawsuits helped draw down the Port’s bank accounts, and suggest only good business practices should drive decisions in the future, marina rates were not adjusted because of the lawsuits. Instead, marina rates are driven by market conditions, and based in part on marina to marina comparisons and the statutory requirement to charge fair market value per RCW 53.

# Why are some marina rates going down?

Rates are not going down except a liveaboard fee was slightly reduced this year.

# Why didn’t the commission have time to review the budget

The Commission decided to extend the public comment period specifically to ensure they took in additional information from moorage customers. The meetings are for the Commission to deliberate.

# Why doesn’t the commission communicate? (have more meetings to discuss)?

The Commission has met over 60 times annually which, to my knowledge, is more than any other Port commission.

# What are the basics of handling personnel - review, DISCIPLINE, pay? What can be public information (given by the Port).

Generally speaking, personnel matters are confidential. However, some information is not. We are guided by the Public Records Act and legal authority as to what can be made available to the public, and we adhere to those authorities.