

Marine Bureau
to Use New Methods to Establish Slip Fees

MAC Adopts Cost Recovery,
And Square-Foot Based Pricing
To Create Fairer System

By Harry Hutton

With the beginning of the 2009 fiscal year, which starts Oct. 1, 2008, slip fees in the Long Beach marinas will be changing, as they usually do. This year, however, your monthly slip fee will be determined by a new method that raises only the money needed to cover the costs that the marina generates and no more, and prices each slip based on the real estate it occupies, not just its length.

Here is how the new system will work:

Rather than establishing slip fees according to market conditions or the Consumer Price Index, the Marine Bureau will now set fees based on the expenses they budget for the coming year. These costs are defined as operating expenses, which include maintenance, fire and police protection, and other costs of running the marinas. In addition, we will be paying for debt service, which is the principal and interest on the loans taken out to rebuild the marinas. In future years, there will be an added amount that will be used to rebuild the marinas some 30 or so years from now so that we will not need to borrow at that time.

These expenses will be paid for by your slip fees, which, under the second aspect of the new plan, will be computed using a square-footage formula, not simply slip length.

The area of each of the fifteen standard length slips will be computed using a State of California formula for based on slip length times a standard beam width. The area of all slips combined will equal the rentable square footage.

Dividing the total slip area into the expenses to be recovered results in a dollar price per square foot of the standard slip.

The significance of this is that a slip of a given length category will cost a flat rate per month regardless of the length of the boat in the slip. All slips of a given length category will pay exactly the same monthly fee. There should be no more discussions about the exact length of your boat, because the slip length determines the monthly fee, not your boat length. Marina management will determine what size slip you will be assigned, and if your boat overhangs and if the overhang is all right with the people who assign the

slips, you win. The current rules on overhang are expected to remain pretty much as they are now.

The new system was designed by the Marine Advisory Commission, which approved it in 2006, and the Marine Bureau is proceeding with its implementation.

The new method provides a more logical way of distributing the cost burden: the larger the boat, the more real estate, dockage, utilities and maintenance resources are used.

The new system is designed to cover the costs of operating the marinas. It assigns accountability for the costs of providing a slip for your boat to the departments that have the ability to control costs and what you pay is directly traceable to those costs. That has been and is BOA's goal.

Your Boat Owners Association has always taken the position that boaters want to pay their own way, no more, no less. The new system will do just that.

We think it's a fair system.

Harry Hutton, a BOA board member, is a member of the Marine Advisory Commission. He sails a Catalina 30 out of Alamitos Bay Marina.