



# PORT OF ALSEA

## 2020 PORT OF ALSEA NEWSLETTER

### Board of Commissioners:

Rob Bishop, President  
Ramon (Buster) Pankey, Vice-President  
Jan Power, Secretary / Treasurer  
Chuck Pavlik  
Joe Rohleder



### Staff:

Roxie Cuellar, Port Manager  
Robby Hensen, Maintenance

### Contact Information:

Office Address: 365 Port Street, Waldport, OR 97394  
Office Mailing Address: P. O. Box 1060, Waldport, OR 97394  
Office Phone Number: 541-563-3872  
Office Email Address: [rcuellar@portofalsea.com](mailto:rcuellar@portofalsea.com)

### Message from the Commission President Rob Bishop:

It's been a challenging year for all and on behalf of our board of commissioners and staff, I would like to thank everyone in the district for your support. We are very excited to see our new boat launch and marina get underway. It's been one of the busiest seasons ever at the Port as people came in droves to go crabbing, fishing, and kayaking. Our manager has worked tirelessly on challenges throughout the year and I want to thank her as well. We will continue to work on improving the Port and look for other ways to serve the district residents.

### Who are the People Who Work for You?

The Port has five volunteer commissioners who serve on the Board of Commissioners and are identified above. The Board establishes Port policies and oversees the work of the port manager. Each commissioner

is elected by Port District residents for a four-year term. The Port typically has two employees - the port manager, and a maintenance person - both positions are part-time.

### What Projects Were the Focus of the Port in 2020?

The big project, of course, is the construction of the new boat launch and marina with bond funds approved by the Port of Alsea District voters. The Port closed the east parking lot for staging construction materials and equipment on November 3, 2020. The boat launch and the west parking lots were closed on November 13. Bergerson began work removing the marina facilities the following week. The Port has a permit to dredge 16,500 cubic yards and dredging began in the two weeks before Christmas. The dredge spoils were again pumped to the Port's beach property near Fayette Street to replace sand that has eroded from that beach, which both restores the beach and protects the neighboring properties.



Removing Pilings



Boat Launch Boarding Floats

The Port has begun working on the Eckman Lake project to eventually remove the algae from the lake. The first step is public outreach. The Mid-Coast Watershed Council has applied for a grant to assist the Port in the process. The Port is providing a \$5,000 match; \$2,000 will be cash and the other \$3,000 will be an in-kind contribution made up of time contributed by the Port commissioners and staff. Eckman Lake, which is principally owned by the Port, is connected to the Alsea Bay with a 6-foot culvert. The lake has been a tidal estuary but has also been a recreational lake. Long-term residents remember swimming and water skiing on the lake years ago. Unfortunately, the algae bloom can be toxic to humans, so swimming on the lake is not advisable. Oregon Department of Fish and Wildlife (ODF&W) still stocks the lake with fish every year and the Oregon Department of Recreation owns docks at the west side of the lake. Public outreach will be the first step in cleaning up the algae. The second step is to apply for a grant to help determine the technical means to best remove the algae on a long-term basis. After that, the Port will apply for grants to implement the favored technology and return the lake to its former uses. As discussed in previous newsletters, this is a four to five year project, but the Port is now taking the first step to make the project a reality.

The Port office badly needed painting, so the Port commissioners and staff took it upon themselves to do that project. Unfortunately, there is a lot of dry rot in the steps and deck in front of the office. The steps have been repaired, but removing the deck is a larger project than the commissioners and staff can do, so they did what no self-respecting painter would do. They painted over what dry rot could be painted over and postponed the dry rot project for another day. Once the boat launch and marina project is completed, the Port will be in a better position to tackle other projects.

The Port is working with Central Coast Fire and Rescue to construct the boat house where fire and rescue will keep their equipment at the docks during the spring through fall months. The goal is to reduce the response time to boaters on the bay who need assistance. Currently, rescue personnel have to hook up their boat and jet skis at the fire station and bring them to launch at the boat launch. When the Port is really busy, which happens especially in the fall, trying to launch can take up valuable time. Having the equipment already on the water can make the difference between someone living or dying. The biggest problem has been figuring out how to have the boat house designed and engineered to be compatible with the new marina facilities. Fire rescue personnel are working with the Port to best determine how this can be done.

### What Is the Current State of the Port's Finances?

The Port finances are made up of two parts – the general fund and the bond funds. The general fund is used to pay salaries and to keep the lights on. The money for the general fund comes principally from base property taxes, business leases, and revenues from the boat launch and marina moorage. The bond funds acquired from the sale of the bonds in 2018 are used for the capital projects approved by the voters, specifically the upgrade of the public bathrooms and the new boat launch and marina facilities, as well as other capital projects if there is unspent bond money. The property taxes collected for the bond projects are paid twice each year to the bond holders who purchased the bonds and those funds are not available for other uses.

The Port keeps a few thousand dollars in both its general fund and bond accounts at Columbia Bank and the rest of its funds are kept in the State of Oregon's Local Government Investment Pool (LGIP), which pays a higher rate of interest than a regular bank account. At the end of December, 2020, the Port will have approximately \$135,000 in its two general funds and probably something less than \$1 million in the bond funds, depending upon the amounts invoiced by Bergerson Construction before the end of the year. The Port's bond fund accounts (excluding property taxes which are kept a separate LGIP account) will be used in this fiscal year to fund the new launch and marina projects, the two mitigations projects required under the Port's permits for the launch and marina replacements, and dredging.

The Port has so far saved a considerable amount of money on the launch and marina project in three ways: (1) by using a different bidding process, (2) by avoiding the expenditure of any contingency funds whenever possible, and (3) by obtaining grants to pay for parts of the launch and marina construction, freeing up bond funds for dredging.

As explained in a previous newsletter, the Port used a bid process called Maximum Guaranteed Price (GMP). The contractor, Bergerson Construction, guaranteed to do the project for a specific amount of money, which guarantees there will be no cost overruns unless approved by the Port. Built into the GMP are contingencies to protect the contractor from unscheduled costs. For example, the bid included a \$30,000 contingency in the event that the Port asked for design changes. However, Bergerson worked closely with the Port at the beginning of the process to determine the launch and marina design; thus, the Port did not need to make any design changes, which saved \$30,000. Bergerson went out for bids on the float fabrications. The bids were so high that Bergerson asked the Port if it could fabricate part of the floats itself and the Port agreed. That saved \$190,000 from the estimated cost for the floats under the GMP. Under the contract,

the Port and Bergerson would divide any overall contract savings unless the money saved was used for new projects to be performed by Bergerson. In this case, the new projects requested were mitigation and dredging.



Commercial Dock Being Pulled Up the Boat Launch and Out of the Bay

It was known that mitigation would need to be done, but the Port had assumed the responsibility for mitigation costs because the ultimate costs were so uncertain (the Port had included \$200,000 for mitigation in the bond proceeds). The Port and Bergerson completed a new GMP, which included the cost of mitigation and dredging. Through project savings and grants obtained from the Oregon State Marina Board (OSMB) of \$190,500 toward construction of the boat launch and kayak launch, Oregon Department of Fish and Wildlife (ODF&W) of \$262,500 toward construction of the boat launch and the multiuse float, Special Districts Association of Oregon (SDAO) of \$5,000 toward safety features on the floats, and a \$12,500 cash contribution from the Port, the Port was able to fund the 16,500 cubic yards of dredging allowed under the Port's dredging permit, as well as the mitigation costs.

The Port may realize additional savings under the GMP contract before construction is finished. Any savings can only be used for capital projects or it can be used as matching funds for future grant applications for capital projects.

### **Why Can't the Port Use Leftover Bonds Funds to Reduce Residents' Property Taxes?**

There are two main reasons why reducing the amount of property taxes collected from local property owners is not feasible. First, when the bonds are sold, those who buy the bonds are assured a specific return for their money. If the Port were to reduce the amount of property taxes collected, the bond holders would not be guaranteed of getting the returns they were promised when the bond were sold, which would put the Port in default on its obligations. Second, local taxpayers will receive a larger benefit when the Port uses the savings for other needed capital projects. The benefit of reducing the property taxes collected would be very minimal, especially since the Port would need to split any savings with Bergerson under the contract. The property taxes for the bond projects collected on property assessed at \$100,000 are only \$11.00 a year. Any reduction of property taxes on that property because of bond money saved would be counted literally in cents. On the other hand, whether it is dredging, paving parking lots, or making needed

repairs to the Port office building, local residents all benefit when the Port uses any savings to maintain its property.

### **Does the Port Anticipate Any Fee Increases Next Year?**

When the Port facilities reopen in the spring of 2021, it will be six years since the Port increased its annual launch fees and moorage rates. During that period, the Port has seen its expenses increase significantly. For example, during the fiscal year 2016 / 2017, the Port paid a total of \$13,366.45 in combined utility costs. That increased to \$19,188.10 in the 2019 / 2020 fiscal year – a 43% increase. While the Port has had an increase in some revenues over the same period, that often comes with increased expenses as well. The bottom line is that we are falling behind on meeting our expenses. Some government entities, including many ports, do an annual increase in fees. The Port of Alsea will be looking at various options. One approach the Port is examining is a two-tiered fee schedule in which residents of the Port District and those who own property (and pay property taxes) in the Port District would pay one fee and those guests from outside the Port District would pay a larger fee. This would be a recognition that residents and tax payers within the Port District are already paying for some Port costs that others are not. The Port will be discussing options after the first of the year and people will have an opportunity to speak to any proposals before anything would be adopted by the commissioners.

### **What Goals Does the Port Have for the Future?**

There will still be some issues to address about the new boat launch and marina facilities – the boat house for Central Coast Fire and Rescue to store its equipment in the boating seasons, better marina security perhaps involving new cameras and lighting, perhaps software to better manage moorage reservations, and the Port will continue to move forward on addressing the algae at Eckman Lake. Two larger projects will be trying to carve out new boat launch parking from the undeveloped part of Robinson Park and to find a reliable, continuous source of funding for future dredging. The Port is working on both of those now.

### **When Will the Next Port of Alsea Newsletter Come Out?**

Because the Port planned to start construction on the marina facilities in November of the last two years, the 2019 and the 2020 newsletters were both printed and mailed in December so they could include as much news as possible about the construction project. The 2021 newsletter will be mailed out in mid-to-late summer of 2021, as will subsequent newsletters in future years. This will allow the Port to provide residents with a timely update on the finalization of the construction project and its costs, as well as a look forward to the Port's upcoming projects.

The Port of Alsea thanks you for your continued support, and wishes all of you a wonderful holiday season, as well as the very real joy of welcoming in a new year. Stay safe and healthy.

