State of the City Address
January 19, 2015
Mayor Dave Stram

Last June I had the opportunity to walk in the Portland Rose Parade with Portland Mayor Charlie Hales and Mayor’s from around the State of Oregon. They provided the Mayors with banners to carry along the parade route. Proudly I waved my Creswell banner that day! I am truly proud of Creswell, and thank you for electing me to serve another term as Mayor. I pledge to do my very best serving you.

In preparation for this address I looked through the minutes of our twenty-plus Council meetings and work sessions and concluded that 2014 was a banner year for Creswell.

It was a banner year literally, in that Councilor Pelatt, working with John O’Connell and receiving support from many businesses, prepared and placed banners of our young people serving in the armed forces. Those banners have been displayed up-and-down Oregon Avenue; such a positive way of showing support for our women and men in uniform serving this great nation.

There were many GOOD things that happened in Creswell last year, making 2014 truly a banner year! The City Sign Code was completed and approved. The Tree Board completed their Tree Care Plan. When the Council learned that our employees’ pay scale was in the bottom one-third for like size cities in this region, a Staff Compensation study was undertaken. The Public Works department finished the “Public works design standards” manual and eight new street lights were installed on Harvey Rd. A new Municipal Building Use Policy was enacted, and several new Financial Policies were developed, protecting our Fund balance reserves and our Fixed Assets.

The Parks Advisory Board worked on numerous projects such as: walking trails on Creswell Butte, a community garden at the Cobalt Building, Skate Park, Garden Lake Park improvements, new park land acquisition, and “Pocket Parks”. They developed a Facebook page - “Friends of Creswell Parks”; check it out!

Our Lane County Creswell deputies received new vehicles - have you seen them around town? If you look closely you’ll see the words, “Creswell Patrol” painted on the back. For the second year in a row, Creswell had three full-time deputies, providing 120 hours of weekly coverage in Creswell. Many people have told me they feel safer knowing there are three deputies working in Creswell. A study of police options for Creswell was commissioned and is presently underway by Portland State University.

2014 was a banner year for Creswell because the audit was completed. A portion of Scott Lane was paved. In downtown Creswell, a new parking lot was put in, providing over 20 spaces for LTD riders, visitors to City Hall, shoppers, and Fourth of July
On the Fourth of July, thousands of visitors came to Creswell for the parade, and this year there was even more to do. At the Airport, the Experimental Aircraft Association offered free rides as part of their young eagles program. In the Cascade Hardware and Wright Brothers Auto Shop parking lots, those wishing to keep their feet on the ground were treated to the Cars & Stripes Car Show.

Last January when I gave this address, I noted sadly that our grocery store had shut down and there were “no cucumbers” to be bought in Creswell. How exciting that this January you can purchase, not only cucumbers but also bananas, broccoli and beets at Farmlands Market. If you want to treat your kids after a band concert or soccer match, you can drive to the other side of the highway and get them a blizzard at the new Dairy Queen. For members of our community that are hard-pressed to buy bananas or blizzards, Creswell has a Food Pantry. The Food Pantry is housed in the City-owned Cobalt Building, and each Thursday the Pantry is open. The Pantry has become, in the words of Alicia Hines, agency relations coordinator for Food for Lane County, “a best practices pantry. They take their role very seriously and practice impeccable food safety, treat all clients with endless dignity and respect, and think of ways that they can serve their clients beyond providing the food box.”

2014 was a “banner year for Creswell”. So raise the banner proudly for the Food Pantry, new police vehicles, three deputies, the Parks Advisory Board, Tree Board, Sign Committee, Fourth of July Festival, Chamber of Commerce, new parking lot, completed audits, bananas and blizzards, public works design standards, building use and financial policies, and our Creswell military men and women serving around the world!

Much of what happens in Creswell occurs Monday-Friday, 9-5 down at City Hall. I appreciate so much the work that is done by Jennifer and Michelle and Carolyn, by Maia and Roberta and Layli. We have a very loyal and dedicated office staff. Mike does a great job with our Water and Sewer treatment plants, and Cliff oversees our Public Works department. I appreciate Shelly’s work at the Airport and doing Code Enforcement. Did I miss anyone? Oh yes, we made two new hires in 2014. We hired our first full-time Planning Technician. Maddie Phillips had been our RARE intern and we were impressed with her talents. She has been a great addition to the staff. And then we needed to hire a City Administrator. We searched for a year and found a jewel. Last February we hired Michelle Amberg. Michelle is bright, creative, and personable. She is a long-range planner. Each week Michelle and I meet to review current activities and plan future meetings. Michelle has developed a schedule for Council meetings and work sessions through the month of August. I value her planning ability. Michelle brings a fresh perspective to Creswell government and has made a great contribution to our City in her first year on the job.

So on behalf of myself and the City Council, thank you to all our Creswell employees!
And thank you to the members of this Council. Two years ago in January, we began with seven elected Councilors. Eighteen months later, of those seven elected Councilors, only two remained - Jane Vincent and myself. Over the last two years we have had twelve different people serve on the Council. With five resignations, we needed new people to step up and be appointed to serve as Councilors. I am so appreciative of Adam Pelatt and Brent Gifford; they made a huge difference when they came on in April of 2013. Holly Campbell came on last January, followed mid-year by Ted Romoser and Omar Bowles. Each of these Councilors has brought their unique perspective and abilities and has served, tirelessly, for the GOOD of Creswell.

I look forward to working with our newest Councilor, Dick Heyman, and anticipate the contributions he will bring to our city.

Aggressive goals have been set for the New Year.

In 2015 we will develop a multi-year plan to achieve financial stability at the Airport.

In 2015 we will identify long-term needs in our community and explore methods for generating revenue to meet those needs.

In 2015 we will make a decision about police services. How many officers are needed? What kind of organization will be most effective? What will it cost, and how will we pay for it? When the policing study is done, the Council will review it and you will be invited to participate in helping us make this important decision.

In 2015 the Planning Commission will recommend, and the Council will establish, regulations for the sale of medical marijuana in Creswell.

In 2015 conversations will continue with the Creswell Library about how they might make greater use of the Community Center to offer more services for Creswell people.

In 2015 you will very likely see increased activity on the Bald Knob property. In 2008 following a fire, the Bald Knob mill was shut down, putting some 95 people out of work. In recent months there have been conversations with the property’s realtor. I am optimistic that the Bald Knob site will again be a vibrant center for business and employment.

So . . . what about the water rates? Perhaps you’re wondering what I have to say about that subject. Basically, two things: first, not everything you’ve heard is true, and second, the rates are going up.

Not everything you’ve heard is true. I heard recently that City Councilors don’t pay for water; it’s a freebie given us in exchange for our volunteer service on the Council. If that were true, I wish somebody would tell the folks at City Hall; they keep sending me a water bill! The truth is that Councilors pay for water just like everybody else. When we raise the rates, we pay the increase too.

Not everything you’ve heard is true. Some have said that rates are actually going up 12% in 2015. So I got my calculator out. In 2014 I paid $555.29 for water, approximately $46.27 per month. When the rates go up, 4% this month and an additional 8% in July, I
will pay - for the same amount of water - $599.71 in 2015. That’s an increase of $3.70 per month, $44.42 for the year - a total 7.99% increase. If you paid $1200 in 2014 for water ($100 each month), you will pay $1297.92 for the same amount of water in 2015, up $8.16 per month, $97.92 for the year - an 8.1% increase. Water rates are going up in 2015, but NOT by 12%.

When you elect a City Council you charge them with the responsibility of evaluating the water system and setting rates to cover the actual costs. You expect the City Council to **preserve** the water system so that it doesn’t break down; to **protect** the purity of the water so that what you drink is safe; and to **provide** an adequate supply of water for your needs.

We have miles of underground pipes that require annual repair and replacement. Ongoing repairs and replacements cost approximately $50,000 per city block.

The water we pump from the Willamette River is not fit for drinking until it is purified at the treatment plant. The cost of chemicals and materials to purify and deliver water increased by nearly 75% from 2009 to 2014.

Creswell provides water for three public schools, numerous churches and businesses, and over 5000 residents who deserve an adequate supply of water.

Would you agree with me that **preserving** the system, **protecting** the purity, and **providing** an adequate supply of water are GOOD things for us to do? Then when the actual costs exceed the actual revenue, raising the water rates is a GOOD thing to do.

During that six-year period (2009 to 2014) while our cost of chemicals and materials were going up nearly 75%, our actual water rates in Creswell went up 5 ½%; 3% in 2009, followed by increases of ½ of 1% each in years 2010, 2011, and 2012, with no increase in 2013 and a 1% increase in 2014. Six years. Five-and-a-half percent.

In 2014 the City completed a water rate study which indicated that if rates stayed the same, in two years the actual cost of providing water would be more than the amount paid. In two years, our expenses would be greater than our revenue. The lines would cross: costs going up, income going down. That’s what prompted the Council to raise rates. In my opinion, that was a GOOD decision.

Sometimes good decisions can be painful and costly. The most painful decision the Council made in 2014 was raising water rates. Starting with the February utility bill, we will all shoulder the increased cost.

When I was a teenager, my parents bought me a new 10-speed bicycle. I jumped on and took off down the driveway. We lived in the country and the driveway was gravel. Taking my first turn too fast, I spun out and hit the ground, cutting open my hand.

Running into the house for mom, she quickly put my hand under the sink and began washing and cleaning the wound. Then she announced, “We’re going to the hospital.” Though I was a fully grown teenage boy and mom was barely five-feet tall, over my strong objections, my mother - the nurse, won out. We went to the hospital. They stuck needles into my hand to deaden it, and then stitched my palm together. She insisted
this was a GOOD thing for me! “You’re going to use that hand the rest of your life. If we don’t take care of it properly, it will always give you problems.” Mom was right; Moms usually are! Her decision was costly to my parents and painful for me, but it was a GOOD decision to make.

Raising water rates is painful and costly, but we’re going to be using this water for a long time, and it’s GOOD to take care of it.

I want you to know that the Council has been listening to you. You have expressed concern that the 8% increase has no end date. The Resolution passed by the Council states, in Section 9, that, “beginning July 1, 2016 and continuing each year thereafter”, the rates will increase by 8%. This is a valid concern.

Tonight I am happy to announce that at next Monday’s Council work session, the Council will discuss adopting a new water rate resolution. This new resolution would delete Section 9 - Annual Adjustments. If the Council is in favor of this new resolution, the 8% water increase will not continue automatically each year.

How then will we pay for the increasing costs of water each year? Tonight I will give a charge to the Transportation and Public Works committee to develop a comprehensive methodology for setting water rates on an annual basis. This methodology will consider all the factors that impact water rates: treatment costs, maintenance needs, loan payments, State and Federal mandates, personnel costs, and projected population growth. There will be additional water rate increases over the next few years; water rates are going up in our region. The best way to determine what our rates should be is to develop a methodology for evaluating actual costs and setting rates annually. We have not had such a methodology in place. Now is the time for one.

On the agenda tonight is an Initiative Presentation to change the Creswell City Charter. This initiative would limit annual water rate increases to the same percentage as the U.S. Bureau of Labor Statistic’s Oregon Consumer Price Index, known as the CPI. If this initiative is placed on the ballot and is passed by the voters, it would limit water rate increases to the Consumer Price Index. Any rate increase above the CPI would be brought to the voters for approval.

The main problem with this initiative is that it connects water rate increases to the CPI, while there is, in fact, no connection between the two. The actual cost may go up by 2% one year, 5% the next, 3.3% the following year, and then jump 10%. In the last six years, the CPI went up an average of 2% per year; during the recession years it was a negative number, and the highest increase was 3.1%. All this to say that if actual costs increased by the numbers above (2%, 5%, 3.3% and 10%), Creswell citizens would be voting to raise their water rates three years in a row. In Creswell we love our Fourth of July Parade, but I can’t imagine we’d love a steady parade of ballot measures year after year asking for a water rate increase.

A much better approach is for us to develop our own methodology for evaluating and setting water rates on an annual basis.
It is my hope that if - the Council passes a new water rate resolution deleting Section 9 - Annual Adjustments, and if - the Council commits to a methodology for setting water rates on an annual basis - then the proponents of this Charter Amendment will consider holding off on the ballot initiative for at least this year, allowing for the needed 8% increase in July. Furthermore, it is my hope that they will come alongside the Council and help us establish a new methodology for setting annual water rates.

This Council is committed to protecting water in Creswell, and I believe the backers of this initiative share that commitment. I will reach out to them in the hope that together we can find a workable solution to water rates in Creswell.

I’d like to end on that note - working together. It is a great honor to work together with the Council and Staff and many volunteers who serve Creswell.

At Christmas my daughter gave me the book, Unbroken, the story of Louie Zamperini, a WWII bombardier whose plane was shot down over the Pacific Ocean. Louie and two other airmen survived the crash and floated adrift for over 40 days, accompanied most of the time by hungry sharks.

How did they survive? In her book, Laura Hillenbrand provides the answer: “Hope displaced their fear and inspired them to work toward their survival, and each success renewed their physical and emotional vigor” (155). We are not on the ocean and we are not surrounded by sharks.

As we move into a New Year, let us work together with hope in our hearts, and may each success renew our vigor!