State of the City Address Mayor Shane T. Bemis 2012

Elected officials, honored guests, friends, neighbors, and citizens of Gresham, thank you for the honor of delivering the 2012 State of the City Address.

I've said in past years that this is one of my favorite events because it provides us with a rare opportunity to meet together in this room and consider the pressing issues, needs and opportunities of the present day.

Before I get started this year, I want to do something just a bit differently than we have in past years. While I fully intend to share my perspective on the state of our fine city today, before I do so I want to set the stage by giving you a chance to hear what your neighbors have to say about life in Gresham.

Last summer we engaged the community in a public outreach effort and asked our residents to send in photos and videos that completed the sentence "Gresham is..." We received hundreds of photos and videos that our residents felt best demonstrated life in Gresham, which were collectively viewed thousands of times.

We put many of those together in a short video finale, and I am very excited to share the result. Please turn your attention to the screen behind me.



Gresham Is...Video

What I liked most about our Gresham Is... effort is that not only did we receive many iconic images of the stately buttes, rolling farmland and mountain vistas that have historically marked our community, but we also received feedback about quality of life in the community: the annual events, the cozy coffee shops and our exceptionally livable neighborhoods.

Those characteristics are what bring us together like this to celebrate and protect our quality of life. They are the driving forces that bring many of you to our citizen advisory committees and volunteer opportunities. They are the special elements of our community that make our volunteer mayor and City Council continue to show up day after day, week after week, month after month, and year after year, to protect and enhance life in Gresham.

Our City Councilors are here today, and I want to take a moment to thank each of them for the hours of work they freely give to our residents.

The strength and unity of this City Council is not something that I take lightly, and I will revisit the important contribution of these individuals later in this speech.

We are also joined today by many members of our City staff, who have, in every service area, taken on more work with fewer hands on deck and fought to deliver a quality product to our citizens. As we faced an exceptionally rough budget outlook last year, each of our represented employee units agreed to extend their contracts by one year with no cost-of-living increases. Our management team has done so for two years now.

As mayor, I am continually humbled by the devotion of these individuals to deliver high quality services to our residents. At the beginning of my first term in 2007 we had 300 General Fund employees serving the city, and today we have 246. That represents an 18 percent reduction in our General Fund workforce over the course of five years, despite nearly seven percent population growth during the same period.

Through the leadership of our City Council and our exceptional City Manager, Erik Kvarsten, we have been able to maintain a full portfolio of services, despite these reductions.

While this is an accomplishment of which we should all be very proud, we also must be willing to face the reality that continuing to do more with fewer people is ultimately not about achieving philosophical efficiencies, it is a math problem that eventually results in a place we would not want to live.

Former Gresham mayors Charles Cleveland and James Elkington served during the Great Depression, and the crowning achievements of their terms in office were keeping the City on sound financial footing and maintaining an enviable credit rating.

Now coming - hopefully- out of our own Great Recession, I believe that we too can all take pride in the City's solvency and our conservative stewardship of the public's resources.

But conservative stewardship alone will not be enough for us to be able to say that our generation left the City on firm financial footing. We spoke at length last year about Oregon's completely broken revenue system in the post-Measure 5-47-and-50

environment.

Not only have our hands been tied to choose our own tax rate, ours is frozen lower than almost any major city in Oregon, and the value of property artificially capped for tax purposes. In times like this, when even the crafters of these measures would likely be surprised by the decline in property values we have seen in recent years, the problem isn't that revenue is growing too slowly, it's that it is actually going backwards.

I really wish that focusing so much on the deficiencies in our property tax structure last year would somehow render the issue less important this year, but until we take steps to stabilize the revenue outlook, the main threat to our way of life in this community will continue to be our broken fiscal structure.

Trust me, the speech I would prefer to give today would go something like this:

- Life is great in Gresham
- Here are a few of the wonderful things we are going to add in the coming year to make life even greater
- Warm, sunny days are ahead of us

You'll hear a number of speeches that sound something like that in communities across the country, given by Mayors who are more concerned with blog comments and political polls than they are with being honest with their citizens. I'm not one of those mayors. While that would be a comfortable speech to give, it wouldn't be an honest speech, and as Mayor I owe you an accurate, unfiltered assessment of where we are, right now, today.

As you can see on this slide, our property tax receipts largely flattened out last year, and for the upcoming budget cycle, we anticipate that they will actually go backward next year.



For context, all of our property tax receipts go to the General Fund, around 90 percent of which is the Police and Fire departments. When we talk about revenue that doesn't keep pace with inflation, and that in bad times like this actually goes backward, we're not talking about theoretical public employees or bureaucrats, we're talking about calling 9-1-1 and actually having someone show up to stop a home invader, administer lifesaving CPR, or save lives and property from fire

We're talking about the fundamental elements of the social contract that caused the Powells, Shattucks, Metzgers and other pioneer families to incorporate as a City in the first place, start up a fire department and appoint a town marshal.

Raging pro-government liberals they were not. They didn't come out West to open vegan food carts and raise taxes. They came because they were fiercely independent, entrepreneurial, conservative and ruggedly individualistic.

Yet they were people, like you and I, who valued community, realized they could deliver some services together more efficiently then they could do so separately, and wanted to leave a slightly better world ahead for their children and grandchildren.

I too value a prudent, conservative outlook on government, and I wouldn't even discuss these issues if I did not believe that we are one of the most efficient service providers in Oregon.

We have worked tirelessly to chase efficiencies and do more with fewer resources. This device is just one example. In my left hand is a water meter, just like those near the curb in front of your homes. The device in my right hand is a remote, fully automated radio receiver. Each time we install this unit it saves our ratepayers around \$20 a year. We installed 16,000 of these, making us the first major city in Oregon to have a fully-automated system. Take \$20 a year, times 16,000 units, times 20 years, and we will collectively save our utility customers around \$6.4 million dollars over the life of the meters.

And while we battle for efficiencies, still yet our property tax structure erodes away our services like ocean waves on sandstone. To provide a real-world example of how Oregon's property tax constraints have impacted the City of Gresham, one need only look to our Parks Department. In 1997 we had almost 19 full-time positions in our Parks Department, providing a range of duties from planning and landscape architecture to maintenance and recreation.

Just over 10 years later, in 2008, we were down to 15 full-time employees in Parks, including a Parks and Recreation Manager, Landscape Architect, Parks Planner, Program Technicians and Maintenance Workers.

Where are we now? Our last remaining non-maintenance Parks employee left the building this year.

As a result of our revenue structure, we lost a little bit of service quality with each passing year. But what scares me more than the incremental dismantling of parks planning and administration is that further cuts would actually mean losing the person on top of the lawn mower.

Last week I received a letter from Grace McClellan, a very persuasive 8-year-old constituent from southeast Gresham. Grace wrote the following:



Dear Mr. Mayor,

My name is Grace McClellan and I have an idea. My idea that I was thinking is that we should put a big playset in the grassy field in Thom Park. I think it is a good idea because it would make our neighborhood better, and it would give them an opportunity for kids to get more exercise. Also, it would make more people notice that they have a park in this neighborhood. I've got instructions for you on the next page, if you need them. Thank you for your time, Sincerely, Grace McClellan – second grade student



Grace was kind enough to give us a detailed rendering of what the play structure could look like, which appears on the screen behind me.

Grace is here today, and I'd like to ask her to stand for just a moment. Grace, thank you for your outstanding letter and for the thought and care that you put into your suggestion to make our community better.

Grace's letter and suggestion for enhanced playground equipment represents the exact reason why we are here today, why we care about public service, and why community matters.

As far as I know, Grace doesn't belong to the Tea Party *or* the Occupy movement...She belongs to the Second Grade. Wouldn't we all be better off if we could occasionally borrow that perspective and frame of mind?

And then life happens. We know that just as we have cut and scraped each year to make ends meet at City Hall and give it another go the next year, you have trimmed your household budgets and made hard sacrifices. We are very aware that many of our households are in a tough spot, working twice as hard just to keep steady with rising prices in the economy.

Yet some things cost money because they are worth it. While we might not be able to perfectly replicate the play set Grace drew, a comparable piece of playground equipment would cost about \$50,000. For perspective, there are just under 50,000 households in Gresham, meaning we could build it for about \$1 a family.

Those who came before us wrestled with these same questions. While they faced wars and recessions of their own, they sacrificed and invested to make our community great for the next generation. When I was a kid like Grace, Gresham was the fastest-growing city in East Multnomah County, and its leaders ushered in the construction of a new fire station on Kane, and place-making amenities like Main City Park, Bella Vista Park, Thom Park and Aspen Park, places my family enjoys today.



We know that you would not be here today if you did not have a heart for our community, and we certainly know that times are tough for our households. Because times are tough, we've found that thinking about local government services on the household level helps us consider their value in the perspective of our family budgets. Last year we boiled down the cost of local government to the median household, and came up with a monthly figure for what it costs to live in Gresham.

As a refresher, here are the current numbers:

\$31 for Police \$22 for Fire \$3 for Parks \$3 for Planning

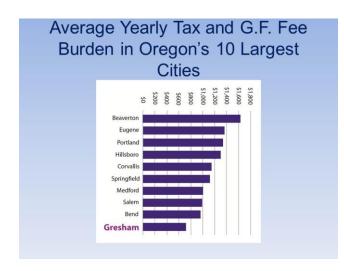
The grand total for the average household is around \$60 a month.

Average Monthly Exp	ense
Police:	\$31
Fire:	22
Parks:	3
Planning:	3
Economic Development:	1
Code Enforcement:	1
Grand Total (average household):	\$60

Weighed against other monthly household expenses like power, cell phones, magazine subscriptions or cable, the cost of local government is pretty lean. We provide 24-7-365 police and fire response, and a broad portfolio of parks, code enforcement, planning, and job creation, for about half the cost of a full cable and internet package.

While we have long known that Gresham has one of the lowest permanent property tax rates of any

major city in Oregon, this year we have crunched the numbers on the total median household cost for residents living in the state's 10 largest cities. As you can see from this slide, Gresham has a lower median household tax and General Fund fee burden than any of them, at over \$20 less per month than the next closest city.



I'll be honest, I don't want to be on the top of that list, but I also don't want to be on the bottom of it. The top of the list results in a tram and dreams of building the Oregon Sustainability Center, but the bottom of the list means fenced parks, crumbling roads and unacceptably slow police and fire response times.

As a member of the League of Oregon Cities board of directors, I continue to raise this issue on the state level. In addition, I led the

recent effort to write a letter to Governor Kitzhaber, signed by 22 Portland Metro regional mayors, asking him to appoint a high-level task force to offer solutions to our broken property tax structure.

While we have worked hard to raise this issue on the state level, and will continue to do so, we cannot let the livability of our community wait on a statewide solution any longer.

We tried, with limited success, to establish modest new revenue last year, and between now and the June passage of next year's budget, we will do everything we can to productively engage the public in the conversation to balance our community needs with our financial burdens.

That said, let me be perfectly clear: At the end of the day – one way or another – we are going to have to get to a place where we are comfortable coming up with a few dollars more a month for the community we enjoy.

These have been a tough few years at City Hall, and while we have not let them stand in the way of progress in a number of key areas, it is worth pausing for a moment and recognizing that we have been through our fair share of adversity.



As I said earlier, the unity of our City Council has been one of our strongest assets. These individuals are not only here at City Hall doing the people's work, but they are all over the community. The slide behind me shows Councilor Stegmann at the Bed Races, Councilor Warr-King working at the Japanese Garden, Councilor Kilian giving blood, Councilors Widmark and Fuhrer at a neighborhood picnic, Councilor Echols at a Center for the Arts Fundraiser, and a couple of unnamed

Councilors in tights at the Winter Family Festival in Rockwood. Again, don't miss the opportunity to thank each of these six people for their service, and for their efforts to put the community first in every decision.

While other jurisdictions in the region have come unraveled in these difficult times over issues ranging from streetcars and auxiliary dwellings to residential composting, the Gresham City Council, and the citizens of Gresham, have doubled down in our efforts to remain strong, and remain together.

That is not a fluke or an accident. Relationships take active work and participation, and we have had an abundance of that in Gresham. In 2011 we had almost 2,800 volunteers provide about 14,000 hours of volunteer service to the City of Gresham.

One group of those volunteers, the Charter Review Committee, just concluded its review of Gresham's most important governing document – a process that only takes place every eight years. I would like to thank the members of this committee for their thoughtful work and dedication. With you, our Charter was in good hands.

While other communities have become polarized in these times of extreme difficulty, 2012 Gresham State of the City Address

Gresham has come together around community service and shared priorities for livability and economic growth.

I would be the first to say that we could use a little less adversity, but I never cease to be inspired by how our community responds to it with unity. Though nearly unprecedented challenges have fractured other communities, we have united and the fruits of our unity are clear.

In just over two years of existence, our Garage-to-Storefront small business incentive program has helped us land 56 new businesses in previously vacant storefronts, filling more than 80,000 square feet of retail space in key areas of our city.



To represent this visually, we pulled together the logos of these businesses and you can see them on the screen behind me. These are not businesses that ship revenue off to their distant shareholders. They are mom-and-pop shops that keep our dollars local, employ local residents and support community initiatives.

For perspective, imagine what downtown Gresham, the Civic Neighborhood and Rockwood would look like with another seven and a

half football fields worth of vacant storefronts, and you can feel the vast impact this program has had on our livability and economy.

In addition to our Garage-to-Storefront program, we have partnered with the Try Local First coalition and the Chamber of Commerce to support their efforts. I am thrilled that the City received the Try Local Champion Award at the Chamber of Commerce Economic Summit, in part as a result of our local purchasing policy at the City.

We know that dollars circulated in the local economy help everybody prosper, and that actively choosing local first is one small step we can each take to strengthen our community.

We have heard interest in our cutting-edge small business programs from a number of other communities, but the truth is that in order to do something as 'outside the box' as getting the government out of the way, the community must be united in the rationale and the outcome. That, again, is Gresham's competitive advantage.

On the traded-sector jobs front, we are also exploring ways to become the most competitive local government in the region. The 2012 Council Work Plan ambitiously lays out our strategy as the Industrial Competitiveness program. This effort will evaluate

every element of regional job recruitment and ensure that we are better positioned than anyone to land major employers and investment.

It's easy to get lost in the sea of economic data and doom-and-gloom scenarios that saturate our media coverage. But taking steps at the local level can result in dramatic economic improvement and help ensure that Gresham remains a viable place to live and work for years to come.

And we have cause for optimism. Because of our political unity and our community support for economic development, we were able to work with the Port of Portland last year to help facilitate its purchase of the former LSI property, the single largest shovel-ready economic development site in the region.

By getting this site in the hands of the Port, we are able to work with a partner who actively values job creation and economic development, instead of working with a party that simply views the site as surplus land. We are extremely excited to work with our new partner, and anticipate that the first wave of development successes could come very soon. We may not be able to control the economic circumstances in Greece, but things are starting to look good along Glisan.



The Port of Portland would only make this kind of investment in a community that it knows is committed to the mission of job creation and economic development. The Port's partnership with us came about because we have established a track record of cooperation and innovation in our job-creation efforts, and you can thank the City Council here today for helping create an environment that can attract quality partners like the Port.

Former LSI property

In addition to setting the stage for the former LSI property, 2011 brought job growth or major equipment investments at the following major businesses: Boeing of Gresham, On Semiconductor, Owens Corning, MedCure, Denton Plastics, Fujicolor, Bakemark and John Deere, just to name a few.



Much of this economic success has come from coordination and cooperation. We are very fortunate in East County to have the East Metro Economic Alliance serving our communities. This advocacy group provides a wonderful venue for Gresham and the three smaller cities to join together and coordinate on shared goals and priorities.

In addition to our work building jobs and expanding the economic picture,

we have also worked hard to deliver the nuts and bolts of local government. While we do not have the funds to eliminate our transportation maintenance backlog, we made our gas tax and transportation dollars stretch as far as conceivably possible last year.

In total more than 25 percent of our residential streets received pavement maintenance in just a handful of months. While we have a long way to go, contrast that effort with our neighbor to the west, which just announced this year that they were headed into a five-year street paving moratorium. Again, Gresham used fewer dollars to get more results.

I am also incredibly excited that this year's City Council and Urban Renewal Commission Work Plan includes the construction of a dedicated brick-and-mortar police facility in Rockwood. Just a couple of weeks ago the Council approved a land purchase, and we are now closer than ever to delivering in a real way on Goal 5 of the Urban Renewal Plan. Our citizens asked for a heightened police presence in Rockwood, and despite our scarce resources they are very near to seeing that materialize in an exceptional way.

The table is being set in Rockwood, as the urban infrastructure improvements near the Catalyst Site have taken shape, coupled with the County's new investment in the Courthouse, which will open soon. With any luck the modest improvements we are seeing in the development climate will intensify, and our decision to preserve the Catalyst Site for the high-quality development it deserves will pay dividends.

In addition to these improvements to public safety and the urban form, eight of the businesses locating under our Garage-to-Storefront small business incentive program have located in Rockwood, filling previously vacant storefronts. Furthermore, our Industrial Improvement Grant Program has helped 14 new industrial employers enter the Rockwood area, representing nearly \$70 million dollars in new investment since the start of the program.

This year's Work Plan also includes work towards the construction of a place-making fountain at the downtown Arts Plaza. We are in the process of applying to use dedicated

federal funds to create this development-stimulating amenity in a crucial area of town. It will mean that parents looking for ways to help their kids have fun and avoid the piercing summer heat won't need to drive to Jamison Square in Portland, they'll have a comparable asset right here in Gresham.

While these federal funds cannot be used for routine city services like Police and Fire, seeking these revenue sources and applying them creatively demonstrates our commitment to thinking outside of the box. Our hope is that this creativity will enable us to build a fantastic amenity even in an environment of extreme fiscal constraint.

And all of these terrific examples of past accomplishments and exciting future projects are only the tip of the iceberg of the work we do at the City of Gresham.

In 2011 alone we had 74,200 police calls for service and 13,300 fire and emergency service calls, and we conducted 3,500 rental housing inspections, and addressed 3,100 code compliance cases.

While we have many challenges ahead and are undoubtedly entering a period of soul searching as a community, let us remember the heart of public service and why community matters.

You may or may not know Tomiko Takeuchi or Jim Card, but if you've been through Main City Park recently, you know their work. Years ago, a beautiful Japanese Garden was constructed in Main City Park, tranquilly bordered by Johnson Creek. In its day, it was an example of Gresham's livability at its best.

Over years of tough budgets and making dollars stretch, the hits to our Parks Department have been very real, and the maintenance of the Japanese Garden had unfortunately slipped to an unacceptable level.



That's where Tomiko entered the picture last summer, and began marshaling troves of volunteers and seeking grants and donations for plants and supplies. Chief among her volunteers was Jim Card, a landscape expert, who stepped up to help Tomiko coordinate volunteers, secure donations and get the work done.

Under Tomiko and Jim's leadership, volunteers have transformed the area and are once again turning it into a

community amenity in which we can be proud. If you have not been through there lately, take the time to give it a visit, and be sure to thank Tomiko and Jim for their hard work.

Tomiko and Jim, could you please stand and be recognized for your tremendous heart for our community?

A few months back, Police Officer David Hickey received a call to do a health-and-welfare check at a residential property. Out-of-town relatives of the property owner had not heard from her in some time, and were worried that something had happened.

Despite a heavy call load, Officer Hickey did not let his busy day get in the way of providing tremendous service on this call. He approached the home, knocked on the door and nobody answered. He took a quick sweep of the property, and again found no signs of anybody at home.

I think that most people would have packed up and left for the next call at that point, but not Officer Hickey. Intuition told him that something was going on here, and he just couldn't abandon the call. As he approached the door once again he thought he heard faint noises from inside. Acting on this lead, he found a way into the premises where he discovered a severely ill and injured individual.

His above-and-beyond service and crack intuition prolonged this very ill resident's life just long enough for out-of-town family to fly in and say their goodbyes. Had Officer Hickey simply moved on to the next call, the resident would have passed away in severe pain, and completely alone. Instead, she was able to pass in comfort, with loved ones by her side. Officer Hickey, please stand and be recognized for your exceptional heart for our community.

During the holiday season Engine 71, with Lt. Chad Freyer and Firefighters Bob Chamberlin and Shane Kooch, responded to an emergency call from an elderly woman whose carbon monoxide detector was going off. After a quick assessment, it was determined that the batteries on her detector needed to be replaced. That is where the story would end for most fire departments. But not in Gresham.

While Lt. Freyer was replacing the battery, Bob Chamberlin and Shane Kooch went through the rest of the home checking smoke detectors. They found that all the batteries were either missing or dead and that some of the detectors didn't work, even with new batteries.

Instead of leaving the home in an unsafe condition, the firefighters returned to the station and retrieved new smoke detectors, properly installing them in the resident's home. For even the highest-quality fire departments, that is where the story would end. But not in Gresham.

While on scene, they also noted that the homeowner was low on bags of pellets for her pellet stove. With the wintry weather hovering around freezing, they told her that they would bring in a few of her bags from the outside. After bringing in the bags and filling the stove, they stayed just a little longer to wish her a Merry Christmas. That is the heart of Gresham Fire and Emergency Services, and we are so fortunate to work in the

company of such outstanding individuals. Lt. Freyer and Firefighters Chamberlin and Kooch, please stand and be recognized for your tremendous service.

During the snowstorm we experienced this January, the winter weather built up faster than our road crews could clear all 300 miles of Gresham roads. As the snow and ice built up along Southeast Towle, off-duty police officer Travis Garrison, who builds hobby 4x4s in his garage, started assisting distressed motorists, pulling five or six of them out of ditches and up a hill so that they could get safely home to their families.

At the same time, a couple of on-duty officers were hard at work on the other end of town helping our residents contend with the weather as well. Officers Rasmussen and Hawley were called to an Interstate 84 on-ramp, where several vehicles were pointed several different directions, blocking the entire ramp.

Rather than just push each car to the shoulder to allow traffic to get through, they helped each motorist down the ramp, and either assisted the vehicles in chaining up or directed them to an on-ramp with less incline. At one point, Officer Rasmussen was spotted clearing their windows with an ice scraper!

That is a regular, everyday example of the level of service that our City employees bring to the job, and in Officer Garrison's case, even when they're off the job. Our public servants put the community first time and again, and we should all be very proud of them. Officers Garrison, Rasmussen and Hawley, please stand and be recognized for your tremendous service to the citizens of Gresham.

I chose to highlight these police and fire examples, not because they are earth-shattering, but because they represent the everyday, standard, normal, boringly terrific level of service that we expect from our employees, and that they deliver. In fact, I could roll every member of the police and fire departments up here and tell you a similar story about each of them.

These stories are relevant because they embody the fundamental heart of community service that brought our founding pioneer families together in the first place with the ambitious idea of becoming a city of our own. I doubt that in their wildest imagination they envisioned that we would grow up to be Oregon's fourth-largest city, with 105,000 residents and some of the fastest growth in diversity anywhere in the Portland metropolitan area.

But here we are, with all of the challenges and opportunities that big-city life affords. And while we assess those challenges and opportunities today, we know that the months and years ahead will be defining moments for this community.

We have investments here that we need to protect. Some have invested in homes and property, others have made substantial investments in businesses, and all of you have invested your time, talents, hearts and emotions.

Gresham is like a classic car. With the proper investment and care, we will be proud, and the envy of many. Without investment and care, we will slowly fall victim to the elements.

Much is at stake, and if we make the mistake of letting the quality of life we love slip away, we may never be able to get it back. If we want to continue to be the city you saw in the video at the beginning of this speech, we must be willing to invest our time, love and resources to do so.

Defining moments like this would undoubtedly cause many places to have some anxiety, but not us. I am comfortable today because I have no doubt in my mind that those soul-searching moments will define our togetherness, selflessness and community spirit.

We will tackle the monumental challenges of our time because the alternative is to let them define us, and I can definitively say that we are better than that.

I am done letting others build the narrative around the people of Gresham, and in the coming years this organization will do our best to put forth the story we all know to be true: that this place is iconic both for its vistas and its personality, its access to the outdoors and its superior livability, its community events and its family friendliness.

Telling that story will require some investment, both in time and money, and a whole lot of unity around our shared mission. That's not going to be easy, but we are not called to accomplish the easy. We are called to tackle the greatest, most daunting, most local pressing needs of our day.

If I were going to assemble a team to accomplish just that, you'd be looking at my starting lineup right here in this room.

The state of our city is strong, not because we have a smooth road ahead, but because the power of our community is stronger than the force of our challenges.

We will take the steps now to flourish in the years to come, and we will do as our grandparents did, and invest in a community that is worthy of our children's future - a community that is worthy of Grace McClellan's future.

At the end of the day, there is no course of action higher or better than betting on each other, on our community, and being the greatest collective body that we can be.

That means that our riches in character, and talent, and resolve, will pay dividends that future generations will enjoy. And at that point we will rest, and we will be proud, and we will be able to look back and say to one another that we did our jobs, did them well, and it was worth it. Thank you.