

**MEMORANDUM**

To: Mayor Neeley and City Commissioners  
From: David W. Frasher, City Manager *D. F.*  
Re: Important Considerations for Goal Setting  
Date: January 27, 2011

As we approach the Retreat this weekend I am optimistic that we will emerge a wiser, more effective, and more cohesive team for the advancement of Oregon City than ever before. There are two items that I ask you to keep in mind as we consider the City's goals. These two items, unfortunately, act together as a sort of pincers on our ability, not only to MAINTAIN current service levels, but as an impediment to many of the more creative ideas that I would like to bring forward to both diversify the City's revenue stream, and to respond to requests for additional service from the Commission, stakeholder groups, or individuals.

1. Fire District Annexation Promise

As I understand it, the City made a promise to voters that if they approved annexation into the Fire District, the City would not raise taxes or initiate new programs for a period of five years. There are two years left to fulfill this commitment.

While I was not here for the debate, it would seem important to keep this promise in order to maintain public trust in local government. Unfortunately, this means that many new ideas, revenue enhancements, services and other things we might otherwise pursue will have to be considered in context, asking whether acting on them now is consistent with the City's prior commitments.

2. Sub-standard Staffing Levels

As you are no doubt aware, Oregon City's staffing levels are some forty odd positions short of most similarly sized full service municipalities across the United States. The benefit of this is that Oregon City has avoided lay-offs, cuts in services, and has weathered the recession better than most. The downside: the organization lacks the capacity to take on new initiatives unless the Commission chooses to reduce services somewhere else. It also means that we lose efficiency when our most expensive talent works on support tasks because there is simply no one else to do it. We also rely heavily on outsourcing and volunteers...and, most troubling, we risk staff



burn-out because the exceptional work ethic of most of our employees compels them to donate unreasonable amounts of their own time every year to be sure the work gets done.

**Conclusion:**

It is a quandary to consider resolving the foregoing issues separately. At the conclusion of the Fire Annexation promise I intend to recommend to the Commission a number of short and long-term solutions that get at the heart of these challenges in a meaningful, professional, and sustainable manner. In the meantime, we have some degree of flexibility to shift resources and priorities in an effort to pursue changing objectives of the City Commission. However, I do not hear the public or anyone else asking the City to cut services, although there are frequent suggestions that the City add services, programs, or positions to its roster. From my perspective, at least regarding positions, current workloads, just for existing services, could easily justify the addition of a new Assistant Finance Director, Assistant City Manager, Tourism Coordinator, and Grants Specialist – all positions that most other cities our size in Oregon already have and that would be nearly impossible to finance until we have fulfilled the Fire Annexation promise.

So, we are eager to pursue whatever objectives the Commission puts forth through its goal setting process...and we may be duly impressed with how much we can accomplish. Nevertheless, it is important to keep these two items in mind so that we can realistically align expectations with our organizational capacity. Thank you for considering this information and please let me know if you have any questions, comments, or concerns that you wish to discuss.