

**STATE OF THE CITY**

**JANUARY 19, 2021**



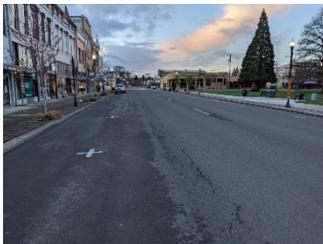
The last 12 months have been a wild ride and the future sure isn't going to be boring. 2020 started off calm enough, but soon there were fires, floods, plague and political upheaval.



All we needed were locusts to be Biblical.



Here's Main Street before the pandemic.



Here's when the plague set in.



The downtown holiday celebration before COVID.



Our celebration this year. Lights but no action.



A concert in the good old days:



And a pandemic concert



Modern al fresco dining:



Then, the fires:

Followed by, shall we say, various newsworthy social interactions on the Square.

So, 2020

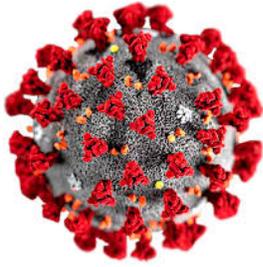


was a year best seen in our rear-view mirror.



On to 2021! What's on the horizon for the municipal corporation of Dallas?

At least for the first half of the year, till the vaccines rescue us,



we'll be in the dark days of COVID-19, maybe the highly contagious British version.

Then probably the virus slows down as summer arrives and the vaccines kick in - they say we'll



likely back to a semblance of normal in late summer/early fall.

But I think "normal" will be different. History repeats itself and, as the Spanish Flu of 1918-1920 was followed by the Roaring Twenties,



so will our economy and society enter a booming period of revival, growth and



creativity beginning during the second half of this year. I believe our job is to anticipate and prepare ourselves for the good times ahead and not let them catch us flat-footed. We'll talk about that at our Council Retreat in February.

Meanwhile, surviving the first half of the year will be the trick - both for our personal health and our economy.

Health wise, in one sentence:



socially distance, wear your mask, wash your hands and get vaccinated at the first opportunity.

Then there's the economy.



For our large hospitality industry, surviving the crash is the big gorilla. The City government has no legal standing to declare Dallas unilaterally "open for business"



- that's managed by state law.

However, the City can help. We have already pumped \$300,000 into the hands of the local businesses who have suffered the most, suspended regulations,



helped with utility bills and more. We will seek more relief dollars for distribution and will continue lobbying higher powers for sensible, safe openings.



Like other cities, we have already lost too many businesses and, with a rough few months ahead, we all need to support them however we can until they can reach reopening. Take-out, gift cards, donations, moral support, the lot.

If the community is under stress right now.



so is our City government.



City Hall is closed, as are the Library, Aquatic Center, Senior Center and more. All those will open in the next few months, but our underlying financial situation is not robust.

First, the good news.



Fortunately, our basic utilities services – water, sewer, storm drainage - are all on firm financial footing.



The City has also paid off its last two general obligation bonds – for the ladder truck and the Aquatic Center - so we have no bonded indebtedness.

And we have, of course, a balanced budget.

But, on the downside, our General Fund is under growing stress.



So, fire, police, streets, ambulance, Library, Aquatic Center, parks, streetlighting and on and on are in penny pinching mode just to get by.

Last year, for example,



we had to pare a million dollars from the Budget to the detriment of existing services. And this year we're looking at tightening another notch on our financial belt.

Why is that?

Service	City
470.00	YALLOU SPRING
480.00	COVINGTON
500.00	BARCELONNETTE
520.00	TRACY
530.00	BRIDGEMAN
540.00	WINTERVILLE
550.00	YONKERS
560.00	ROSELAND
570.00	WILSONVILLE
580.00	ALBANY
590.00	CLATSOP
600.00	CLATSOP
610.00	CLATSOP
620.00	CLATSOP
630.00	CLATSOP
640.00	CLATSOP
650.00	CLATSOP
660.00	CLATSOP
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680.00	CLATSOP
690.00	CLATSOP
700.00	CLATSOP
710.00	CLATSOP
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730.00	CLATSOP
740.00	CLATSOP
750.00	CLATSOP
760.00	CLATSOP
770.00	CLATSOP
780.00	CLATSOP
790.00	CLATSOP
800.00	CLATSOP
810.00	CLATSOP
820.00	CLATSOP
830.00	CLATSOP
840.00	CLATSOP
850.00	CLATSOP
860.00	CLATSOP
870.00	CLATSOP
880.00	CLATSOP
890.00	CLATSOP
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970.00	CLATSOP
980.00	CLATSOP
990.00	CLATSOP
1000.00	CLATSOP

Of the 17 cities in our population class in western Oregon, Dallas offers the most municipal services of any of them – the average city offers 9 services, we offer 12. Only 14% of cities offer fire and ambulance, but we do. Yet, for all that, we paradoxically have the third lowest tax rate and the lowest tax burden of all these cities. And painfully, we have a low tax base from which to draw



due to the decline of our industries over the years (Weyerhaeuser, Tyco, Caterpillar, etc. all gone) plus the slow growth in our commercial sector in large part a result of our lack of properly zoned land.



Hold on, folks say, doesn't our extremely robust residential housing sector keep us in great shape with new tax dollars?

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SERVICES RECEIVED FOR EACH  
\$1.00 PAID IN TAXES

INDUSTRIAL = \$.25  
COMMERCIAL = \$.75  
RESIDENTIAL = \$1.25

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But, it doesn't work that way. Providing municipal services to homes actually costs the City more money than they pay in taxes, so without business and industry to balance residential growth and plus up our tax base, we are losing ground fast.

Bottom line, it looks like the City has reached the end of the line for providing an extraordinarily high number and quality of services for an extraordinarily low cost to our taxpayers and public. For instance,



you can buy a thousand gallons of our excellent water piped to your faucet for \$2.91,



less than the price of a small cup of black coffee from Dutch Brothers. In this environment, something has to give to sustain our existing, popular services.

So, in this year's Budget, how do we make ends meet?



Find new money? Scale back services? Cut services? Some combination?



In this journey back to sustainability we will need lots of input from experts, our members of our City Boards, Commissions and Committees and, importantly, our general public. It will be an important conversation.

One more thing. As we talk about sustaining current services, pressure will mount to cut long-term economic development programs. Bad idea. If we don't invest in our future,



we'll eat our seed corn, a downward spiral will set and Dallas risks just becoming just a drab, cheap place to live. Who wants that?

Ending on a happier note, Dallas remains much-loved and a great place to live.



In the past 140 years, at the census we have never lost population, growing from 670 folks in 1880 to this year's likely total of 17,000. With the support of our citizens and some adroit management of our municipal affairs by you on the City Council and Brian and his staff, we will come through all this in great shape and keep on growing.

Again, due to COVID-19, we'll have to endure some tough times for the next few months, but I'm convinced we will bust out later this summer into several years of remarkable prosperity and innovation. I'll just say, be willing to take some risks and sacrifice to get there.



Acting together, we will prevail and prosper.

Be well.

Thank you.