

City of Creswell City Council Work Session Meeting

Council Members Present:

- Mayor Smith – excuse
- Councilor Costilla, Council President
- Councilor Dukes
- Councilor Holt
- Councilor Kent
- Councilor Kremer
- Councilor Morris

Audience Present:4

Press Present: 0

Staff Present:

- City Manager Vincent Martorello
- Assistant to City Manager Angela Kepple
- City Recorder Caitlin Born
- Airport Manager Shelley Humble
- Municipal Judge Scott Palmer
- Finance Director Jim Piper

Open Meeting

Council President Costilla opened the June 26, 2026, City Council Work Session at 6:00 PM. He asked everyone to stand for the Pledge of Allegiance. Council President Costilla noted Mayor Smith and Councilor Morris both have excused absences.

Committee Reports

A. Parks and Tree Advisory Board

Councilor Morris reported that the committee met on July 14. Members confirmed completion of their OGEC training and received an update on the Cobalt Activity Center, which has no significant new activity at this time. Bike Day planning was tabled until December. The committee discussed the Emerald Ash Borer, noting that traps have been placed near the sewer areas, at Garden Lake Park by the canal, and in the Cottage Grove area. Informational links regarding the

pest will be posted on the Parks and Trees website. The primary focus of the committee continues to be the master plan review. No new park activity was reported, though increased use has been observed at the bicycle wayside.

Regarding Cinderella Park, Councilor Morris noted the committee was unfamiliar with the site. City Manager Martorello provided context, explaining that Cinderella Park is Lane County property believed to be a former landfill. Previous conversations between the city and the county regarding a potential land transfer stalled over concerns about environmental liability, with the county seeking to be harmless for future issues while the city declined to assume that risk. City Manager Martorello confirmed no active conversations are currently taking place. The park will remain as a nebulous long-term goal in planning documentation. A member of the public confirmed that Cinderella Park is located east of the Creswell transfer station across from the wastewater facility. The committee will meet next on October 13.

B. Public Safety Committee

Councilor Kremer reported on National Night Out planning, noting the event will again feature participation from the Lane County Sheriff's Department with rescue crew, dogs, drones, boats, and horses building on the success of the prior year. Thanks were extended to staff members Heather and Caitlin for their work on the event

Councilor Kremer recapped the Fourth of July events. The parade was generally successful despite some resident concern over the new route. All five deputies worked staggered shifts, the rodeo operated with its own internal security, and there were no fireworks citations or injuries in Creswell.

The committee discussed the growing presence of e-bikes and motorized scooters, noting that while helmet use has increased, many riders still fail to properly buckle them. Sergeant Speldrich has been engaging youth directly on the issue. Efforts were made to schedule a school assembly on bicycle safety, though it could not be arranged in time for the current year.

The committee also announced plans to meet more frequently—quarterly for now, with increased frequency leading up to National Night Out. The next meeting is planned for the first week of October and will focus on topics of winter public safety such as generators and emergency preparedness.

Judge Palmer noted that approximately 15–20 years ago, the city conducted a significant bicycle helmet safety initiative in cooperation with the Sheriff's Department that included citations issued through the court, and reminded the committee that relevant ordinances remain on the books. A resident, Monica Knight, raised concerns about faded "no biking on sidewalk" signs near the business district on 3rd Street and reported near-collisions with motorized scooter riders on the sidewalks.

C. Airport Commission

Council President Costilla reported on two recent meetings. On July 9, the Planning Advisory Committee met for the strategic plan for the airport, where David Miller and Mark Steel of Century West presented on facility requirements, preliminary development concepts, and the project schedule. Detailed materials are available on the city website.

On July 15, the Airport Commission held its regular quarterly meeting. Council President Costilla highlighted the following:

- The handbase radio station is 99% complete in terms of purchased items. Seven volunteers are assembled to complete installation, and the station is expected to be operational within a month.
- Airport Manager Humble is working with engineers on the design of new electronic gates, with an RFP expected soon.
- An environmental study for the taxiway project will begin shortly after the first of the year.
- The EPUD project is near completion. Although the Douglas Fast Net project was unable to provide fiber optic connectivity to the airport, Finance Director Piper successfully secured a \$30,000 grant to bring fiber optic service to the airport.
- The annual ODART exercise went well, with some hand base radio equipment was used in practice. Approximately five planes and three Creswell planes participated in the mock disaster exercise.
- The Young Eagles event was a strong success, with approximately 90 registered participants and 80 flights.
- The National STOL Competition is scheduled for August 28–29. Airport Manager Humble reported that her sponsorship goal of \$40,000 has been nearly met, with \$37,950 raised at the time of the report, already exceeding the \$30,000 contract threshold.

Airport Manager Humble clarified ticketing details for the National STOL event. Tickets are available at NationalSTOL.com. General admission is \$15 and VIP is \$50 through July 31, increasing to \$70 on August 1. Children 12 and under are free but are encouraged to register for attendance tracking purposes. Volunteers receive free admission and a t-shirt. Debbie Yee noted that a direct link to the event is available on the city's website.

Discussion Items

2. Discussion Items

A. Judge Palmer's Send Off – Mayor and Council

Mayor Smith recognized the retirement of Municipal Court Judge Scott Palmer after 42 years and 5 months of service to the City of Creswell, having been appointed in 1984. Mayor Smith acknowledged the depth of Judge Palmer's contribution to the city and the value of the many discussions they had shared. The Mayor presented Judge Palmer with a commemorative gift on behalf of the City.

Judge Palmer addressed the Council. He reflected on 50 years in the legal profession, noting the date coincided with his passage of the Oregon Bar Exam in 1976. He recounted a career that included civil litigation, divorce law, service as city prosecutor for Drain, Springfield, and Eugene, and a decade of repossessing logging equipment.

Judge Palmer expressed deep gratitude to the Council and city staff for their ongoing support, noting that Creswell is in his heart even though he does not reside there. He explained that his retirement was a pre-planned clause in his last contract five years ago set August 2026 as his

transition date, coinciding with his 75th birthday, at which age circuit court judges face mandatory retirement. He stated he drew that precedent as a guiding principle and that it was the right time to make way for someone younger. He will remain available to serve as pro tem judge as needed. Judge Palmer closed with the remark attributed to Douglas MacArthur: "Old judges don't die—they just lose their appeal," noting with pride that he had been reversed only once in 42.5 years.

B. Supplemental Budget Adjustments – Finance Director Jim Piper

Finance Director Piper provided a brief update on supplemental budget adjustments. He noted that previously announced grants were already incorporated into the council packet. He also informed the Council of an additional funding award for the water line relocation project, totaling just over \$500,000, which was not yet included in the packet as it was not finalized in time. He indicated this item will be formally brought forward at the next regular City Council meeting.

C. Council Stipend Discussion – Councilor Holt

Councilor Holt raised the question of whether the current council stipend arrangement should be made optional. She expressed concern that accepting a stipend particularly one that originated during COVID and was never discontinued was an unnecessary expense when the city faces significant infrastructure costs. She noted the annual total is approximately \$13,000 and suggested those funds could better serve constituents by offsetting wastewater or water project expenses.

City Manager Martorello explained that under current IRS rules, because the stipend is established by resolution, it is considered taxable income for council members whether received or not, making voluntary non-receipt ineffective without a resolution change. Finance Director Piper confirmed this, noting the IRS treats a stipend codified in a resolution as constructive receipt. The recommended path forward is to rescind the current resolution and adopt a new one allowing councilors to opt out.

Council discussion reflected general support for this approach. Councilor Holt noted she currently donates her stipend but prefers not to bear the associated tax burden. Mayor Smith also noted he donates his stipend but acknowledged the administrative cost. Council President Costilla emphasized the importance of preserving the stipend as an option, noting it can help individuals with lower incomes—including those managing costs of childcare, elder care, or time away from work—participate on the Council. Councilor Kent raised whether voting on a stipend change presents a conflict of interest; City Manager Martorello indicated it likely does not, as the stipend applies equally to all members and is compensation for a public service. Consensus was reached to direct staff to rescind the existing resolution and prepare a new resolution providing councilors the option to opt out of receiving the stipend.

D. Overview of Creswell Hobby Field Operations and Grant History – City Manager Vincent Martorello, Airport Manager Shelley Humble, Finance Director Jim Piper

City Manager Martorello opened by acknowledging the work of Airport Manager Humble and Finance Director Piper, who together reviewed 26 years of audited financial data going back to 2001 in preparation for the presentation. He stated the purpose of the overview was threefold: to present a financial history of airport operations, document the airport's grant history, and clarify the

nature and purpose of general fund transfers to the airport fund all in response to inaccurate public claims of financial mismanagement circulating on social media.

City Manager Martorello emphasized that all transfers from the general fund to the airport fund are fully compliant with Oregon budget law, as evidenced by the city's successful audits over many years.

Airport History and Context

The City of Creswell purchased the airport in 1963. Creswell Airport Inc. operated it from 1963 through 2000, at which point the city assumed operations. As part of that transition agreement, Creswell Airport Inc. was permitted to retain rental revenue from 36 T-hangar units—approximately \$36,000 per year. Since 2001, this arrangement has resulted in approximately \$936,000 in lost lease revenue to the city. City Manager Martorello characterized this as a consequential decision made 25 years ago that continues to constrain airport finances to this day, and emphasized it as an illustration of the long-term weight of council decisions. The agreement with Creswell Airport Inc. expires in 2030.

Finance Director Piper noted that the airport is currently the only city operating fund that carries capital projects within the same fund, rather than in a separate capital improvement reserve fund as is done for water, sewer, and streets. He expressed his intent to bring a future work session proposal to separate these, which he believes would demonstrate that the airport's day-to-day operations are effectively self-sustaining.

Financial Overview (FY 2013–2026)

City Manager Martorello summarized key financial data:

- Personnel and material services expenses totaled approximately \$5,550,000 (averaging \$397,000/year).
- Airport revenues totaled approximately \$12,000,000 (averaging \$855,000/year).
- On average, revenues exceeded operating expenses by approximately \$450,000 per year.
- Transfers from the general fund to the airport fund totaled \$1,400,000 over the period, or approximately \$104,000 per year.
- When the \$936,000 in lost lease revenue is factored in, the effective net general fund support drops to approximately \$73,000 per year.
- For every dollar transferred from the general fund, the airport generated approximately \$8 in revenue—a 700% return on investment.

Airport Operations and Economic Impact

Airport Manager Humble presented on the scope of airport operations, noting that 12 businesses currently operate at the airfield, including three flight schools, four maintenance shops, a skydiving operation, the EAA, ODART, a resiliency hub, the FBO, fuel concessions, Heliquet, and contracts with the U.S. Forest Service and Oregon Department of Forestry. She noted that the airport hosts approximately 100 based aircraft (though FAA registration data reflects approximately 84 due to ongoing rebuild projects) and is among the third-busiest general aviation airports in Oregon with no commercial air service, recording approximately 50,000 annual aircraft operations.

Airport Manager Humble highlighted the airport's resiliency hub on the north end of the property, which was established through grant funding in coordination with ODART and serves as an emergency operations and disaster relief staging facility in the event of a Cascadia Subduction Zone earthquake severing I-5.

City Manager Martorello noted the airport supports 37 direct, indirect, and induced jobs generating \$1,600,000 in payroll value to the Creswell area. The upcoming National STOL event alone is projected to bring approximately \$63,000 in economic activity to the city.

Grant History

Airport Manager Humble reported that since being hired in February 2000, she has applied for, overseen, and closed grants totaling \$10,256,495. The city's match for those grants totaled approximately \$1,195,414. From 2001 to 2026, the airport has earned \$6,567,470 in grant funds, with \$5,892,248 of that earned between FY 2013 and FY 2026. An additional \$3,370,442 in grants remains open, covering the master plan and the North Taxi Lane project, both expected to close within five years. For every \$1.46 transferred from the general fund, the city received approximately \$5.89 in grant funding.

She explained the three primary grant programs utilized: the FAA Airport Improvement Program (AIP), funded by federal aviation fuel taxes and ticket taxes; the Critical Oregon Airport Relief Grant (CORE), part of the Aviation System Action Program (ASAP), managed by the Oregon Department of Aviation and funded by aviation fuel taxes; and Connect Oregon, established by the Oregon State Legislature in 2005 to fund non-highway transportation modes. In total, Airport Manager Humble has secured 49 grants over 26 years across these and other programs. She noted that without these grants, the city would have been required to spend approximately \$6,311,087 in taxpayer funds to complete the same capital improvements from FY 2013 to FY 2026 alone.

Summary and Conclusion

City Manager Martorello concluded by reading the key takeaways: grant revenues covered 93% of total capital outlay during the period; the general fund transfers are small relative to the revenue and economic activity generated; the city lost approximately \$936,000 due to the prior lease arrangement; and every dollar matched from the general fund returned approximately \$8 in revenue. He stated plainly that the characterizations of financial mismanagement circulating in the public are inaccurate, and that the presentation was intended to set the record definitively straight on behalf of both staff and Council.

Council President Costilla and Mayor Smith each expressed appreciation for the presentation, with Mayor Smith acknowledging that his own perspective on the airport had evolved over time as he became more informed of the data.

E. 2026 Transportation Growth Management Grant Application – Planning Technician Fabian Gomez Hernandez

City Manager Martorello presented a request for council consensus to authorize staff to submit a Transportation and Growth Management (TGM) grant application, with a formal resolution to follow at the next regular meeting. The grant, estimated at \$200,000 with an 11.5% city match of approximately \$22,000, would fund initial design work—roughly 10–20% design effort—for two components: the "Creswell Gateway" at the intersection of the I-5 southbound off-ramp and

Oregon Avenue, and a transportation corridor study from Oregon Avenue to F Street intended to evaluate transportation network options serving adjacent industrial land.

City Manager Martorello clarified that while a property owner's land will be part of the corridor analysis—given that the proposed road would traverse that property—the study is not intended to direct the owner's land use decisions. Any land use or rezoning consideration would remain entirely at the property owner's discretion. The corridor study is already identified in the Creswell Transportation System Plan. The \$22,000 city match would require a future budget amendment upon award.

Councilor Holt sought clarification on the extent to which the grant would involve analysis of a private property owner's land, noting concern about the city effectively subsidizing private due diligence. City Manager Martorello explained that this type of coordinated analysis is standard practice when a major road is being planned through private property, as trip generation, road design, and network planning are all affected by potential land use changes.

Mayor Smith noted constitute feedback about traffic congestion off the Creswell exit and expressed support for proactive planning. Council consensus was given to direct staff to prepare and submit the grant application and return with a resolution at the next regular meeting.

Mayor Smith noted that the basketball court on Cobalt Avenue is now open and operational, and expressed thanks to Public Works Director Cliff for above-and-beyond assistance to a resident on a Sunday.

Adjournment

With no further business Mayor Smith adjourned the meeting at 7:22 p.m.

*Signature on File

Nicholas Smith, Mayor

Attest:

*Signature on File

Caitlin Born, City Recorder