

**Minutes of the Molalla City Council Regular Meeting**  
**Molalla Adult Center**  
**315 Kennel Ave., Molalla, OR 97038**  
**Wednesday, October 25, 2017**

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1. **CALL TO ORDER OF THE MOLALLA CITY COUNCIL MEETING;** the regular meeting of October 25, 2017 was called to order by Mayor Jimmy Thompson at 7:07 P.M.

**ATTENDANCE:**

Mayor Jimmy Thompson - Present  
Councilor Elizabeth Klein - Present  
Councilor Leota Childress – Present  
Councilor DeLise Palumbo - Present  
Councilor Glen Boreth – Present  
Councilor Cindy Dragowsky - Absent  
Councilor Keith Swigart – Present

**STAFF IN ATTENDANCE:**

Dan Huff, City Manager - Present  
Gerald Fisher, Public Works Director - Present  
Chaunee Seifried, Finance Director - Present  
Rod Lucich, Police Chief - Absent  
Nancy Ide Interim, City Recorder – Absent  
Diana Hadley, Library Director - Absent  
Chad Jacobs, City Attorney – Absent

2. **COMMUNICATIONS, PRESENTATIONS, and PUBLIC COMMENT**

- a) No one was in attendance.

3. **ADOPTION OF THE AGENDA**

Councilor Boreth made the motion to approve the presented agenda of October 25, 2017 and was seconded by Councilor Childress. Motion carries (6-0), all ayes.

4. **CONSENT AGENDA**

- a) City Council Minutes –NA  
b) Liquor License – NA  
c) Correspondence - NA

Motion is made by Councilor Boreth to approve the Consent Agenda and is seconded by Councilor Swigart. Motion carries 6-0. All ayes.

5. **ORDINANCES, RESOLUTION AND PROCLAMATIONS**

- a) NA

6. **NEW BUSINESS**

- a) **Discussion and/or Action on Street Utility next steps**, CM Huff, Council held a Town Hall meeting on September 20, 2017 for the purpose of making a street condition presentation and identify options regarding funding. The Town Hall was attended by approximately 20 people with varying opinions regarding the amount that a utility should charge. Interestingly, there seemed to be a consensus that a fee should be charged and at the higher rate. Council may want to discuss next steps on this. Councilor Swigart thought that instead of every 5 years that it could be looked at yearly. CM Huff explains that staff is trying to come up with a solution to look at

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rates either yearly at budget time or when it is the best time but to at least do it and monitor various rates so the city is not behind. Mayor Thompson wants to look at them prior to budget and have a plan before the budget process and CM Huff agrees. PWD Fisher states that it will take a year or so before revenue can be generated enough to accomplish a project. PWD Fisher feels that if Council made a decision before the end of January there will be plenty of time. CM Huff states that if we are looking at a spring time project's we need to move fairly quickly. Councilor Childress explains that she is on board with the fee. However another item we need to really look at is the treatment plant and its issues. PWD Fisher states that he won't have the numbers until next spring. It takes about a year to bring the Master Plan to you which will include the treatment plant items. Childress in the meantime is there a need for a rate increase PWD Fisher those were brought to you during the rate study. Thompson really these are different items and need to be looked at separately. PWD Fisher explains that the Council never adopted the rate study you agreed on a percentage however it wasn't adopted I need more information before I could bring it back to you for adoption. We need to know if you're looking at a full 5 year rate or a yearly rate. There are a few items you need to do first adopt rate study and then a resolution to adopt the rate itself. CM Huff does explain the City needs to look into funding options at some point that could defer the amount of the street utility fee or other projects. Mayor Thompson explains how the Town Hall meeting went regarding the need and what has created the need. The city presented various dollar amounts that explained what could be done with each amount and surprisingly they were ok with the higher dollar amount. Citizens who attended all agreed that there was a need and they went towards the \$20.00 dollar fee. Councilor Swigart concern is that November is right around the corner and many departments will be needing money to fund projects. Klein states there is also a need for more discussion and to discuss various options let's not move too quickly. Councilor Boreth agrees with Councilor Klein he also likes the idea of an online survey but definitely more discussion. Boreth also states he doesn't remember who stated it but he felt the road maintenance should be a fee and save the bonding for a much larger project such as the treatment plant. Boreth stated staff wanted direction on rates as a 1 year or 5 year I think a 1 year at this point. Palumbo feels that we need to pare down a few of the items we don't want to bombard our citizens so I agree with a 1 year. Swigart thinks we need to look at the older portions of town regarding roads.

**Consensus is to direct staff to draft a Resolution to implement a street maintenance fee that is reviewed annually by council.** Mayor Thompson bonding if done right can help with maintenance of the roads we should look at more options and discuss it further in the future.

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b) **Discussion and/or Action on System Development Charges**-CM Huff, Payment Installment Plan, and Included with the Agenda is a copy of Molalla Municipal Code Section 13.14.095 deferred and installment payments regarding SDC's. We have also attached a copy of the Clackamas County's Code language regarding deferred payments as a comparison. Mayor Thompson opens with some background, for example had someone that was looking at moving their business it would have caused them to incur SDC's of about \$200,000 so this could discourage them from moving. Currently in Molalla Municipal Code (MMC) they can enter into an installment plan which allows them to pay one fifth down however, they need it paid in full within 2 years at 9% interest. Even if the applicant paid half of SDC fee it's still relatively costly. Under the County's plan they could pay it off over a ten-year period and there is still a lien placed on the property to ensure the City gets paid. Mayor Thompson believes this would help encourage growth. PWD Fisher informs council this has been in the code since 2008 and no one has taken advantage of the payment plan. CM Huff states there will be some type of security to ensure SDC's are paid in full. Councilor Childress doesn't believe that a payment plan is necessary for residential development since they roll those charges in at the time of sale. CM Huff feels as though this would be something of a larger scale development. Councilors go back and forth discussing the risk factor and the possibilities of bankruptcy and who would get paid. Council is concerned about the ten-year payout it sounds like five years would be a better time frame. Councilor Boreth states he agrees with Mayor on this that as long as the building isn't built then were not out anything. Council go back and forth on this issue with various concerns regarding this. PWD Fisher gives some background on a situation that is the driving force between this regarding a church and a daycare and Mayor Thompson also gives a situation regarding a food cart. PWD Fisher doesn't think this would be an issue where developers are concerned because they just put it in as part of the cost to do business. CM Huff stated generally the developers on the smaller projects and or repurposing buildings as a new use are the ones that are different and harder to determine. PWD Fisher believes that adjusting the code to reflect a 20% payout and payments over five years would be a beneficial change and allow us to be competitive and will help smaller businesses and projects. The larger developers probably won't be affected by a payment plan being offered or not. CM Huff stated he agrees with PWD Fisher that the larger developers really are not going to be the ones using this it just doesn't make sense for them. The payment plan needs to be the same across the board for everyone. Council discuss various payment scenarios. Mayor Thompson proposed a \$1,000.00 administration fee at application, a five-year

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bi-annual payment plan and prime plus 3% interest rate which could be limited to \$250,000.

- c) **Discussion and/or Action on Goal Setting Retreat**, CM Huff, We have a Communication Session scheduled for October 31 and Goal Setting scheduled for November 4, to encourage a discussion. CM Huff states currently he has a workbook here for council to look at and will send over the previous goals at a later date. CM Huff explains that there is a difference in Council goals and City goals. There could be goals and actions. Mayor Thompson asks each councilor to commit to reading the document and filling out the document and getting it back to staff.
- d) **Discussion and/or Action on Council Policies**, CM Huff, states it is a good time to begin discussion on City Policies. Current policies may need to be updated and there may be a need to adopt new policies. Current policies are in councils draft handbook. These are the policies that staff have been able to locate.
- Mayor Thompson begins the discussion, Fraud policy is fine we just completed it. Staff compensation 2009-01 staff can provide a better way to word this so were not looking at 5-7 years from 2009. A simple statement to be competitive. 2009-02 remove 2A and B and omit from the very first sentence if less than 5,000 simply have pay the fee in lieu of the building permit process.
  - 2010-01 Employment policy there is really only 3 people the city council employs the City Attorney, Judge and City Administrator. If we want an employment policy that is who it would be for. CM Huff should have input on the policy/employment practices. It would be appropriate for council to approve that policy but it's really not necessary for council to have one. Council discuss the policy briefly. Council agree to simplify and remove the time references. The employee manual is what staff puts together and the council adopts once that is done staff will execute it. CM Huff states the city currently does not have a recruitment policy in the employee handbook so that is something were going to want to add.
  - 2011-01 regarding City Grants and Loans, Mayor Thompson explains this was put into place when the city had a grant line in the budget we needed to have back up and since the city no longer has the grant line in the budget staff can remove it as well. CM Huff couldn't find documentation on if this was put into force or not. Klein remembers this was a recommendation during the budget process.
  - 2011-02, Appointments to Boards and Commissions, Mayor Thompson states this policy is no longer needed since our Charter update in 2011. Because the Charter update addresses the correct language.

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- CM Huff I believe it should be in place in the employee handbook before we remove the policy altogether following the discussion.

**7. OLD BUSINESS**

- a) NA

**8. REPORTS AND ANNOUNCEMENTS**

- a) **City Manager**
- b) **Staff**
- c) **City Councilors**
- d) **Mayor**, didn't have anything.

**9. EXECUTIVE SESSION**

- a) Was held pursuant to Public Record Law under ORS 192.660(2);
  - (e): To conduct deliberations with persons designated by the governing body to negotiate real property transactions.
  - (h): To consult with the counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

**City Attorney Chad Jacobs joins the group for the executive session.**

Motion to adjourn regular session and open executive session is made by Councilor Boreth. Councilor Swigart seconded. Motion carried (6-0), all ayes at 9:40 pm.

**10. ADJOURN**

Motion to adjourn regular session is made by Councilor Boreth. Councilor Swigart seconded. Motion carried (6-0), all ayes at 10:15 pm.

  
\_\_\_\_\_  
Mayor, Jimmy Thompson

11/10/18  
\_\_\_\_\_  
Date

ATTEST:   
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Dan Huff  
City Manager