



Molalla City Council – Meeting Agenda
Meeting located at: Molalla Adult Center
315 Kennel Ave, Molalla, OR 97038
July 26, 2017

WORK SESSION BEFORE MEETING 6:30PM

Business meeting will begin at 7:00PM. The Council has adopted Public Participation Rules. Public comment cards are available at the entry desk. Request to speak must be turned into to the Mayor prior to the start of the regular Council meeting.

Executive Session : None

1. CALL TO ORDER – 1,781st Regular Meeting

- A. Call the meeting to order – Mayor Thompson
- B. Flag Salute and Roll Call

2. COMMUNICATIONS, PRESENTATIONS & PUBLIC COMMENT

- A. Minutes: June 28, 2017

3. CONTINUED BUSINESS

- A. Drive To Zero Letter of Support - Thompson

4. NEW BUSINESS

- A. Re-designation of Molalla’s Enterprise Zone – Huff

5. PUBLIC HEARING

- A. Re-designation of Molalla’s Enterprise Zone

6. RESOLUTIONS

7. ORDINANCES

8. REPORTS AND ANNOUNCEMENTS

- A. Staff and Council Discussion – Huff

- 1. Transportation Advisory Committee Recruitment
- 2. Upcoming Meetings with Council Discussion for:
 - Visioning Project Process, Council Goal Setting and Continued Professional Training
 - League of Oregon Cities Conference and Registration is Open
- 3. Solar Eclipse Event – Fox Park on August 21, 2017 at 8:30am

9. EXECUTIVE SESSION

10. ADJOURNMENT

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Molalla Adult Center
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Wednesday, June 28, 2017

ATTENDANCE: Mayor Jimmy Thompson, Present; Councilor Leota Childress, Present; Councilor Glen Boreth, Present; Councilor Elizabeth Klein, Present; Councilor Keith Swigart, Present; Councilor DeLise Palumbo, Present; Councilor Cindy Dragowsky, Present.

STAFF IN ATTENDANCE: Dan Huff, City Manager, Present; Gerald Fisher, Public Works Director, Present; Chad Jacob, City Attorney Present.

COMMUNICATIONS, PRESENTATIONS & PUBLIC COMMENT

MINUTES

Boreth made a motion to approve the minutes of May 10, 2017, May 24, 2017 and June 10, 2017. Childress seconded. Motion carried 7-0.

PUBLIC COMMENT

JoAnne Everhart on HWY 211 of Molalla spoke in regards to the water utility liens issue that are effecting her and other landowners dating back from 2008. She was told that the fees from the collection agency will be waived but the liens will remain in place until they are paid. This controdicetes the current ORS's the city is using and asked if the Council voted on using the current process.

Huff stated that the utility billing is a administrative function and the processes in place have been revised. There are 5-6 additional ORS's that are in play as well that support the process or advise us how to revise the process to comply. The billings are still outstanding and it is not the city's fault that they were not paid.

Everhart disagreed. If the city would have sent notice to the landowner that a lien was being placed she would have paid the bill out of the security deposits of her tenants before refunding them. She was in several times when her tenants moved to give a forwarding address so the city could collect and that did not happen. No one at the city told me that a lien would be put in place or I would have paid it. Everhart mentioned she did not appreciate Dan Huff writing an editorial blaming the land owners for non-payment because we were not notified between 2008-2016. She is not blaming Dan Huff, but city's mismanagment is the one that caused these bills.

LIBRARY BOARD MINUTES – INFORMATION ONLY

MOLALLA BUCKEROO JUNIOR COURT

Princess Cassidy and Princess Faith introduced themselves to the Council. In order to become part of the court you have to fill out an application and it has to be approved by the administrator. Cassidy decided to become part of the court because of the enjoyment she has gotten from the rodeo over the years. Faith stated she became part of the court because she was wanted to be part of the enjoyment that everyone gets from the Rodeo and was inspired from it.

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CONTINUED BUSINESS

COUNCIL GOALS REVIEW AND APPROVAL – THOMPSON/HUFF

The Council would like to have a goal setting training session with a facilitator to assist with refining our goals especially since the visioning process is currently taking place. Each Council member will send their availability to Huff and can propose some dates to do the training session. Huff will follow-up on times in September and October once he receives the Council members calendars.

NEW BUSINESS

PUBLIC SERVICES CODE FOR SANITARY SEWERS AMENDMENT – FISHER

In 2016, the City modified the responsibility for sewer lateral maintenance within the public right of way from the City to property owners.

This modification creates problems when coordinating the repair and replacement of infrastructure prior to implementing roadway reconstruction, preservation and maintenance programs. The city would be able to replace from the main to the lateral and do all necessary repairs.

Staff recommends that the City Council approve the attached Ordinance that will follow to allow for the City to maintain control of the infrastructure within the public right of way and public easements.

DRIVE TO ZERO RESOLUTION TO SUPPORT PROGRAM – PALUMBO

Palumbo asked the Council to consider having staff draft a resolution supporting and thanking the Drive To Zero Program. Palumbo suggested some language staff could use to create one. Palumbo made the motion to have staff create a resolution based on the language she provided. Klein seconded.

Discussion between Council took place regarding the city's role and that people are saying the city does not support the program. Thompson attended the last meeting for the group that was held and he has asked the county if they felt the city was not being supported by Molalla and they said the city has done everything they can. He feels a resolution at this point is not needed. Palumbo stated a resolution is a formal thank you and it is a valued thing to do.

Childress stated it is important to recognize groups and there are a lot of groups that are doing great things. Recognizing one group for their effort and not the other may be bias.

Discussion between Thompson and Palumbo took place about the validity of using a resolution in place of a letter of recognition or support. They did not agree on a method. Swigart called the question. Motion failed 1-6. (Palumbo, Aye; Dragowsky, Nay; Swigart, Nay; Borth, Nay; Childress, Nay; Klein, Nay; Thompson, Nay)

Dragowsky stated that she seconded the motion but after discussion she feels that recognition can be done in another way. Klein would like to see if the program has a proclamation that could support this

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type of program. Swigart made a motion to instruct staff to create a letter of recognition for the Drive To Zero Program with all Council names to be signed. Thompson seconded. Palumbo stated that the proper way to do recognition is through a resolution. Motion carried 7-0.

NEW OLCC APPLICATION FOR BELLA VITA PIZZARIA – HUFF

The application is for only beer and wine. Childress made the motion to approve the application. Boreth seconded. Motion carried 7-0.

PUBLIC HEARING

CITY OF MOLALLA BUDGET FOR FY 17/18 – HUFF/SEIFRIED

Boreth made the motion to open the public hearing for the City of Molalla Budget for FY 17/18. Childress seconded. Motion carried 7-0.

Thompson called for public comment, hearing none Boreth made a motion to close the public hearing. Motion carried 7-0.

EXEMPTION FROM COMPETITIVE BIDDING CONSTRUCTION MANAGER/GENERAL CONTRACTOR – FISHER

Fisher gave some background regarding this item. The use of the Construction Manager/General Contractor (CM/GC) contract requires an exemption from the competitive bidding process in accordance with ORS 279C.335. Attached are the findings as required in ORS 279C.335. On April 12, 2017, Council received a presentation explaining the CM/GC process. An advertisement was published in the Daily Journal of Commerce on June 9, 2017, at least 14 days in advance of a public hearing in accordance with ORS 279C.335(5)(b), and again on June 12, 2017. In order to grant an exemption under ORS 279C.335, a Public Hearing to receive written or oral testimony must be held. No written testimony was received by Public Works as of June 20, 2017. Staff recommends that City Council motion and approve the following:

Dragowsky made the motion to open the public hearing for the exemption from competitive bidding construction manager/general contractor. Boreth seconded. Motion carried 7-0. Thompson called for public comment, hearing none Boreth made the motion to close the public hearing. Childress seconded. Motion carried 7-0.

Thompson made motion the City Council approves the attached findings dated May 4, 2017, grants an exemption under Oregon Revised Statute 279C.335, subsection 2, and directs staff to advertise a request for proposals for a construction manager/general contractor to complete the final design and construction of the Public Works Shops Improvement project. Boreth seconded. Motion carried 7-0.

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RESOLUTIONS

Thompson made the motion to approve resolutions 2017-06, 2017-07 and 2017-08. He read each one by title only.

Resolution 2017-06: A Resolution Declaring the City's Election to Receive State Revenue Sharing

Resolution 2017-07: A Resolution Certifying That the City of Molalla Meets All Requirements to Receive State Shared Revenues

Resolution 2017-08: A Resolution Adopting the City of Molalla Budget for the Fiscal Year 2017/2018; Making Appropriations; and Categorizing and Levying Ad Valorem Taxes

Childress seconded the motion. Motion carried 7-0 with no discussion.

ORDINANCES

ORDINANCE 2017-06: AN ORDINANCE OF THE CITY OF MOLALLA FOR AMENDING THE MOLALLA MUNICIPAL CODE CHAPTER 13.08, ARTICLE 1, SECTION 13.08.040 BUILDING SEWER

Boreth motioned to read Ordinance 2017-06 for a first reading by title only. Childress seconded. Thompson read the title as listed. Motion carried 7-0.

Boreth motioned to read Ordinance 2017-06 second reading by title only. Childress seconded. Thompson read the title as listed a second time. Motion carried 7-0.

Boreth motioned to approve Ordinance 2017-06 by title only. Childress seconded. Thompson read the title as listed. Motion carried 7-0. Ordinance will take effect in 30 days from today.

REPORTS AND ANNOUNCEMENTS

A. Staff and Council:

- Visioning Meeting #2 on June 21, 2017 Report – Childress/Klein

Fisher reported the city received the exemption from the drinking water program to review our own plans and an extension from the Oregon Water Resources to transfer the water rights of the Trout Creek water right move.

Chad Jacobs Legal Counsel commended the actions of a Councilor who received a gift and contacted the Ethics Commission and talked to Dan before accepting the gift.

Huff stated we have a 3% city tax on all marijuana sales inside the city limits that can be spent at the discretion of Council. He recommends that it be spent to supplement the Police Department. We also have

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a tax that will be received for the enforcement of marijuana laws so these funds will have a limited use. We are unsure when we will get those funds from the Department of Revenue at this time.

Huff sent an email out to the Council regarding some landscaping improvements have been made and a reasonable cost and encouraged them to go check it out.

Huff stated that his editorial was done to share facts and the liens portion is a very small portion of the issues at hand. There is a very small portion of people who are unhappy with how we are proceeding but the majority are ok. We are willing to work with the minority, they need to be willing to work with us.

Palmbo thanked everyone for participating in the visioning meeting, she said it went well.

Boreth wished everyone a Happy Independence Day and reminded people that there is an increase in fires and accidents caused by fire so please be careful. During the parade please be extra courteous and cautious to the seniors and children in attendance.

Childress stated there have been rave reviews regarding 4th of July banners. People are wanting more of them and she has explained how that can be accomplished publicly by getting donations and assigning a project leader. She informed the Council that the Ford Family Foundation representative was told that he was excited to see how successful Molalla's visioning process has been and has not seen it done successfully. He is highly supportive and encouraged by Molalla's efforts.

Childress also reported that there is an opportunity to go to a vision workshop facilitated by the Ford Family Foundation. City Recorder Cramer will be attending, in addition to Klein and herself. It will take place over 4 days between July and October with state wide participants so this will be an excellent learning opportunity as we move forward in our process with other smaller cities.

The Dedication of the Rodeo Walk of Fame will be Sunday July 1, 2017 at 1PM at Long Park. She encouraged everyone to attend.

Klein thanked everyone for their help and participation at the last meeting. Work is being done to compile the list of information from the second meeting so it can be sent out to all the participants.

Thompson stated the banners look fantastic and at first he didn't think the banner's were a good idea but he was wrong. It looks nice and very inviting. The visioning process has been inspiring and the only complaint is that people want to participate so the next phase should be fantastic. He also announced he is going to run the Freedom 5K.

EXECUTIVE SESSION

Thompson read the executive session script ORS 192.660 (2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Boreth made a motion to exit regular session and enter into executive session. Childress seconded. Motion carried 7-0. Present, all council, Dan and Chad – Daniel Pearson from the Molalla Pioneer

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Council held a general discussion with City Manager Dan Huff regarding his performance evaluation. At approximately 9:29 p.m. Councilor Boreth moved, seconded by Councilor Swigart, to adjourn the executive session and return to open session. There were no objections.

ACTION AND ADJOURNMENT

At approximately 9:30 p.m. the Council reconvened in open session. The Council held a discussion regarding the City Manager's new contract as his existing contract is scheduled to expire on June 30. The new contract would include a salary raise, a one month increase in allowable severance pay, and would increase the notice period the City Manager must give to the City before resigning.

Mayor Thompson explained the City Manager's current salary is \$110,000, and the City Manager has requested a new salary of \$117,500. A motion was made by Councilor Childress, seconded by Councilor Swigart to approve the requested salary effective July 1. Councilor Palumbo expressed some concern that it was too much. After a brief discussion, the Council approved the motion 6-1 (Councilor Palumbo dissenting). A second motion was then made by Councilor Boreth, seconded by Councilor Childress to have the City Attorney draft the amendments to the agreement and delegate authority to the Mayor to execute the agreement on behalf of the City. The motion was approved unanimously.

Councilor Boreth then motioned, seconded by Councilor Childress to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at approximately 9:37 pm.

Sadie Cramer, City Recorder

Jimmy Thompson, Mayor



City of Molalla – Administration Office
117 N Molalla Avenue, PO Box 248, Molalla, Oregon 97038
Phone: (503) 829-6855 Fax: (503) 829-3676

June 30, 2017

Drive to Zero

The City of Molalla would like to thank and recognize the efforts of the Drive to Zero Project which aims to increase driver awareness and safe driving in our community. Safe driving and highway safety are important benefits to our community and your efforts to increase driving safety will undoubtedly save lives and decrease accidents on the roadway.

Once again, thank you for your efforts. Our community will benefit for a long time from your commitment to traffic safety.

Sincerely,

City of Molalla City Council

Jimmy Thompson, Mayor

Elizabeth Klein, Council President

Leota Childress, Councilor

Glen Boreth, Councilor

Cindy Dragowsky, Councilor

DeLise Palumbo, Councilor

Keith Swigart, Councilor

City Of Molalla

City Council Meeting

Agenda Category: New Business

Subject: *Molalla Enterprise Zone Reauthorization*

Recommendation: Council Approval

Date of Meeting to be Presented: *July 26, 2017*

Fiscal Impact: None

Background:

Attached to this Agenda Bill is information regarding Reauthorization of the Molalla Enterprise Zone. The purpose behind the zone is to provide an incentive to encourage existing or new companies to invest and create jobs within the zone.

The Molalla Enterprise Zone was established in 2006 and requires coordination through the Port of Portland. Clackamas County Business and Economic Development has facilitated this reauthorization process through the Port and the State of Oregon.

Provided in your packet is a map of the Molalla Zone as well as information from the Port that was considered and approved on June 14, 2017.

Council will need to make a motion to approve reauthorization of the Molalla Enterprise Zone in conjunction with the Port decision.

SUBMITTED BY: Dan Huff, City Manager

APPROVED BY: Dan Huff, City Manager

CITY OF MOLALLA ENTERPRISE ZONE REAUTORIZAITON

Presented by: Emerald Bogue
Regional Affairs Manager

REQUESTED COMMISSION ACTION

This agenda item requests consent to a re-authorization of the Molalla Enterprise Zone located within Port of Portland (Port) boundaries, to provide an incentive to encourage existing or new companies to invest and create jobs within the zone.

BACKGROUND

The Enterprise Zone program was enacted by the Oregon Legislature in 1985. In the 2005 legislative session, the statute for the Enterprise Zone program, ORS 285C.065, was changed to require the governing bodies of port districts to consent by resolution to Enterprise Zone applications by a city or county within the boundaries of the port. This change was requested to ensure coordination of economic development activities within port districts. Since then, the Port Commission routinely receives requests from jurisdictions as they move forward with Enterprise Zone re-designations and/or boundary changes.

The Enterprise Zone program allows a 100 percent property tax abatement for up to five years on new qualified capital assets of eligible businesses within the enterprise zone boundary. Land, existing structures and existing machinery and equipment are not eligible for the abatement. State program requirements include: increasing employment by 10 percent, or one job, whichever is greater; maintaining minimum employment levels during the abatement period; and entering into a "First Source Hiring Agreement" with Worksource Oregon, an agreement by the employer to use the Oregon Employment Department through Worksystems, Inc., as its first source from which to hire qualified candidates before hiring from other sources.

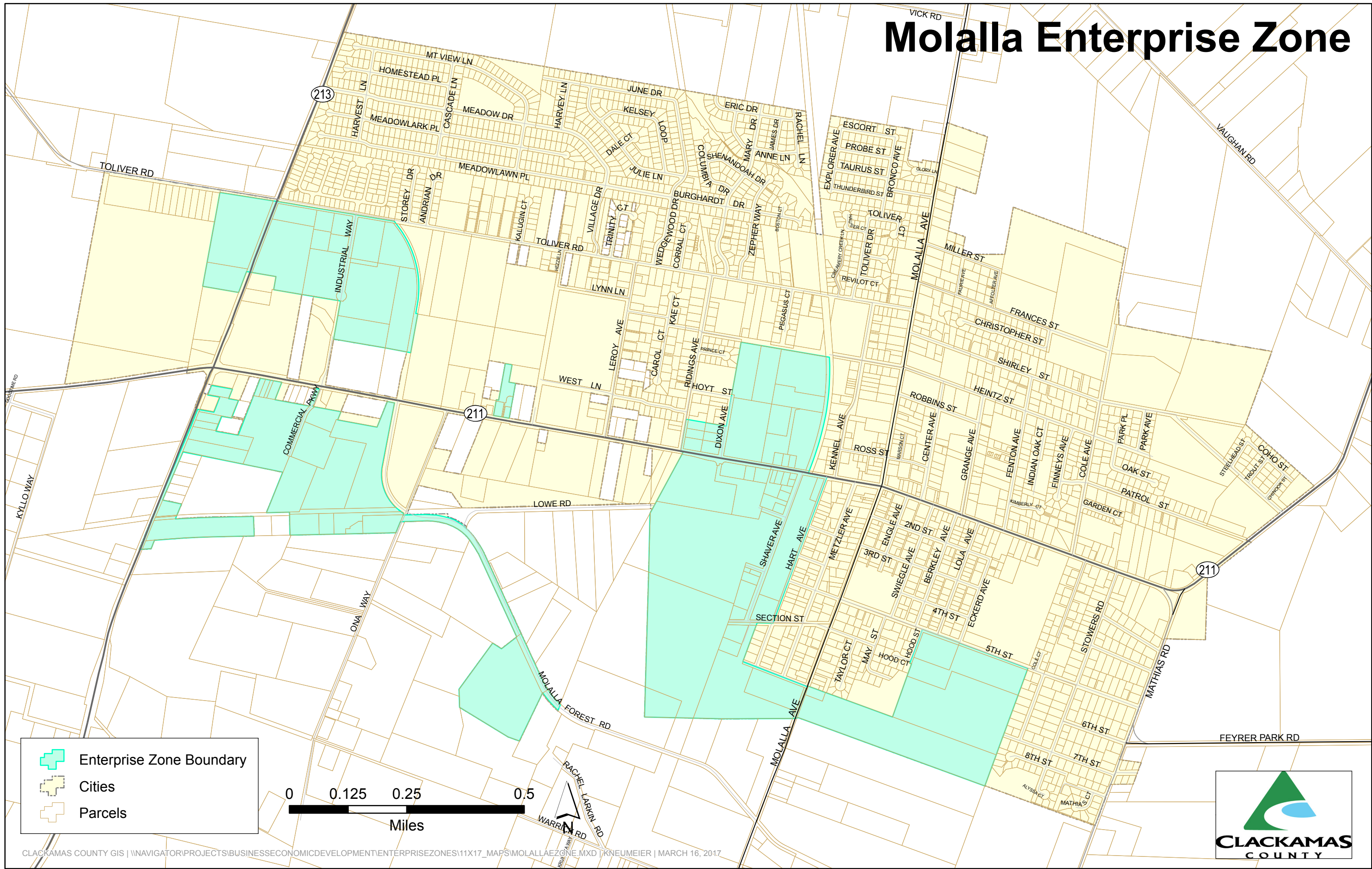
The Molalla Enterprise Zone was originally established in 2006. The program continues to assist local companies with expansion opportunities.

The Molalla Enterprise Zone program results include: *\$3,702,388 in assessed value, and 30 new jobs to date.*

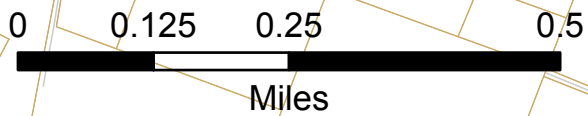
FINANCIAL IMPACT

Under the current levy, the Port will forgo approximately \$0.0701 per \$1000 of *future* assessed value until the end of the exemption period of each participating company (i.e., three-to-five years). The impact on Port property tax revenue is expected to be minimal. For example, foregone tax revenue to the Port is approximately \$8,763 over a five-year period on a \$25 million investment. Upon completion of the exemption period, the property will be fully taxed. The re-authorization is planned to go before the Molalla City Council with a request for approval on June 14, 2017. The re-authorization consent request is planned to go before the Clackamas County Board of Commissioners on June 22, 2017. The City of Molalla has requested that the Port provide a resolution consenting to this re-authorization.

Molalla Enterprise Zone



- Enterprise Zone Boundary
- Cities
- Parcels





AGENDA
Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
June 14, 2017
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – May 10, 2017
Approval of Minutes: Special Commission Meeting – May 23, 2017

Executive Director

Approval of Executive Director's Report – May 2017

Consent Item

1. CITY OF MOLALLA ENTERPRISE ZONE RE-DESIGNATION *EMERALD BOGUE*
Requests consent to a re-designation of the Molalla Enterprise Zone.

Action Items

2. PROPERTY SALE – LOT 10 – TROUTDALE REYNOLDS INDUSTRIAL PARK *ISAAC BARROW*
Requests approval to sell approximately 18.7 acres of property located on Sundial Rd., designated as Lot 10 in the Troutdale Reynolds Industrial Park, to CRG Acquisition, LLC, a subsidiary of Clayco.
3. PUBLIC IMPROVEMENT CONTRACT – AIRPORT WAY AND FRONTAGE ROAD REHABILITATION – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*
Requests approval to award a public improvement contract to K&E Excavating, Inc., for the Airport Way and Frontage Road Rehabilitation project at Portland International Airport.
4. PUBLIC IMPROVEMENT CONTRACT – RUNWAY 3-21 STORMWATER INFRASTRUCTURE AND PAVEMENT IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT *ERIC FORSYTH*
Requests approval to award a public improvement contract to K&E Excavating, Inc., for the Runway 3-21 Stormwater Infrastructure and Pavement Improvements project at Portland International Airport.

5. PUBLIC IMPROVEMENT CONTRACT – BERTH
REHABILITATION AND SITE IMPROVEMENTS – MARINE
TERMINAL 4 AND TERMINAL 6

ERIC FORSYTH

Requests approval to award a public improvement contract to Stellar J Corporation for berth rehabilitation and site improvements at marine Terminal 4 and Terminal 6.

CITY OF MOLALLA ENTERPRISE ZONE RE-DESIGNATION

June 14, 2017

Presented by: Emerald Bogue
Regional Affairs Manager**REQUESTED COMMISSION ACTION**

This agenda item requests consent to a re-designation of the Molalla Enterprise Zone located within Port of Portland (Port) boundaries, to provide an incentive to encourage existing or new companies to invest and create jobs within the zone. The current designation expires July 1, 2017.

BACKGROUND

The Enterprise Zone program was enacted by the Oregon Legislature in 1985. In the 2005 legislative session, the statute for the Enterprise Zone program, ORS 285C.065, was changed to require the governing bodies of port districts to consent by resolution to Enterprise Zone applications by a city or county within the boundaries of the port. This change was requested to ensure coordination of economic development activities within port districts. Since then, the Port Commission routinely receives requests from jurisdictions as they move forward with Enterprise Zone re-designations and/or boundary changes.

The Enterprise Zone program allows a 100 percent property tax abatement for up to five years on new qualified capital assets of eligible businesses within the Enterprise Zone boundary. Land, existing structures and existing machinery and equipment are not eligible for the abatement. State program requirements include: increasing employment by 10 percent, or one job, whichever is greater; maintaining minimum employment levels during the abatement period; and entering into a "First Source Hiring Agreement" with Worksource Oregon, an agreement by the employer to use the Oregon Employment Department through Worksystems, Inc., as its first source from which to hire qualified candidates before hiring from other sources.

The Molalla Enterprise Zone was originally designated in 2006. The program continues to assist local companies with expansion opportunities. The Molalla Enterprise Zone program results include \$3,702,388 in assessed value and 30 new jobs to date.

FINANCIAL IMPACT

Under the current levy, the Port will forgo approximately \$0.0701 per \$1000 of *future* assessed value until the end of the exemption period of each participating company (i.e., three-to-five years). The impact on Port property tax revenue is expected to be minimal. For example, foregone tax revenue to the Port is approximately \$8,763 over a five-year period on a \$25 million investment. Upon completion of the exemption period, the property will be fully taxed. The re-designation is planned to go before the Molalla City Council with a request for approval on June 28, 2017. The re-designation consent request is planned to go before the Clackamas County Board of Commissioners on June 29, 2017. The City of Molalla has requested that the Port provide a resolution consenting to this re-designation.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission consents to a request by the City of Molalla to the re-designation of the Molalla Enterprise Zone, located within the Port of Portland district boundaries; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

All American Total Solar Eclipse!

Monday, August 21st, 2017

Starting at 8:30 AM

Eclipse start: 9:06 AM

Totality: 10:18 AM

Fun Event Activities Included!



Free Eclipse Glasses

will be given out to everyone!

Warning: Do not look directly at the sun without proper protection.

Your regular sunglasses will not protect your eyes.

It is only safe to look directly at the sun during the few moments of eclipse totality. At any other time, proper eye protection is necessary.