



Molalla City Council – Meeting Agenda
Meeting located at: Molalla Adult Center
315 Kennel Ave, Molalla, OR 97038
April 13, 2016

Work Session at 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 the Mayor prior to the start of the regular Council meeting.

Executive Session : N/A

1. CALL TO ORDER – 1,756th Regular Meeting

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

2. COMMUNICATIONS AND PUBLIC COMMENT

- A. Minutes 03/09/16
- B. Library Minutes

3. AWARDS, RECOGNITIONS & PRESENTATIONS

4. PROCLAMATIONS

5. PUBLIC HEARINGS

6. NEW BUSINESS

- A. OLCC – Lam’s Chinese Kitchen Change of Ownership - Cramer
- B. Budget Committee Appointments – Huff
- C. Jurisdictional Transfer of Hwy 211 Discussion – Huff/Cline
- D. Financials and Warrant Register – Penni

7. CONTINUING BUSINESS

- A. Library Board Job Description – Motion to approve
- B. Sewer Rate Increase – Staff and Council Discussion

8. ORDINANCES

9. RESOLUTION

- A. 2016-08: A Resolution Of The City Of Molalla, Oregon Establishing Water Rates And Annual Inflation Adjustments Thereafter As Approved By Molalla Municipal Code Chapter 13.04
- B. 2016-09: A Resolution Establishing A Program For Youth Representation On The City Council And Establishing Criteria For Selection Of A Youth Representative

10. REPORTS AND ANNOUNCEMENTS

- A. City Manager/Staff Reports – Dan Huff
 - Budget Committee Meeting Dates: April 27, 2016 and May 4, 2016 at 6:30pm at the Molalla Adult Center. 315 Kennel Ave. Molalla, OR 97038. 1st notice in legal section of the Molalla Pioneer edition 04/13/16.

11. EXECUTIVE SESSIONS

12. ADJOURNMENT



Minutes of the Molalla City Council Regular Meeting
Molalla City Hall
117 N. Molalla Ave., Molalla, OR 97038
Wednesday, March 9, 2016

ATTENDANCE: Mayor Rogge, Present; Councilor Pottle, Present; Councilor Thompson, Present; Councilor Griswold, Present; Councilor Riggs, Present. Councilor Clark, Present.

STAFF IN ATTENDANCE: City Manager Dan Huff, Present; City Recorder Sadie Cramer, Present; Public Works Director Jennifer Cline, Present.

COMMUNICATIONS

Library Board Minutes – Information only

PUBLIC COMMENT

1. Johnny Gish, 34910 Dickey Prairie Rd, Molalla – regarding public parking issue, gives example of an existing home with a vacant lot next to it. The vacant lot then has a nice new home built, they have parties with people parking in front of the existing home, around it, and in front of the garage, and the HOA allows this. Where are his children supposed to play? His children attend the Caterpillar Clubhouse and have had to park far away, hauling small children and their gear all that way because parking has been full from nearby businesses. Does not think its fair that the city allows this, yet has specified parking for their police and city hall business.
2. James Gray, 872 W. Main Street, Molalla – works with towing companies in Portland, helped draft their towing agreement, compares differences in populations vs. tows per year in each city. Portland population is over 600,000 people, Molalla is less than 10,000. Not fair to impose fees and regulations on a towing company that does a total of 4 tows in 2015, whereas in Portland, in January alone, the tows ranged from 10-23, and could afford the fees. Says that we need input from the towing industry first, before imposing any new ordinances. Not fair to businesses that people use their parking, of which they pay for as part of their rent.
3. Carol Roehm, 401B W. Main Street, owns business, Face Realities, for 7 years, parking area located on Main Street. They pay for the space to park, and maintain the space. On Monday mornings, they come back to a very messy space that they have to clean as a result, wants the ability to be able to have someone towed if parking in their lot. People are parking in a way that blocks emergency vehicle entry. Is disgusted that private property is attempting to be regulated by the city.
4. Julie Gilgison, 9916 S. Wildcat Rd., Molalla – appreciates city leaders' challenges with keeping the city running smoothly, sides with the business leaders who spoke before her, states as a property owner herself, is concerned with the city wanting to regulate how they operate on their property. As a property owner, they maintain the properties, pay taxes, and provide parking areas for their business renters. States that the 2014 Molalla Comprehensive Plan shows that commercial business district areas need to have convenient, identifiable, accessible parking, and that's what they strive to do by providing the private parking lots. Says the city has done nothing so far to work towards this goal, even when a well-organized, well-planned central parking area was proposed by Clackamas County a few years ago. States that in the Council goals for the year was to help manage growth and economic development while maintaining effective relationships with local, state, and regional partners. Included in the goal, is the sub goal, of working with downtown property and business owners to examine downtown parking needs. States that to-date, little to no improvements have been done, and has resulted in the poor parking situation at hand. Says the proposed ordinance has been implemented as a quick resolution and was not well

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thought out. Seems like it is an easy way out of a problem that has long plagued Molalla and is in direct contradiction of the Council's stated goal. Urges the council to reconsider the ordinance and to consider all businesses and their needs before proceeding.

5. Tim Bilyeu of Pasadores Pizza, 111 E. Main St., Molalla – about 8 weeks ago had a phone conversation with city manager Dan Huff, in which the discussion included the need to retrain the public regarding parking issue, that signage needed to be put up. Mayor Rogge says the signage has been ordered. Bilyeu is frustrated with the slowness as it was 2 months ago. Spoke with Gary Deardorff about signage, and his signs were up 13 days later. States that they are trying to their part to retrain, but questions their effectiveness stating last night he was physically threatened in his restaurant by a customer of the White Horse. The man, as he was leaving, said have a good time with this, referencing the ability to get to his car before the tow truck hooked up. Says ordinance is a double-edged sword; does the needs of many (the public) outweigh the needs of the few (business owners), or does the needs of the business owners with parking outweigh the needs of the one business that does not have parking. Agrees that the public absolutely needs to be retrained.
6. Amber Gobet, 118 E. Main Street, Caterpillar Clubhouse – their concern is keeping parents there and the safety of their kids. They have kids there with various disabilities and who are medically fragile. Initially, it wasn't minded that their parking was used at night when their business was closed, but now they are finding offensive garbage in their parking lot, clearly not from their clientele, and a fence that had been put up was since knocked out of its concrete pillars in the last two weeks. Is increasingly concerned about the safety of the kids as they have noticed increased speeds through their lot of known patrons of other businesses.
7. Heather Jones, co-owner of H&H Salon @ Mainstreet Showhouse – have been in business about a year, business has been excellent with the exception of the last few months. Their customers have been increasingly complaining about poor parking and have since cancelled appointments, affecting their business. A majority of their business is elderly and depend on close parking for convenience.
8. Mike Kelly, 14219 S. Eves Rd., Molalla – tower in the town, probably most long-standing tow operator in the city of Molalla. Have several signs up at businesses and have had no issues or complaints. Not one formal complaint regarding their tow company with the city, with the police department, anywhere; why change what already works? Says there has already been effect by towing cars. Says if you go by Mainstreet Showhouse now, customers are parked there that are in the designated businesses, and rest of the spaces are vacant. People are using the downtown parking areas as indicated. States that the problem is solved. Now the city wants to make him have a license and pay a fee to be able to perform this service? Does not understand the purpose of imposing this new fee and license requirement, or the ordinance, period, when the existing process has worked. Says the city is over-reacting due to one simple online Facebook rant that was not even a formal complaint.
9. Jim Kelly, 31901 S. Hwy 213, Molalla, Action Towing – wants to denounce the slanderous and fabricated verbiage included in the ordinance. References verbiage in proposed ordinance Kelly says as a family man with 3 children who volunteers his time to work with youth, he takes a great deal of offense to this. The verbiage the city has chosen to include in the ordinance calls out the entire industry implying all are thieves, violent criminals, and sexual predators. Says this is unacceptable and unprofessional. Kelly moves on to address fabrication. Says Molalla Police reported a total of 4 private property impounds within the city limits in 2015. Kelly says in speaking with the Chief of Police and a records clerk in the MOPD, they cannot remember one

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incident where police have had to respond to a PPI dispute, yet the ordinance says that the incidents happen “often” and that the police have to respond “often”. This is another example of fabrication meant to play on the Council’s knowledge that the Molalla police force is stretched far too thin. To his knowledge there have been no incidents of offenses of tow operators towards anyone and each tow operator who performs such tows, have impeccably clean records. States that tow operators are not the criminals the ordinance makes them out to be. Says a complaint that the whole issue is based off of, was solicited via Facebook by Councilor Thompson. Had more testimony, but Mayor Rogge informed Kelly time was up and encouraged him to show for later appearances.

10. Wayne Dillinger, 709 W. Main Street, Molalla – says two issues are being addressed: PPI towing but believes real issue is predatory towing, says these are two different things. States that the new ordinance has been cleaned up. Says he thinks that people with personal property should be able to have cars towed off of it as it is their property. States that the other half of the parking lot at the city is listed as public parking, and a map of public parking was published in the paper. Says the importance is educating people on this issue to clear it up. Asks that this issue be tabled until everyone is able to review and provide input on the issue. Mayor Rogge clarified that the issue was not being voted on that night; also wants to inform the public that there are at least 5 versions of the towing ordinance floating around, not one of them is one that is being considered for adoption. The work session coming up will invite towing companies and business owners to participate to draft something they can all agree to in Molalla.
11. Glen Boreth, 623 S. Molalla Ave., Molalla – speaking as private citizen and that his comments are directed towards members of city Council and local business owners. If towing is allowed, the public needs to be informed of specific and clear instructions. Says that the signage as presented now, shows one business on one side, and two on the other, and is extremely confusing for him, let alone an outsider coming into town who simply wants to go into a local business. Strongly suggests that private lot signage be specific, needs to be in every lot, and if possible, marked in the spot itself, like Portland does. If towing is allowed, very specific signage needs to be provided. He handed out samples to Council of suggested verbiage to use.
12. Gary Deardorff, 115 E. Main Street, Molalla – states this is a small town, this isn’t Portland, we have a lot of communal parking, having a parking lot for each specific business is not likely, but businesses operating at different hours find relief by sharing parking for customers at those hours. The paper made the issue out to be about him; clarifies that it is not about him, has nothing to do with him. It has to do with each individual business being able to operate to their full potential. Says the problem is not with the White Horse, it is with the local taverns and the patrons of the local taverns parking in their lots, causing liability, cleanliness, and safety issues. Has gone to court over the issues, the judge has suggested a solution that didn’t work out. Bottom line, they need to not let those patrons park in their lots.
13. David Peterson, attorney for Gary Deardorff, 888 SW 5th Ave., Suite 1600, Portland – brought materials for Council to review, is aware of the time limit available. Wants to address the tow that started the whole Facebook discussion. Provides a copy of the Facebook post, Exhibit A, copies of photos of signs in the parking lot by Hal’s Barbershop, which outline specific statements that the area is monitored, vehicles may be towed. Also provided photos of Westfall’s truck from the night she was towed, and copies of the tow ticket showing she was towed at 8:10 pm, so the allegation that she was towed before the stated prohibited 8:00 pm time was incorrect. Next provided is a map and a list of all tenants of Deardorff, shows over 30 businesses in the downtown relying on parking they pay for through rent. Provided under Exhibit E, some of the

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signs at Caterpillar Clubhouse daycare and Main Street Show House. Addressing the copy of the ordinance provided in the Agenda packet, says that any ordinance preventing business owners from towing from their property is going to affect that business. Addresses the restriction to towing company practices on page 4 of the proposed ordinance that prohibits monitoring lots which is contradictory to state law, ORS 98.854 that expressly allows tow trucks to park within 1,000 feet of a lot and monitor it for parking as long as signs are posted saying the lot is monitored. Most of Deardorff's signs state that the space is monitored and believes that portion of the section would not be enforceable because of this. Says the prohibition on patrolling the lots will put local towing companies out of business and leave the monitoring to the business tenants, who then have to be the bad guys. If you can't patrol the lots, how can you enforce the restrictions? Regarding the license and fee proposed, this can be done, but the fee cannot exceed the cost of administering the program. A formal program for complaints would be need to be implemented. Regarding the release-at-scene fee, where the tow truck in motion is flagged down by the vehicle owner and can have the vehicle released for a release-at-scene fee, he says simply invites an accident trying to stop a moving tow truck. Also in regards to the inflammatory statements about the nature of tow truck drivers, he has provided the council copies of articles in which the car owners have assaulted the tow truck drivers and wants them to know it goes both ways.

14. Trish Westfall, 748 Trinity Court, Molalla – was the one who posted on Facebook, [points to unknown person], says they are wrong regarding the illegal towing, has receipts, call logs showing specific times, says the time of 8:10 pm on the tow ticket was the time the tow truck left the parking lot. Was told that it took 10-15 minutes to hook up and leave, so by the tow truck driver's own admission, they hooked up the car before 8:00 pm. States that that is her complaint; they should not be able to hook up the vehicle before the time stated on signage. Says the space was not clearly marked at the time, it has since been changed. The tow company's information was not clearly stated, and that was what took so long for her to find the company to call.
15. Gary Deardorff, 115 E. Main Street, Molalla – says there were 3 signs that addressed any unauthorized parking, one inside glass that has been there for awhile, another that keeps getting knocked down each week. The 2 on the outside of the building keep getting stolen, so an updated one has been placed on the inside of the glass. 1 of the 2 signs says no unauthorized parking. If she was pulled in there at 3 pm it still would have been unauthorized. States both signs need to be adhered to, she can't simply pick one to obey.
16. Kelly Towing – in response to same issue, the proof that they had that they were within their right to tow the vehicle was a 7:59pm receipt from the White Horse and an 8:12 pm phone call. Says unless Westfall, ripped the receipt out of the machine and sprinted to her truck, the allegations that her car was hooked up prior was absolutely false.
17. Jim Taylor, 2940 S. Hoult Rd, Colton - says he is the director of the Chamber and that the Chamber is willing to help financially with signage or anything else they can do to help. The Chamber is made up of businesses so it is in their best interest. Another suggestion he has is to have all city employees park in the empty spaces next to the Masonic lodge. This would free up public parking spaces closer to businesses having the parking issues.

Mayor Rogge concludes the public comment section by saying a future work session addressing the towing issue will be announced in the Molalla Pioneer and that affected businesses and tow companies will be invited to provide their input. The goal is to come up with a solution all parties can agree to.

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NEW BUSINESS

A. OLCC: El Charrito – Cramer

Due to an added business partner, El Charrito had to redo their liquor license. Councilor Thompson motions to approve the liquor license for El Charrito, Councilor Clark seconded. Motion carried 6-0.

B. Authorize Purchase of Media Filter Replacement – Cline

PWD Cline says that the new water treatment plant (there are 2) needs to have the media filter replaced. Typically this filter should be replaced every 10-12 years, and our filter has been in place for about 15 years. Have not had any issues, but are seeing signs of media leaking into the backwash, that does not enter the system. They have decided to postpone some engineering design of the transmission line, instead using that money to replace the media filter. Is asking Council approval to replace the media filter not to exceed the cost of \$45,000.00. Councilor Pottle motions to approve this purchase as requested; Councilor Thompson seconded. Councilor Griswold asks if this would result in any downtime with the plant, and Cline explains that it would not. Motion carried 6-0.

C. Authorize Purchase of Police Department Vehicle – Huff

CM Huff explains that this purchase is for the Police Chief's vehicle. The current vehicle is in a state of disrepair to the extent that it is not reliable. The Chief uses his vehicle periodically to respond to calls. The proposed vehicle will be \$32,000, and all equipment/materials needed to make it duty-ready added will make the total cost \$36,041.67. The funding used for this purchase is in the budget, in the Police Emergency Vehicle fund.

Councilor Pottle asked if we should get comparisons for different vehicle make/models, as they do with any vehicle public works purchases, and CM Huff says they can if Council wishes.

Councilor Riggs asks what the Chief would do in the meantime if his current vehicle is in disrepair, asks if there is a temporary vehicle he can use; CM Huff says there are no spare vehicles at this time. Mayor Rogge asks if this vehicle is ready now, CM Huff confirms that it is.

Councilor Griswold says he would like to see another comparison or two.

Councilor Thompson motions to approve a purchase of up to \$38,000 towards a new service vehicle for the Chief of Police, contingent on the receipt of at least two additional quotes on comparable vehicle prices; Councilor Pottle seconded. Motion carried, 6-0.

CONTINUING BUSINESS

A. Council Appointment for Vacancy – Rogge/ Council

Mayor Rogge says there are two candidates they have interviewed, and both are present tonight. Wants both candidates to step to podium and state why they want to be on Council, and give Council an opportunity to ask questions.

Laura Ferris, 300 Stowers Rd, Molalla – has been attending Council meetings consistently for 5 yrs, served 3 yrs on the Planning Commission, last year as the Chair, has learned quite a bit about planning as a result, and is ready to take the next step to help with other issues.

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Leota Childress, 150 Indian Oak Ct., Molalla – has lived in Molalla since 2003 and will probably live there until she dies. She believes Molalla has a lot ahead. Currently serves on the Budget Committee, and has been an active participant in the Council meetings for quite some time. Is a member of the Ford Institute Leadership program and are currently working on a project for downtown beautification. Actively volunteers in the city, currently serving as Chair of the Molalla Warming Center. Believes Molalla has a lot of potential, and wants to see downtown grow to the point that it is a destination, not only for tourists, but for all community members. Applied for City Council as she feels it will allow her to be involved in this growth. If selected, she would promote pride in our city, and work to bring a more cohesive environment among residents, businesses, civic organizations and the city where we all work together towards a common goal. She has no personal agenda, and supports the decisions that are best for the city.

Councilor Griswold says one thing that is specific as a councilor is to act as liason with various organizations. Is there an organization you want to partner with, and in what position? Childress responds saying that she would be interested in acting as liason with the Chamber of Commerce, as she has done through the Ford Institute, among other things. Also, the library no longer has a liason, so she'd be interesting in filling that, along with any other areas Council feels its beneficial for her to serve.

Ferris responds to the same question by saying she'd be interested in being liason for the library. She has library experience by volunteering her time serving as her church librarian.

Councilor Riggs asks Ferris why she left portions of her application blank, such as why she wanted to be on Council. Ferris responds saying she didn't recall that question being on the application, and that she had previously submitted an application to which CR Cramer said the formatting was off. She suspects maybe that portion of the application wasn't included in the version she filled out.

Councilor Griswold nominates Laura Ferris for Councilor; no second. Councilor Riggs nominates Leota Childress for Councilor; Councilor Thompson seconded. Nomination passes 5-1; with Councilor Griswold as a nay.

Mayor Rogge announces Leota Childress as the new Council seat and swears her in.

B. Preditory Towing – Thompson

Mayor Rogge asks that because all interested parties had left, is it acceptable that they continue further discussion for the upcoming work session? Councilor Pottle motions to table the topic until the Mayor returns from vacation in May; Councilor Griswold seconded. Motion passed 6-0.

C. Council Goal Setting Review – Huff/ Motion to Approve

CM Huff briefly says that he outlined all goals discussed, suggests that Council schedules a town hall meeting to discuss more visioning for goals sometime in May as they see appropriate. Councilor Thompson motions to adopt goals as presented and to further discuss visioning in May upon the Mayor's return from vacation; Councilor Pottle seconded. Mayor Rogge suggests setting the town hall meeting for sometime in June. Councilor Griswold suggests getting input from newly appointed Councilor Childress on their goals. Councilor Childress stated she attended the goal-setting session and agrees that the existing goals are in line for what she had in mind. All in favor adopt goals as presented, 6-0.

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CM Huff suggests May for the town hall meeting to give all parties time to gather information that needs to be presented. Discussion on the matter determines that it will be discussed further, internally, and a definite date set at a later time. Mayor Rogge returns from vacation May 18; ideally, Council wants the Mayor present at the town hall meeting.

RESOLUTIONS

A. Resolution 2016-06: In God We Trust – Griswold/ Council Discussion

Public Testimony

1. William Farris, 300 Stowers Rd, Molalla – supports the phrase, says it is consistent with all US currency, which is used all over the nation. It reminds him of his Creator, friends/family/community, part of the Pledge of Allegiance, says it means a lot in daily life.
2. Glen Boreth, 623 S. Molalla Ave, Molalla – doesn't have strong opinion one way or the other, says outside communities tend to razz the city of Molalla in general, thinks its best to avoid anything controversial, wants to see the Council wait this issue out until another entity, with deeper pockets, fights the battle, to see that outcome. Says that his girlfriend wanted to say that she thinks the city has other important issues to deal with in the meantime.
3. Michael Wagner, 26173 Milk Creek Cir, Mulino – quotes several statistics including that the phrase "In God We Trust" was not included in the constitution or other historical documents, hymns, etc. until later times by various persons. Says if the phrase "If We the People" includes all Americans, the phrase "In God We Trust" does not, as statistically, not all Americans believe in God. Believes that the city of Molalla needs to keep God out of the council meetings and any other public hearings as the phrase does not represent all people; instead it separates people by belief. As a government, all people should be included regardless of belief.
4. Jim Taylor, 29480 S. Hoult Rd, Molalla – states he is a Christian and believes in God, says the saying "In God We Trust" is honorable, says that anyone who has served in the military would agree. He believes by adopting the phrase, there will be huge legal repercussions, and was advised by someone who remained anonymous, that this will go to court. Advises against this as we do not have the financial budget to fight an issue like this. Stresses his heart and belief are there; just is concerned about the legality of it.
5. Mayor Rogge reads testimony submitted at 3:33pm that day by Don Tippets – says he spent over 20 years in the military fighting for our freedom so that we can do and feel what we want, especially to be able to display a sign saying "In God We Trust". Is in support of the resolution.

Council Discussion

Mayor Rogge begins by thanking Councilor Griswold for his presentation on the topic, says she is in total support of the reasoning and belief behind the display, but, based on the city's budget, and the invitation of potential legal action regarding posting "In God We Trust" at meetings, she can't consciously put tax payers in the position of having to defend displaying those words. She would be open to accepting Resolution 2016-06 Option 2.

Councilor Childress states she agrees with the points the Mayor made. As well as the man who testified stating statistics. She agrees that we have to acknowledge that not all people believe in God, and that by displaying the words in question may lead those non-believers to feel left out. She states that she, herself, believes in God, but regardless, she feels that the display would invite potential lawsuits that city cannot afford. She would agree to adopt Option 2 of Resolution 2016-06.

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Councilor Riggs is in support of the prior statements by the Mayor and Councilor Childress. Also did a poll and determined most were in favor of “In God We Trust” but not so much of the cost that would incur on the City of approximately \$30,000 by adopting it. Feels that there are more pressing issues to spend those funds on.

Councilor Griswold thanks all those for their input on the issue. Reads a comment dated 02/23/2016 from Sandra Sumner, 1442 Meadowlawn Place, Molalla, directed to himself regarding the issue. States that they believe displaying the phrase would encourage trust in their city officials. Displaying the national motto has nothing to do with bringing religion to politics, but that it shows national pride as with our national anthem. Councilor Griswold thanks the community for their input, says he’s enjoyed working with everyone, and was encouraged by all the positive input regarding the issue. Hearing the consensus among the Council, he would settle for the Option 2 as most have suggested, however wants to point out they should consider it an honor to display the national motto as other institutions do.

Councilor Clark says he agrees with the Mayor’s comments; thinks it would bring too much contention to a small town along with potential legal ramifications.

Councilor Thompson says that among those who voted, 60% were in favor of the Option 1 version. He says he himself is Christian, proud to say so, however does not believe displaying “In God We Trust” will be beneficial for the community, rather, it would drive a nail between people over beliefs. Agrees with the Option 2 version.

Councilor Pottle is ashamed at how much as changed since he was younger, is religious himself, however doesn’t believe in risking tax payer’s money on legally fighting something we should be spending money on elsewhere. Says that people in Molalla are proud of their religion, 17 churches in the town to show for it, and hesitates to pass something that would offend anyone. Agrees to affirm “In God We Trust” as stated in the Option 2 version of the Resolution.

Mayor Rogge commends Councilor Griswold on his research and hard work regarding this issue. Reads Option 2 of proposed Resolution 2016-06. Councilor Griswold motions to accept Option 2 of Resolution 2016-06; Councilor Pottle seconded. Motion carried 5-1, with Councilor Clark as a Nay.

COMMUNICATIONS

Prior Council Meeting minutes – Councilor Thompson motions to accept minutes as presented; Councilor Pottle seconded. Motion carried 7-0 (now includes Councilor Childress’s vote after her appointment).

REPORTS AND ANNOUNCEMENTS

Huff – Budget Committee Meeting dates will be April 13, the Council meeting, and Budget Committee on April 27, 2016 each at 6:30 pm at the Molalla Adult Center, 315 Kennel Ave., Molalla, OR 97038. One more person volunteered for the Budget Committee tonight. Still looking for volunteers for the Planning Commission. Open house tomorrow night at 6:00 pm at Adult Center regarding questions on the Development code update. The consultant with the State of Oregon will be present who is assisting with the project along with Nicolas Lennartz, City Planner.

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Cramer – mentioned the Annual Spring Cleanup coming up in April for two weekends.

Cline – announces meeting with contractor ML Houck, Co, to begin the Molalla Avenue project. Doesn't have construction schedule yet. Says that NW Natural has been doing the recent construction in town preparing for our project. She updates the website with possible traffic delays, etc., as she gets the information.

Childress – thanks the Council for their vote of confidence in her.

Thompson – thanks both applicants for their interest in Council and congratulated Childress on the position. Attended C4 last week, heard about Governor's new Transportation plan, more discuss about VRF, Clackamas county going out for an advisory vote next election to consider increase vehicle registration fee or a gas tax. Waiting to get figures on what city would be receiving as a result and how those funds would be allocated.

Rogge – announces that Huff and herself have an appointment with Senator Gerard in Salem to discuss Hwy 211 improvements. The senator promised funding if they did their part as far as engineering to become project ready, now that they are, they are meeting with him to press him more about receiving that funding. The funding would be above and beyond the STIP funding already received for Phase 1. Going on vacation in May.

ADJOURNMENT

Councilor Thompson made the motion to adjourn; Councilor Riggs seconded. Motion carried 7-0.

Sadie Cramer, City Recorder

Mayor Debbie Rogge

Draft: Molalla Library Advisory Board Job description
Created 8-20-2015 adopted September 17, 2015

The Molalla Public Library Advisory Board is appointed by the Mayor of Molalla and is advisory to the City Council. Its duties include:

1. Uphold the right of all citizens to full access of information by providing open access to library resources and services in accordance with the Library Bill of Rights.
2. Serve as a collaborative body to represent the needs, interests and desires of the entire service area of the library.
3. Maintain awareness of public library standards, trends, regulations and legislation.
4. ~~Investigate and~~ Assist the Library Director in obtaining sources of funding for library services as needed.
5. Encourage widespread public knowledge and support of the Library in Molalla and the service area of the Library
6. Participate in meetings and activities within the Molalla service area that promote the Library.
7. Represent the interest of the Library users by recommending types of library services needed.
8. Assist in the development of short and long-term plans for library service and facilities, consistent with the city priorities and with state, regional and national goals pertinent to libraries.
9. ~~Assist~~ Provide preliminary input to the Library Director regarding ~~in development of~~ the annual budget.
10. Assist in the formulation of policies for the operation and development of library services and facilities to best meet the current and long-range needs of the community.
11. Be consulted in the process ~~Have involvement and participate in the~~ to select ion of the Library Director.
12. Present semi-annual reports to the City Council, or more often as the Council requests.
13. Comment on selection and review of requirements of facilities.
14. Recruit and review of prospective Board members.
15. Conduct themselves according to the adopted Code of Conduct and Code of Ethics.
16. Perform such other duties as authorized by the City Council.

Molalla Library Advisory Board

Meeting Date: 2-18-2016

Meeting brought to order by Sandy Nelson at 6:30 P.M.

Members Present: Mary Gilson, Paula Beck, Sandy Nelson, Angela Patton, Kelly Andrews

City Council Liaison: We do not currently have one.

Staff Present: Diana Hadley

The minutes from the January meeting were approved as read.

- Director's Report: (See Diana if you didn't receive one.)
 - 1) The conference room times of availability have been changed to ensure that there is staff present while the room is being used. Groups using the conference room will now have to have the room cleaned and vacated 15 minutes before closing.
- Old Business:
 - 1) We will continue working on the presentation of the Job Description to the City Council.
- New Business:
 - 1) The February 11th LDAC meeting was mainly a fact finding discussion. Allocations for all of the libraries were compared. It ended up that Canby had the highest allocation and Molalla the second highest.
 - 2) County staff and legal counsel are comparing the voter's pamphlet verbiage and the IGA verbiage and finding inconsistencies.
 - 3) Originally the group consisted of mainly citizens, but as citizens left, directors were appointed to the committee. Presently the cities are replacing the directors with citizens/board members as their representatives.
 - 4) An important issue is whether the libraries can use operating funds for their new construction. So there was discussion about capital funds and operating funds and how they are used.
- Other New Business:
 - 1) Elections were held. Sandy Nelson is president, and Kelly Andrews is vice president. Diana appointed Mary Gilson as the secretary.

The meeting was adjourned at 7:17 P.M. The next meeting will be on March 17th.

Submitted by Mary Gilson, Secretary.



OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION



Application is being made for:

LICENSE TYPES

Full On-Premises Sales (\$402.60/yr)

Commercial Establishment

Caterer

Passenger Carrier

Other Public Location

Private Club

Limited On-Premises Sales (\$202.60/yr)

Off-Premises Sales (\$100/yr)

with Fuel Pumps

Brewery Public House (\$252.60)

Winery (\$250/yr)

Other: _____

ACTIONS

Change Ownership

New Outlet

Greater Privilege

Additional Privilege

Other _____

90-DAY AUTHORITY

Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:

Limited Partnership Corporation Limited Liability Company Individuals

P45815
L21537

CITY AND COUNTY USE ONLY

Date application received: _____

The City Council or County Commission: _____

(name of city or county)

recommends that this license be:

Granted Denied

By: _____ (signature) _____ (date)

Name: _____

Title: _____

OLCC USE ONLY

Application Rec'd by: _____

Date: 12-15-15

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① ZHEN & CHEN RESTAURANT INC ③ _____

② _____ ④ _____

2. Trade Name (dba): LAM'S CHINESE KITCHEN

3. Business Location: 102 E 2ND ST, MOLALLA OR 97038

(number, street, rural route) (city) (county) (state) (ZIP code)

4. Business Mailing Address: 102 E 2ND ST, MOLALLA OR 97038

(PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: 503-829-4050

(phone) (fax)

6. Is the business at this location currently licensed by OLCC? Yes No

7. If yes to whom: HOUSE OF YANG, LLC Type of License: LIMITED ON PREMISES SALES

8. Former Business Name: HOUSE OF YANG, LLC Lam's Chinese Kitchen

9. Will you have a manager? Yes No Name: SHUNQIONG CHEN

(manager must fill out an Individual History form)

10. What is the local governing body where your business is located? MOLALLA

(name of city or county)

11. Contact person for this application: DANDAN ZHANG

(name) 503-432-8839 (phone number(s))

8733 SE Division St., Ste# 207, Portland, OR 97266 503-200-1947 ustaxreturn@hotmail.com

(address) (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① ZI HAO ZHEN Date 12-3-15 ③ _____

② Shun Qiong Chen Date 12-3-15 ④ _____

RECEIVED
DEC 07 2015

City Of Molalla

City Council Meeting

Agenda Category: New Business

Subject: *Budget Committee Appointments*

Staff Recommendation: Appoint Citizens to Budget Committee

Date of Meeting to be Presented: April 13, 2016

Fiscal Impact: \$0.00

Background: *(Type a brief detailed summary of the item to be presented.)*

We have received the following applications to volunteer to be part of the Budget Committee for 2016. Staff recommends the appointment of the following people:

1. Andrew Brown
2. Rory Cramer
3. Erin Herrington
4. Mitch Jorgenson
5. Glen Boreth

A motion to appoint these citizens formally in needed. The Board will have 8 members seated in 2016.

SUBMITTED BY: Sadie Cramer, City Recorder

APPROVED BY: Dan Huff, City Manager

ALL AGENDA ITEMS MUST BE SUBMITTED BY NOON THE WEDNESDAY BEFORE THE SCHEDULED COUNCIL MEETING. ALL ITEMS MUST BE SUBMITTED TO THE CITY MANAGER FOR CONSIDERATION.



City of Molalla
Application for Appointment to Citizen Committee

Date: 3.25.16

Board/Committee of Interest:

| | |
|--------------------------------|----------------------------------|
| Name: | RORY CRAMER |
| Address: | 701 W. MAIN ST. MOLALLA OR. |
| State/Province | |
| Zip/Postal Code: | 97038 |
| Home Phone: | 503.329.3343 |
| Work Phone: | 503.329.3343 EMN88@PRIMERICA.COM |
| *E-Mail | |
| Years of Residence Inside City | 34 |

Current or Previous Community Affiliations or Activities:

| |
|--|
| |
| |
| |

Why would you like to serve on this committee and give any other background you might have in this area.

| |
|--|
| I WORK IN FINANCIAL SERVICES AND THIS SOUNDS LIKE FUN. |
| |
| |

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

| |
|--|
| |
| |

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

| |
|--|
| |
| |
| |

*Signature: *Rory Cramer*

117 Molalla Ave/PO Box 248 Molalla Oregon 97038
Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com



Molalla
Oregon

Application for Appointment to
Citizen Committee

Date:

Board(s)/Committee(s) of Interest:

Position Applying For:

Full Name:

Address:

City:

State: Zip:

Home Phone:

Cell Phone:

Years of Residence Inside City:

Years of Residence in Community:

Current or Previous Community Affiliations or Activities:

Please explain why you would like to serve on this committee and give any other background you might have in this area:

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service:

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

Signature



Molalla

Oregon

Application for Appointment to Citizen Committee

Date:

Board(s)/Committee(s) of Interest:

Position Applying For:

Full Name:

Address:

City:

State: Zip:

Home Phone:

Cell Phone:

Years of Residence Inside City:

Years of Residence in Community:

Current or Previous Community Affiliations or Activities:

None

Please explain why you would like to serve on this committee and give any other background you might have in this area:

Because I was politely asked to. And I'm willing to help out.

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service:

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

Too early to tell, I've never volunteered before.

Signature Andy Brown



City of Molalla
Application for Appointment to Citizen Committee

Date: 3/21/2014

Board/Committee of Interest: City Budget Committee

| | | |
|--------------------------------|------------------|----|
| Name: | Erin Herrington | |
| Address: | PO Box 731 | |
| State/Province: | Molalla OR 97038 | |
| Zip/Postal Code: | | |
| Home Phone: | | |
| Work Phone: | 503-829-2231 | |
| *E-Mail: | | |
| Years of Residence Inside City | | 11 |

Current or Previous Community Affiliations or Activities:
Employed in Molalla 11 years at Hanson Vaughan, LLC - an established CPA firm serving Molalla.

Why would you like to serve on this committee and give any other background you might have in this area.
I was told there was a need, and I have relevant experience that could be valuable. 11 years in a public accounting firm, serving the citizens of our community.

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?
I don't have any knowledge or experience with the current committee, but I'd like to provide what knowledge I do have.

*Signature:

117 Molalla Ave/PO Box 248 Molalla Oregon 97038
Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com



City of Molalla
Application for Appointment to Citizen Committee

Date: April 1st, 2016

Board/Committee of Interest: Budget Committee

Name:

Mitch Jorgensen

Address:

212 Christopher Ct. Molalla

State/Province

OR. 97038

Zip/Postal Code:

Home Phone:

503-829-4824

Work Phone:

503-969-3377

***E-Mail**

Years of Residence Inside City 23

mjj@molalla.net

Current or Previous Community Affiliations or Activities:

President/Owner Molalla Redi-Mix & Rock Products, Molalla City Counselor 8/6/98 - 12/31/04

Why would you like to serve on this committee and give any other background you might have in this area.

To assist with your budgeting process and volunteer as a citizen of Molalla. I have a college education and have run a business in this community for 19 years.

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

N/A

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

Help insure it's credibility and proper function

***Signature:**

117 Molalla Ave/PO Box 248 Molalla Oregon 97038
Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com

City Of Molalla

City Council Meeting

Agenda Category: New Business

Subject: Quarterly Financial Report for January 2015 to March 2015 and Warrant Report.

Staff Recommendation: Discussion and approval

Date of Meeting to be Presented: April 22, 2015

Fiscal Impact: None

Background:

Finance department presents the quarterly financial report with commentary for discussion and approval.

In addition, please find a Quarterly Report with percentage of Budget Appropriation and a warrant register for all checks written of \$10k during this same period.

SUBMITTED BY: Heather Penni, Finance Director

APPROVED BY: Dan Huff, City Manager

Draft: Molalla Library Advisory Board Job description
Created 8-20-2015 adopted September 17, 2015

The Molalla Public Library Advisory Board is appointed by the Mayor of Molalla and is advisory to the City Council. Its duties include:

1. Uphold the right of all citizens to full access of information by providing open access to library resources and services in accordance with the Library Bill of Rights.
2. Serve as a collaborative body to represent the needs, interests and desires of the entire service area of the library.
3. Maintain awareness of public library standards, trends, regulations and legislation.
4. ~~Investigate and~~ Assist the Library Director in obtaining sources of funding for library services as needed.
5. Encourage widespread public knowledge and support of the Library in Molalla and the service area of the Library
6. Participate in meetings and activities within the Molalla service area that promote the Library.
7. Represent the interest of the Library users by recommending types of library services needed.
8. Assist in the development of short and long-term plans for library service and facilities, consistent with the city priorities and with state, regional and national goals pertinent to libraries.
9. ~~Assist~~ Provide preliminary input to the Library Director regarding ~~in development of~~ the annual budget.
10. Assist in the formulation of policies for the operation and development of library services and facilities to best meet the current and long-range needs of the community.
11. Be consulted in the process ~~Have involvement and participate in the~~ to select ion of the Library Director.
12. Present semi-annual reports to the City Council, or more often as the Council requests.
13. Comment on selection and review of requirements of facilities.
14. Recruit and review of prospective Board members.
15. Conduct themselves according to the adopted Code of Conduct and Code of Ethics.
16. Perform such other duties as authorized by the City Council.

City Of Molalla

City Council Meeting

Agenda Category: New Business

Subject: Resolution 2016-08 to Increase Water Utility Rates

Recommendation: Motion to Approve Resolution 2016-08

Date of Meeting to be Presented: April 13, 2016

Fiscal Impact: Anticipated Increase to the Proprietary Water Fund – Monthly User Fees

Background:

In 2009 the City hired Donovan Enterprises to conduct a rate study for water rates. Donovan Enterprises provided the City with a rate structure indicating a need for increase of 6% in 2009 followed by incremental increases near 2% over the next 5 years. The first increase in 2009 was the only increase that took place. Today we are finding that with service increases as well as regulatory changes the City will need a 20.21% increase including an 1.2% increase for 2015 Portland-Salem Consumer Price Index to keep up with service and capital needs. The rate increase recommendation was originally figured in October 2015. The recommendation for water rates, in conjunction with sewer rates, were previously discussed late 2015 in both Town Hall and City Council meetings. It was agreed the water rate adjustments would be postponed at that time and later brought back to council for a July 1st approval.

An updated Comparison of Rates table has been provided in addition to the original October 2015 Water & Sewer Rates Recommendation report, prepared by Project Delivery Group, LLC.

SUBMITTED BY: Jennifer Cline, Public Works Director

APPROVED BY: Dan Huff, City Manager

| Sewer | | | | | Water | | | |
|-----------------------------------|-----------------|-----------------|--------------|--|------------------------------------|-----------------|-----------------|--------------|
| City | Prior | Current | % Incr./Dec. | | City | Prior | Current | % Incr./Dec. |
| Newberg | \$ 66.05 | \$ 69.80 | 5.68% | | Portland (Jul 1, 2015) | \$ 59.11 | \$ 59.11 | 0% |
| Silverton | \$ 61.37 | \$ 63.46 | 3.41% | | Scappoose (March 21, 2015)* | \$ 42.76 | \$ 48.28 | 12.91% |
| Wilsonville | \$ 56.27 | \$ 61.88 | 9.97% | | St Helens (Dec 1, 2015) | \$ 41.48 | \$ 41.79 | 0.76% |
| Portland | \$ 57.00 | \$ 57.00 | 0% | | Hood River (Oct 1, 2015) | \$ 28.74 | \$ 41.10 | 42.99% |
| Stayton | \$ 56.99 | \$ 56.99 | 0% | | Newberg (Jan 1, 2016) | \$ 31.93 | \$ 36.81 | 15.28% |
| Molalla (Prior/Proposed)** | \$ 53.14 | \$ 53.78 | 1.20% | | Estacada (June 22, 2015) | \$ 35.12 | \$ 35.08 | -0.14% |
| Woodburn | \$ 53.29 | \$ 53.29 | 0% | | Molalla (Prior/Proposed)*** | \$ 25.77 | \$ 31.35 | 21.65% |
| St Helens | \$ 50.33 | \$ 50.46 | 0.25% | | Silverton (Jul 1, 2016) | \$ 29.49 | \$ 31.18 | 5.73% |
| Oregon City | \$ 49.39 | \$ 49.83 | 0.89% | | Fairview (Jan 1, 2016) | \$ 28.68 | \$ 31.02 | 8.16% |
| Hood River | \$ 41.75 | \$ 48.00 | 14.97% | | Oregon City (Jan 1, 2016) | \$ 29.66 | \$ 30.39 | 2.47% |
| Vancouver | \$ 44.90 | \$ 46.70 | 4.01% | | Wilsonville (Jan 1, 2016) | \$ 28.61 | \$ 29.27 | 2.31% |
| Canby | \$ 46.20 | \$ 46.20 | 0% | | Stayton (Aug 14, 2015) | \$ 28.61 | \$ 28.61 | 0% |
| Scappoose* | \$ 43.31 | \$ 44.07 | 1.76% | | Canby Utility (Nov 11, 2015) | \$ 27.97 | \$ 27.97 | 0% |
| Estacada | \$ 35.20 | \$ 35.20 | 0% | | Salem (Jan 1, 2016) | \$ 21.80 | \$ 22.41 | 2.80% |
| Fairview | \$ 31.98 | \$ 34.59 | 8.16% | | Woodburn (Dec 1, 2006) | \$ 22.11 | \$ 22.11 | 0% |
| Salem | \$ 35.97 | \$ 33.06 | -8.09% | | Vancouver (Jan 1, 2016) | \$ 19.09 | \$ 19.26 | 0.89% |

Assumes average SF residential use at 600 CF and all fees converted to Molalla unit of measure

600 CF = 4475 Gal.

* Includes Automatic Consumer Price Index Increases

** Includes 1.2% increase for 2015 Portland-Salem Consumer Price Index

*** Includes inflation increase from 2009 (20.21%) to present and 1.2% increase for 2015 Portland-Salem Consumer Price Index

| Sewer | | Water | |
|-----------------------------|--------------------|------------------------------|--------------------|
| City | Base Rate + 600 CF | City | Base Rate + 600 CF |
| Newberg (Jan 1, 2016) | \$ 69.80 | Portland (Jul 1, 2015) | \$ 59.11 |
| Silverton (Jul 1, 2016) | \$ 63.46 | Scappoose (March 21, 2015)* | \$ 48.28 |
| Wilsonville (Jan 1, 2014) | \$ 61.88 | St Helens (Dec 1, 2015) | \$ 41.79 |
| Portland (Jul 1, 2015) | \$ 57.00 | Hood River (Oct 1, 2015) | \$ 41.10 |
| Stayton (Aug 14, 2015) | \$ 56.99 | Newberg (Jan 1, 2016) | \$ 36.81 |
| Molalla (Proposed)** | \$ 53.78 | Estacada (June 22, 2015) | \$ 35.08 |
| Woodburn (Jul 1, 2014) | \$ 53.29 | Molalla (Proposed)*** | \$ 31.35 |
| Molalla (Existing) | \$ 53.14 | Silverton (Jul 1, 2016) | \$ 31.18 |
| St Helens (Dec 1, 2015) | \$ 50.46 | Fairview (Jan 1, 2016) | \$ 31.02 |
| Oregon City (Jan 1, 2016) | \$ 49.83 | Oregon City (Jan 1, 2016) | \$ 30.39 |
| Hood River (Jan 1, 2016) | \$ 48.00 | Wilsonville (Jan 1, 2016) | \$ 29.27 |
| Vancouver (Jan 1, 2016) | \$ 46.70 | Stayton (Aug 14, 2015) | \$ 28.61 |
| Canby (July 1, 2015) | \$ 46.20 | Canby (Nov 11, 2015) | \$ 27.97 |
| Scappoose (Mar 21, 2015)* | \$ 44.07 | Molalla (Existing) | \$ 25.77 |
| Estacada (June 22, 2015) | \$ 35.20 | Salem (Jan 1, 2016) | \$ 22.41 |
| Fairview (Jan 1, 2016) | \$ 34.59 | Woodburn (Dec 1, 2006) | \$ 22.11 |
| Salem (Jan 1, 2016) | \$ 33.06 | Vancouver (Jan 1, 2016) | \$ 19.26 |

Assumes average SF residential use at 600 CF and all fees covered to Molalla unit of measure

600 CF = 4475 Gal.

* Includes Automatic Consumer Price Index Increases

** Includes 1.2% increase for 2015 Portland-Salem Consumer Price Index

*** Includes inflation increase from 2009 (20.21%) to present and 1.2% increase for 2015 Portland-Salem Consumer Price Index

Water & Sewer Rates Recommendations

October 14, 2015

Prepared for:



City of Molalla
117 N. Molalla Ave.
Molalla, OR 97038

Prepared by:

Gerald Fisher, PE, Senior Project Manager

Project Delivery Group, LLC

3150 SE 22nd Street
Salem, Oregon 97302

Introduction

In early September 2015, Project Delivery Group (PDG) was asked to review the sewer and water enterprise funds and recommend adjustments to service charges. This work was performed under an existing engineering services contract executed on May 8, 2015. The objective of this report is to provide an interim rate increase to meet funding requirements in fiscal year (FY) 2016-17.

Background and Budget Preparation

Performing a review of the Consumer Price Index – All Urban Consumers in Portland-Salem, the inflation rate from 2006 to 2014 was 29.8%. The average inflation rate was 2.9%, 2.3%, and 2.4% for the 10, 15, and 20 year averages, respectively. For the purposes of this review the average consumer inflation for 2015 and beyond was set at 3.0%.

A budget for FY 2016-17 was prepared and an inflation index of 3% was applied Personnel Service and Materials and Services estimated costs from FY 2015-16. Only three expenditure line items were modified in these two sections. PERS increased by 16.5% based on a recent League of Oregon Cities legislative update regarding a PERS estimated funding shortfall. Insurance and the Assistant Plant Operator line items increased by 5% based on input from staff. Based on prior year actuals, User Fee revenues increased by a modest 1% and other revenues were adjusted based on averages of prior year actuals. Each fund Contingency was set at 10% of the total fund revenues.

Sewer Fund Review & Rate Recommendation

In 2006, the City received a Sanitary Sewer System Cost of Service Study Update from Donovan Enterprises, Inc. (DEI) outlining the revenue requirements to cover operating and capital improvement costs for FY 2006-07. DEI based their recommendation on increased system operating and maintenance costs and new debt service.

The 2006 actual costs for services by category were Personnel Services \$331,366, Materials and Services \$323,211, Capital Outlay \$5,130, and Transfers Out \$390,000. The 2007 budget saw a 21.20% increase in Personnel Services, 42.85% increase in Materials and Services, 874.58% increase in Capital Outlay, and a 15.38% increase in Transfers Out for an overall budget increase of 29.87%.

Personnel Services increased due to a change in cost allocations that covered multiple employees in the Public Works Department. Materials and Services increased due to increased energy, fuel and chemical costs along with deferred maintenance and some sewer rehabilitation costs. Capital Outlay costs were related to sewer rehabilitation work but the large increase compared to the prior year was due to very low expenditures in 2006. Transfers Out increases were tied to transfers to the Sewer System Expansion Fund for the construction of capital projects. The City anticipated using a Clean Water State Revolving Fund loan program for facility improvements in the amount of \$4,132,740. The annual debt service was estimated at \$154,833.

The City had no rate increases in 2004 and raised rates by 5.52% in 2005 and 9.31% in 2006 according to the report. The recommendation for 2007 was a rate increase of 29.90% which would raise the average single family sewer bill from \$32.01 per month to \$41.58 per month. City Council passed the rate increase on September 27, 2006 setting the base rate at \$24.69 per equivalent dwelling unit (EDU) and the variable rate at \$2.44 per hundred cubic feet (Ccf). The City has not increased the rate since 2006.

The following table outlines the costs increases associated with inflation, estimated increases higher than inflation (PERS), and proposed capital improvement costs based on the City's capital improvement plan. There are two options available to the City. Option 1 is to continue to fund debt principal with system development charge (SDC) fee funds and utilize rate funds for interest costs. Option 2 eliminates the use of SDC's for debt payment, to allow for the



recovery of the fund, and cover 100% of the loan costs with user fees. The yearly debt service for the CWSRF loan is \$187,343. The audited actual revenue for Improvement SDC's was \$15,148 in FY 2013-14 and adopted budget revenue of \$10,820 in FY 2014-15. Estimates for the current FY 2015-16 is \$48,690 which is still well below \$128,835 principal requirement for the CWSRF loan.

**City of Molalla Sewer Fund Rate Recommendations
October 2015**

| Department | FY 15-16 | | Option 1 - FY 16-17 (w/SDC) | | Option 2 - FY 16-17 (w/o SDC) | |
|-----------------------------|--------------|--------------|--------------------------------|--------------|----------------------------------|--------------|
| | Income | Expense | Income | Expense | Income | Expense |
| Sewer Revenue | \$ 2,021,175 | | \$ 1,801,877 | | \$ 1,801,877 | |
| Personnel Service | | \$ 482,330 | | \$ 504,134 | | \$ 504,134 |
| Materials and Services | | \$ 888,850 | | \$ 915,516 | | \$ 915,516 |
| Capital Improvements | | \$ 155,500 | | \$ 257,500 | | \$ 257,500 |
| Transfers | | \$ 315,929 | | \$ 381,658 | | \$ 510,493 |
| Contingency | | \$ 100,000 | | \$ 180,188 | | \$ 180,188 |
| Fund Total | \$ 2,021,175 | \$ 1,942,609 | \$ 1,801,877 | \$ 2,238,996 | \$ 1,801,877 | \$ 2,367,831 |
| Estimated Carry-Over | \$ 78,566 | | \$ (437,118) | | \$ (565,953) | |

Sewer Fund Rate Increase Summary

| | | |
|----------------------------------|---------------|---------------|
| Revenue Required | \$ 2,238,996 | \$ 2,367,831 |
| Est. User Fee Revenue | \$ 1,611,311 | \$ 1,611,311 |
| Est. Other Revenue | \$ 190,566 | \$ 190,566 |
| Addl. User Fee Need (Gap) | \$ 437,118 | \$ 565,953 |
| Rate Increase (%) | 27.13% | 35.12% |

Typically, when sewer system development charges are set up the total cost for all capacity related projects includes the costs for engineering and construction with the assumption that the project will be fully funded prior to the completion of construction. While allowed by statute, the use of SDC's for payment of loan or bond interest and the associated administrative fees should be avoided. Because the rate of recovery for SDC's is not consistent, SDC funding of project cost should only be considered when the SDC funded portion is collected by the City (Cash-on-Hand). Otherwise, City's run the risk of significant user rate increases to cover funding gaps when development stalls or does not occur.

In order to meet current debt requirements, complete capital improvement projects, and keep up with inflationary and other cost increases, we recommend that the City adopt Option 2 and complete a five year capital improvement and rate forecast prior to the beginning of FY 2016-17. Based on input from staff related to unanticipated professional services costs that will likely exceed the current budget for the professional services line item, we also recommend that the fees take effect on or before January 01, 2016.

Water Fund Review & Funding Forecast

In 2009, the City received a Proposed Rate Adjustments for Water Service from Donovan Enterprises, Inc. (DEI) outlining the revenue requirements to cover operating and capital improvement costs for fiscal year 2009-10. DEI based their recommendation on increased system operating and maintenance costs. The forecast estimated a 6% increase in FY 2009-10 followed by a 1.94%, 1.98%, 0%, 1.97%, and 2.06% in subsequent years through FY 2014-15.



The 2009 estimated costs for services by category were Personnel Services \$480,651, Materials and Services \$319,008, Capital Outlay \$0, and Transfers Out \$513,471. The 2010 budget saw a 7.86% increase in Personnel Services, 3.3% increase in Materials and Services, 0% increase in Capital Outlay, and a 2.91% decrease in Transfers Out for an overall budget increase of 3.05%.

The City implemented the 6% rate increase but did not follow the recommended increases in the report or make annual CPI adjustments as specified in Resolution No. 2009-19.

The City will pay off a Water General Obligation Bond in FY 2018-19 and a Water Revenue Bond in FY 2017-2018. Because no SDC funds are currently used for debt there is only one rate increase option to meet operating and improvement costs in FY 2016-17. The following table outlines the costs increases associated with inflation, estimated increases higher than inflation (PERS), and proposed capital improvement costs based on the City's capital improvement plan.

**City of Molalla Water Fund Rate Recommendations
October 2015**

| Department | FY 15-16 | | Option 1 - FY 16-17 | |
|----------------------------------|--------------|--------------|---------------------|--------------|
| | Income | Expense | Income | Expense |
| Water Revenue | \$ 2,095,875 | | \$ 1,854,804 | |
| Personnel Service | | \$ 521,650 | | \$ 545,468 |
| Materials and Services | | \$ 585,750 | | \$ 603,323 |
| Capital Improvements | | \$ 232,000 | | \$ 467,500 |
| Transfers | | \$ 250,000 | | \$ 323,150 |
| Contingency | | \$ 150,000 | | \$ 185,480 |
| Fund Total | \$ 2,095,875 | \$ 1,739,400 | \$ 1,854,804 | \$ 2,124,921 |
| Estimated Carry-Over | \$ 356,475 | | \$ (270,117) | |
| Revenue Required | | | \$ 2,124,921 | |
| Est. User Fee Revenue | | | \$ 1,336,329 | |
| Est. Other Revenue | | | \$ 518,475 | |
| Addl. User Fee Need (Gap) | | | \$ 270,117 | |
| Rate Increase (%) | | | 20.21% | |

In order to meet current debt requirements, complete capital improvement projects, and keep up with inflationary and other cost increases, we recommend that the City adopt Option 1 and complete a five year capital improvement and rate forecast prior to the beginning of FY 2016-17. We also recommend that the fees take effect on or before July 01, 2016.

The following comparison table provides water and sewer rates in relation to the City's existing and proposed rates. All value have been converted to include a base rate and 600 Ccf use rate for a single family residential home. Adoption dates of the water and sewer rates for the City of Vernonia and City of Battleground, WA could not be confirmed at the time of this report, but the values provided were listed on the City's website as the current rates.



| Sewer | | Water | |
|-----------------------------------|--------------------|-----------------------------------|--------------------|
| City | Base Rate + 600 CF | City | Base Rate + 600 CF |
| Vernonia | \$ 93.00 | Portland (2015) | \$ 59.11 |
| Newberg (2015) | \$ 66.05 | Vernonia | \$ 48.75 |
| Silverton (2015) | \$ 61.37 | Scappoose (2014) | \$ 42.76 |
| Portland (2015) | \$ 57.00 | St Helens (2014) | \$ 41.48 |
| Stayton (2013) | \$ 56.99 | Estacada (2015) | \$ 35.12 |
| Woodburn (2010) | \$ 53.29 | Newberg (2015) | \$ 31.93 |
| Molalla (Proposed w/o SDC) | \$ 53.14 | Molalla (Proposed w/o SDC) | \$ 30.98 |
| St Helens (2014) | \$ 50.33 | Molalla (Proposed w/SDC) | \$ 30.98 |
| Molalla (Proposed w/SDC) | \$ 50.00 | Oregon City (2015) | \$ 29.66 |
| Oregon City (2015) | \$ 49.39 | Silverton (2015) | \$ 29.49 |
| Hood River (2013) | \$ 48.00 | Hood River (2011) | \$ 28.74 |
| Canby (2015) | \$ 46.20 | Fairview (2014) | \$ 28.68 |
| Scappoose (2015) | \$ 43.31 | Stayton (2012) | \$ 28.62 |
| Vancouver (2015) | \$ 43.10 | Canby Utility (2015) | \$ 27.97 |
| Molalla (Existing) | \$ 39.33 | Molalla (Existing) | \$ 25.77 |
| Battleground | \$ 37.27 | Battleground | \$ 25.75 |
| Salem (2015) | \$ 35.97 | Vancouver (2015) | \$ 24.71 |
| Estacada (2015) | \$ 35.20 | Woodburn (2006) | \$ 22.11 |
| Fairview (2014) | \$ 31.98 | Salem (2015) | \$ 21.80 |

Assumes average SF residential use at 600 CF

All fees converted to Molalla unit of measure



RESOLUTION 2016 - 08

A RESOLUTION OF THE CITY OF MOLALLA, OREGON ESTABLISHING WATER RATES AND ANNUAL INFLATION ADJUSTMENTS THEREAFTER AS APPROVED BY MOLALLA MUNICIPAL CODE CHAPTER 13.04

WHEREAS, The Molalla Municipal Code Section 13.04.160 provides that fees for water service be established by resolution of the City Council; and

WHEREAS, the City desires to regularly review the costs of operating, maintaining and improving the water system; and

WHEREAS, the City has previously established via Resolution No. 2009-19, a schedule of future water rate increases effective November 1, 2009; and

WHEREAS, the City has caused to be prepared a fee rate study which has identified water system costs, rate structure alternatives and equitable cost recovery methods; and

WHEREAS, the City intends to complete a 5 year water capital improvement plan and rate study and revise the fees based on the updated plan by July 1, 2016; and

WHEREAS, the City desires to establish within its water rate structure both incentives for water conservation and the ability for the City to recover the costs of providing water services; and

WHEREAS, water rates were not adjusted annually based on the Bureau of Labor Statistics Portland-Salem for All Urban Consumers (CPI-U) since the initial increase in 2009; and

WHEREAS, the City desires to establish within its water rate structure an annual increase to address inflation, service provision and maintenance.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Molalla as follows:

Section 1. Resolution No. 2009-19 is repealed upon the effective date of this Resolution.

Section 2. The Water Rates and Fees are established:

Rate Schedule – Water
(All Residential, Commercial, and Industrial inside the City)

| Meter Size (inches) | Rate | Use Charge (per 100 cubic feet) |
|------------------------|----------|------------------------------------|
| 3/4 | \$13.78 | \$2.93 |
| 1 | \$23.01 | \$2.93 |
| 1-1/2 | \$45.89 | \$2.93 |
| 2 | \$73.45 | \$2.93 |
| 3 | \$147.03 | \$2.93 |
| 4 | \$229.71 | \$2.93 |
| 6 | \$459.29 | \$2.93 |
| 8 | \$734.89 | \$2.93 |

All Fire Line Rates are set at \$0.00 per month.

Rates for all services outside of the City limits shall be 150% of the rate schedule shown above.

Section 3. Annual inflationary adjustments for all water users shall be effective automatically each year on July 1 based on the published values by the Bureau of Labor Statistics Portland-Salem for All Urban Consumers (CPI-U).

Section 4. This Resolution is and shall be *effective July 1, 2016* and all rates and charges established herein for water customers shall go into effect as of such date.

Duly adopted by Molalla City Council the _____ day of _____, 2015.

 Mayor, Debbie Rogge

ATTEST the 13th day of April, 2016.

 City Recorder, Sadie Cramer

RESOLUTION 2016 - 09

A RESOLUTION ESTABLISHING A PROGRAM FOR YOUTH REPRESENTATION ON THE CITY COUNCIL AND ESTABLISHING CRITERIA FOR SELECTION OF A YOUTH REPRESENTATIVE

WHEREAS, The Molalla City Council recognizes the contribution young people can make to city government; and

WHEREAS, The Molalla City Council recognizes that participation in local government will have educational benefit to the young people of the community, and

WHEREAS, participation in governmental proceedings will help develop responsible future citizens; and

WHEREAS, the youth representative will serve as a liaison between the City Council and the young people in the community.

NOW, THEREFORE be it resolved, that the Molalla City Council hereby establishes a program for naming and appointing a youth representative to the City Council with the following criteria for selection of that representative shall:

1. Be a high school member of the Molalla River School District enrolled in AP Government.
2. Have parental approval for participation in the program.
3. Have approval from the AP Government teacher.
4. Complete all of the appropriate City of Molalla forms.
5. Participate in the interview process before City Council.
6. Once appointed, will attend and participate in as many of the regularly scheduled meetings as possible, beginning in the fall season through the end of the school season.

BE IT FURTHER RESOLVED, the youth representative will sit at the same table as the City council and may participate in all Council proceedings with the exception of executive sessions. The youth representative will be a fully participating member and may cast a vote of Aye or Nay with the City Council on all items voted upon, except that such vote will be non-binding and recorded only in the discussion section of the minutes for record purposes.

BE IT FURTHER RESOLVED,

NOW, THEREFORE, based upon the above findings, be it resolved by the City Council of the City of Molalla, this resolution will take effect immediately upon its passage by the City Council this 13th day of April, 2016.

Mayor Debbie Rogge

ATTEST this 13th day of April, 2016:

Sadie Cramer, City Recorder

CURRENT PLACE OF EMPLOYMENT (Optional)

Employer's Name _____

Employer's Address and Telephone _____

Your Position _____

Duties _____

PREVIOUS VOLUNTEER EXPERIENCE

Volunteer Agency _____

Address _____ Telephone _____

Duties _____

** I understand the time commitment and duties involved for the position I am seeking. Yes No

AUTHORIZATION WAIVER

I have completed the above questions and to the best of my knowledge, what has been stated is true. If appointed to a volunteer position, I agree to serve without reimbursement of any kind and with the understanding and agreement that medical insurance is not provided by the City of Molalla. Volunteers for the City of Molalla are covered under the city's liability insurance and workers compensation program. As a volunteer applicant, I understand that I may be subject to a criminal records check. I further understand that irrespective of any criminal records check, the City of Molalla may decline my volunteer application or volunteer services at any time.

Signature of Applicant

Date

Signature of Parent/Guardian

Date

PLEASE RETURN COMPLETED APPLICATION TO:

*City of Molalla
Attention: Sadie Cramer
P.O. Box 248 (City Hall – 117 N. Molalla Ave)
Molalla, OR 97038*

OR

Completed applications may be scanned and submitted to: Cityrecorder@cityofmolalla.com