

**AGENDA**

**CITY OF MOLALLA BUDGET COMMITTEE MEETING**

**January 24, 2018**

**6:35 PM**

**Molalla Adult Center**

**315 Kennel Ave., Molalla, OR 97038**

*Mayor Jimmy Thompson*



*Council President Elizabeth Klein  
Councilor Leota Childress  
Councilor DeLise Palumbo*

*Councilor Glen Boreth  
Councilor Cindy Dragowsky  
Councilor Keith Swigart*

*Rory Cramer, Budget Committee  
Stephanie Nice, Budget Committee  
Jody Newland, Budget Committee*

*Mitch Jorgenson, Budget Committee  
Robin Eberly, Budget Committee*

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**1. CALL TO ORDER**

- A. Convene Regular Meeting and Roll Call
- B. Pledge of Allegiance

**2. PUBLIC COMMENT/COMMUNICATIONS AND PRESENTATIONS**

*(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generically engage in dialog with those making comments, but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)*

**3. ADOPTION OF AGENDA**

**4. PUBLIC HEARING**

- A. Discussion and/or Action on The Supplemental Budget and Appropriation of Funds for FY 2017/2018

**5. ADJOURN**

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Agenda posted at City Hall, Senior Center, Library and the City Website at <http://www.cityofmolalla.com/meetings>

This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855



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

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**Supplemental Budget Packet**

**Molalla Adult Center**

**January 24<sup>th</sup>, 2018**

**6:35 P.M.**

January 17, 2018

Budget Committee Members,

We are reconvening the Budget Committee according to Chapter 13 of the Local Budgeting Manual when one or more funds have changed more than 10%.

Attachments:

Page 1 Budget Manual Chapter 13 – Supplemental Budget

Page 4 Agenda Bill – Explanation for Supplemental Budget

Page 5 Resolution 2018-04 – Proposed Supplemental Budget

Page 7 Memo from PW Director-Alternative Rate Increase Choices (Council selected option P1 Fenton)

Page 10 Adopted Resolution 2017-09 – Sewer Rate Increase (6.48%)

Page 12 Adopted Resolution 2017-10 – Storm Water Increase (20.3%)

Please contact me if you have any questions before the meeting.

Chaunee Seifried, Finance Director

[cseifried@cityofmolalla.com](mailto:cseifried@cityofmolalla.com)

# Chapter 13—Budget changes after adoption

An appropriation is an authorization granted by the governing body to make expenditures and to incur obligations for specific purposes. It is limited to one fiscal year or biennial budget period [ORS 294.311(3)]. Appropriations are a legal limitation on the amount of expenditures that can be made during the fiscal year and on the purposes for which expenditures can be made [ORS 294.456(6), renumbered from 294.435(6)]. A local government's appropriations are detailed in the resolution or ordinance making appropriations. Examples are shown at the end of Chapter 11. After the beginning of the fiscal year or biennial budget period, when a local government is operating with the adopted budget, changes in appropriated expenditures sometimes become necessary. Appropriations may be increased or decreased, transferred from one appropriation category to another, or new appropriation categories created.

The method used to amend the budget is determined by the budgetary change needed. If the change involves a new fund or a new appropriation category, a supplemental budget is usually required. If the change is a transfer of appropriation authority (and the corresponding resources) from one fund to another, or within the same fund, then a resolution transfer is allowed. In some cases, the change falls within an exception to the Local Budget Law and the governing body may appropriate expenditures with no budget amendment required.

## Supplemental budget

A supplemental budget is most often required when new appropriation authority is needed. For example, circumstances

may require expenditures that were not budgeted, or you may receive revenue you did not plan for in your budget that you want to spend in the current fiscal year. A supplemental budget is usually not required if appropriations are not being changed.

Although a supplemental budget is usually associated with the expenditure of new appropriations and increased revenues, it can also be used for other purposes. For example, a supplemental budget is usually required to create a new fund during the fiscal year or when transferring appropriation authority to an appropriation category that doesn't already exist in the adopted budget.

Supplemental budgets are good only through the end of the fiscal year or biennium in which they are adopted. They cannot be used to authorize changes in a prior year's budget. Preparing a supplemental budget does not authorize the governing body to impose additional ad valorem taxes [ORS 294.471(4), renumbered from 294.480(4)].

### When can a supplement budget be prepared?

A local government may prepare a supplemental budget if one or more of the following circumstances exists (ORS 294.471, renumbered from 294.480):

- An occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning.
- A pressing necessity creates a need for prompt action.
- Unexpected funds are made available by another unit of federal, state or local government.
- A request for services or facilities is received and the cost will be paid for by a private individual, corporation or company, or by another governmental unit, and the amount of the request could not have been known for certain at the time the budget was prepared.
- Proceeds from the involuntary destruction, involuntary conversion, or sale of property have necessitated the immediate purchase, construction or acquisition of different facilities to carry on governmental operations.
- A sufficiently greater amount of ad valorem taxes than estimated are received during the fiscal year such that the difference will significantly affect the level of government operations to be funded by those taxes for the current year.
- A local option tax, as described in ORS 294.476 (renumbered from 294.435), is approved by the voters and certified for extension on the tax roll for the current tax year.
- Available resources are reduced requiring the governing body to reduce appropriations.

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There are also specific circumstances when a supplemental budget is not required to make expenditures that are not in the adopted budget. See "Exceptions to Local Budget Law" at the end of this chapter.

## When is a supplemental budget not allowed?

A supplemental budget cannot authorize spending an unappropriated ending fund balance, except when necessitated by involuntary conversion or a civil disturbance or natural disaster [ORS 294.481 (renumbered from 294.455)]. It also cannot be used to spend the tax raised above the estimated amount stated in the ballot for a rate-based local option tax [ORS 280.075(2)].

### Process and preparation

A supplemental budget may adjust one fund or several. If a supplemental budget is necessary, the process for preparing it must be determined. The process depends on the size of the change in the adopted expenditures. For the purpose of determining which process to use, fund expenditures in the adopted budget do not include unappropriated ending fund balance, amounts reserved for future expenditure, interfund transfers, or contingency amounts. The adopted expenditures amount is the amount in the budget as most recently amended prior to the supplemental budget currently being considered

### 10 percent or Less

When a supplemental budget will adjust fund expenditures by 10 percent or less the supplemental budget may be adopted at a regularly scheduled meeting of the governing body. The budget committee is not required to be involved. If the supplemental budget is adjusting more than one fund, the adjustment to each fund must be 10 percent or less.

Notice of the regular meeting at which the supplemental budget will be adopted must be published at least five days before the meeting. The notice must include a statement that a supplemental budget will be considered at the meeting. [ORS 294.471(3), renumbered from 294.480].

At the meeting, the governing body approves a resolution adopting the supplemental budget and making any necessary appropriations. The resolution must state the need for, purpose and amount of any appropriations being approved.

### More than 10 percent

If the proposed supplemental budget will change any fund's expenditures by more than 10 percent or will create a new fund or a new appropriation category, then a public hearing must be held and public comment taken before adoption of the supplemental budget. The hearing is held by the governing body. The budget committee is not required to be involved. At the hearing, the governing body must hear comments and questions from any person who wishes to speak.

Not less than five days before the hearing, a notice of hearing and a summary of the changes proposed in the funds that differ by more than 10 percent must be published using one of the methods used to publish the notice of the original budget hearing. The published summary of changes must include, for each fund being adjusted by more than 10 percent, the name of the fund, the source and amount of any resources that are changing, the new appropriation amount for any new appropriation categories or any appropriations that are changing by more than 10 percent, and the fund's revised total resources and requirements (ORS 294.473, renumbered from 294.480).

The Department of Revenue provides a form that can be used to publish the summary of the supplemental budget. The form is titled "Notice of Supplemental Budget Hearing," and is included in the packet of budget forms available at: <http://www.oregon.gov/dor/ptd/pages/localform.aspx>.

The form number for municipal corporations is 150-504-073-8, for education districts is 150-504-075-7 and for urban renewal agencies is 150-504-076-6. A paper copy of the form is available in the annual forms booklet.

Following the hearing, the governing body must pass a resolution or ordinance to adopt the supplemental budget and make any necessary appropriations.

Note that the amount by which fund expenditures are being changed has no effect on whether a supplemental budget is required. The "10 percent rule" only determines the process used to adopt a supplemental budget;

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not whether a supplemental budget is required. It is common to need a supplemental budget even if the expenditures are changing by less than 10 percent. Whether a supplemental budget is required is determined by the criteria in ORS 294.471 and 294.473 and by whether some other "exception to Local Budget Law" can be found that describes the situation and allows the contemplated change without a supplemental budget. See "Exceptions to Local Budget Law" at the end of this chapter.

### Completing the notice of supplemental budget hearing

The form provided by the Department of Revenue for publishing notice of a supplemental budget is designed

to provide summary information on the changes being made by the supplemental budget. Prepare a summary for each fund that is changing by more than 10 percent. For each such fund, indicate the new total of each resource item that is changing, the new total for each expenditure category that is changing, and the new fund total resources and requirements. Do not show resource items or expenditure categories that are not changing. Note that the new fund total may not equal the amount of the changes shown in the summary because there could be other resources or requirements in the fund that are not changing.

### **Reflecting a supplemental budget in next year's budget document**

When preparing the budget detail sheets for the coming fiscal year, revise the figures in the column "Adopted Budget This Year" to include the changes made by any supplemental budgets during the current year.

## **Resolution transfers**

The adopted budget may include budgeted transfers of resources between funds. In addition, it often becomes necessary after the budget is adopted to transfer appropriation authority (and in some cases, resources) from one fund to another or between appropriation categories within the same fund. The governing body may authorize some transfers of appropriation authority by passing a resolution or ordinance. A transfer of appropriation authority is a decrease of one existing appropriation and a corresponding increase of another existing appropriation, with no net change in the total amount of all appropriations [OAR 150-294.450(3)(1)]. In general, a resolution may not be used to authorize the creation of a new appropriation category that does not already exist. That requires a supplemental budget. The only exception to this rule is the creation of a "transfer" appropriation

category used to transfer resources from one fund to another when a corresponding appropriation is also being transferred to the same target fund.

The resolution or ordinance authorizing a transfer must state the need for the transfer, the purpose of the expenditure,

and the amount to be transferred [ORS 294.463(1) and (3), renumbered from 294.450(1) and (3)].

Transfers authorized by resolution can occur either within a fund, or from one fund to any other fund [ORS 294.463(3), renumbered from 294.450(3)].

### **Intrafund transfers**

Appropriations can be transferred within a fund from an existing appropriation category to another existing appropriation category by resolution or ordinance. For example, appropriation authority can be transferred from a fund's existing materials and services appropriation to the fund's existing capital outlay appropriation. The materials and services category is decreased and capital outlay is increased by an equal amount. The net change in the fund's total appropriations is zero.

Intrafund resolution transfers do not require the transfer of resources. No additional revenue is received by the fund; the expenditures are just shifted from one appropriation category to another.

### **Contingency transfers**

A common situation in which appropriations are transferred from one category to another within a fund is when a specific need is identified for money that was budgeted and appropriated as operating contingency.

To make the expenditure, the appropriation authority must be transferred from the contingency category to the appropriation category from which it will be expended. The contingency appropriation is reduced and the receiving appropriation category is increased by the same amount so the fund remains in balance.

150-504-

# City Of Molalla

## City Council Meeting

### Agenda Category: Ordinances, Resolutions and Proclamations

**Subject:** *Supplemental Resolution 2018-04*

**Recommendation:** *Council Approval*

**Date of Meeting to be Presented:** *January 24, 2018*

**Fiscal Impact:** *\$816,460*

**Background:**

1. At the time of preparation of the 2017-2018 budget we did not have information to base estimates on State and Local Shared Revenues. We have now received funds for last year, part of the current year, and estimates through the end of the fiscal year. The Supplemental Budget addresses State and Local Shared Revenues. Also, through accepting these revenues we have proposed a Council Projects line item.
2. After meeting with the City Council June 2017, we passed Resolution 2017-09 and 2017-10 effective July 1, 2017 that increased the Sewer and Storm Water in order to do the P1 Fenton Project. We did not have this information until after we did our budget process.

SUBMITTED BY: Chaunee Seifried, Finance Director  
APPROVED BY: Dan Huff, City Manager

**RESOLUTION 2018-04  
CITY OF MOLALLA**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2017-2018 AND APPROPRIATING FUNDS.**

**WHEREAS**, the City adopted a budget and appropriated funds for fiscal year 2017-2018 by Resolution 2017-08; and,

**WHEREAS**, unanticipated revenues and expenditures are expected to exceed the original adopted budget in some of the City's funds and budgetary changes are necessary within these funds to provide increased appropriation levels to expend the unforeseen revenues; and,

**WHEREAS**, ORS 294.480 provides that a city may amend the current year adopted budget through the supplemental budget process; and,

**NOW THEREFORE, THE CITY OF MOLALLA RESOLVES AS FOLLOWS:**

The City amends the budget for the fiscal year beginning July 1, 2017 and ending June 30, 2018 to include increases in revenues and appropriations within the following funds:

	<b>Reso 2017-08 Current Appropriations</b>	<b>Reso 2018-04 Change in Appropriations</b>	<b>Amended Appropriations</b>
<b>General Fund</b>			
Office of Governance & Management	989,540	20,000	1,009,540
Police Services	2,621,341	50,000	2,671,341
Parks Department	191,127	46,000	237,127
Transfers	1,000	50,000	51,000
<b>Total Appropriated to Gen Fund</b>	<b>4,224,203</b>	<b>166,000</b>	<b>4,390,203</b>
<b>Police Restricted Fund</b>			
PD Restricted	32,850	50,000	82,850
<b>Total Appropriated to PD Restricted F</b>	<b>32,850</b>	<b>50,000</b>	<b>82,850</b>
<b>Sewer Fund</b>			
Sewer Maintenance	679,919	80,000	759,919
Transfers	626,435	272,500	898,935
Contingency	215,240	(102,500)	112,740
<b>Total Appropriated to Sewer Fund</b>	<b>2,513,021</b>	<b>250,000</b>	<b>2,763,021</b>
<b>Water Fund</b>			
Water	627,094	(41,652)	585,442
Water Maintenance	398,600	19,000	417,600
Transfers	774,800	58,000	832,800
Contingency	365,499	(26,348)	339,151
<b>Total Appropriated to Water Fund</b>	<b>2,334,043</b>	<b>9,000</b>	<b>2,343,043</b>
<b>Storm Water Fund</b>			
Storm Water	168,467	71,161	239,628
Transfers	0	55,929	55,929
Contingency	5,165	7,370	12,535

<b>Total Appropriated to Storm Water</b>	<b>173,632</b>	<b>134,460</b>	<b>308,092</b>
			0
<b>Sewer SDC Fund</b>			0
Sewer SDC	155,000	(150,000)	5,000
Transfers	415,467	(39,000)	376,467
<b>Total Appropriated to Sewer SDC Fun</b>	<b>570,467</b>	<b>(189,000)</b>	<b>381,467</b>
Reserves	235,234	189,000	424,234
<b>Water SDC Fund</b>			
Transfers	855,200	45,000	900,200
<b>Total Appropriated to Water SDC Fun</b>	<b>860,200</b>	<b>45,000</b>	<b>905,200</b>
Reserves	998,664	(45,000)	953,664
<b>Transportation SDC Fund</b>			
Transfers	330,000	233,000	563,000
<b>Total Appropriated to Water SDC Fun</b>	<b>335,000</b>	<b>233,000</b>	<b>568,000</b>
Reserves	234,419	(233,000)	1,419
<b>Storm Water SDC Fund</b>			
Transfers	15,000	36,000	51,000
<b>Total Appropriated to Water SDC Fun</b>	<b>15,000</b>	<b>36,000</b>	<b>51,000</b>
Reserves	37,055	(36,000)	1,055
<b>Capital Projects Fund</b>			
Capital Projects	3,521,000	793,429	4,314,429
<b>Total Appropriated to Capital Projects</b>	<b>3,521,000</b>	<b>793,429</b>	<b>4,314,429</b>
<b>TOTAL APPROPRIATED FUNDS</b>	<b>14,579,416</b>	<b>1,527,889</b>	<b>16,107,305</b>

This resolution shall become effective immediately upon its passage by Council.

Adopted by the City Council of the City of Molalla at a regular meeting thereof this 24th day of January, 2018 by the following vote:

**AYES:** \_\_\_                      **NAYS:** \_\_\_

APPROVED BY THE MAYOR this 24th day of January, 2018.

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

ATTESTED BY:

\_\_\_\_\_  
Kelly Richardson, CMC City Recorder



**Public Works Department**

117 N Molalla Avenue

PO Box 248

Molalla, Oregon 97038

Phone: (503) 829-6855

Fax: (503) 829-3676

**June 06, 2017**

TO: Dan Huff, City Manager  
Chaunee Seifried, Finance Director

FROM: Gerald Fisher, Public Works Director

**RE: Rate Increase Alternatives for Additions to FY 2017-18 Capital Projects**

Dan,

There are several projects not included in the FY 2017-18 budget approved by the Budget Committee that will require additional revenue in order to fund the projects. These projects were described in the narrative of the draft budget. This memorandum provides a brief description of the projects along with alternative rate increases for the City Council to consider that would become effective July 01, 2017.

**Project Descriptions**

Fenton Street Reconstruction (CDBG) – This project is a change to the original Community Development Block Grant (CDBG) request with Clackamas County and HUD. The proposed project has been moved from Lola Avenue to Fenton Avenue due to preliminary household income results from Clackamas County mapping not meeting the minimum requirements in the Lola Avenue neighborhood. The project includes reconstruction of the sanitary sewer system, installation of a new storm sewer system, extension of a new waterline, and reconstruction of the roadway with curb and gutter and sidewalk approximately 750 lineal feet south of the Heintz/Fenton intersection. Failure to fund this project will require the City to abandon the approved grant which may decrease the City's grant opportunities in the future. Because of the potential of losing a grant, this project is a Priority 1 project.

WWTP Aeration Basin Cleaning – This project will remove sediment buildup within the aeration basin from grit and filter backwash in advance of a relining project anticipated in fiscal year 2018-19. Because of the potential to increase aeration basin capacity and prepare for a relining project, this is a Priority 2 project.

Lola Avenue Improvements – This project will replace the existing sanitary sewer system and water system from Main Street (Hwy 211 – 5<sup>th</sup> Street). The water and sewer lines along this section of roadway are beyond their useful life and in need of replacement. This will also allow for opportunities for reconstruction of the substandard street when stormwater and

roadway improvement funding becomes available. Because of the existing infiltration and inflow issues associated with the sewer system, this is a Priority 3 project.

The following is a breakdown of rate increase impact associated with the addition of each project based on its priority and potential alternatives along with a 2.1% inflation index based on Portland-Salem CIP-U. In the last alternative, P2 has been removed with the assumption that it will be combined with the aeration basin relining project in a future fiscal year.

**Table 1 – Rate Increase Based on Project Alternatives**

Alternative	Projects	Rate Increase Required %
1	P1 (Fenton)	Sewer 6.48%, Stormwater 20.3%
2	P1 (Fenton), P2 (Aeration)	Sewer 8.72%, Stormwater 20.3%
3	P1 (Fenton), P2 (Aeration), P3 (Lola)	Sewer 24.94%, Stormwater 20.3%
4	P1 (Fenton), P3 (Lola)	Sewer 22.70%, Stormwater 20.3%

For the average single family household the rate increases above would result in an average monthly dollar increase as follows:

**Table 2 – Average Single Family Increase Based on Project Alternatives**

Alternative	Average \$ Increase Per Month*	Total Per Month*
Existing	City of Molalla	Sewer \$53.80, Stormwater \$3.00
1	Sewer \$3.49, Stormwater \$0.61	Sewer \$57.29, Stormwater \$3.61
2	Sewer \$4.69, Stormwater \$0.61	Sewer \$58.49, Stormwater \$3.61
3	Sewer \$13.42, Stormwater \$0.61	Sewer \$67.22, Stormwater \$3.61
4	Sewer \$12.21, Stormwater \$0.61	Sewer \$66.01, Stormwater \$3.61
Comparison	City of Silverton – July 2017	Sewer \$63.46, Stormwater \$7.17

\*Assumes base rate plus 600 cubic feet of monthly water use.

The City of Silverton rates have been used as a comparison but do not account for all rates charged. On July 1<sup>st</sup>, the following table is a comparison of the average monthly fee single family home will pay based on Molalla Option 3:

**Table 3 – Average Single Family Comparison (Molalla – Silverton)**

Fee	Molalla	Silverton
Water	\$29.66	\$35.87
Sewer	\$67.22	\$63.46
Storm	\$3.61	\$7.17
Street	\$0	\$9.20
Parks	\$0	\$1.52
Total	\$100.49	\$117.22

\*Assumes base rate plus 600 cubic feet of monthly water use.

Staff recommends Alternative 3 as the priority alternative. In lieu of Alternative 3, in decreasing order of priority we recommend Alternative 4, Alternative 2, followed by Alternative 1. Rate increases would become effective July 01, 2017 and impact the fiscal year 2017-18 Sewer Fund, Stormwater Fund, and Capital Projects Fund budgets. A supplemental budget will be required after July 01, 2017.

Thank you and let me know if you need any additional information.

## RESOLUTION No. 2017 - 09

A RESOLUTION OF THE CITY OF MOLALLA, OREGON ESTABLISHING SANITARY SEWER RATES AND ANNUAL INFLATION ADJUSTMENTS THEREAFTER AS PROVIDED BY MOLALLA MUNICIPAL CODE CHAPTER 13.08

WHEREAS, The Molalla Municipal Code Section 13.08.370 provides that fees for sanitary sewer 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 sanitary system; and

WHEREAS, the City has previously established via Resolution No. 2006-10, a schedule of future sewer rate increases that began on October 1, 2006; and

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

WHEREAS, the City intends to complete a 5 year sanitary sewer capital improvement plan and rate study and revise the fees based on the updated plan by August 1, 2017; and

WHEREAS, the City has previously establish within its sanitary sewer 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. 2015-13 is repealed upon the effective date of this Resolution.

Section 2. The fixed fee shall be based on a rate per equivalent dwelling unit (EDU) per month. The variable fee shall be based on the per hundred cubic feet (Ccf) of winter average water consumption. Sanitary Sewer Rates and Fees are established:

**Rate Schedule thru June 30, 2017 – Sanitary Sewer  
(All Residential, Commercial, and Industrial inside the City)**

All Classes	Rate	Use Charge (per 100 cubic feet)
Equivalent Dwelling Unit	\$33.76	\$3.34

**Rate Schedule Effective July 01, 2017 – Sanitary Sewer  
(All Residential, Commercial, and Industrial inside the City)**

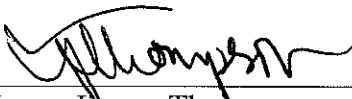
All Classes	Rate	Use Charge (per 100 cubic feet)
Equivalent Dwelling Unit	\$35.95	\$3.56

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 sanitary sewer 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 shall be effective upon adoption and all rates and charges established herein for sanitary sewer customers shall go into effect as of dates provided in rate schedule.

Duly adopted by Molalla City Council the 14 day of June, 2017.

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

ATTEST the 14 day of June, 2017

  
\_\_\_\_\_  
City Recorder, Sadie Cramer

**RESOLUTION 2017-10**

**A RESOLUTION OF THE CITY OF MOLALLA, MOLALLA CITY COUNCIL MODIFYING THE SURFACE WATER UTILITY USER CHARGE METHODOLOGY**

**WHEREAS**, Section 13.13.030 of the Molalla Municipal Code established a Surface Water Utility User Charge, and specified that the rate shall be in an amount reasonable and necessary to fund the administration, planning, design, construction, operation, maintenance and repair of the Surface Water Management System; and

**WHEREAS**, City Council adopted a methodology and set a user rate in Resolution 1999-11; and

**WHEREAS**, City Council reviewed an updated methodology at the May 24, 2017 meeting and directed City staff to bring back a Resolution modifying the Surface Water Utility User Charge Methodology at the first City Council Meeting in June.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLALLA AS FOLLOWS:**

Section 1. Resolution No. 1999-11 is repealed upon the effective date of this Resolution.

Section 2. The methodology attached hereto and incorporated herein by reference regarding the calculation of the surface Water Utility user Charge is hereby adopted.

Section 3. The Equivalent Dwelling Unit (EDU) shall be based on a local value of 2,980 square feet of impervious surface and the EDU factor shall be 1.00.

Section 4. Impervious surface factors for properties other than a single family dwelling shall be based on the square feet of impervious surface divided by one EDU and measured to the nearest one-hundredth EDU.

Section 5. The impervious surface factor shall be multiplied by the base fee to determine the monthly fee.


Section 6. The base fee shall be \$3.61 per EDU.

Section 7. Annual inflationary adjustments for all storm 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 8. This Resolution is effective upon adoption and all rates and charges established herein for storm water customers shall go into effect as of July 01, 2017.

DULY ADOPTED AND EFFECTIVE the 14th day of June, 2017, by a

vote of 6 ayes and 0 nays

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

ATTEST this 14<sup>th</sup> day of June, 2017:

  
\_\_\_\_\_  
City Recorder, Sadie Cramer