



MOLALLA CITY COUNCIL MEETING

May 22, 2019

7:00 PM

Molalla Adult Center

315 Kennel Ave., Molalla, OR 97038

Mayor Keith Swigart

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

**Councilor Terry Shankle
Councilor Jody Newland
Councilor Open Position**

CALL TO ORDER

Convene Meeting and Roll Call
Pledge of Allegiance

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.)

ADOPTION OF AGENDA

CONSENT AGENDA

- [1.](#) City Council Special Meeting Minutes May 2, 2019
- [2.](#) City Council Minutes May 8, 2019

PUBLIC HEARING

ORDINANCES, RESOLUTIONS, PROCLAMATIONS

- [3.](#) Ordinance 2019-06 Updating Chapter 2.06 Planning Commissions and Boards.

NEW BUSINESS

- [4.](#) Financial Policy Discussion

OLD BUSINESS

REPORTS AND ANNOUNCEMENTS

EXECUTIVE SESSION

Held pursuant to Oregon Public Record Law, ORS 192.660(2):

- (h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.
- (i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

RECONVENE REGULAR SESSION

- 5. Discussion of CM Contract**

ADJOURN



MOLALLA CITY COUNCIL MEETING

May 22, 2019

7:00 PM

Molalla Adult Center

315 Kennel Ave., Molalla, OR 97038

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



**Minutes of the Molalla City Council Special Meeting
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Thursday, May 02, 2019**

CALL TO ORDER OF THE MOLALLA CITY COUNCIL MEETING; the special meeting of Thursday, May 02, 2019 was called to order by Mayor Keith Swigart at 6:30 P.M.

COUNCIL ATTENDANCE:

Mayor Keith Swigart – Present
Councilor Elizabeth Klein – Present
Councilor Leota Childress – Present
Councilor DeLise Palumbo – Absent
Councilor Terry Shankle – Absent
Councilor Jody Newland – Present
Councilor Open Position – Present

STAFF IN ATTENDANCE

Dan Huff, City Manager - Present
Gerald Fisher, Public Works Director - Present
Chaunee Seifried, Finance Director – Present
Frank Schoenfeld, Police Chief - Present
Kelly Richardson, City Recorder - Present
Diana Hadley, Library Director - Present
Chad Jacobs, City Attorney - Absent

CALL TO ORDER

Convene Meeting and Roll Call
Pledge of Allegiance

PUBLIC COMMENT/COMMUNICATIONS AND PRESENTATIONS

1. Application for Budget Committee Member Christie Burns addressed the Council.
Motion made by Councilor Klein to appoint Christie Burns to the 2019/2020 Molalla Budget Committee, Seconded by Councilor Childress.
Voting Yea: Councilor Klein, Councilor Childress, Mayor Swigart, Councilor Newland

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ADOPTION OF AGENDA

CONSENT AGENDA

ORDINANCES, RESOLUTIONS, PROCLAMATIONS

NEW BUSINESS

OLD BUSINESS



**Minutes of the Molalla City Council Special Meeting
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Thursday, May 02, 2019**

REPORTS AND ANNOUNCEMENTS

ADJOURN

Motion made by Councilor Childress to adjourn the special City Council meeting of May 2, 2019, Seconded by Councilor Newland.

Voting Yea: Councilor Klein, Councilor Childress, Mayor Swigart, Councilor Newland

Mayor, Keith Swigart

Date

ATTEST:

Kelly Richardson, CMC
City Recorder



**Minutes of the Molalla City Council Regular Meeting
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Wednesday, May 08, 2019**

CALL TO ORDER OF THE MOLALLA CITY COUNCIL MEETING; the regular meeting of Wednesday, May 08, 2019 was called to order by Mayor Keith Swigart at 7:00 P.M.

COUNCIL ATTENDANCE:

Mayor Keith Swigart – Present
Councilor Elizabeth Klein – Present
Councilor Leota Childress – Present
Councilor DeLise Palumbo – Present
Councilor Terry Shankle – Present
Councilor Jody Newland – Absent
Councilor Open Position – Present

STAFF IN ATTENDANCE

Dan Huff, City Manager - Present
Gerald Fisher, Public Works Director - Present
Chaunee Seifried, Finance Director – Present
Frank Schoenfeld, Police Chief - Absent
Kelly Richardson, City Recorder - Present
Diana Hadley, Library Director - Absent
Chad Jacobs, City Attorney - Absent

Pledge of Allegiance

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.)

ADOPTION OF AGENDA

Motion made by Councilor Childress to adopt the agenda as presented, Seconded by Councilor Klein. Voting Yea: Councilor Klein, Councilor Childress, Mayor Swigart, Councilor Shankle, Councilor Palumbo.

CONSENT AGENDA

Motion made by Councilor Childress to adopt the Consent Agenda as presented, Seconded by Councilor Palumbo. Voting Yea: Councilor Klein, Councilor Childress, Councilor Palumbo, Mayor Swigart, Councilor Shankle

1. City Council Minutes April 24, 2019
2. 18-17 Phase 1 Sewer – Project 7 Fenton



**Minutes of the Molalla City Council Regular Meeting
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Wednesday, May 08, 2019**

ORDINANCES, RESOLUTIONS, PROCLAMATIONS

3. Ordinance 2019-06 MMC Chapter 2.06 Planning Commissions and Boards
Councilor Shankle had concerns regarding the language submitted. Councilor Shankle wanted to see in addition to the 3 miles something that would allow property owners to serve on the Commission. Councilor Klein had concerns about out of state property owners applying. Following a brief discussion amongst Councilors it was decided to table the ordinance until the next meeting. Council directed staff to bring back other cities requirements for discussion.

Motion made by Councilor Shankle to table this item until the May 22 meeting, Seconded by Councilor Klein. Voting Yea: Councilor Klein, Councilor Childress, Mayor Swigart, Councilor Shankle.

NEW BUSINESS

4. Planning Applications
Jacob Giberson 150 Indian Oak Ct, Molalla, gave a brief summary of his work experience in construction. Giberson wanted to volunteer in his community.

Connie Farrens 22630 S Upper Highland Beaver creek, OR. Farrans is a business owner in Molalla and is interested in serving this community.

Motion made by Councilor Childress to appoint both applicants Giberson and Farrens to the Molalla Planning Commission. seconded by Councilor Palumbo. Voting Yea: Councilor Klein, Councilor Childress, Mayor Swigart, Councilor Shankle

OLD BUSINESS

REPORTS AND ANNOUNCEMENTS

Finance Director Seifried informed Council at the next Council meeting there will be several financial policies presented for discussion.

Public Works Director Fisher Informed Council of the pending schedule for SDC increases.

City Recorder Richardson had nothing.

City Manager Huff Informed Council of the recent Hansen email, Huff stated it had nothing to do with tonight's applicants. It could affect land use issues that could potentially come before Council. The best policy is to abstain from social media posts and conversations regarding potential land use or other situations that could come before Council.

Councilor Shankle informed Council the Molalla Chamber finished placing the flower baskets.

Councilor Palumbo informed Council the first Art Commission task force meeting is set for June 8, 2019 at the Molalla Public Library at 6:30 P.M.



**Minutes of the Molalla City Council Regular Meeting
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Wednesday, May 08, 2019**

EXECUTIVE SESSION

Held pursuant to Oregon Public Record Law, ORS 192.660(2):

5. Held pursuant to Oregon Public Record Law, ORS 192.660(2): (i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

- (i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Councilors were all present along with Mayor Swigart. No one from the news media was present. Staff present were CM Huff and CR Richardson.

ADJOURN

Motion made by Councilor Klein to adjourn the regular meeting of May 8, 2019 and enter executive session, Seconded by Councilor Shankle.

Voting Yea: Councilor Klein, Councilor Childress, Councilor Palumbo, Mayor Swigart, Councilor Shankle

Mayor, Keith Swigart

Date

ATTEST:

Kelly Richardson, CMC
City Recorder

City of Molalla

City Council Meeting



Agenda Category: Ordinance 2019-06

Subject:	Ordinance 2019-06 Updating Chapter 2.06 Planning Commissions and Boards.
Recommendation:	Adopt
Date of Meeting to be Presented:	May 22, 2019
Fiscal Impact:	N/A
Submitted By:	City Manager, Huff
Approved By:	City Manager, Huff

<p>Background:</p> <p>At the last Council meeting staff was directed to bring language back regarding composition of the Planning Commission. The following information is from around Clackamas County;</p> <p>City of Sandy Chapter 2.15 BOARDS AND COMMISSIONS Repealed 05.21.18 with Ordinance 2018-06 and established by Resolution 2018-14 Chapter 2.16 PLANNING COMMISSION2</p> <p>2.16.010 Establishment. There is established a planning commission for the city. (Ord. 1473 § 1, 1973.)</p> <p>2.16.020 Membership. The commission shall consist of seven members, at least five of whom shall be city residents. The other two members may be residents or may consist of the following:</p> <p>A. An owner and operator of a business located within the city limits, provided such owner and operator is a resident of Clackamas County or that portion of Multnomah County east of 181st Street, Portland, Oregon;</p> <p>B. A resident within the city's urban growth boundary but outside city limits. Nothing in this section requires nonresident members. (Ord. 17-91 § 1, 1991: Ord. 1875 § 2, Ord. 13, 2017.)</p> <p>2.16.030 Powers and duties of commission. The powers and duties of the planning commission shall be as follows:</p>
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City of Milwaukie

2.16.020 MEMBERSHIP—QUALIFICATIONS

A. The Commission shall consist of seven (7) members appointed by the Council, no more than two (2) of whom may be nonresidents. No more than two (2) members shall be engaged in the same kind of occupation, business, trade, or profession. No more than one (1) individual from a household may be appointed to serve on the committee at one time.

B. No more than two (2) voting members of the Commission may engage principally in the buying, selling or developing of real estate for profit as individual, or be members of any partnership, or officers or employees of any corporation, that engages principally in the buying, selling or developing of real estate for profit. (Ord. 2034 § 1, 2011; Ord. 1802 § 1, 1996)

City of Estacada

2.24.030 Membership

The commission shall consist of seven members who are not officials or employees of the city. The mayor or a council member designated by the mayor shall be entitled to sit with the commission and take part in its discussions, but shall not have the right to vote. No fewer than four members of the commission shall be residents of the city. Any nonresident member of the commission shall reside within the area designated by the United States Postal Service for Zip Code No. 97023.

(Prior code § 10.010)

City of Canby

Confirmed with City Recorder that members could live within the UGB.

City of Oregon City

2.24.030 - Distribution of interests.

No more than two voting members of the commission shall be engaged principally in buying, selling or developing of real estate for a profit as individuals or be members of any partnership, or officers, or employees of any corporation that is engaged principally in buying, selling or developing of real estate for a profit. No more than two voting members shall be engaged in the same kind of business, trade or profession.

City of Silverton

2.08.020 Membership – Qualifications –

The city planning commission shall consist of seven members. The commission members shall be appointed by the mayor with the approval of the city council. Not less than five members shall be selected from among qualified city residents and not more than two commission members may be chosen from qualified persons who reside within the urban growth boundary of the city of Silverton. Planning commission members in office upon approval of the ordinance codified in this chapter shall continue in office for the duration of current appointments. New members will be appointed for four-year terms. Vacancies in office shall be filled in the same manner as new appointments for the unexpired portion of the term. (Ord. 94-103 § 1, 1994; Ord. 845 § 1, 1986; Ord. 604 § 1, 1969; Ord. 601 § 1, 1969; Ord. 331 § 2, 1942)

Lake Oswego

The Planning Commission shall consist of seven (7) members to be appointed by the City Council for a

term of four (4) years.

Qualifications

No less than a majority of the members of the Planning Commission shall be residents of the City of Lake Oswego. Any members not residing in the City shall reside within the City's Urban Services Boundary. No more than two members of the Commission may engage principally in the buying, selling, or developing of real estate for profit as individuals, or be members of any partnership, or officers or employees of any corporation that engages principally in the buying, selling, or developing of real estate for profit. No more than two members shall be engaged in the same kind of occupation, business, trade, or profession.



ORDINANCE NUMBER 2019-06

**AN ORDINANCE OF THE CITY OF MOLALLA, OREGON,
AMENDING ORDINANCE 2108-05 MOLALLA MUNICIPAL CODE
CHAPTER 2.06 HEARING BODIES AND THEIR DUTIES.**

WHEREAS, the Molalla City Council recently had implemented Ordinance 2018-05; and

WHEREAS, had reestablished chapter 2.06 Hearing Bodies and Their Duties outside of the Development Code; and

WHEREAS, the City of Molalla had not at that time updated any of the language and processes; and

WHEREAS, the City of Molalla is ready to update the language and process to better meet the needs of the City.

Now, Therefore, the City of Molalla does ordain as follows:

Section 1. 2.06.020 Qualification— Compensation.

The Hearings Officer shall be a member in good standing of the Oregon State Bar Association and shall be paid such compensation as agreed between such Hearings Officer and the City of ~~Molalla Council.~~ (Ord. 2018-05 §1)

Section 2. 2.06.030 Adoption of rules for conduct of hearings.

The Hearings Officer shall follow rules of procedure for the conduct of hearings pursuant to this chapter, ~~provided~~ and not in conflict with the Development Code, ~~such rules do not conflict with state law, the City Charter and ordinances, or the Comprehensive Plan. A copy of such rules shall be available for review at no cost or purchased for a nominal fee.~~ (Ord. 2018-05 §1)

Section 3. 2.06.060 Purpose.

~~—The purpose of the Citizens Advisory Committee is to assist in determining the community's interest in land use proposals and present such view at public hearings before the Hearings Officer, Planning Commission and City Council. A Citizens Advisory Committee meeting shall be for the purpose of reviewing current land use applications, ordinance and Comprehensive Plan amendments, and preparing written~~

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~~or oral testimony regarding such proposals to be presented at the appropriate public hearing. The Committee is authorized to file appeals from a decision of the city staff or Hearings Officer. The Planning Commission acts as the city's officially recognized Citizen Advisory Committee. (Ord. 2018-05 §1)~~

~~Section 4. 2.06.070 Appointment and terms of members.~~

~~The Planning Commission is appointed as the Citizens Advisory Committee. At the discretion of the City Council or on petition by resolution from the Planning Commission, the City Council may establish a separate Citizens Advisory Committee. Terms of members shall run concurrently with their membership on the Planning Commission. If a separate Citizens Advisory Committee is established, the Mayor with the consent of the City Council shall appoint to it at least three but no more than seven voting citizens who reside within the city limits. Such appointments shall be for a term of one year and may be terminated at the pleasure of the Mayor with the consent of the City Council. (Ord. 2018-05 §1)~~

~~Section 5. 2.06.080 Meetings—Quorums—Officers.~~

~~The Citizens Advisory Committee shall operate under the same rules and policies as those established for the Planning Commission. (Ord. 2018-05 §1)~~

Section 6. 2.06.100 Created—Composition—Compensation.

A. There is created a City Planning Commission for the City of Molalla.

1. The Planning Commission shall consist of the following:

a. Voting Members.

i. A minimum of three but no more than seven members to be appointed as outlined in Section 2.06.110.

ii. No more than two voting members may be non-residents of the city. Non-residents must live within a three-mile radius of the City. There shall be more residents of the city than non-residents sitting on the board at all times. There shall always be more residents of the City than non-residents on the Commission.

b. City Involvement Seats on the Planning Commission.

~~i. An additional two non-voting members on the board. Non-voting members will be afforded the privileges and rights given to voting members with the exception of voting privileges. Non-voting members shall be given priority consideration for the positions on the Planning Commission as positions become available given that they meet the criteria as set forth in subsection (A)(1)(a) of this section.~~

~~ii. Appointment of non-voting members shall occur as outlined in Section 2.06.110.~~

c. It is the policy of the City of Molalla that involving youth in the public decision-making process promotes interest and participation. provides the opportunity to enhance the community's interest in this process for generations to come. Accordingly, the Planning Commission may also have up to two additional non-voting members of high-school age, who must live within the Molalla River School District.

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- ~~— i. — A youth applicant must be 16 years of age or older.~~
- ~~— ii. — Meetings may go late into the evening. Students under the age of 18 shall not be allowed to go later than 9:00 p.m. on school nights, or 10:00 p.m. on nights when there is no school the following day. If the staff believes the frequency of Planning Commission meetings will disrupt the student's school work or interfere with the student's school schedule, staff may request the student be absent from certain meetings. Students shall be required to provide proof that their grades are being maintained at a minimum of a "C" average.~~
- ~~— iii. — Students will be expected to participate fully in discussions.~~
- ~~— iv. — Appointment of non-voting youth members shall occur as outlined in Section 2.06.110.~~
- ~~— d. — Individuals interested in serving on the Planning Commission shall meet the following criteria:~~
 - ~~— i. — Reside within the City of Molalla, except as otherwise provided in this section.~~
 - ~~— ii. — Not more than two members may have the same occupation.~~
 - ~~— iii. — Must be a citizen of the United States of America.~~
- ~~— B. — The composition of the Planning Commission shall meet the requirements of ORS 227.030. Commission members shall receive no compensation. (Ord. 2018-05 §1)~~

Section 7. **2.06.110 Terms of members.**

A. Each member of the Planning Commission shall be appointed as provided in the City Charter to a four-year term. Any vacancies shall be ~~filled~~ appointed by the Mayor with the consent of the City Council for the ~~unexpired~~ remaining portion of the term.

B. Unexcused absences from three regular meetings may disqualify a member at which time the Planning Commission may request that the Mayor appoint a replacement. Members shall call, mail, or drop-off a letter to staff in order to be excused from regularly scheduled meetings.

C. All appointments to the Commission may be terminated at the pleasure of the Mayor with the consent of the City Council. (Ord. 2018-05 §1)

Section 8. Effective this Ordinance is necessary for the immediate preservation of the public peace, health and safety, and , pursuant to section 18 of the Molalla City Charter, it is effective immediately upon passage by Council and approved by the Mayor this date _____.

/ / / / /

/ / / / /

Read the first time on _____ and moved to second reading by _____ vote of the City Council.

Read the second time and adopted by the City Council on _____.

Signed by the Mayor on _____.

Keith Swigart, Mayor

ATTEST:

Kelly Richardson, CMC, City Recorder

City of Molalla

City Council Meeting



Agenda Category: New Business

Subject:	Financial Policy Discussion
Recommendation:	Discussion only
Date of Meeting to be Presented:	May 22, 2019
Fiscal Impact:	N/A
Submitted By:	Finance Director, Seifried
Approved By:	City Manager, Huff

Background:

We are working on submitting the current budget for the Government Finance Officer Distinguished Budget Award. We provided the Budget Committee the basics during our recent Budget meeting and we are now ready to provide Council with proposed Financial Policies for review. Financial policies were last updated in February of 2009. As we mentioned previously, we are using GFOA's (Government Finance Officers Association) Best Practices in our current recommended policies. These policies will be part of your formal Budget approval process in June.

For discussion purposes we have included the following policies for Council review:

1. Budget Policy
2. Debt Policy
3. Expenditure Policy
4. Fund Balance and Reserve Policy
5. Grants Policy
6. Revenue Policy

City of Molalla



Budget Policy

Adopted xxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous budget policies.



I. Purpose

The purpose of this policy is to establish guidelines for The City of Molalla (City) to account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public through the budget cycle.

This policy is designed to provide conceptual standards for financial decision-making, enhance consistency in financial decisions, and establish parameters to use in directing the day-to-day financial affairs of the City.

II. Scope

This policy governs the budgeting process, monitoring of budget execution, performance monitoring, and any revision of the budget.

III. Objectives

The primary objectives of budget activities shall be:

- To ensure that the annual budgeting process is performed timely and supports the City's financial and operational planning objectives and processes.
- To ensure actual versus budget is reviewed and monitored for significant variances.
- To ensure that expenditures made are in line with program objectives.
- To ensure that budgets are reviewed periodically for relevance and revised as necessary.

To the extent possible, the City's budget process will:

- Incorporate a long-term perspective,
- Establish linkages to broad organizational goals,
- Focus budget decisions on results and outcomes,
- Involve and promote effective communication with stakeholders, and

IV. Policy Statement

A. Oregon Local Budget Law

The City is subject to the requirements of Oregon Local Budget Law under ORS Section 294.

B. Long-term Focus

The City recognizes the importance of long-term strategic planning. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions. The City shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the City.

C. Conservatism

Revenues will be projected conservatively, but realistically, considering:

1. past experience,



2. the volatility of the revenue source,
3. inflation and other economic conditions, and
4. the costs of providing the related service.

Expenditures will be projected conservatively considering:

1. a conservative but likely scenario of events (versus “worst case”),
2. specific, identified needs of the program or service,
3. historic consumption and trends, and
4. inflation and other economic trends.

D. Matching Concept

The City will make an effort to match one-time resources with one-time uses in the development of the budget. Similarly, recurring resources will be identified with recurring uses to the extent possible.

If it becomes necessary to use one-time resources to balance the City’s budget, a plan for achieving a structural balance will be developed simultaneously that identifies revenue enhancements or expenditure decreases to bring the budget back into balance

E. Contingencies and Unappropriated Ending Fund Balance

Contingencies will be budgeted in all operating funds to provide flexibility and to address unforeseen circumstances that may arise after the budget is adopted. There shall be no expenditures from contingencies. Transfers of appropriations to expenditure categories may be made with City Council approval.

The City will report an unappropriated ending fund balance in the debt service funds equal to the first scheduled debt service payment of the subsequent year. Unappropriated fund balances may not be appropriated or spent. Unappropriated balances will then be available and appropriated in the following year to ensure adequate resources to cover debt service.

F. Budget Development

1. The operating budget is the City’s financial operating plan. All funds will be subject to appropriation by the City Council.
2. The budget will be balanced for each fund. The proposed cash resources of each fund (beginning of year fund balance plus estimated receipts) will equal or exceed appropriations. When necessary, the following budget-balancing strategies will be used, in order of priority:
 - a. Reduce expenditures through improved productivity.
 - b. Create new service fees or increase existing fees and charges.
 - c. Reduce or eliminate services.
3. Unencumbered appropriations lapse at the end of the fiscal year.



4. The City Manager shall serve as the City's Budget Officer, and as such will present the proposed budget to the Budget Committee for consideration and eventual approval. The Finance Director is the City Manager's alternate.
5. Public hearings will be held to obtain public input on the City's proposed and approved budget.
6. The City's budget shall be prepared on a budgetary basis. The budget will be sufficiently detailed to identify all significant sources and uses of funds. Adopted budget for current year data, second proceeding year actuals, and first proceeding year actual results will be presented for comparative purposes.
7. The budget will be adopted by the City Council no later than June 30.

G. Budget Modification

1. The adopted budget may be amended to transfer appropriations between funds or budget categories through resolution of the City Council.
2. A supplemental budget may be adopted by the City Council, following a public hearing, to increase the adopted appropriations of any fund.

City of Molalla



Debt Policy

Adopted xxxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous debt policies.



I. Purpose

This Debt Policy for the City of Molalla (City) is established to help ensure that all debt is issued both prudently and cost effectively. This policy sets forth comprehensive guidelines for the financing of capital expenditures of the City. Adherence to the policy is essential to ensure that the City Council maintains a sound debt position and protects the credit quality of its obligations.

II. Governing Authority

The City’s debt policy shall be operated in conformance with Oregon Revised Statutes, applicable federal law and other regulatory requirements. The Finance Director will maintain the debt policy and develop recommendations for debt financing.

III. Scope

This policy applies to all financing activities of the City.

IV. Objectives

The objectives of the policy shall be that:

- i. the City obtain financing only when necessary,
- ii. the process for identifying the timing and amount of debt or other financing be as efficient as possible,
- iii. the most favorable interest rate and other related costs be obtained, and
- iv. when appropriate, future financial flexibility be maintained.

V. Conditions of Debt

1. Debt Limits

i. Legal Restrictions

- The City shall observe and comply with all legal restrictions including State constitution or law, local charter, by-laws, resolution or ordinance, or covenant, and bond referenda approved by voters.

ii. Public Policies

- The City shall observe and support appropriate public policy considerations including the purposes for which debt proceeds may be used or prohibited,
- The types of debt that may be issued or prohibited, the relationship to and integration with the Capital Improvement Program, and policy goals related to economic development, including potential public-private partnerships.

iii. Financial Restrictions

A. Direct Debt

The City shall develop and maintain financial information in the consideration and evaluation of its debt position including the ratio of debt per capita, the ratio of debt to personal income, the ratio of debt to taxable



property value, and debt service payments as a percentage of general fund revenues or expenditures.

B. Revenue Debt

The City may consider issuance of revenue bonds as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

C. Conduit Debt

The City shall not engage in the issuance of conduit debt.

D. Short-term Debt

The City may engage in short-term financing if cash or working capital needs so dictate. All short-term borrowings should reflect the same objectives as those identified for debt financing above.

E. Variable Rate Debt

The City may consider issuance of variable rate debt as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

2. Debt Structuring Practices

The City shall consult with financial advisors and bond counsel, and within the framework of applicable accounting and reporting requirements to identify and implement sound debt structuring practices for each type of bond to the best advantage of the City, including:

- Maximum term
- Average maturity
- Debt service pattern (i.e. equal payments or equal principal amortization)
- Use of optional redemption features that reflect market conditions and/or needs of the City,
- Use of variable or fixed-rate debt, credit enhancements, short-term debt, and limitations as to when, and to what extent, each can be used, and
- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

3. Debt Issuance Practices

The City shall employ sound practices for debt issuance in the context of best practices and strong internal controls, including:

- Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,



- Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
- Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
- Criteria for issuance of refunding bonds, and
- Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

4. Debt Management Practices

The City shall manage outstanding debt to the direct advantage of the City, and ultimately to the benefit of citizens. In doing so, the City shall:

- Establish and maintain appropriate funds and accounting structures to properly support budgeting, recording, and reporting of debt service activities,
- Establish, document, and maintain a system of internal control over debt activities including proper approvals for debt issuance and debt service payments, and
- Provide for periodic review of the City's debt position for purposes of reporting to the City Council and evaluation of opportunities for refunding or other adjustments to the portfolio.

City of Molalla



Expenditure Policy

Adopted xxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous expenditures policies.



I. Purpose

The purpose of this policy is to establish guidelines for the City of Molalla to efficiently and effectively process expenditure transactions.

II. Scope

This policy is applicable to all expenditure transactions of the City.

III. Objectives

- A. To ensure a fundamental level of integrity, directness, and transparency in how the City spends public funds.
- B. To ensure City expenditures directly support services to customers and citizens.

IV. Policy Statements

- A. All monies due by the City shall be paid in full within 30 days of the receipt of invoice. The City shall take advantage of vendor discounts to the extent practicable and available.
- B. All payments must be properly authorized and supported by appropriate documentation. Proper authorization may consist of an approved purchase order or direct approval on an original invoice or payment request. Approval is based on City Charter limits. Appropriate documentation consists of an original invoice or payment request and proof of receipt of goods and services. Payment shall not be made on copies of invoices.
- C. All checks require two (2) signatures, one of which is the Mayor or a City Councilor if available. Signers include the City Manager, Department Head, at least 2 Councilors and the Mayor. Payments other than by check require the same approval process.
- D. Expenditure-related duties shall be assigned to City staff in such a manner that there is appropriate separation of duties. Specifically, the initiation, authorization, and processing of expenditures shall be assigned to separate individuals.
- E. Access shall be restricted to City staff with direct responsibilities for expenditure-related functions, and only those functions as assigned.
 - 1. System access shall be assigned and maintained according to specific functional assignments and accessed by unique login and password, by employee.
 - 2. Access to blank check stock shall be restricted and under the control of the Finance Director. All check numbers in sequence shall be properly accounted for.
 - 3. Voided checks shall be appropriately cancelled (stamped or marked "void" and the signature lines removed) and retained until after completion of the annual audit.

City of Molalla



Revenue Policy

Adopted xxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous revenue policies.



I. Purpose

The purpose of this policy is to establish guidelines for City of Molalla to encourage diversification and stabilization of the revenue base in order to minimize the effects of fluctuations in revenue yield.

II. Scope

This policy is designed to provide general principles and guidelines to promote effective control over, and proper accounting of revenues from external sources and the related accounts receivable.

III. Objectives

- Revenue received by the City shall be utilized in accordance with this policy.
- Revenue received for specific funds within the City shall be utilized for expenses and obligations of that fund.
- All revenue is accurately recorded in the City 's accounting system in the period in which it is earned.
- Appropriate internal controls and sound financial business practices are adopted for the recognition and billing of revenue, the collection and timely recording and deposit of cash receipts, and the management of accounts receivable.

IV. Policy Statements

A. High level Roles and Responsibilities

The City will assign roles and responsibilities according to skills, knowledge, and expertise necessary to accomplish the respective tasks, and to maintain an appropriate separation of duties consistent with strong internal controls.

- The City Manager
 1. Provide guidance and advice on compliance to the political structures, political office-bearers and officials of the City.
- The Finance Director
 1. Administratively in charge of the budget;
 2. Advise the City Manager on the exercise of powers and duties assigned to the City Manager;
 3. Advise Senior Managers and other officials in the exercise of powers and duties assigned to them; and
 4. Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as delegated by the City Manager to the Finance Director.
- Senior Management
 1. Managing and coordinating the financial administration of the City.
- Any Official or External Consultant duly appointed
 1. Performs any operation in respect to the revenue management given by the Finance Director or City Manager.

B. Determination of Fees and Charges

The City shall ensure that all fees and charges have a basis in the associated cost of



providing the related service. Full costing shall be determined for all services, including direct costs of materials, labor, and related services as well as any appropriate allocation of overhead or indirect costs. The City Council will decide full cost recovery or the percentage to be recovered.

C. Utility Billing

The City shall ensure the completeness and accuracy of billings to all utility customers as a basis for revenues collected.

- Water services

1. Application for water service shall be made in writing by the owner of the premises to be served, or the owner's agent duly authorized in writing on regular application forms furnished by the City. No service will be rendered until such application has been completed and the required payments made. All applications shall include signature of applicant, location of premises for which service is requested, address to which all bills shall be sent, and such additional data as the Council from time to time may require.
 - a. Applications for service shall be considered merely as a request for service, and they shall not bind the City or Council to provide service.
2. Meters shall be read on a regular cycle as a basis for accurate billing of usage to customers.
3. All charges for utility service shall be due and payable monthly on the date of mailing and become delinquent on the 16th of each month. A late fee set by resolution shall be assessed on any utility accounts, which become delinquent. After a customer's utility bill is delinquent, the Finance Director or designee shall mail to customer a notice stating:
 - a. That the utility bill is delinquent;
 - b. The amount necessary to cure the delinquency;
 - c. That the utility service to the property will be shut off 20 days after the date of the notice, unless the delinquency is paid in full.
 - d. After termination of utility service, the full account balance including the fees will be required before service can be restored. If notice is mailed as provided in this section, the City may shut off utility service to the property 20 days after mailing of the notice unless the total amount due is paid in full, but subject to the City's compliance with the options specified in subsection
4. Utility services disconnected for lack of payment of the utility bills will be assessed a disconnect/reconnect fee as set by resolution and shall not be restored until all past-due-bills, late fees, and any other utility charges or connection fees are paid in full.
 - a. The customer may request in writing a one-time emergency extension of payment (not to exceed 10 days) to avoid service



being shut off and a disconnect fee being charged. If customer defaults on this agreement the utility account will be shut off the morning after the agreement expires and a disconnect fee will then be charged.

- b. Any customer may request a waiver of their late fee in writing providing no other late fees have been assessed in the prior 12 months.
 - c. A customer may appeal a notice of utility shut-off by filing a written request for an informal hearing with the City within 15 days after the date of mailing of the notice. The appeal shall be filed with the City Manager and shall specify the reasons for the appeal. If an appeal is so filed, utility service shall not be disconnected before the business day after the announcement of the result of the hearing. The informal hearing shall be held as soon as is practically possible before the City Manager or designee. The City shall provide the customer reasonable notice of the date of the hearing. The customer may be represented by an attorney at the hearing, and any probative evidence shall be admissible. The hearing officer may affirm, overrule, or modify the notice of utility shut-off, considering applicable law and the nature of any hardship of the customer.
5. All payments shall be made to the City either by mail, online bill pay, at the office of the City, placed in drop box, or such other place as the Council may from time to time designate.
- Wastewater services
 1. Wastewater usage fees will be based on the winter average usage of water at the physical address listed for the account and will be reevaluated annually.
 - Surface water services
 - a. There is hereby established a surface water utility user charge, which shall be set by the City Council by resolution. 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. The surface water utility user charge shall be based upon the amount of developed impervious surface used by a customer. Owners or occupants of undeveloped property shall not be charged. Each customer using a location for one single-family residential use shall be charged a uniform rate based upon one equivalent development unit (EDU). For multifamily residential uses, the charge shall be one EDU per each residential unit. The charge for all other uses shall be based upon the total amount of measured impervious surface used, divided by one EDU and rounded to the nearest whole number. The actual service charge shall be computed by multiplying the amount of EDUs measured for each use by the rate established



for each EDU; provided, however, that the amount of EDUs measured shall be limited to 20 EDUs per use.

D. Detailed Role of Finance Director

- That the City had effective revenue collection systems
- That the revenue due to the City is calculated on a monthly basis;
- That all money received is promptly deposited in the City 's primary and other bank accounts;
- That the City has and maintains a management, accounting and information system which—
 1. recognize revenue when it is earned;
 2. accounts for debtors; and
 3. accounts for receipts of revenue;
- That the City has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- That the City charges interest on arrears, except where the Council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- That all revenue received by the City, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

E. Receipt of Revenue to the City

- Cash transactions are verified by two employees to ensure that cash is properly recorded and deposited.
- Receipts are given to all customers who pay with cash. Customers paying with check are offered a receipt and customers who pay with debit/credit are offered a confirmation number.

City of Molalla



Grants Management Policy

Adopted xxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous grants management policies.



I. Purpose

To assist City of Molalla (City) personnel involved in pursuing, acquiring, and administering federal grant funding by providing clear guidelines for alignment with the overall purpose of the City and with specific project goals. While specifically addressing requirements of federal funding, this policy shall also be applied to non-federal grants and programs as appropriate.

II. Authority

The City Council shall ensure federal funds received by the City are administered in accordance with federal requirements including, but not limited to, the federal Uniform Grant Guidance¹.

The Board designates the City Manager or the Finance Director as the City's primary contact for all federal programs and funding. Administration and management of individual funding programs shall be accomplished by the respective departments working in conjunction with the Finance Director or designee.

III. Policy Statement

The City encourages the consideration of grants as a funding source for established or planned projects as appropriate. Grant funding should only be pursued as it relates to current or planned projects, and not funding for projects yet to be identified.

The Finance Director shall establish and maintain a sound financial management system. The system shall ensure internal controls and federal grant management standards address the receipt of both direct and pass-through federal grants, track costs and expenditures of funds associated with grant awards, maintain a high level of transparency and accountability, and document all applicable procedures².

A. Guidelines

Financial management standards and procedures shall ensure that the following responsibilities are fulfilled:

1. Identification
The City must identify in its accounts, all federal awards received and expended and the federal programs under which they were received.
2. Financial Reporting
Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles for government.
3. Accounting Records
The City must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.
4. Internal Controls

¹ Ref. 2 CFR Part 200

² Ref. 2 CFR Part 200



Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The City must adequately safeguard all such property and must ensure that it is used solely for authorized purposes.

5. Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs with respect to federal programs.

6. Cash Management

The City recognizes Uniform Grant guidance with respect to cash management requirements and incorporate by reference..

7. Allowability of Costs

The City shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

B. Training

The City shall provide annual training to those employees with direct responsibility over various aspects of federal award management and administration. Training will include, but not be limited to, identification and differentiation of federal grants from other funding sources, identification of direct and material compliance requirements of federal awards, establishing and documenting effective internal controls over compliance, and proper use of the City's centralized grants management system.

C. Standards of Conduct

The City shall maintain standards of conduct covering conflicts of interest and the actions of the Board and City employees engaged in the selection, award, and administration of federal grants and of all contracts.

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Council policies, administrative regulations, rules, and procedures.

The City shall communicate to all employees the importance of ethical and legal actions in dealing with grant-related programs and funds. The City shall reinforce its zero-tolerance position as appropriate to ensure proper awareness and attention to policies and procedures guiding appropriate employee activities related to federal award programs.

D. Grant Project Management

The City shall establish clear roles and responsibilities for post-award, close-out, and audit activities related to federal grant awards. Key personnel in consideration of those roles and responsibilities include, but are not limited to departmental Project Manager, Finance Director, City Manager, and the City Council.

The City shall establish a grants project team for each federal award consisting at a minimum of the departmental Project Manager and the Finance Director or his/her designee. This team shall have primary responsibility for managing all aspects of the award



program including, but not limited to, implementation and documentation of effective internal controls, compliance with stated program requirements, effective accounting and reporting to support both financial and compliance needs of the City and the federal program, and monitoring activities.

Roles and responsibilities will be identified with appropriate parties so as to provide efficient and effective administration of federal grant monies, effective internal control over financial reporting and related compliance, and effective project management.

E. Annual Risk Assessment

The Finance Director shall have responsibility to perform an annual risk assessment with respect to potential noncompliance related to the City's federal award programs. Such risk assessment will be documented and serve as the basis for further efforts to provide reasonable assurance of compliance with all applicable compliance requirements.

The City's departmental Project Manager identified to each respective federal grant program shall have primary responsibility for compliance with applicable requirements of the federal award. The Project Manager shall also have primary responsibility for establishing and documenting internal controls over compliance with respect to each identified compliance requirement so as to provide reasonable assurance that compliance is achieved.

F. Expenditure Review and Approval

Consistent with a strong system of internal controls, all grant-related expenditures shall follow established City policies and procedures with respect to procurement, approvals, and documentation. All grant expenditures shall require review and approval by the applicable departmental Project Manager to ensure compliance with all applicable requirements. Such review and approval shall be evidenced by an appropriate method (initials and date on expenditure documentation (purchase order, invoice, pay request, etc.), email, electronic approval, etc.). All grant-related expenditures shall be coded with the appropriate general ledger and project account numbers to accommodate proper accounting and reporting of grant amounts in the City's financial records and reporting to federal granting agencies.

G. Employee Time and Effort Reporting

All City employees paid with federal funds shall, in accordance with law, document the time they expend in work performed in support of each federal program. Time and effort reporting requirements do not apply to contracted individuals.

City employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient. Such reimbursements shall be made on the basis of documentation as required under City policy.

The City shall establish and maintain employee policies on hiring, benefits and leave, and outside activities as approved by the City Council.



H. Procurement

The City shall establish and maintain a written procurement policy. The City shall follow that policy for all grant-related procurements.

I. Record Keeping

The City shall develop, document, and maintain a written Records Management Plan and related policy and administrative rules for the retention, retrieval, and disposition of manual and electronic records including email³.

The City shall ensure the proper maintenance of federal fiscal records documenting⁴:

1. Amount of federal funds.
2. How federal funds are used.
3. Total cost of each federally-funded project.
4. Share of total cost of each project provided from other, non-federal sources.
5. Evidence of the design and maintenance of effective internal controls over compliance.
6. Evidence of compliance with federal program requirements.
7. Significant project experiences and results (programmatic).

All records must be retrievable and available for federal monitoring, programmatic or financial audit purposes.

The City shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, pass-through entities, or any of their authorized representatives, the right of access to any documents, papers, or other City records which are pertinent to federal funding awards. The City shall also permit timely and reasonable access to the City's personnel for the purpose of interview and discussion related to such documents⁵.

The Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.

The City shall ensure that all personally identifiable information (PII) protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, policy, and administrative regulations.

J. Subrecipient Monitoring

In the event the City awards subgrants of federal funds, the City shall establish written procedures⁶ to:

1. Assess the risk of noncompliance on the part of the subrecipient.

³ Ref 2 CFR Part 200.333-337

⁴ Ref. 34 CFR Sec. 75.730-732

⁵ Ref. 2 CFR Sec. 200.336

⁶ Ref. 2 CFR Sec. 200.330-331



2. Monitor grant subrecipients to ensure compliance with federal compliance requirements, state and local laws and policy and procedures.
3. Ensure the City 's record retention schedule addresses document retention on assessment and monitoring.

K. Compliance Violations

Employees and contractors involved in federally-funded programs and subrecipients shall be made aware of all identifying information and federal compliance requirements associated with the award. They shall also be made aware that failure to comply with federal requirements, law, regulation or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.

City of Molalla



Revenue Policy

Adopted xxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous revenue policies.



I. Purpose

The purpose of this policy is to establish guidelines for City of Molalla to encourage diversification and stabilization of the revenue base in order to minimize the effects of fluctuations in revenue yield.

II. Scope

This policy is designed to provide general principles and guidelines to promote effective control over, and proper accounting of revenues from external sources and the related accounts receivable.

III. Objectives

- Revenue received by the City shall be utilized in accordance with this policy.
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for each EDU; provided, however, that the amount of EDUs measured shall be limited to 20 EDUs per use.

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- That the City has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- That the City charges interest on arrears, except where the Council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- That all revenue received by the City, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

E. Receipt of Revenue to the City

- Cash transactions are verified by two employees to ensure that cash is properly recorded and deposited.
- Receipts are given to all customers who pay with cash. Customers paying with check are offered a receipt and customers who pay with debit/credit are offered a confirmation number.

City of Molalla

City Council Meeting



Agenda Category: Executive Session

Subject:	Held pursuant to Oregon Public Record Law, ORS 192.660(2): (h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. (i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.
Recommendation:	
Date of Meeting to be Presented:	May 22, 2019
Fiscal Impact:	N/A
Submitted By:	Kelly Richardson, City Recorder
Approved By:	Dan Huff, City Manager

Background:
Continued from previous meeting.