



AGENDA

MOLALLA CITY COUNCIL MEETING
JULY 24, 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
Vacant Seat

1. CALL TO ORDER AND ROLL CALL

2. FLAG SALUTE

3. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

4. PUBLIC COMMENT

(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.)

5. APPROVAL OF THE AGENDA

6. CONSENT AGENDA

(This section allows the City Council to consider routine items that require no discussion and can be approved in one comprehensive motion. An item may only be discussed if it is pulled from the consent agenda.)

- A. Meeting Minutes – June 26, 2019
- B. 17-15 WTP 2MG Filtration Unit Improvements

7. PUBLIC HEARINGS

8. GENERAL BUSINESS

- A. Resolution 2019-17: Financial Policies (Siefreid)
A Resolution Adopting the City of Molalla Financial Policies

9. REPORTS

- A. City Manager –
 - I. National Night Out - August 6, 2019
 - II. Dedication for Grizzly and Coyote
 - III. Council Vacancy
 - IV. Library Board Vacancy
- B. Staff
- C. Mayor
- D. City Councilors

10. ADJOURN

Agenda posted at City Hall, 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 Regular Meeting

Molalla Adult Center

315 Kennel Avenue, Molalla, OR 97038

Wednesday, June 26, 2019

COUNCIL ATTENDANCE:

Mayor Keith Swigart – Present
Councilor Elizabeth Klein – Present
Councilor Leota Childress – Present
Councilor DeLise Palumbo – Present
Councilor Jody Newland – Present
Councilor Terry Shankle – Present
Councilor Open Position
Student Liaison Natalee Litchfield - Present

STAFF ATTENDANCE:

Dan Huff, City Manager - Present
Chaunee Seifried, Finance Director, Present
Christie DeSantis, Exec. Admin. Asst. – Present
Alice Cannon, Senior Planner - Present

The meeting was called to order by Mayor Swigart at 7:00pm, followed by the flag salute and roll call.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

None.

PUBLIC COMMENT

The following named people requested that the Council consider reinstating an Arts Commission:

Jude Strader, 28330 S. Hwy. 213, Molalla; David Jackson, PO Box 434, Molalla; Ken Fetters, 13030 S. Freeman Rd., Molalla; Lynsey Knapp, 687 June Drive, Molalla; Steve Mysinger, 835 Bronco Avenue, Molalla.

Rae Botsford, 226 Ridings Avenue, Molalla: Ms. Botsford delivered a presentation to the Council regarding her frustration with Oregon Department of Transportation's denial of a traffic signal at a new retail center that is being constructed on OR 211 and Leroy Avenue. Ms. Botsford explained to the Council that it is her intention to enlist the help of the School District and citizens of Molalla to present to ODOT the need for pedestrian and traffic safety at that intersection.

APPROVAL OF AGENDA

Mayor Swigart called for a motion to approve the agenda. Motion was made by Councilor Newland, seconded by Councilor Childress. Vote passed 6-0.

CONSENT AGENDA

A. Meeting Minutes - June 12, 2019

Mayor Swigart called for a motion to approve the Consent Agenda. Motion was made by Councilor Childress to approve, seconded by Councilor Klein. Vote passed 6-0.

PUBLIC HEARING

A. Discussion and/or Action on 2018-2019 FY Budget. (Staff-Seifried)

A. Resolution 2019-16; A Resolution Adopting the City of Molalla Budget for the Fiscal Year 2018-2019; Supplemental Budget.

Finance Director Chaunee Seifried presented Resolution 2019-16 to the Council. Mayor Swigart opened the Public Hearing and invited the audience to speak. There were no speakers. The Public Hearing was closed at 7:37pm.

Motion to adopt Resolution 2019-16 was made by Councilor Newland, seconded by Councilor Shankle. Vote passed 6-0.

REGULAR BUSINESS

A. Bob Jones, Chamber President: Winter Banner Project Presentation

Mr. Jones made a presentation to Council for Winter Banners to be displayed in the downtown area. The Chamber of Commerce would like to purchase the banners and donate them to the City. There was discussion about costs associated with the project and what impact there would be to the City.

REPORTS

A. City Manager and Staff

City Manager Huff presented Council members with an updated 'Application for City Council Appointment'. He reminded Council that when Keith Swigart became Mayor, his Council seat was left vacant. All Councilors agreed that it was time to repost the vacancy.

Mr. Huff handed out information regarding the League of Oregon Cities Conference that is being held in September. The date poses conflict for Council, as it coincides with the cities Celebrate Molalla Event.

Mr. Huff informed Council that he would not be present for the July 10, 2019 Council Meeting, as he will be attending the OCCMA Conference.

Lastly, Mr. Huff spoke to the Council regarding a draft letter for their consideration to be presented to ODOT about the need for traffic signal at the new Cascade Center Development. This letter is in response to Planning Commissioner Chairperson, Rae Botsford's presentation to the Councilors earlier in the evening.

Finance Director Seifreid shared that the last day for FY 2018-2019 is Friday, June 28, 2019 and that the Finance Department has been very busy preparing. She also shared that auditors have been at City Hall all week reviewing files.

Ms. Seifried explained to Council that a new Resolution for Finance Policies will be presented at the July 10, 2019 Council meeting.

B. Mayor

Mayor Swigart recently gave a welcome speech to the Oregon State Grange session at Molalla High School. He was pleased to report to Council that people attending had very kind things to say about Molalla.

Mayor Swigart told Council that he does not plan to attend the upcoming Oregon Association of Mayors Conference that is being held in Ashland. He feels that he would benefit more by attending the upcoming LOC Conference.

C. Councilors

Councilor Klein had nothing.

Councilor Childress gave a report on the status of the Visioning Process. She stated that the process is being refined and soon a graphic designer will be hired for new work.

Celebrate Molalla is progressing nicely and music has been scheduled for the event. Mayor Swigart requested flyers for handing out. They are in the process of being made at this time.

Councilor Palumbo shared that she has been busy working with a potential Arts and Culture Commission. She read a few excerpts from people that are interested in forming an Arts Commission to the Council.

Councilor Newland stated that the Molalla Library is hosting a “Music in the Parks” series during the summer months. This is a free event for families.

Councilor Shankle took an opportunity to remind people of the certain areas of road closures for the upcoming 4th of July Parade.

Student Liaison Litchfield shared with Council that there is a competition available for voting for Molalla being one of the ‘Top 10 Places to Live’ by Readers Digest and encouraged people to vote.

ADJOURN

Motion made by Councilor Childress to adjourn at 8:11pm, seconded by Councilor Palumbo. Vote passed 6-0.

Keith Swigart, Mayor

Date

ATTEST: _____
Christie DeSantis, Interim City Recorder

City of Molalla

City Council Meeting



Agenda Category: Consent Agenda

Subject:	17-15 WTP 2MG Filtration Unit Improvements
Recommendation:	Award
Date of Meeting to be Presented:	July 10, 2019
Fiscal Impact:	N/A
Submitted By:	Public Works Director Fisher
Approved By:	City Manager Huff

Background:

City of Molalla City Council Meeting



Agenda Category: Ordinances, Resolutions and Proclamations

Subject: *Resolution 2019-17*

Recommendation: *Approve resolution*

Date of Meeting to be Presented: *July 24, 2019*

Fiscal Impact: *None*

Background:

1. On May 22, 2019 we discussed the new Finance Policies with you.
2. Repeal old resolution# 2009-05.
3. These have been recommended by Government Finance Officers Associations best practices.
4. We are working on our Distinguished Budget Award and the updated policies are a requirement.
5. The following Finance Policies are included with resolution 2019-17:
 - a. Budget Policy
 - b. Debt Policy
 - c. Expenditure Policy
 - d. Fund Balance and Reserve Policy
 - e. Grant Policy
 - f. Revenue Policy

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

City of Molalla



Budget Policy

Adopted July 24, 2019
Resolution 2019-17

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 July 24, 2019
Resolution 2019-17

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 July 24, 2019
Resolution 2019-17

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



Fund Balance and Reserve Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous fund balance and reserve policies.



I. Purpose

The City wishes to maintain existing service levels and maintain a stable financial position during periods of economic uncertainty. To that end, the City will establish prudent reserves in certain funds in order to ensure financial stability throughout the fiscal year including provision for unforeseen contingencies and consideration to revenue timing. This policy establishes threshold minimums for the City’s funds and is intended to serve as a guide for operational, budgetary, and policy decisions made by the City Council and management.

II. Definition

Fund balance is defined as the difference between assets and liabilities in a fund. Reserves are broadly referred to as the portion of fund balance held in reserve to provide a buffer against risk, unforeseen circumstances, or for planned future expenditures.

For purposes of this policy, the terms “fund balance” and “reserves” may be used together and interchangeably to refer to amounts retained in the City’s various funds for purposes of offsetting risk, providing flexibility and stability, or for specific future expenditures.

An adequate fund balance is critical to lessen the impact of revenue shortfalls and/or unanticipated expenditures over time and provide a lower level of financial risk. Fund balance also serves as a source of bridge funding from year to year, allowing the City to maintain or transition to sustainable service levels.

III. Policy Statement

The City will establish and maintain a minimum fund balance in identified funds to:

1. Provide sufficient resources to meet cash flow needs;
2. Maintain an investment grade bond rating capacity;
3. Cover unforeseen emergencies;
4. Avoid short-term borrowing to fund operations; and
5. Set aside funds for major capital projects or equipment purchase when deemed appropriate.

Fund balance targets for respective funds are as follows:

General Fund

A minimum fund balance equal to three (3) months of operations or 20% of budgeted expenditures in the Fund.

Library Fund

A minimum fund balance equal to three (3) months of operations or 8% of budgeted expenditures in the Fund.

Street Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.



Urban Renewal Agency Fund

A minimum fund balance equal to two (2) months of operations or 5% of budgeted expenditures in the Fund.

Enterprise Funds:

Water Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Sewer Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Storm Water Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

City of Molalla



Grants Management Policy

Adopted July 24, 2019
Resolution 2019-17

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 July 24, 2019
Resolution 2019-17

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.



RESOLUTION NUMBER 2019-17

A RESOLUTION ADOPTING THE CITY OF MOLALLA FINANCIAL POLICIES.

WHEREAS, the City of Molalla has a responsibility to ensure it handles public funds appropriately; and

WHEREAS, written, adopted financial policies and have many benefits in assisting Council with the financial management of the City; and

WHEREAS, the auditing firm for the City has recommended that Council adopt financial policies that promote sound financial management practices designed to meet Council’s goals and objectives; and

WHEREAS, staff has prepared the City of Molalla Financial Policies document that outlines procedures, safeguards, and internal controls for public fund management; and

WHEREAS, the City of Molalla Financial Policies document, attached hereto as Exhibit A,

NOW, THEREFORE BE IT RESOLVED, That the City of Molalla Finance Policies document, attached hereto as Attachment A, is hereby adopted.

PASSED AND ADOPTED by the City of Molalla City Council and signed by me, and the City Recorder, in authentication of its passage.

Duly Appointed this _____ day of _____, 2019

Mayor, Keith Swigart

ATTEST:

Christie DeSantis, Interim City Recorder



Molalla Police Department

Frank Schoenfeld
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Lt. Chris Long
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Sgt. Robert Call
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Our Values
Honor
Integrity
Trust

July 9, 2019

To: City Manager Huff, Mayor Swigart, Members of the City Council
From: Chief Frank Schoenfeld
Re: National Night Out invitation

Dear Mayor and Council,

Our 11th National Night Out celebration is quickly approaching. *This year it's being held on Tuesday, August 6, 2019 at Sally Fox Park from 5pm – 7:30pm.* Each year the attendance grows by significant numbers, last year we had 400-500 people attend, but typically it is closer to 800-900.

This city-wide event (sponsored by Molalla Police) brings together dozens of businesses, community groups, and government agencies to promote child safety. Each of them staffs a booth where they pass out information, do a hands-on demonstration, or hand out treats to the kids (and adults).

Along with the booths, S. Molalla Ave between the alley on the north end of the park and 5th street is used for the fire trucks, medics, ODF wildfire vehicles, public works equipment, a school bus, and lots of police vehicles for the kids to explore.

Over the course of the event, there are several live demonstrations by the fire department, Kapa Dance and the Red Cross. In addition, there will be a mounted posse, face painting, and lots of other entertainment. MCC generously donates and gives away \$600 in child's helmets.

One of the aspects of National Night Out is to get out and get to know your community and neighbors. We invite members of the Buckeroo Court, City Administration, and the City Council to attend and mingle with the crowd. We hope that you will all consider attending the event this year. It is an amazing event, and we encourage you to bring your families!

Thank you for your time. If you have any questions, please let me know.
Sincerely,

Frank Schoenfeld
Chief of Police