



**AGENDA - \*\*ADDENDUM\*\***

**MOLALLA CITY COUNCIL MEETING  
May 25, 2022  
7:00 PM  
Molalla Civic Center  
315 Kennel Ave, Molalla, OR 97038**

*Mayor Scott Keyser*

*Council President Jody Newland  
Councilor Elizabeth Klein  
Councilor Terry Shankle*

*Councilor Leota Childress  
Councilor Crystal Robles  
Councilor Eric Vermillion*

**EXECUTIVE SESSION begins at 6:00pm:** Not open to Public, according to ORS 192.660(2): d

**REGULAR COUNCIL MEETING begins at 7:00pm:** Open to the Public and open to Public Comment or Testimony. Please fill out a comment card and submit it to the City Recorder, prior to the beginning of the meeting.

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*In accordance with House Bill 2560, the City of Molalla adheres to the following practices:  
Live-streaming of the Molalla City Council Meetings are available on Facebook at “Molalla City Council Meetings – LIVE” and “Molalla City Council Meetings” on YouTube.  
Citizens can submit Public Comment in the following ways: attend the meeting, email the City Recorder @ [recorder@cityofmolalla.com](mailto:recorder@cityofmolalla.com) by 4:00pm on the day of the meeting, or drop it off at City Hall, 117 N. Molalla Avenue.*

**1. CALL TO ORDER AND FLAG SALUTE**

**2. ROLL CALL**

**3. CONSENT AGENDA**

- A. City Council Meeting Minutes – April 27, 2022.....Pg. 3
- B. Work Session Meeting Minutes – April 27, 2022.....Pg. 6
- C. Work Session Meeting Minutes – May 11, 2022 .....Pg. 7

**4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES**

- A. Interfor Presentation

**5. PUBLIC COMMENT & WRITTEN COMMUNICATIONS**

*(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 generally 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.)*

**6. PUBLIC HEARINGS**

- A. Molalla Enterprise Zone Re-Designation and Expansion.....Pg. 25

**7. ORDINANCES AND RESOLUTIONS**

- A. Resolution No. 2022-05: Authorizing the Partial Release of the Municipal Lien on Property Known as 12786 S. Toliver Rd. (Corthell) .....Pg. 29

**8. GENERAL BUSINESS**

- A. Skate Park Presentation – Family of Timateo De La Cruz
- B. Planning Commission Discussion .....Pg. 42
- C. Contract Award: RFP for Auditing Services.....Pg. 59

**9. STAFF COMMUNICATION**

**10. COUNCIL COMMUNICATION**

**11. ADJOURN**



## Minutes of the Molalla City Council Meeting

Molalla Civic Center  
315 Kennel Ave., Molalla, OR 97038  
April 27, 2022

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### **CALL TO ORDER**

The Molalla City Council Meeting of April 27, 2022 was called to order by Mayor Scott Keyser at 7:00pm.

### **COUNCIL ATTENDANCE**

Present: Mayor Scott Keyser, Council President Jody Newland, Councilor Elizabeth Klein, Councilor Leota Childress, Councilor Terry Shankle, Councilor Crystal Robles, and Councilor Eric Vermillion.

### **STAFF IN ATTENDANCE**

Dan Huff, City Manager; Christie Teets, City Recorder, Mac Corthell, Community Development Director; Andy Peters, Public Works Division Manager; Chris Long, Police Chief.

### **CONSENT AGENDA**

- A. Council Meeting Minutes – April 13, 2022
- B. City Work Session Meeting Minutes – April 13, 2022

At the beginning of the meeting Mayor Keyser announced that General Discussion Item C would become Item B under Presentations.

*A motion was made by Councilor Robles to approve the Consent Agenda, seconded by Councilor Vermillion. Vote passed 7-0, with all Councilors voting Aye.*

### **PRESENTATIONS, PROCLAMATIONS, CEREMONIES**

- A. Parks CPC Applicants

The Parks CPC has two open seats available. The City received two applications for the Parks CPC, from Ms. Betty White and Ms. Rebecca Hendrickson. Councilors interviewed each applicant, inquiring about their interest.

*A motion was made by Councilor Robles to appoint both Ms. White and Ms. Hendrickson to the Parks CPC, seconded by Council President Newland. Vote passed 7-0, with all Councilors voting Aye.*

- B. Body Cam Presentation – Molalla Police Department

Chief Long introduced Council members to the new body cams that police officers are wearing. Body tasers have also been updated to the newest version. Along with the body cam and taser updates came an evidence data base, that replaced the old antiquated system. A minimum of eight hours of training per employee was necessary. Although it is not currently mandated, Chief Long feels that they will eventually become a requirement and is pleased that Molalla is ahead of this.

Chief Long agrees that officers should be held accountable. He has noticed that it is also holding citizens accountable for their interactions with officers. Chief Long shared that they have had one capture already, after reviewing body cam footage, where multiple arrests were made.

Sergeant Watkins gave the Council a presentation on how each item works. Councilors were able to ask questions, and thanked Sgt. Watkins for coming to the meeting.

### **PUBLIC COMMENT**

None present or submitted.

### **PUBLIC HEARINGS**

None.

## **ORDINANCES AND RESOLUTIONS**

### **A. Resolution No. 2022-03: Adopting a 5-Year Capital Improvement Plan**

Community Development Director Corthell explained the need to update the Capital Improvement Plan every year, as it becomes obsolete and revisions are made. Staff and Council have discussed the document at length during Work Sessions, and staff is prepared for its approval.

Councilor Klein thanked staff for all of the hard work that has been put into this presentation and document.

***Council President Newland made a motion to approve Resolution No. 2022-03, Adopting a 5-Year Capital Improvement Plan, seconded by Councilor Shankle. Vote passed 7-0, with all Councilors voting Aye.***

### **B. Resolution No. 2022-04: Adopting Updated System Development Charge Rates**

Community Development Director Corthell presented the current SDC module to Council. He stated that if Council were to make any adjustments to this document, that staff request they be made in the Transportation portion. This is due to the upgrade of the Wastewater Treatment Plant.

***A motion was made by Council President Newland to approve Resolution No. 2022-04, Adopting Updated System Development Charge Rates, seconded by Councilor Childress.***

There was discussion between Council and Staff regarding Mobile Food Units (MFU's) being charged a separate SDC from others.

[For the complete video account of the SDC Discussion, please go to YouTube "Molalla City Council Meetings -April 27, 2022"](#)

***After much discussion, roll was called. Vote failed 3-4. Councilors voting Aye were Councilor Shankle, Council President Newland, and Councilor Robles. Voting Nay were Councilor Vermillion, Councilor Childress, Councilor Klein, and Mayor Keyser.***

***Mayor Keyser made a motion for Resolution No. 2022-04 to be amended to reflect Mobile Food Units being charged One Trip on SDC fees, seconded by Councilor Vermillion. Vote passed 7-0, with all Councilors voting Aye.***

## **GENERAL BUSINESS**

### **A. Molalla HOPE, LLC. – Lease Proposal**

Councilor Childress announced at the beginning of the presentation that she was going to remove herself from the Council dais, as she was closely affiliated with the organization and part of the presentation. Councilor Childress also stated to Council that they could be the deciding body in regard to her vote, although she had nothing financially to gain from the lease agreement.

City Manager Huff explained to Council that the property at 209 Kennel Avenue had been used for many things in recent years, including the Molalla HOPE, Inc. Warming and Cooling Shelter. He explained that it is common for agencies to have a Lease Agreement for nonprofit businesses, similar to the City's agreement with the Adult Center and the Molalla Public Library.

Councilor Childress introduced Ali Garren-Miller, Operations Director of the Warming Center. Ms. Garren-Miller gave a brief presentation to Council, requesting a 10-year lease on the property at 209 Kennel Avenue. She explained in detail the upgrades that can be made through funding from the County. (Documentation is included in the Meeting Minutes.)

Councilor Klein felt from an optic standpoint, Councilor Childress should abstain from voting on this item. All remaining Councilors agreed, with Councilor Childress agreeing to abstain.

***Council President Newland made a motion to approve the Molalla HOPE, LLC. lease agreement, seconded by Councilor Shankle. Discussion followed.***

Council President Newland felt that this could be a win-win situation for the City and Molalla HOPE, as it fell in line with the cities Visioning Goals. Councilors Vermillion and Shankle also indicated that their questions were answered and they felt this was a good decision for the City.

***Roll was called. Vote passed 7-0, with all Councilors voting Aye.***

### **B. ARPA Funding Request – Molalla Buckeroo Association**

City Manager Huff gave a brief statement introducing Molalla Buckeroo Association President, Tim Anderson, reminding Council that the Association has requested funding assistance through the America Rescue Plan Act.

Mr. Anderson spoke to Council regarding the financial loss endured after two years without the Rodeo, due to the pandemic. When questioned by Council about why the Association hadn't applied for funding earlier, he stated that the Association felt that other businesses were in more need than them. After a second year without a Rodeo, their financial situation changed. The Association is committed to holding the Rodeo this year, with or without the extra funding. Mr. Anderson thanked Council for their time and consideration to the request.

***Councilor Klein made a motion to award the Molalla Buckeroo Association ARPA Funding, seconded by Councilors Vermillion and Shankle. Vote passed 7-0, with all Councilors voting Aye.***

#### **STAFF COMMUNICATION**

- City Manager Huff informed Council that playground equipment for Fox and Strawberry Park may be in sooner than expected.
- Community Development Director Corthell referred Council to the departments monthly report. The Housing Needs Analysis will be coming soon.
- Public Works Division Manager Peters had nothing to report.
- City Recorder Teets announced that there are three Council members terms expiring December 31, 2022. Interested candidates may apply June 1<sup>st</sup> through August 25<sup>th</sup>. The November General Election is November 8, 2022. Interest parties can pick up packets from City Hall, or print them online at [www.cityofmolalla.com](http://www.cityofmolalla.com).

#### **COUNCIL COMMUNICATION**

- Councilor Vermillion announced the MRSD Board meeting date and time. He attended the LOC Spring Conference last week, and was introduced to other cities and their functions. He stated that he appreciates how closely the city staff and council work together.
- Councilor Robles stated that the City is blessed to work so well together. She shared at the LOC Conference that is what clear how much our City has achieved and accomplished during the pandemic. She also mentioned the Molalla Shop Hop, Clean-Up Day, and events happening at the Library.
- Councilor Childress announced the City Wide Clean-Up Day taking place on Friday and Saturday, April 29<sup>th</sup>-30<sup>th</sup>.
- Councilor Shankle had nothing to report.
- Councilor Klein announced the Art Contest for kiosks. She also shared that wayfinding and monument identification will be coming soon.
- Council President Newland thanked Ms. White and Ms. Hendrickson for volunteering to join the Parks CPC. She also asked the public to share any fundraising ideas, as the Parks CPC would be beginning that soon. Council President Newland was proud to share all of the great things that are going on in Molalla at the LOC Spring Conference.
- Mayor Keyser shared that on Friday, May 6<sup>th</sup>, Stan Pulliam will be in town to conduct a tour of Interfor. Mr. Pulliam would like to reinstate logging in our State. He also shared his positive experience at the LOC Conference. The Molalla Summer Jam is taking place on June 6, 2022. Tickets are sold out, however 100 will be given away on May 13<sup>th</sup>.

For the complete video account of the City Council Meeting, please go to YouTube  
"Molalla City Council Meetings -DATE"

#### **ADJOURN**

Mayor Keyser adjourned the meeting at 8:56pm.

\_\_\_\_\_  
Scott Keyser, Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Christie Teets, City Recorder



**Minutes of the Molalla City Council Work Session**

**Molalla Civic Center  
315 Kennel Ave., Molalla, OR 97038  
April 27, 2022**

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**CALL TO ORDER**

The Molalla City Council Work Session of April 27, 2022 was called to order by Mayor Scott Keyser at 6:00pm.

**COUNCIL ATTENDANCE**

Mayor Scott Keyser, Council President Jody Newland, Councilor Leota Childress, Councilor Elizabeth Klein, Councilor Terry Shankle, Councilor Crystal Robles, Councilor Eric Vermillion.

**STAFF IN ATTENDANCE**

Dan Huff, City Manager; Christie Teets, City Recorder, Mac Corthell, Community Development Director; Andy Peters, Public Works Division Manager.

**DISCUSSION ITEMS**

- A. CIP Approval
- B. System Development Charges

The documents listed under Discussion Items are available on the City’s website. Please visit [www.cityofmolalla.com](http://www.cityofmolalla.com), April 27, 2022 Work Session.

For the complete video account of the City Council Meeting, please go to YouTube “Molalla City Council Work Session – April 27, 2022”

**ADJOURN**

Mayor Keyser adjourned the meeting at 7:03pm.

\_\_\_\_\_  
Scott Keyser, Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Christie Teets, City Recorder



**Minutes of the Molalla City Council Work Session**

**Molalla Civic Center  
315 Kennel Ave., Molalla, OR 97038  
May 11, 2022**

**CALL TO ORDER**

The Molalla City Council Work Session of May 11, 2022 was called to order by Mayor Scott Keyser at 6:00pm.

**COUNCIL ATTENDANCE**

Mayor Scott Keyser, Council President Jody Newland, Councilor Leota Childress (via telephone), Councilor Elizabeth Klein, Councilor Terry Shankle, Councilor Crystal Robles (via telephone), Councilor Eric Vermillion.

**STAFF IN ATTENDANCE**

Dan Huff, City Manager; Jamie Ward, Deputy City Recorder, Chaunee Seifried, Finance Director; Cindy Chauran, Senior Accountant; Andy Peters, Public Works Division Manager.

**DISCUSSION ITEMS**

- A. Merina + Co. Audit Presentation
  - I. City of Molalla
  - II. City of Molalla Urban Renewal Agency
- B. Community Development Department – Map Unveiling
- C. Utility Rates – Yearly CPI Increase
- D. Street Maintenance Fee
- E. Planning Commission (Molalla Municipal Code, Chapter 2.06, Article III)

For the complete video account of the City Council Meeting, please go to YouTube “Molalla City Council Work Session -DATE”

**ADJOURN**

Mayor Keyser adjourned the Work Session at 7:19pm.

\_\_\_\_\_  
Scott Keyser, Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Christie Teets, City Recorder

To the City Council  
and Management of the City of Molalla

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Molalla as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Molalla's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Molalla's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Molalla's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiency in internal control to be a material weakness:

Condition: Controls were not in place to ensure the City recorded the gross amount of the new bond proceeds and principal payments related to debt refunding accurately.

Criteria: The City did not accurately record its 2020 bond refunding prior to providing the trial balance for audit.

Effect: The City incorrectly recorded net amounts instead of gross amounts for bond proceeds and payments of refunded debt.



Cause: The City failed to obtain external input on the correct method of recording the refunded debt activity at the time of the refunding.

Recommendation: The City should amend the existing debt policies to require external input and review regarding the specific methodology of recording new or refunded debt at the time such activity occurs.

Views of Responsible Officials and Planned Corrective Actions: The City will amend the existing debt policies to require external input and review regarding the specific methodology of recording new or refunded debt at the time such activity occurs. Due to the reality that bond issuance and refunding occurs rarely, it is prudent to seek outside expertise at the time of the event to ensure that accurate accounting entries are made to record the gross amount of the new debt proceeds as revenue; and record the payoff of the old debt and related bond costs, as a debt service expense

The City of Molalla's written response to the material weakness identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We are required to file a separate copy of this letter identifying all material weaknesses, significant deficiencies, and other recommendations for improvements to the Oregon Secretary of State.

This communication is intended solely for the information and use of management, City Council, and others within the City of Molalla, and the Oregon Secretary of State, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Merina + Co*

Merina+Co  
Tualatin, Oregon  
February 16, 2021

February 16, 2022

To the Honorable Mayor and City Council  
City of Molalla, OR

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Molalla, as of and for the year ended June 30, 2021, and have issued our report thereon dated February 16, 2022. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated July 26, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been approved by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Molalla solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our finding regarding a material weakness over financial reporting and other matters noted during our audit in a separate letter to you dated February 16, 2022.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Molalla is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are described below.

Management's estimate of the accumulated depreciation is based on historical cost or estimated historical cost if purchased or constructed and donated capital assets are recorded at estimated fair market value at the date of donation.

Management's estimate of the compensated absences payable is based on current wages.

Management's estimate of the allowance for doubtful accounts.

Management's estimate of the net pension liability and other post-employment benefits liability are calculated based on information that was determined by an actuary.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Molalla's financial statements relate to:

The disclosure of Capital Assets in Note 3 and Long-Term Debt in Note 4 to the financial statements summarizes the changes in capital assets and long-term debt for the year ended June 30, 2021.

The disclosure of the City's Pension Plan in Note 6 to the financial statements describes the City's Pension Plan benefits, contributions, pension assets, liabilities, expense, deferred outflows/inflows of resources, and actuarial assumptions/projections.

The disclosure of the City's Postemployment Benefits Other Than Pension (OPEB) Plan in Note 7 to the financial statements describes the City's OPEB Plan benefits, contributions, OPEB assets, liabilities, expense, deferred outflows/inflows of resources, and actuarial assumptions/projections.

The disclosure of the City's Prior Period Adjustment Plan in Note 12 to the financial statements describes the City's correction to properly record the closures of the Utility Deposit Fund and Bonded Debt Fund transfers in the General Fund.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified during the audit.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. We noted known and likely uncorrected misstatements of the financial statements with a total financial statement effect of \$90,827. Management has determined that the effect of the uncorrected misstatements is immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The City relies on us to propose audit adjustments that are necessary for proper presentation of the financial statements. Some of these proposed audit adjustments are material misstatements. The following material misstatements were detected as a result of audit procedures and were corrected by management:

- Bond refunding transactions

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Molalla's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No circumstances exist that would affect the form and content of our auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, in a separate letter dated February 16, 2022.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with City of Molalla, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Molalla's auditors.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, the schedule of proportionate share of the net pension liability, schedule of contributions - pension, schedule of proportionate share of OPEB - RHIA, schedule of contributions to OPEB - RHIA, and schedule of contributions - Oregon teamster employer's trust which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit management's discussion and analysis, the schedule of proportionate share of the net pension liability, schedule of contributions - pension, schedule of proportionate share of OPEB - RHIA, schedule of contributions to OPEB - RHIA, and schedule of contributions – Oregon teamster employer's trust and do not express an opinion or provide any assurance on this information.

We were engaged to report on the schedule of revenues, expenditures and changes in fund balances – budget and actual, as listed in the table of contents under RSI. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

We were engaged to report on the other supplementary information, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Honorable Mayor, City Council, and management of City of Molalla and is not intended to be and should not be used by anyone other than these specified parties.

If you should have any questions or comments, we would be pleased to discuss this report with you at your convenience.

Respectfully,



Merina+Co  
Tualatin, Oregon  
*Focused on Your Wants and Understanding Your Needs*



February 16, 2022

To the Agency Officials  
Molalla Urban Renewal Agency  
Molalla, OR

We have audited the financial statements of the governmental activities and the each major fund of the Molalla Urban Renewal Agency, a component unit of the City of Molalla as of and for the year ended June 30, 2021, and have issued our report thereon dated February 16, 2022. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated July 26, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been approved by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Molalla Urban Renewal Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.



## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Molalla Urban Renewal Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no significant estimates affecting the Agency.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Molalla Urban Renewal Agency's financial statements relate to:

The disclosure of Long-Term Debt in Note 4 to the financial statements summarizes the changes in long-term debt for the year ended June 30, 2021.

## **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified during the audit.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. No misstatement were noted during the audit.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Molalla Urban Renewal Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No circumstances exist that would affect the form and content of our auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, in a separate letter dated February 16, 2022.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Molalla Urban Renewal Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Molalla Urban Renewal Agency's auditors.

### **Other Matters**

We were not engaged to report on the introductory section, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Agency Officials, and management of Molalla Urban Renewal Agency and is not intended to be and should not be used by anyone other than these specified parties.

If you should have any questions or comments, we would be pleased to discuss this report with you at your convenience.

Respectfully,

A handwritten signature in blue ink that reads "Merina+Co".

Merina+Co  
Tualatin, Oregon  
*Focused on Your Wants and Understanding Your Needs*



## **IMPORTANT NOTICE REGARDING YOUR UTILITY BILL**

Per adopted Molalla City Resolutions, the following rate schedule will go into effect on July 1, 2022:

**Water Base Rate:** \$15.08 for 3/4" meter\*

**Water Usage Rate:** per 100 cubic feet of usage

0 - 500 cubic feet: \$3.13

501 - 1000 cubic feet \$3.45

Over 1000 cubic feet \$3.92

**Sewer Base Rate:** \$54.08 per EDU\*\*

**Sewer Usage Rate:** \$4.96\*

**Storm Drain Rate:** \$4.33 per EDU\*\* of Impervious Area

*For water conservation information and tips, visit the Molalla Current or [www.cityofmolalla.com](http://www.cityofmolalla.com).*

\*Please visit [www.cityofmolalla.com](http://www.cityofmolalla.com) for the Water Base Rate for larger meters and Sewer Base/Sewer Usage Rates for commercial accounts.

\*\*Equivalent Dwelling Unit



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\*\*Equivalent Dwelling Unit

SERVICE	2021-22 RATE	2022-23 ORDINANCE RATE	2022 CPI	CPI RATE	2022-23 FINAL RATE
Water Base Rate - .75" Meter	13.82	13.95	8.1%	1.13	15.08
Water Base Rate - 1" Meter	23.17	23.25	8.1%	1.88	25.13
Water Base Rate - 1.5" Meter	46.10	46.50	8.1%	3.77	50.27
Water Base Rate - 2" Meter	74.07	74.40	8.1%	6.03	80.43
Water Base Rate - 3" Meter	161.32	139.50	8.1%	11.30	150.80
Water Base Rate - 4" Meter	276.54	232.50	8.1%	18.83	251.33
Water Base Rate - 6" Meter	576.10	465.00	8.1%	37.67	502.67
Water Base Rate - 8" Meter	829.60	744.00	8.1%	60.26	804.26
Water Usage Rate per 100 CF 0 - 500 CF	3.03	3.13	8.1%	0.25	3.38
Water Usage Rate per 100 CF 501 - 1000 CF	N/A	3.45	8.1%	0.28	3.73
Water Usage Rate per 100 CF Over 1000 CF	N/A	3.92	8.1%	0.32	4.24

500 CF X .0338 = 16.90 (15.15)

1000 CF X .0373 = 37.30 (30.30)

1500 CF X .0424 = 63.60 (45.45)

SERVICE	2021-22 RATE	2022-23 ORDINANCE RATE	2022 CPI	CPI RATE	2022-23 FINAL RATE
Sewer Base Rate Residential per EDU	46.61	50.03	8.1%	4.05	54.08
Sewer Base Rate - Commercial 1	46.61	50.03	8.1%	4.05	54.08
Sewer Base Rate - Commercial 2	46.61	50.03	8.1%	4.05	54.08
Sewer Base Rate - Commercial 3	46.61	50.03	8.1%	4.05	54.08
Sewer Base Rate Commercial 4 & Industrial	Flow (per Ccf) BOD (per Lb) TSS (per Lb)	Flow (per Ccf) BOD (per Lb) TSS (per Lb)	8.1%	?	?
Sewer Usage Rate	4.62	4.96	8.1%	0.40	5.36
Sewer Base Rate - Commercial 1	4.16	4.46	8.1%	0.36	4.82
Sewer Base Rate - Commercial 2	5.31	5.70	8.1%	0.46	6.16
Sewer Base Rate - Commercial 3	6.00	6.44	8.1%	0.52	6.96
Sewer Base Rate Commercial 4 & Industrial	4.16 0.69 0.69	4.46 0.74 0.74	8.1%	0.36 0.06 0.06	4.82 0.80 0.80
Storm Drain Rate per EDU of Impervious Area					
Residential	4.01		8.1%	0.32	4.33
Commercial - MultiFamily	0.0013457		8.1%	0.000109002	0.0014547



**Mac Corthell – Community Development Director**  
315 Kennel Ave, PO Box 248, Molalla, Oregon 97038  
Phone: (503) 829-7711 Email: mcorthell@cityofmolalla.com

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## MEMORANDUM

To: Honorable Mayor and City Council

From: Mac Corthell, Community Development Director

Date: May 11, 2022

Re: Comparing and Contrasting Planning Commissions with Hearings Officers

---

### Introduction

At the request of the City Council, staff has prepared a summary comparison and contrast of Planning Commissions and Hearings Officers.

A Hearings Officer is an impartial third-party, who is a member of the Oregon State Bar, conducting quasi-judicial land use hearings and dispassionately applying the law to the facts.

Quasi-Judicial Land Use Hearings, the only type conducted by a Hearings Officer, are limited to Type III Applications: Site Design Reviews (some), Conditional Use Permits, Sub-Divisions, Variances, Modifications (some), Master Planned Developments.

### I. Overview

MMC 2.06 allows the City of Molalla, at the discretion of the City Council, to appoint a Planning Commission (MMC 2.06.090-2.06.150), and/or to appoint a Hearings Officer (MMC 2.06.010-2.06.050).

Table I provides a broad overview of the costs and responsibilities relevant to this discussion.

	Hearings Officer	Planning Commission
<b>Financial Costs</b>	\$1,100-\$5,000 per Hearing	\$0 per Hearing
<b>Quasi-Judicial Land Use Hrgs</b>	Yes	Yes
<b>Legislative Recommendations</b>	No	Yes
<b>Community Representative</b>	No	Yes
<b>Long-Term Planning</b>	No	Yes

In short, if appointed a Hearings Officer would displace the Planning Commission for purposes of Quasi-Judicial Land Use hearings and decisions only. The Planning Commission would continue to fulfill all other purposes as provided in MMC 2.06.090.

## **II. Why Use the Hearings Officer Model?**

The hearings officer model helps to reduce risk, reduce perceptions of bias, provide certainty, and ensure efficient use of Staff time.

The risk associated with a land use decision is typically reduced by the fact that the hearings officer is a member of the Oregon State Bar, and thus professionally trained and licensed to apply law to facts dispassionately, identify and avoid legal pitfalls, conduct legally sufficient processes, and render legally defensible findings and decisions.

Perceptions of bias are typically reduced by the fact that the hearings officer is an impartial third party who is professionally qualified to preside over land use decisions as opposed to a group of community members who are more likely to be perceived as inappropriately applying their values and desires for the community to the decision.

The increased certainty of a Hearings Officer stems from the fact that they are an individual, so no quorum of volunteers is required. Additionally, they are paid so there is a contractual obligation to be present and the ability to cancel that contract, or seek damages if it is violated.

The Hearings Officer model helps ensure efficient use of staff time through their advanced knowledge of the laws and rules on land use. Staff for any Planning Commission spends a great deal of time explaining land use law, quasi-judicial process, and responding to questions that are not relevant to the decision at hand.

## **III. Why Not Use the Hearings Officer Model?**

The Hearings Officer model carries additional costs, may harm public perception, may not be a need, and does not displace all duties of the Planning Commission.

The costs associated with a Hearings Officer typically range from \$1,100 to \$5,000 per application. This cost would need to be passed on to the applicants to be feasible from a budgeting perspective. This ultimately drives up the cost of Type III land use applications.

The public perception surrounding use of a Hearings Officer can be that the community is being eliminated from the land use process. While this is misplaced since the same procedures continue to apply, displacing a group of community members with a paid contract attorney can lead to this perception.

It is always wise to see if a need exists prior to implementing a new model that will come at both an administrative cost to the taxpayers, and a financial cost to applicants. The needs analysis should consider how many Quasi-Judicial land use applications the City expects to handle at a time over the long-term, the ability to field a Planning Commission, and the Commission's ability to make sound land use decisions.

Finally, the Hearings Officer model does not displace the Planning Commission's duties surrounding long-term planning and development code legislative review and recommendations. This can create a challenge in the form of an information vacuum since the PC would not hear Type III land use decisions, but would still have the role of assisting in evolving the development code; in essence the legislative role would become conceptual in nature instead of having the practical application of reviewing proposals that use the code as their roadmap.





## CITY OF MOLALLA

117 N. Molalla Avenue  
PO Box 248  
Molalla, OR 97038

### Staff Report

### Agenda Category: General Discussion

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**AGENDA DATE:** May 25, 2022

**Approved by:** Dan Huff, City Manager

**FROM:** Mac Corthell, Community Development Director

**SUBJECT:** Public Hearing for Molalla Enterprise Zone Re-Designation and Expansion

**FISCAL IMPACT:** 3 to 5 Year Property Tax Abatement for Participating Developments

**RECOMMENDATION/RECOMMEND MOTION:** N/A

**BACKGROUND:** The process for reauthorization and/or expansion of an enterprise zone requires special notice to all taxing districts in the zone, public outreach, and a public hearing to provide those effected with a chance to comment. Staff has completed all notice requirements for tonight's public hearing.

Molalla has had an Enterprise Zone (Ezone) for at least 10 years. The current Ezone does not include several properties that carry substantial public improvement requirements and have not developed. The proposed enterprise zone expansion would bring those properties into the Enterprise Zone and provide a temporary tax incentive to develop those properties and/or improve those that have some development on them presently.

The Enterprise zone provides eligible businesses with 3-years of tax abatement on qualified property, for qualified projects. A 5-year abatement process also exists but is rarely used.

The attached flyer provides a summary of eligibility and qualifications for your review.

The Molalla Enterprise Zone is administered by Clackamas County Economic Development. Clackamas County, and the Port of Portland must consent to this expansion. A resolution will be brought before the City Council at one of the June 2022 meetings.

**ATTACHMENTS:**

1. Existing and proposed Molalla Enterprise Zone
  2. Enterprise Zone Flyer
-



# STAKE Your CLAIM



## Enterprise Zones:

### Three-to-five year tax abatement

Businesses locating or expanding in an enterprise zone may be eligible to receive an exemption from property taxes for three to five years on new investments including:

- Building construction
- Improvements
- Equipment



A Division of Business and Community Services  
503-742-4249

150 Beavercreek Road  
Oregon City, OR 97045  
4biz@clackamas.us

[www.clackamas.us/business](http://www.clackamas.us/business)

## Business Eligibility:

Eligible businesses include:

- Manufacturers, processors, shippers, other traded sector businesses, and call centers/headquarter facilities  
*\*\*Hotel/resort businesses are eligible in the Estacada, Molalla, and Sandy Enterprise Zones.*

Ineligible business:

- Retail, construction, and financial institutions



## Qualified Properties:

Properties which qualify for Enterprise zones include:

- New buildings/structural modifications
- Newly installed machinery
- Equipment qualifies for exemption

Nonqualified items include:

- Land, previously used property value and miscellaneous personal items

## Criteria for Qualifying Projects:

The following criteria apply for the three-year & five-year enterprise zone exemption:

- Increase full-time, permanent employment by 10%
- Three-year: Pay employees at least 150% of the State minimum wage (\$16.13 per hour for 2019) \*benefits included
- Five-year: Pay employees at least 150% of County Average annual wage (\$77,586 for 2019)
- Maintain minimum employment level during the exemption period
- Enter into a first-source agreement with local job training providers
- Pay an application fee of 0.1% of the proposed total investment.

# Enterprise Zones



## Enterprise Zone Contacts:

### **City of Estacada**

Matt Lorenzen, Economic Development Manager

Phone: 503-630-8270 x203 | Email: [lorenzen@cityofestacada.org](mailto:lorenzen@cityofestacada.org)

### **City of Molalla,**

Dan Huff, City Manager

Phone: 503-829-6855 | Email: [dhuff@cityofmolalla.com](mailto:dhuff@cityofmolalla.com)

### **City of Oregon City**

Lori Bell, Economic Development Coordinator

Phone: 503-974-5517 | Email: [lbell@orc.org](mailto:lbell@orc.org)

### **City of Sandy**

David Snider, Economic Development Manager

Phone: 503-475-8430 | Email: [dsnider@cityofsandy.com](mailto:dsnider@cityofsandy.com)

### **North Urban Clackamas County**

- **Happy Valley**

Michael Walter, Economic & Community Development Director

Phone: 503-783-3839 | Email: [michaelw@ci.happy-valley.or.us](mailto:michaelw@ci.happy-valley.or.us)

- **Milwaukie**

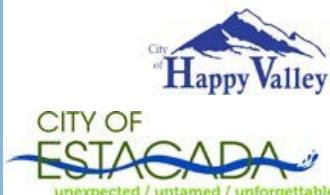
Alma Flores, Economic Development & Resource Coordinator

Phone: 503-786-7624 | Email: [FloresA@milwaukieoregon.gov](mailto:FloresA@milwaukieoregon.gov)

- **Clackamas County Economic Development**

Cindy Moore, Enterprise Zone Manager

Phone: 503-742-4328 | Email: [cmoore@clackamas.us](mailto:cmoore@clackamas.us)





## CITY OF MOLALLA

117 N. Molalla Avenue  
PO Box 248  
Molalla, OR 97038

### Staff Report

### Agenda Category: General Discussion

---

**Agenda Date:** May 25, 2022

**From:** Mac Corthell, Community  
Development Director  
**Approved by:** Dan Huff, City Manager

**SUBJECT:** Resolution 2022-05, Partial Release of City Lien – 12786 S Toliver Rd.

**FISCAL IMPACT:** None.

**RECOMMENDATION/RECOMMEND MOTION:** I move the City of Molalla City Council adopt Resolution 2022-05, A RESOLUTION OF THE CITY OF MOLALLA, OREGON AUTHORIZING THE PARTIAL RELEASE OF THE MUNICIPAL LIEN ON PROPERTY KNOWN AS 12786 S. TOLIVER ROAD.

**BACKGROUND:** On 8/20/21 the City executed a Municipal Lien against the above referenced property as security for an SDC payment plan.

The City and ODOT are currently partnering on project 18-08, the Toliver/OR-213 Roundabout project and ODOT is requesting a partial release of the Municipal Lien.

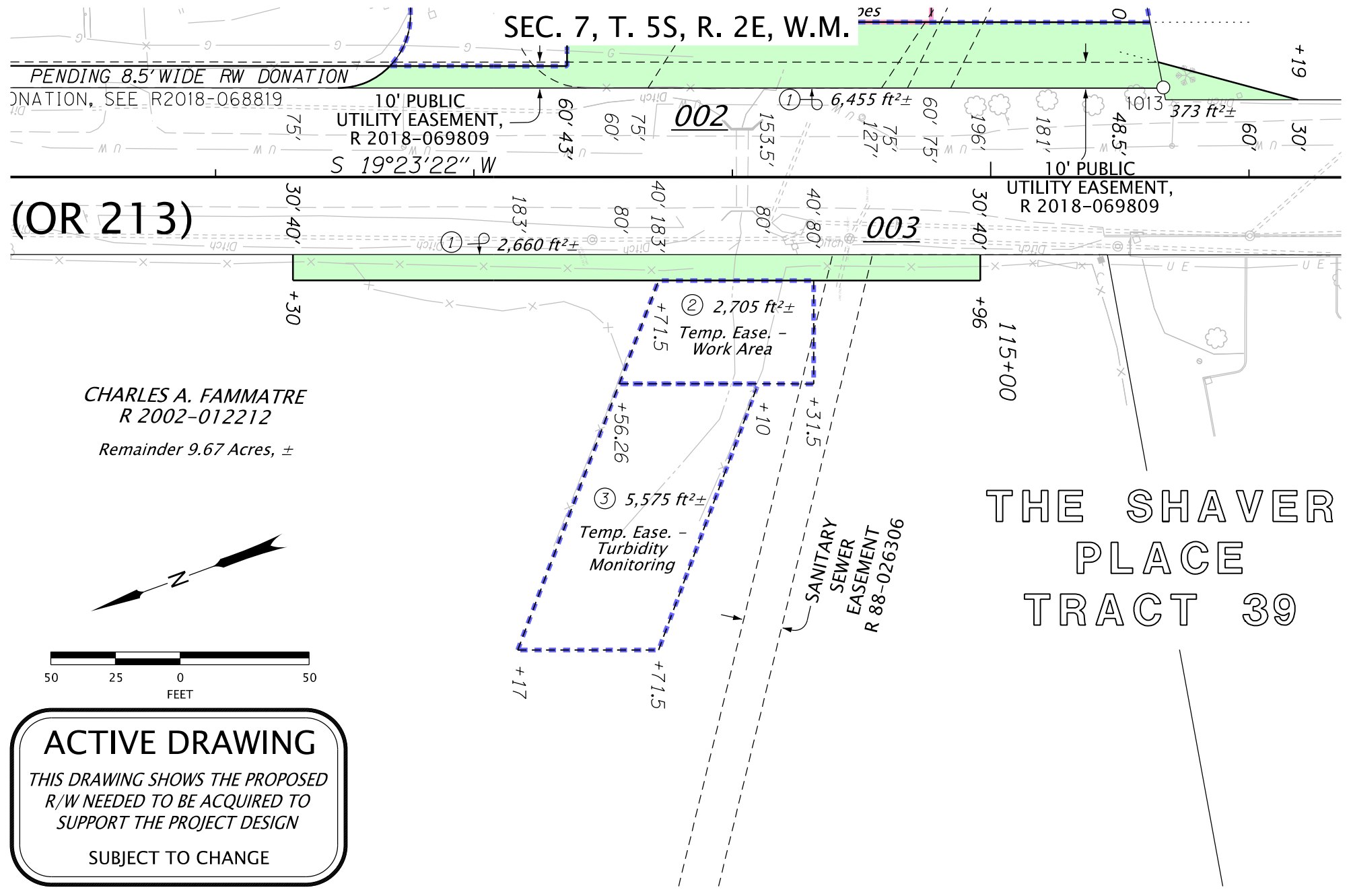
Summary of partial lien release effects:

1. Full release of the property described as Parcel 1 in Exhibit A to be utilized as Public Right of Way for the purpose of constructing the roundabout.
2. Subordination of lien on the property described as Parcels 2 and 3 in Exhibit A to be utilized as Temporary Easements for construction staging and turbidity monitoring during project execution.
3. The partial release includes just over 0.25 acres of the 9.67 acre lien. This leaves approximately 9.4 acres encumbered by the Municipal Lien; more than enough to secure the \$22,246.64 lien value.

**ATTACHMENTS:**

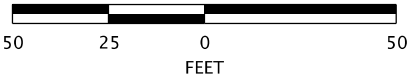
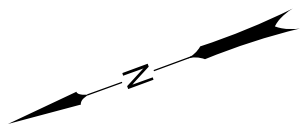
1. Surveyors Map of Proposed Partial Release of Lien;
2. Municipal Lien recorded as document 2021-081185;
3. Resolution 2022-05 and incorporated partial lien release with exhibits.

SEC. 7, T. 5S, R. 2E, W.M.




(OR 213)

CHARLES A. FAMMATRE  
R 2002-012212  
Remainder 9.67 Acres, ±



**ACTIVE DRAWING**  
THIS DRAWING SHOWS THE PROPOSED  
R/W NEEDED TO BE ACQUIRED TO  
SUPPORT THE PROJECT DESIGN  
SUBJECT TO CHANGE

THE SHAVER  
PLACE  
TRACT 39

 <p><b>RIGHT OF WAY ENGINEERING SKETCH MAP</b></p>	SECTION	TRACTOR SUPPLY COMPANY, MOLALLA, OREGON	SCALE	1" = 50'
	HIGHWAY	CASCADE HIGHWAY SOUTH (160)	DATE	JULY, 2021
	COUNTY	CLACKAMAS	FILE	9680-003
	PURPOSE	ODOT NON-PROJECT ACQUISITION	SEE DRAWING RW9680M	

692  
100

Sherry Hall  
Clackamas County Clerk  
1710 Red Soils Ct. #110  
Oregon City, OR 97045

Clackamas County Official Records  
Sherry Hall, County Clerk

2021-081185



\$108.00

02498012202100811850060060

09/01/2021 01:32:39 PM

After Recording, return to:  
City of Molalla  
ATTN: Christie Teets, City Recorder  
PO Box 248  
Molalla, OR 97038

L-ASMTL Cnt=1 Stn=9 COUNTER1  
\$30.00 \$16.00 \$62.00

MUNICIPAL LIEN

Whereas, pursuant to the City of Molalla Code Section 13.14.095 authorized the owner of real property being used for residential purposes to apply for payment of Sewer System Development Charges in installments, the City of Molalla Administrator has determined the property located at 12786 S. Toliver Rd., Molalla, OR approved for such installments. The City of Molalla has agreed to monthly installments over 10 years. All payments and interest much be paid to satisfy this Municipal Lien.

NOTICE IS HEREBY GIVEN that certain real property in the City of Molalla, County of Clackamas, State of Oregon, described as follows:

Locally known as: 12786 S. Toliver Road

- Tax Lot: 52E07A 00600
- Tax Parcel Number: 01088628

The owner of the property or reputed owner of said land is: Charles A. Fammatre, 12786 S. Toliver Road. The City of Molalla claims a lien in the amount of \$20,148.00 plus 2% interest.

Sewer SDC Charge	\$20,148.00
Interest Amount Financed	\$ <u>2,098.64</u>
Total Amount Financed	\$22,246.64

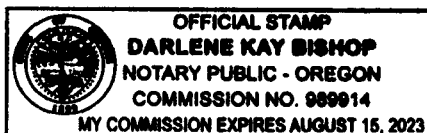
The lien was entered in the City of Molalla's lien docket as such, dated 20<sup>th</sup> of August 2021.

*Christie Ann Teets*  
Christie Ann Teets, City Recorder

On this 1<sup>st</sup> day of September, 2021, before me appeared Christie Ann Teets, to me personally known, who being first duly sworn, did say that she is the City Recorder of the City of Molalla, that said instrument was executed by the City of Molalla, and she acknowledged said instrument to be the free act and deed of the City of Molalla, Clackamas County, Oregon.

IN TESTIMONY WHEREOF, I have here unto set my hand and affixed my official seal, this, the day and year last written above.

*Darlene Kay Bishop*  
Notary Public for Oregon, Clackamas County  
My Commission Expires: Aug 15, 2023



**City of Molalla, Oregon**  
System Development Charge  
Installment Payment Application & Agreement

This Agreement relates to payment by Applicant to the City of Molalla, Oregon ("City") of certain Systems Development Charges ("SDC") payable for Sewer.

Applicant or property owner (the "Applicant"): **Charles Fammatre**

Property Address subject to SDC (the "Property"): **12786 S Toliver Rd., Molalla, OR 97038**

Type of SDC: **SEWER**

---

APPLICANT and CITY agree as follows:

1. ORS 223.208, ORS 223.210, ORS 223.215 and Molalla Municipal Code section 13.14.095 authorize an owner of real property being used for residential purposes to apply for payment of an SDC in installments of the unpaid balance with interest.

2. Applicant hereby waives all irregularities or defects, jurisdictional or otherwise, in City proceedings relating to the capital improvements for which the SDC is charged, and in the apportionment of the actual cost of the capital improvement to Applicant's property through the applicable SDC methodology.

3. Applicant may pay the SDC amount in installments financed over a period of 10 years. Applicant understands that payment of the total SDC amount may be paid in installments over a period of 10 years and that, notwithstanding any provision of law, Applicant agrees to make payments over a period less than 10 years and to have the SDC lien applied on the Property accordingly. If Applicant elects a pay off period less than ten years, such election, as provided below by Applicant's written initials, is irrevocable.

The Applicant hereby elects to finance the SDC over the following term:

  10   years I elect to pay the SDC over a period of 10 years, beginning with the first billing as outlined in paragraph 6 below.

4. Applicant may pay in full the outstanding balance at any time, without early payment penalty or charge.

5. Applicant agrees to pay interest at the annual rate of (2%). With payments made monthly

6. Applicant agrees that the first billing for the first installment payment will be on 4/30/2020, and that the first payment will be due 30 days later. Subsequent installments will be issued on your Utility Bill every month.

7. Applicant agrees to pay the SDC, monthly interest and finance charges as follows:

1  




(a) SDC Amount Financed .....	20,148.00
(b) Interest Amount Financed.....	2,098.64
(c) Total Amount Financed .....	22,246.64
(d) Monthly Installments.....	185.39

8. Applicant consents to a City lien on the Property and agrees that the City will enter that lien on its lien docket. This lien will continue to exist until the Applicant pays all installments, including interest and finance charges as set forth above, due and owing under the SDC obligation. The SDC, together with all accruing interest, shall be a first lien against the Property. Applicant agrees to sign all documents necessary to effect said lien in favor of the City and understands that the City has not elected to exercise the option to make this a second lien consistent with ORS 223.208(2). Applicant will cause its construction lender and all subsequent lenders to execute a subordination agreement that recognizes the obligations of this agreement and the lien created hereby as being prior to the lender's lien, until the outstanding balance and accrued interest due under this Agreement are fully repaid. If default is declared under provisions of this Agreement, the lien may be foreclosed in accordance with applicable law.

9. Applicant agrees that if Applicant neglects or fails to pay any part of an installment, including interest, within one year after it is due and payable, then the whole amount of the unpaid SDC obligation becomes due and payable. Applicant agrees that the City may collect the entire amount owed in any manner provided by law, including foreclosure of the Property. Applicant will be responsible for all collection costs and/or fees associated with any payment default. Failure by the City to declare all sums due and payable based on non-payment shall not constitute a waiver of the City's right to do so.

10. The rights under this Agreement are non-transferrable. Applicant agrees that if Applicant sells any portion of the Property, the full remaining balance the unpaid SDC obligation is immediately due and payable, including interest assessed to the date of the sale of the Property or any portion thereof.

11. In addition to recording the lien on the City lien docket, this Agreement will be recorded by the City in the deed records of Clackamas County.

12. Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

CITY OF MOLALLA:            117 N. Molalla, Avenue  
    P.O. Box 248  
    Molalla, OR 97038  
    Attention: Finance Department

APPLICANT:                    **Charles Fammatre**  
    **Acct #901.715.001**

Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice with the United States Postal Service. Names and addresses of persons or entities to be given notices hereunder may be changed upon written notice to the other party.

13. Applicant agrees to indemnify, hold harmless and defend the City, its elected officials, employees, agents and insurers for any and all damages, costs, penalties and fees (including attorneys, expert and witness fees) alleged by a third party to arise from the fault of City for actions taken by City in the exercise of its rights pursuant to this Agreement, except to the extent said damages, costs, penalties and fees are proven to arise from the gross negligence of the City, its elected officials, employees, agents or insurers.

14. The Applicant represents by signing below that he/she has the authority to sign this Agreement and to fully bind the principal thereto, and that the Applicant is the owner of the Property.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the undersigned Applicant has executed this Application on the date indicated below.

Dated this 20 day of August, 2021.

*Charles Fammatre*  
Signature of Applicant(s)/Property Owner(s)

CHARLES FAMMATRE  
Print Name(s)

12786 So Toliver Rd, Molalla 97038  
Mailing Address(es)

STATE OF OREGON )  
County of Clackamas )

This record was acknowledged before me on Aug. 20, 2021 by Charles Fammatre.  
(date) (name)



*Christie Ann Teets*  
Notary Public - State of Oregon  
My Commission Expires:

ACCEPTED FOR THE CITY OF MOLALLA

By: *[Signature]*

Title: City Manager

Date: Aug. 20, 2021

PROMISSORY NOTE  
To  
THE CITY OF MOLALLA, OREGON

TWENTY TWO THOUSAND TWO HUNDREDFORTY SIX DOLLARS AND SIXTY FOUR CENTS.  
22,246.64

**Charles Fammatre Acct #901.715.001**, acting as payor promises to pay to the order of the CITY OF MOLALLA, OREGON ("CITY"), an Oregon municipal corporation as payee the principal sum of **\$20,148** in lawful United States money with interest thereon at the rate of 2% annually from **8/30/2021** until paid. See break down of charges below

1. SDC Fee	\$2,981.00
2. Connection Fee	600.00
3. Sub Contractors	1,330.00
4. Materials	6,559.00
5. Equipment	4,282.00
6. Labor	3,465.00
7. <u>Permits &amp; MOB</u>	<u>931.00</u>
8. <b>Total</b>	<b>\$20,148.00</b>

Payments will be made in monthly installments starting on on **8/30/21** with the entire balance with interest to be paid in full by, **August 30, 2031**.

If additional principle payments are made please notify the Finance Department to ensure that the payments are applied correctly so that a new amortization sheet can generated to reflect the additional payment to principle.

Payments are deemed paid only upon CITY's receipt of payment through your Utility Bill. Payments will be due and will follow the same guidelines set on your Utility Account. Any payment tendered but not honored by the applicable financial institution upon presentation shall be deemed not paid.

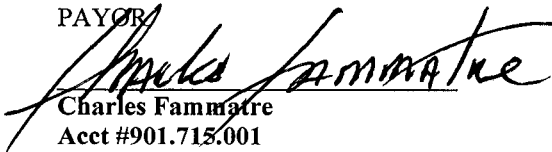
Time is of the essence under this note. In the event applicant fails to make a timely payment, the full outstanding unpaid balance and all unpaid installments are immediately due and payable.

Applicant may prepay any of the unpaid principal balance without any prepayment penalty at any time up to and including the date on which all sums payable under the terms of this note are due and payable.

If this note is placed in the hands of an attorney or agent for collection, **Charles Fammatre** will pay all reasonable attorney fees and collection costs CITY incurs.

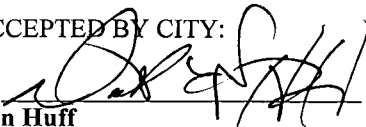
**Charles Fammatre**, MAY NOT ASSIGN OR NEGOTIATE THIS NOTE WITHOUT THE CITY'S PRIOR WRITTEN CONSENT.

PAYOR

  
**Charles Fammatre**  
Acct #901.715.001

Date: 8/20, 2021

ACCEPTED BY CITY:

by   
**Dan Huff**  
City Manager

Date: 8-20-, 2021

PROMISSORY NOTE

1

(6)



**RESOLUTION NO. 2022-05**

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON  
AUTHORIZING THE PARTIAL RELEASE OF THE MUNICIPAL LIEN ON  
PROPERTY KNOWN AS 12786 S. TOLIVER ROAD**

**WHEREAS,** The City of Molalla holds a duly executed Municipal Lien on property known as 12786 S Toliver Road, Molalla, OR 97038; and

**WHEREAS,** The City of Molalla and Oregon Department of Transportation (ODOT) are partnering to construct a roundabout at the intersection of Toliver Road and OR-213; and

**WHEREAS,** ODOT has requested a partial release of the City’s Municipal Lien in order to obtain permanent Right of Way, and Temporary Construction Easements; and

**WHEREAS,** The remaining property encumbered by the Municipal Lien, after the partial release requested is more than enough to secure the property’s outstanding debt to the City.

**Now, Therefore, the City of Molalla Resolves as follows:**

**Section 1.** The partial release of lien attached hereto and incorporated herein by reference is hereby authorized.

**Section 2.** The Mayor is authorized to sign the partial release of lien document on behalf of the City Council.

**Section 3.** This resolution is effective upon signature by the Mayor.

Signed this 25th day of May, 2022.

\_\_\_\_\_  
Scott Keyser, Mayor

ATTEST:

\_\_\_\_\_  
Christie Teets, City Recorder

File 9680-003  
Map RW9680M

AFTER RECORDING RETURN TO:  
OREGON DEPARTMENT OF TRANSPORTATION  
RIGHT OF WAY SECTION  
4040 FAIRVIEW INDUSTRIAL DRIVE SE MS#2  
SALEM OR 97302-1142

**PARTIAL RELEASE OF A CITY LIEN**

The CITY OF MOLALLA, a municipal corporation of the State of Oregon, does release from that certain outstanding Municipal Lien for Sewer System Development Charges, recorded September 1, 2021, in Instrument No. 2021-081185, Records of Clackamas County, Oregon, the property described as Parcel 1 on Exhibit "A" dated 07/15/2021, attached hereto and by this reference made a part hereof.

AND AGREES TO SUBORDINATE the remainder of the property covered by said Municipal Lien to that certain temporary easement for a work area, and that temporary easement for turbidity monitoring, contained in that Deed from Charles A. Fammatre to the State of Oregon, by and through its Department of Transportation, which property is described as Parcels 2 and 3 on Exhibit "A" dated 07/15/2021 attached hereto and by this reference made a part hereof.

Provided however, except as herein specifically released, the remainder of said property shall remain subject to said lien.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF MOLALLA, a municipal corporation of the State of Oregon**

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
City Recorder

STATE OF OREGON, County of \_\_\_\_\_

Dated \_\_\_\_\_, 20\_\_\_\_. Personally appeared, and signed before me by \_\_\_\_\_

and \_\_\_\_\_, who, being sworn, stated that they are the Mayor and City Recorder of the City of Molalla, a municipal corporation of the State of Oregon, and that this instrument was voluntarily signed in behalf of the City by authority of the Common Council. Before me:

\_\_\_\_\_  
Notary Public for Oregon  
My Commission expires \_\_\_\_\_

**Parcel 1 – Fee**

A parcel of land lying in Tract 39, THE SHAVER PLACE, City of Molalla, Clackamas County, Oregon and being a portion of that property described in that Bargain and Sale Deed-Statutory Form to Charles A. Fammatre, recorded February 06, 2002 as Recorder's Fee No. 2002-012212, Film Records of Clackamas County; the said parcel being that portion of said property lying between lines at right angles to the center line of the relocated Cascade Highway South at Engineer's Stations 112+30.00 and 114+96.00, and included in a strip of land 40.00 feet in width, lying on the Westerly side of said center line, which center line is described as follows:

Beginning at Engineer's center line Station 106+90.50, said Station being 1085.00 feet South and 3158.60 feet East of the Northwest Corner of the Hugh Gordon D.L.C. No. 40, Township 5 South, Range 2 East, W.M., said Northwest Corner being marked by a 3-1/4-inch bronze disk as referenced in Clackamas County Surveyors remonumentation record U.S.B.T. entry 2001-056; thence South 19°23'22" West 1309.50 feet to Engineer's center line Station 120+00.00.

Bearings are based on the Oregon Coordinate Reference System, Portland Zone, NAD 83 (2011) EPOCH 2010.00.

This parcel of land contains 2,660 square feet, more or less.

**Parcel 2 - Temporary Easement for Work Area (3 years or duration of Project, whichever is sooner)**

A parcel of land lying in Tract 39, THE SHAVER PLACE, City of Molalla, Clackamas County, Oregon and being a portion of that property described in that Bargain and Sale Deed-Statutory Form to Charles A. Fammatre, recorded February 06, 2002 as Recorder's Fee No. 2002-012212, Film Records of Clackamas County; the said parcel being that portion of said property lying within the following described tract:

Beginning at a point opposite and 40.00 feet Westerly of Engineer's Station 113+71.50 on the center line of the relocated Cascade Highway South; thence Northwesterly in a straight line to a point opposite and 80.00 feet Westerly of Engineer's Station 113+56.26; thence Southerly in a straight line to a point opposite and 80.00 feet Westerly of Engineer's Station 114+31.50; thence Easterly in a straight line to a point opposite and 40.00 feet Westerly of said Engineer's Station 114+31.50; thence Northerly in a straight line to the point of beginning.

This parcel of land contains 2,705 square feet, more or less.



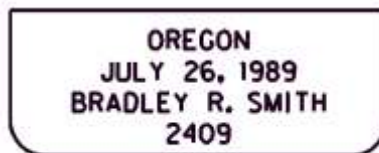
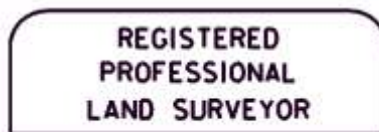
**Parcel 3 - Temporary Easement for Turbidity Monitoring (3 years or duration of Project, whichever is sooner)**

A parcel of land lying in Tract 39, THE SHAVER PLACE, City of Molalla, Clackamas County, Oregon and being a portion of that property described in that Bargain and Sale Deed-Statutory Form to Charles A. Fammatre, recorded February 06, 2002 as Recorder's Fee No. 2002-012212, Film Records of Clackamas County; the said parcel being that portion of said property lying within the following described tract:

Beginning at a point opposite and 80.00 feet Westerly of Engineer's Station 113+56.26 on the centerline of the relocated Cascade Highway South; thence Northwesterly in a straight line to a point opposite and 183.00 feet Westerly of Engineer's Station 113+17.00; thence Southerly in a straight line to a point opposite and 183.00 feet Westerly of Engineer's Station 113+71.50; thence Southeasterly in a straight line to a point opposite and 80.00 feet Westerly of Engineer's Station 114+10.00; thence Northerly in a straight line to the point of beginning.

The center line of the relocated Cascade Highway South is described in Parcel 1.

This parcel of land contains 5,575 square feet, more or less.



RENEWAL DATE 6-30-2022

## **Article III. Planning Commission**

2.06.090 Purpose.

2.06.100 Created—Composition—Compensation.

2.06.110 Terms of members.

2.06.120 Quorum—Rules of procedure.

2.06.130 Meetings—Officers.

2.06.140 Record of proceedings.

2.06.150 Right of parties to present evidence at hearings.

### **2.06.090 Purpose.**

The purpose of the Planning Commission shall be to conduct the review of the Comprehensive Plan, implement ordinances, hold hearings and make decisions and recommendations to the City Council on major plan and ordinance amendment applications as well as other such matters approved in this chapter. (Ord. 2018-05 §1)

### **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. There shall be more residents of the City than non-residents on the Commission.

b. It is the policy of the City of Molalla that involving youth in the public decision-making process promotes interest and participation. 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. (Ord. 2019-06 §6; Ord. 2018-05 §1)

### **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 appointed by the Mayor with the consent of the City Council for the 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. 2019-06 §7; Ord. 2018-05 §1)

### **2.06.120 Quorum—Rules of procedure.**

A. A majority of the voting Commission shall constitute a quorum. The Commission is authorized to adopt rules of procedure for the conduct of its meetings and hearings, provided such rules do not conflict with state law, City Charter, Ordinances, and the Comprehensive Plan. A copy of such rules shall be filed with the City Recorder and made available for inspection to those appearing before the Planning Commission prior to their appearance.

B. When exercising the function of the Hearings Officer, the Planning Commission shall follow the rules of the Hearings Officer in performing said function. A majority vote of the Planning Commission members present shall be sufficient for taking any action authorized by ordinance. (Ord. 2018-05 §1)

### **2.06.130 Meetings—Officers.**

The Planning Commission shall meet on a monthly basis. At the first meeting of each calendar year, the Commission shall select a chair, vice-chair, and a secretary. The chair, or vice-chair in the chair's absence, shall preside over the Planning Commission's meetings and hearings. (Ord. 2018-05 §1)

### **2.06.140 Record of proceedings.**

A record of the proceedings shall be made by electronic recording and subject to retention schedule. A transcript can be made available upon written request within the first year of the proceeding. Summary written minutes will be kept of each meeting of record as a tracking method of the meeting and or hearing of record. (Ord. 2018-05 §1)

### **2.06.150 Right of parties to present evidence at hearings.**

A. At public hearings before the Planning Commission, all interested persons and organizations shall be allowed an opportunity to be heard and to present and rebut evidence.

B. The chair may limit the speaking time allowed for interested parties to five minutes. (Ord. 2018-05 §1)

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## Contact:

City Hall: 503-829-6855

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## **Chapter 1.02 COUNCIL RULES**

1.02.010 Council rules.

1.02.020 Definitions.

1.02.030 Robert's Rules adopted.

1.02.040 The presiding officer.

1.02.050 Parliamentarian.

1.02.060 Council meetings.

1.02.070 Agenda.

1.02.080 Order and decorum.

1.02.090 Public comment.

1.02.100 Motions.

1.02.110 Councilor conduct.

1.02.120 Confidentiality.

1.02.130 Communications.

1.02.140 Minutes.

1.02.150 Adjournment.

1.02.160 Bias and disqualification.

1.02.170 Ex parte contacts and disqualification.

1.02.180 Oregon Ethics Commission requirements and reporting.

1.02.190 Legal advice.

1.02.200 Manager evaluation.

1.02.210 Council expenses.

1.02.220 Boards and commissions.

1.02.230 News media.

1.02.240 Authorization of expenditures.

1.02.250 Personnel records.

### **1.02.010 Council rules.**

The Council shall review its rules at least once every four years. Amendments shall be adopted by a majority vote. The Council has an obligation to be clear and simple in its procedures and consideration of the questions coming before it. The Council rules are not intended to replace or supersede any applicable federal or state laws or regulations, city ordinances or policies, or provisions of the City Charter. (Ord. 2007-05 §1)

### **1.02.020 Definitions.**

- A. "City committees" means all city committees, commissioners, task forces, and advisory bodies.
- B. "Council" and "Councilors" means the Mayor, the Council President, and the Councilors.
- C. "Councilors" means the Council President and the Councilors.
- D. "Mayor" means the Mayor, or in the absence of the Mayor, the Council President or other presiding officer. (Ord. 2007-05 §1)

### **1.02.030 Robert's Rules adopted.**

Unless otherwise provided by federal or state law or administrative rule or modified by these rules, the procedure for Council meetings shall be governed by Robert's Rules of Order. The Council has an obligation to the citizens to be clear and simple in its procedures and in the consideration of the questions coming before it. Therefore, Councilors should avoid invoking the finer points of parliamentary procedure when such points serve only to obscure the issues before the Council as a whole, or to confuse the audience at public meetings and the citizens in general. (Ord. 2007-05 §1)

### **1.02.040 The presiding officer.**

A. The Mayor. The Mayor shall preside at all meetings of the Council and shall be the recognized head of the city for all ceremonial purposes. The Mayor shall have all duties and privileges of any Councilor, and shall not be denied any right or privilege by reason of the Mayor's position as Presiding Officer.

B. Council President. At the first meeting of each year, the Council shall elect a president from its membership. In the event of the Mayor's absence from any Council meeting, the Council President shall act as the Presiding Officer. Whenever the Mayor is unable, on account of absence, illness or other cause, to perform the functions of the office, the Council President shall act as Mayor Pro Tem.

C. Temporary Chair. In event of the absence of the Mayor and Council President, the City Attorney shall call the Council to order and call the roll of the members. If a quorum is present, those Councilors present shall elect, by majority vote, a temporary chair for that meeting. Should the Mayor or Council President arrive, the temporary chair shall relinquish the chair immediately upon the conclusion of the item of business then in consideration before the Council.

D. Privileges Not Affected by Status. The Presiding Officer may move, second and debate from the chair, subject only to such limitations of debate as are by these rules imposed on all members, and shall not be deprived of any of the rights and privileges of a Councilor by reason of acting as the Presiding Officer. (Ord. 2012-01 §1; Ord. 2007-05 §1)

### **1.02.050 Parliamentarian.**

The City Attorney, or in the City Attorney's absence, the City Manager, shall be the parliamentarian, and shall advise the presiding officer on any questions of order. (Ord. 2007-05 §1)

### **1.02.060 Council meetings.**

A. Regular meetings to conduct Council business will be held on the 2nd and 4th Wednesdays of each month unless canceled by the Mayor for good cause.

B. Work sessions may be held prior to each City Council meeting. Work sessions and agendas will be developed by the City Manager in consultation with the City Council, or by motion with Council approval or by concurrence of the Council.

C. Special meetings or work sessions may be called by the Mayor or Council President in the absence of the Mayor or by a majority of the Council. Final decisions shall not be made at work sessions.

D. Executive sessions will be held in compliance with the Oregon Public Meetings law.

E. Minutes of regular meetings, special Council meetings and work sessions will be taken as provided by the Oregon Public Records law.

F. Telephone/electronic meetings may be held in compliance with the Oregon Public Meetings law. Councilors may participate and vote in Council meetings via telephone, electronically, or by other means consistent with the Oregon Public Meetings law.

G. Attendance at meetings is expected of Councilors who should use their best efforts to attend all Council meetings. Councilors will inform the Mayor and the City Manager if they are unable to attend any meeting. Additionally, the Mayor will inform the Council President and the City Manager regarding any absence by the Mayor. (Ord. 2019-07 §§1—3; Ord. 2007-05 §1)

## **1.02.070 Agenda.**

A. Order. The order of business for Council meetings is generally as follows:

- Call to Order
- Flag Salute
- Roll Call
- Consent Agenda/Approval of Minutes
- Communications—Written and Verbal
- Awards and Recognitions
- Public Hearing
- Continuing Business
- New Business
- Ordinances and Resolutions
- Proclamations
- Reports and Announcements
- Executive Session
- Adjournment

B. Preparation. The City Manager/Mayor shall prepare an agenda of the business to be presented at a regular Council meeting. Wherever possible, it is desirable that no item of business be added to an agenda after 12:00 noon on the Friday prior to a regular Council meeting. The agenda packet containing all agenda bills will be available for the City Council and public on the Friday afternoon prior a regular Council meeting.

C. Councilors may place an item on a Council agenda by motion or with the Mayor's approval. Any two members of the Council may place an item on the agenda over the objection of the Mayor. The City Manager shall be notified. Councilors will endeavor to have subjects they wish considered submitted in time to be placed on the agenda. Agendas will generally be set to allow meetings to end no later than 9:30 p.m. If the Council is still in session at 9:30 p.m., then the Council will decide whether to continue with the agenda or move items to a future agenda.



D. In the event of an emergency, the City Manager may place an item on the agenda. The City Manager shall strive to provide 24 hours notice to the Council and the news media. (Ord. 2007-05 §1)

## **1.02.080 Order and decorum.**

A. Councilors will conduct themselves so as to bring credit upon the City government by respecting the rule of law, ensuring non-discriminatory delivery of public services, keeping informed concerning the matters coming before the Council and abiding by all Council decisions, whether or not the member voted on the prevailing side.

B. Councilors will assist the Mayor to preserve order and decorum during Council meetings and may not, by conversation or other actions, delay or interrupt the proceedings or refuse to obey the orders of the Mayor or Council rules. When addressing staff or members of the public, Councilors will confine themselves to questions or issues under discussion and not engage in personal attacks, or impugn the motives of any speaker.

C. The following ground rules will be observed to maintain order and decorum during Council discussions:

1. Councilors will strive to gather necessary information and ask questions of City staff before meetings. During regular public meetings, questions should be directed to staff through the City Manager.

2. Councilors will have an opportunity to speak at least once on any pending motion or agenda item.

3. Councilors will not speak on behalf of the Council, unless they have been authorized by the Council to do so.

4. Except for minor revisions or corrections, which shall be approved by motion or consensus, Councilors shall not attempt to amend or revise prepared ordinances during public meetings. Amendments to proposed ordinances may be appropriate, but input from the City Manager or the City Attorney will be sought to accomplish the Councilors' objectives.

5. Councilors will be open, direct and candid in the Council forum. Members should be brief and succinct in stating their views and focus on a single issue or topic at any one time.

6. Councilors will focus on City issues and avoid becoming involved in issues not properly within the purview of the Council.

7. The Mayor will recognize Councilors wishing to speak in the order of their requests. The Mayor will provide a Councilor with an opportunity to speak before recognizing another Councilor. Councilors will not interrupt another Councilor who has the floor.

8. Councilors will not disguise statements as questions or use repetitions as a way to convince others.

9. Councilors will keep discussions moving and call for a “process check” if the Council becomes bogged down in discussions.

10. Councilors may by motion set time limits on discussions.

11. Councilors will not publicly criticize or attack each other, City staff or other persons. Councilors will not personally attack each other, City staff or other persons.

12. If a Councilor wishes to discuss a major policy issue that is not on the agenda, it should be raised during new business for consideration at a future work session or meeting, not during the current meeting.

13. City staff and others attending Council meetings shall observe the same rules of procedure, decorum and conduct as Councilors.

14. While addressing or attending a Council meeting, any person who disrupts proceedings may be removed if directed by the presiding officer. In the event the presiding officer fails to act, this rule may be enforced by motion approved by a majority vote. A Sergeant-at-Arms may be appointed by the presiding officer to preserve decorum.

15. Councilors should obtain the appropriate permission before representing another Councilor’s view or position to the media. (Ord. 2011-01 §1; Ord. 2010-12 §2; Ord. 2007-05 §1)

## **1.02.090 Public comment.**

A. Citizen and community group sign-up forms will be available at each regular business meeting. At the time on the agenda designated for public comment and during any public hearing, any member of the public desiring to address the Council must first request to be recognized by the Mayor and then state their name and address for the record. The Council may set time limits for comments. The Council may request that groups with like comments choose a spokesperson to present joint remarks.

B. During public meetings, all public comments should be directed to the question under discussion and addressed to the Mayor representing the Council as a whole.

C. In general, Councilors will not respond to comments made during the public comment agenda time, except to ask clarifying questions. Any public requests for Council action will be referred to staff and reviewed before placing on a future agenda. (Ord. 2007-05 §1)

## **1.02.100 Motions.**

A. Councilor motions will be clearly and concisely stated. The minute taker will take down the name of the Councilor who made the motion and the Councilor who made the second.

B. The motion maker, Mayor, or City Manager should repeat the motion prior to voting.

C. Most motions die if they do not receive a second. Motions for nominations, withdrawal of a motion, agenda order, roll call votes, and a point of order do not require a second.

D. Discussion of a motion is open to all Councilors who wish to address the motion. A Councilor may speak more than once on each motion unless a motion to call the previous question is adopted. A Councilor must be recognized by the Mayor before speaking.

E. The Mayor will ask for a voice vote for all final decisions. All Councilors are expected to vote on each motion unless they are disqualified for some reason. A Councilor who does not vote must state the basis for any conflicts of interest or other disqualification. The City Recorder will maintain a record of the votes. Any Councilor may request a roll call vote on any motion.

F. At the conclusion of any vote, the Mayor will announce the results. Councilors who wish to explain the reasons for their votes must do so briefly and succinctly.

G. Withdrawal. A motion may be withdrawn by the mover at any time without the consent of the Council.

H. Tie. A motion that receives a tie vote fails.

I. Table. A motion to table is not debatable and precludes all amendments or further debate. If the motion prevails, the item may be taken from the table only by a motion approved by a majority vote.

J. Postpone. A motion to postpone to a certain date is debatable and amendable. A motion to postpone indefinitely is a motion to reject without a direct vote and is debatable and not amendable.

K. Call for Question. A motion to “call for the question” or to “move the previous question” ends debate on the item and is not debatable. This motion is out of order unless each Councilor wishing to speak on the item has had at least one opportunity to speak. A second is required for this motion. When the question is called, the Mayor will inquire whether any Councilor objects. If there is an objection, the matter will be put to a vote, and it fails without a two-thirds vote. Debate may continue if the motion fails. Two-thirds shall be defined as follows:

1. If four members of the Council are present, three affirmative votes are required.
2. If five members of the Council are present, three affirmative votes are required.
3. If six members of the Council are present, four affirmative votes are required.
4. If seven members of the Council are present, five affirmative votes are required.

L. Amendment. A motion to amend may be made to a previous motion that has been seconded, but not voted on. Amendments will be voted on first, then the main motion as amended (or not amended). Motions to adjourn, agenda order, table, point of order, take from table, and reconsider may not be amended.

M. Reconsideration. When a motion has been decided, any Councilor who voted with the majority may move for reconsideration. A motion for reconsideration may only be made at the meeting at which the motion on the ordinance, resolution, order or other decision was approved. (Ord. 2007-05 §1)

## **1.02.110 Councilor conduct.**

A. Representing City. In all statements relating to public issues or policies, a Councilor shall take care to state whether his or her comments are personal opinions or represent the official position of the city.

B. Censure.

1. The Council may make and enforce its own rules and ensure compliance with city and state laws applicable to governing bodies. If a Councilor substantially violate these rules or state law, the Council may take action to protect Council integrity and discipline the Councilor with a public reprimand, by motion approved by the Council.

2. A motion to censure shall include a public statement by the maker as to the grounds or basis for the motion. Upon being seconded, a vote on a motion to censure shall be placed on the agenda under new business for the next regular Council meeting, but no sooner than two weeks from the date of the motion, in order for the Councilor who is the subject to the censure motion to have time to prepare an explanation or a defense.

3. Discussion on the motion to censure shall occur at the next regular Council meeting. The presiding officer shall grant the Councilor who is the subject of the motion a reasonable opportunity to present a defense or explanation. Documents relevant to the Councilor's explanation or defense may be presented to the Council for consideration. In its deliberations, the Council may seek clarification of any points raised in the explanation or defense. The presiding officer shall then call for a vote on the motion to censure. (Ord. 2008-17 §1; Ord. 2007-05 §1)

## **1.02.120 Confidentiality.**

A. Councilors will keep all written materials provided to them on matters of confidentiality under law in complete confidence to insure that the city's position is not compromised. No mention of the information read or heard should be made to anyone other than other Councilors, the City Manager or City Attorney.

B. If the Council meets in executive session, members should attempt to provide direction or consensus to staff on proposed terms and conditions for negotiations. All contact with other parties must be left to the designated staff or representative(s) handling the negotiations or litigation. Councilors may not have any contact or discussions with any other party or its representatives nor communicate any executive session discussion.

C. All public statements, information or press releases relating to a confidential matter will be handled by designated staff or a designated Councilor.

D. Unless required by law, no Councilor may make public the discussions or information obtained in executive session. Council may censure a member who discloses a confidential matter or otherwise violates these rules. (Ord. 2007-05 §1)

## **1.02.130 Communications.**

A. Council will respect the separation between policy making (Council function) and administration (City Manager function) by:

1. Working with the staff as a team with a spirit of mutual respect and support.

2. Not attempting to influence a city employee or the City Manager concerning personnel matters, purchasing issues, the award of contracts or the selection of consultants, the processing of development applications or granting of city license and permits. However, the sharing of ideas on these matters is appropriate.

3. Except during work sessions, limiting individual contacts with city staff to the City Manager so as not to influence staff decisions or recommendations, to interfere with their work performance, to undermine the City Manager authority or to prevent the full Council from having benefit of any information received.

B. All written informational material requested by Councilors will be submitted by staff to the entire Council with a notation stating who requested the information.

C. The Mayor will refer any comments or questions regarding city personnel or administration to the City Manager. The Mayor may redirect other questions to a Councilor or the City Manager, as appropriate. Councilors may also address questions directly to the City Manager, who may either answer the inquiry or ask a staff member to do so.

D. In keeping with Oregon's open meetings law, members of the Council shall not use telephonic or electronic communications with each other, serially or in conference, as a means of developing policy or working toward consensus on issues, unless such deliberations are properly noticed.

E. Members of the Council shall take care to retain official correspondence and e-mails in accordance with Oregon's public records law. (Ord. 2012-01 §2; Ord. 2007-05 §1)

## **1.02.140 Minutes.**

A. Minutes will be prepared with sufficient detail to meet their intended use. Verbatim minutes are not required. The minutes of meetings of the Council will comply with provisions of ORS 192.650 by containing the following information at a minimum:

1. The name of Councilors and staff present;

2. All motions, proposals, resolutions, orders, ordinances and measures proposed and their disposition;

3. The result of all votes, including ayes and nays and the names of the Councilors who voted;

4. The substance of the discussion on any matter;

5. Reference to any document discussed at the meeting.

B. The Council may amend the minutes to more accurately reflect what transpired at the meeting. Upon receipt of the minutes in the Council agenda packet, the Councilor should read and submit any changes, additions or corrections to the City Manager during or prior to the work session immediately preceding a Council meeting.

C. The City Recorder or designee will make an audio recording of all meetings except for executive sessions. The City Recorder will maintain custody of all recordings, but a Councilor may obtain a copy of any recording. A Councilor may obtain a meeting transcript or partial transcript if it can be produced with nominal staff time. If a transcript would require a significant amount of staff time, the City Recorder may only produce the transcript with Council approval. The City Recorder is authorized to produce transcripts as required by law. (Ord. 2007-05 §1)

### **1.02.150 Adjournment.**

A. Upon motion and majority vote of the Councilors present, any meeting of the Council may be continued or adjourned from day to day or for more than one day. No adjournment may be for a period longer than until the next regular meeting.

B. Upon the request of two or more Councilors a short recess may be taken during a Council meeting.

C. A motion to adjourn will be in order at any time except as follows:

1. When made as an interruption of a member while speaking; or
2. While a vote is being taken. (Ord. 2007-05 §1)

### **1.02.160 Bias and disqualification.**

A. Any proponent, opponent or other party interested in a quasi-judicial matter to be heard by Council may challenge the qualification of any Councilor to participate in such hearing and decision. Any challenge must state any fact(s) relied upon by the party relating to a Councilor's bias, pre-judgment, personal interest or other factor from which the party has concluded the Councilor should not participate and may not make an impartial decision. Such challenges must be made prior to the commencement of the public hearing. The Mayor will give the challenged member an opportunity to respond. A motion to accept or deny the challenge will be accepted and voted upon by the Council. Such challenges and the Council's decision will be incorporated into the record of the hearing.

B. In quasi-judicial matters, each Councilor must disclose participation in a prior decision or action on the matter that is before the Council. Common examples include when a Planning Commission member is elected or appointed to the City Council or when a Councilor testifies at a Planning Commission meeting. The Councilor must state whether the member can participate in the hearing with no regard for the prior decision made. If the Councilor is unable to be impartial, the member has a duty not to participate in proceedings and leave the Council table.

C. If the Council believes that the member is actually biased, it may disqualify the member by majority vote from participating in a decision on the matter. A Councilor who has been disqualified from participating in a decision may participate in the proceeding as a private citizen.

D. Generally, conflicts of interest arise in situations where a Councilor, as a public official deliberating in a quasi-judicial proceeding, has an actual or potential financial interest in the matter before the Council. Under state law, an actual conflict of interest is defined as one that would be to the private financial benefit of the Councilor, a relative or a business with which the Councilor or a relative is associated. A potential conflict of interest is one that could be to the private financial benefit of the Councilor, a relative or a business with which the Councilor or a relative is associated. A relative means the spouse, children, siblings or parents of the public official or public official's spouse. A Councilor must publicly announce potential and actual conflicts of interest and, in the case of an actual conflict of interest, must refrain from participating in debate on the issue or from voting on the issue. (Ord. 2007-05 §1)

### **1.02.170 Ex parte contacts and disqualification.**

A. For quasi-judicial hearings, Councilors should refrain from ex parte contacts relating to any issue of the hearing. Ex parte contacts are those contacts by a party on a fact in issue under circumstances that do not involve all parties to the proceeding. Ex parte contacts may be either oral statements when other interested parties are not present or written information that other interested parties do not receive.

B. If a Councilor has ex parte contact prior to a hearing, the member must reveal the contact at the meeting and before the hearing. The Councilor must describe the substance of the contact and the Mayor will announce the right of interested persons to rebut the substance of the communication. The Councilors also will state whether such contact affects their impartiality or ability to vote in the matter. The Councilor must state whether the member will participate or abstain.

C. For quasi-judicial hearings, a Councilor who was absent during the presentation of evidence may not participate in any deliberations or decision regarding the matter, unless the Councilor reviews all the evidence and testimony received. (Ord. 2007-05 §1)

### **1.02.180 Oregon Ethics Commission requirements and reporting.**

A. Councilors must review and observe the requirements of the State Ethics Law (ORS 244.010 to ORS 244.390) dealing with use of public office for private financial gain.

B. Councilors must give public notice of any conflict of interest or potential conflict of interest and the notice will be reported in the meeting minutes. In addition to matters of financial interest, Councilors will maintain the highest standards of ethical conduct and assure fair and equal treatment of all persons, claims and transactions coming before the Council.

C. In accordance with ORS 244.195, it is each Councilor's responsibility to file statements of economic interest with the Government Standards and Practices Commission. (Ord. 2007-05 §1)

## **1.02.190 Legal advice.**

A. Requests to the City Attorney for legal advice may not be made by a Councilor without the concurrence of a majority of the Council or the Mayor.

B. Before requesting research or other action by the City Attorney, Councilors are encouraged to consult with the City Manager to determine if the request or action can be accomplished more cost-effectively.

C. Outside a Council meeting, a Councilor should direct requests of the City Attorney through the City Manager or the Mayor.

D. Exceptions to this are issues related to the performance of the City Manager and unique/sensitive personal, yet City business-related, requests. These requests must be made through the Mayor. (Ord. 2007-05 §1)

## **1.02.200 Manager evaluation.**

A. Criteria. The standards, criteria, and policy directives used in the evaluation of the City Manager will be adopted at a regular Council meeting in accordance with state law.

B. Process.

1. Councilors will make written comments in response to the evaluation.

2. Evaluation sessions will be scheduled in accordance with the employee's decision on whether to hold the evaluation in open or executive session.

3. At evaluation sessions, Council summary comments and individual Councilor comments will be made. The City Manager will have an opportunity to respond to all comments. The effect of the evaluation on the City Manager's employment contract will be discussed. Sufficient time will be allotted for the evaluation discussion with the City Manager.

4. Councilors will then complete their individual evaluations and convene to discuss overall evaluation of the City Manager and reach a consensus.

5. Council will then reconvene with the City Manager to review final performance evaluation and discuss compensation.

C. Contract. The City Attorney will prepare any employment contract amendments to the City Manager's contract. Contracts normally will be approved as a consent agenda item at the next regular Council meeting. (Ord. 2007-05 §1)

## **1.02.210 Council expenses.**



Reimbursement. The Council shall receive a monthly reimbursement for expenses, the amount to be set appropriately by the Mayor and Council. (Ord. 2007-05 §1)

### **1.02.220 Boards and commissions.**

A. Appointments to boards and commissions shall be made as provided in the City Charter.

B. Each board, commission and committee will annually report to the Council on their activities for the previous year at a regular City Council meeting. The report will be prepared in a format prescribed by the Council. (Ord. 2019-04 §1; Ord. 2011-09 §1; Ord. 2011-01 §1; Ord. 2007-05 §1)

### **1.02.230 News media.**

A. The Council recognizes the important role of the news media in informing the public about the decisions, activities and priorities of government. Work space shall be reserved for members of the news media at Council meetings in order that proceedings may be observed and heard clearly. See also Executive Sessions.

B. A member of the news media is someone who:

1. Represents an established channel of communication, such as a newspaper or magazine, radio or television station, and either:

2. Regularly reports on the activities of government or the governing body, or

3. Regularly reports on the particular topic to be discussed by the governing body. (Ord. 2007-05 §1)

### **1.02.240 Authorization of expenditures.**

A. A department director or manager shall not spend or commit more than \$5,000.00 of budgeted funds without approval of the City Manager.

B. Subject to Section 34.d.1. of the City of Molalla Charter, the City Manager shall receive Council approval prior to making any budgeted expenditures in excess of \$100,000.00 that are outside the scope of regular daily city operations.

C. The City Manager shall receive Council approval prior to making any expenditures, regardless of the dollar amount, if the contemplated expenditure is not included in the adopted budget for the given fiscal year in which the contemplated expenditure is to be made. (Ord. 2017-09 §1; Ord. 2012-01 §3; Ord. 2011-01 §1; Ord. 2007-05 §1)

### **1.02.250 Personnel records.**

Unless otherwise provided in ORS 192.410—192.990, Oregon’s public records law, no member of the Council may review personnel records of current or former employees of the City of Molalla without approval of a majority of the Council. (Ord. 2010-12 §1)

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## **Contact:**

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## CITY OF MOLALLA

117 N. Molalla Avenue  
PO Box 248  
Molalla, OR 97038

### Staff Report

### Agenda Category: General Discussion

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**Agenda Date:** 05/23/22

**From:** Chaunee Seifried, Finance Director

**Approved by:** Dan Huff, City Manager

**SUBJECT:** RFP for City Audit Services

**FISCAL IMPACT:** \$39,600 for FY 22/23

**RECOMMENDATION/RECOMMEND MOTION:** Approve Singer Lewak contract for Audit Firm and direct City Manager Huff to sign the contract for the FY 21/22 Audit Year.

**BACKGROUND:** As council is aware, the City published a Request for Proposal (RFP) for Audit Services on April 5, 2022. We received proposals from Umpqua Valley Financial and Singer Lewak. An internal committee scored both firms based on the approved criteria called out in the RFP. The scoring for Umpqua Valley Financial was 70% and Singer Lewak received a 97%.

We recommend Council award this contract to Singer Lewak in the amount of \$39,600.