CALL TO ORDER

The Molalla City Council Special Meeting of October 29, 2025 was called to order by Mayor Scott Keyser at 6:00 pm.

COUNCIL ATTENDANCE

Present: Mayor Scott Keyser, Council President Eric Vermillion, Councilor Terry Shankle, Councilor Doug Gilmer, and Councilor Martin Bartholomew

Absent: Councilor Leota Childress and Councilor K.C. Bisenius

STAFF IN ATTENDANCE

Dan Huff, City Manager; Christie Teets, City Recorder; Cindy Chauran, Finance Director; and Seth Kelly, Water Quality Superintendent.

APPROVAL OF AGENDA

Approved as presented.

CONSENT AGENDA

A. Work Session Meeting Minutes - October 08, 2025

ACTION:

Council President Vermillion made a motion to approve the Consent Agenda as presented; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

A. Wastewater Treatment Plant - New Facility Update

Mr. Kelly provided an update on the City's Wastewater Treatment Plant (WWTP) Project, which is approximately 10 months into construction and represents the City's largest infrastructure project to date. All three construction sites are progressing with structural work. The project includes new grit removal, sequencing batch reactor (SBR), disc filters, UV disinfection, aerobic digestors, and an FKC screw press for dewatering biosolids. Upcoming work includes installing the headworks unit for grit removal once the south wall is poured, and relocating the crane to complete the equalization basin walls after the SBR and aerobic digester structures are finished. Mayor and Council President commended Mr. Kelly on his work and recognition in the industry. (For full report see YouTube recording minutes 7:24 – 13:27)

PUBLIC COMMENT

None.

PUBLIC HEARINGS

A. Ordinance No. 2025-10: Repealing Chapter 2.18 Parks and Recreation Board from the Molalla Municipal Code

Mayor Keyser confirmed no conflict of interest by Council. Public Hearing for Ordinance 2025-10 was opened at 6:12pm.

City Manager explained the ordinance repeals a section of code establishing a Parks and Recreation Board that has been inactive for over 10 years. When the City created the Community Program Committee process, staff intended to repeal this outdated section, as it described a board functioning at a level similar to a planning commission. Seeing no comments Mayor closed Public Hearing at 6:13pm (For full report see YouTube recording minutes 16:37 – 18:37)

B. Ordinance No. 2025-11: Amending Molalla Municipal Code Language in Chapter 2.17.010, Community Program Committee

Mayor Keyser confirmed no conflict of interest by Council. Public Hearing for Ordinance 2025-11 was opened at 6:13pm.

City Manager presented proposed amendments to the community program committee structure, previously discussed by Council. The ordinance would amend Section C to require that the chair and vice chair of community program committees be members of the Molalla City Council, rather than elected from amongst general committee members. The City Manager noted that currently only the Beautification and Culture Committee is active, and adopting this ordinance would require a new vote for committee leadership positions. Seeing no comments Mayor closed Public Hearing at 6:15pm. (For full report see YouTube recording minutes 18:44 – 20:39)

ORDINANCES AND RESOLUTIONS

A. Ordinance No. 2025-10: Repealing Chapter 2.18 Parks and Recreation Board from the Molalla Municipal Code No additional comments from City Manager, Dan Huff.

ACTION:

Council President made a motion to hold First Reading of Ordinance 2025-10 by title only; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

ACTION:

Council President made a motion to hold Second Reading and Adoption of Ordinance 2025-10; Councilor Shankle seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

B. Ordinance No. 2025-11: Amending Molalla Municipal Code Language in Chapter 2.17.010, Community Program Committee

No additional comments from City Manager, Dan Huff.

ACTION:

Councilor Gilmer made a motion to hold First Reading of Ordinance 2025-11 by title only; Council President seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

ACTION:

Council President made a motion to hold Second Reading and Adoption of Ordinance 2025-11; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

C. Resolution No. 2025-24: Authorizing an Intergovernmental Agreement with the Department of Land Conservation and Development to Fund Housing Production Strategy Remediation

City Manager Huff clarified the agreement relates to Housing Production Strategies (HPS) funding and is separate from the upcoming discussion regarding expansion to the North. The Department of Land Conservation and Development (DLCD) has twice rejected the City's HPS, which were originally prepared by DLCD-appointed consultant. The City Manager noted that Assistant City Manager Corthell's review found the rejections are not supported by administrative rules. DLCD is providing additional funding, however, the City will manage the work internally rather than hiring a consultant.

ACTION:

Council President Vermillion moved for the Molalla City Council adoption Resolution 2025-24: Authorizing the City Manager to enter an Intergovernmental Agreement with the Department of Land Conservation and Development to Fund Housing Production Strategy Remediation; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Shankle, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

GENERAL BUSINESS:

None.

STAFF COMMUNICATION

A. Government Finance Officers Association - Award of Financial Reporting Achievement

Finance Director Chauran shared the City has achieved "Triple Crown" status through the Government Finance Officers Association (GFOA) by receiving all three national awards: the Distinguished Budget Presentation Award (7th consecutive year), the Certificate of Achievement for Excellence in Financial Reporting (2nd year), and the newly awarded Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR). Only three other cities in Oregon hold the triple crown status.

B. Government Finance Officers Association - Distinguished Budget Award

City Manager Dan Huff presented Finance Director Cindy Chauran with a letter of commendation recognizing her professional growth and financial leadership. The letter highlighted Molalla became one of only four cities in Oregon to achieve GFOA Triple Crown status. City Manager Huff commended her financial leadership and the support she provides to all City departments as significant factors in Molalla's financial health, noting the City's accomplishments have been recognized by both citizens and other agencies.

C. Molalla Public Library: 2024-2025 Statistics Report

City Recorder highlighted the Molalla Public Library 2024-2025 statistics report (page 53 of Agenda Packet), noting impressive performance metrics: total visitors increased over 8% with 45,000 people visiting the library, card holders exceeded 6,600, and items checked out totaled over 95,000. The City Recorder emphasized these numbers are particularly remarkable given the library operates with only five full-time staff and 11 part-time staff members.

- **Seth Kelly, Water Quality Superintendent:** Reported the Middle School requested an educational program for students to learn about the City's Water and Wastewater Facilities. After a month of planning, an outline and activities were finalized for plant tours at both facilities to teach students how their public works systems operate.
- Christie Teets, City Recorder: The City Recorder also reminded Council that a Planning Commission seat remains open for community members within City limits.

 City Recorder announced the passing of former City Councilor Mary Joe Mackey at age 95, who served on the Molalla City Council for eight years. The City Recorder read Ms. Mackey's obituary, highlighting her extensive community service. The Harris family has offered to donate Ms. Mackey's binders of historical information from her time on City Council to the City.
- Dan Huff, City Manager: Announced the police facility is nearing completion and the Police Department is planning a grand opening celebration. He encouraged Council members who haven't toured the facility to contact him for a visit. The City Manager reported that a design RFP for a new library was issued, with 24 agencies expressing interest and 33 people attending the kickoff call. The City needs to relocate the Library from the current School District Lease to free up space for student use. This project is currently in the design phase with no construction timeline established.

COUNCIL COMMUNICATION

- Councilor Bartholomew: No Report.
- Councilor Gilmer: No Report.
- Councilor Shankle: Reminded everyone of DownTown Trick-or-Treating Event and to stay vigilent of kids.
- Council President Vermillion: Also expressed concern for drivers to remain vigilent of kids on Halloween. Council President echoed the Mayor's earlier comments about receiving numerous inquiries at conferences regarding the Wastewater Treatment Plant Project and Mr. Kelly's work. He congratulated Finance Director Chauran on achieving Triple Crown Status. Council President remarked Molalla is making a name for itself with multiple significant projects stating it's an exciting time for the City.
- Mayor Keyser: Mayor Keyser reported that he and Dan met with representatives from PGE to discuss the City's needs and future opportunities. The Mayor emphasized the importance of power infrastructure upgrades noting that improvements would support potential industrial park development. Mayor Keyser also shared that the Clackamas County Coordinating Committee (C4) will begin a "road show" visiting local cities, with Molalla scheduled to host in March. Finally, Mayor Keyser invited Council members to join facility tours scheduled for the following day at the Police Station and the Wastewater Treatment Plant.

For the complete video account of the City Council Meeting, please go to YouTube <u>City of Molalla | Oregon – October 29, 2025</u>

ADJOURN

Mayor Keyser adjourned the meeting at 6:48 PM.

Scott Keyser, Mayor

PREPARED BY:

Crystal Robles, Deputy City Recorder

ATTEST:

Christie Teets, CMC - City Recorder

Attachments:

• Quarter 3 Community Development Department Report







2025 Q3

Community Development Report

315 Kennel Avenue Molalla, OR 97038 Ph. 503-759-0243

CITYOFMOLALLA.COM





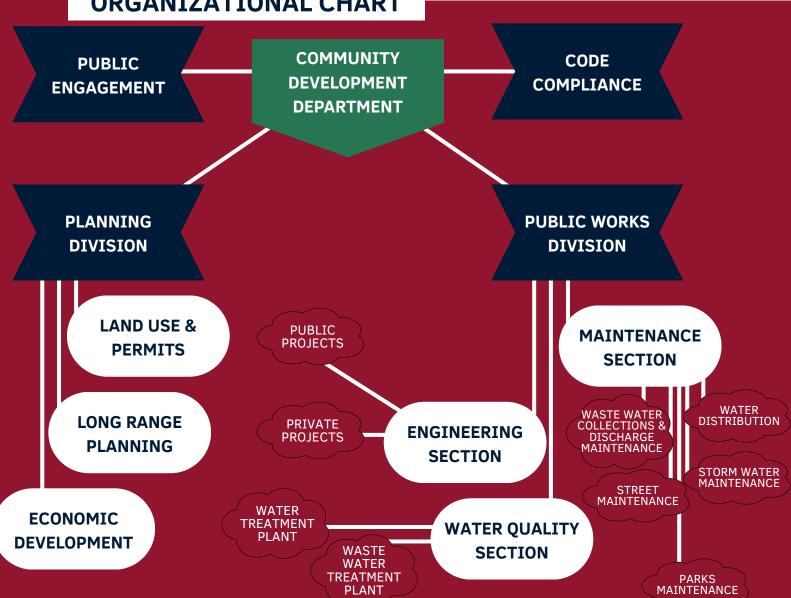
Code Compliance Section

Department Feature - New Park!	4
Planning Division	5
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Public Works - Engineering Section	23
Public Works - Maintenance Section	26

Community Development Department

The Community Development Department is made up of the Planning Division, Public Works Division, Economic Development Section, and Code Compliance Section. Below is a summary of the activities of each Division and/or Section over the past Quarter of Fiscal Year (2024-2025), as well as a list of accomplishments and goals for Fiscal Year 2024-2025.

ORGANIZATIONAL CHART



COMMUNITY DEVELOPMENT

DEPARTMENT FEATURE

2025 Q3

CHIEF YELKUS PARK - GRAND OPENING OCTOBER 2025!

Chief Yelkus Park is located at 300 S Molalla Forest Rd. just north of OR-211 and is the City's newest addition to the parks inventory, named for the last Chief of the Molalla Indian Tribe, Henry Yelkus.









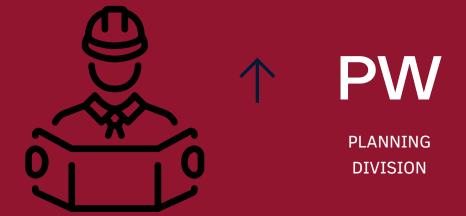


NEW ASSOCIATE PLANNER

CLARESSA DAVIS

Claressa has joined our Community
Development Department (CDD) as an
Associate Planner. She comes to us
from the City of Redmond and holds a
planning degree from the University of
Oregon. Claressa brings experience in
evacuation, transportation, and land
use planning. A Portland native, she's
thrilled to return to her hometown's
famously rainy weather. In her free
time, you can find her hiking, riding
bikes, or working on craft projects.





LAND USE & PERMITTING



36

The Planning Division manages all development and permitting processes required to develop in Molalla and is supported by Clackamas County Building Codes, Molalla Fire District, and several state agencies as applicable for a given development.



Application Type	NEW	Approved	Open
Pre-Application	4	4	1
Zoning Letter	1	1	0
Building - Residential	15	16	9
Type 1 - Other	24	18	7
Type II	1	2	1
Type III	0	0	4
Type IV	1	1	0
Final Plat	0	0	5
Council Appeals	0	0	0
LUBA Appeals	0	0	0

*Note - withdrawn or migrated applications are not accounted for in this table.

FEATURE



2025 Q3

SINCLAIR GAS, SPACE AGE & SUPERIOR POOL COVERS

New fueling stations were a theme of new development projects. These included occupancy for a new fueling station on W Main ST, building permit approvals to revive a previously establish gas station on E Main ST, and a development code amendment that would allow fueling stations in the C-1 central commercial zone with the exception of a corridor along Main ST between Hart Ave and Grange Ave. Additional development projects included 15 building permit authorization approvals, two partition application, and 13 miscellaneous approvals. The City has also seen a drastic uptick in inquiries and pre-application meetings suggesting 2026 could be a robust year for new development in Molalla.











LONG RANGE PLANNING

The Planning Division is Currently engaged in multiple long-range planning initiatives to ensure the City's historic growth is managed in the best possible way allowed by state law. Through these processes, city staff endeavors to preserve the small town feel of the community while simultaneously ensuring the people of Molalla reap the maximum benefits of managed growth.

UGB & HPS

2025 Quarter 3 was a transition period for Molalla's Urban Growth Boundary workplan. The City finalized and submitted its Goal 14 analysis to the Oregon Department of Land Conservation and Development (DLCD). This study considered the City's abutting lands for potential urban growth boundary expansion within the context of the State's prioritization laws. The bulk of this study focused on the "exception lands" situated south of the City because the state's prioritization framework would require that those lands be considered first. In response to concerns from the community and City Council and with support from the Governor's Office regarding the on the ground suitability and financial practicality of expanding to the exception lands, the City submitted a grant to DLCD perform subsequent analysis on the relative financial constrains for expanding to the exception lands vs. Exclusive Farming Use (EFU) lands situated to the north and west of the City. The grant application was approved in early Q4, 2025. This analysis will serve as an addendum to the Goal 14 analysis completed in Q3 and new opportunities for engagement will arise in Q4 of 2025 and Q1 of 2026. These opportunities and more can be accessed at our Molalla Current Urban Growth Boundary page: https://current.cityofmolalla.com/urban-growth-boundary.

In addition to this funding the City received additional funding from DLCD to complete its Housing Production Strategies document.





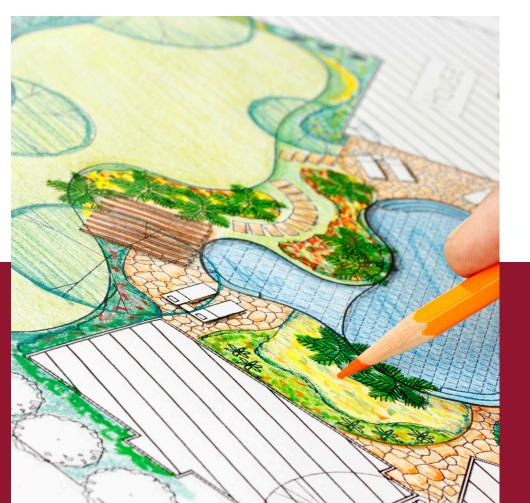




LONG RANGE PLANNING

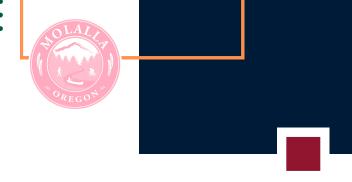
STORMWATER MASTER PLAN

The plan is in it's final stages, the consultant is currently working to finalize the 20 year capital plan. A final draft of the plan is expected to be reviewed by the Planning Commission and the City Council circa January 2026.







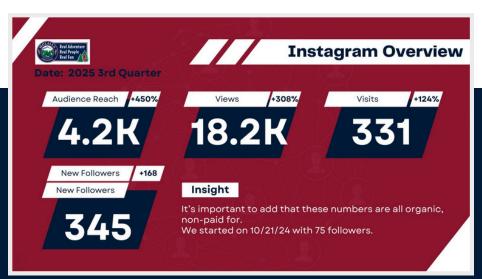


PUBLIC ENGAGEMENT

FEATURE

CITY OF MOLALLA REACHING MORE CITIZENS THAN EVER BEFORE!





The images to the left show how our social media platforms, Facebook and Instagram have performed the past quarter as well as IN RED the increase in each category since the previous quarter.





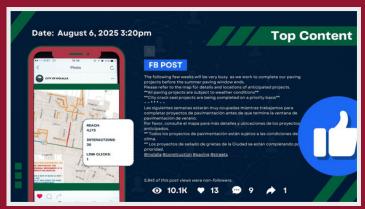
PUBLIC ENGAGEMENT



TOP CONTENT

These images show the top 3
performing content posts and their
insight for Facebook for the past
quarter.







City of Molalla: on Facebook @cityofmolalla





PUBLIC ENGAGEMENT

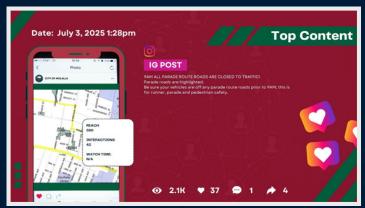




TOP CONTENT

These images show the top 3
performing content posts and their
insight for Instagram for the past
quarter.







City of Molalla: on Instagram @cityofmolalla





PUBLIC ENGAGEMENT

NEW SUBSCRIPTIONS - PER TOPIC



City of Molalla: on govDELIVERY Bulletin's sent: 39 (total delivered: 17,915)

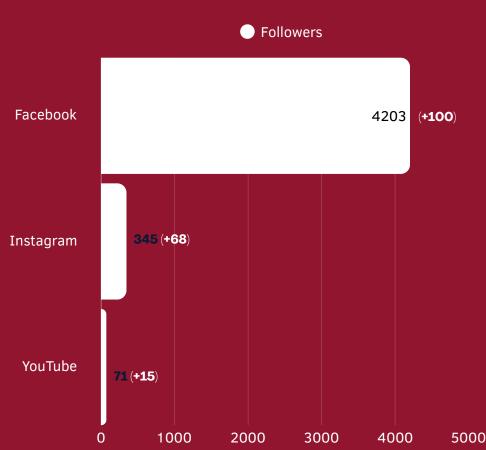




PUBLIC ENGAGEMENT

NEW FOLLOWERS





City of Molalla: on Social Media



OLALI OREGOTION

ECONOMIC DEVELOPMENT



SUMMER/FALL SCHEDULE Every Saturday 12-4pm



WINTER MARKET
Starting October 9th
Every other Thursday
3-7pm



4th Friday of the month Year-round 5-7pm

*participating businesses downtown Molalla

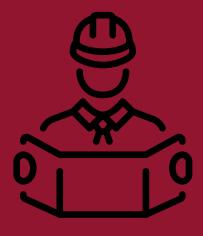


The City of Molalla offers grants of up to \$10,400 to assist in:

New Construction, Repair, or Replacement of Sidewalk, Curb

& Gutter, or ADA ramps!

See the Program Summary in the Important Documents section to determine project eligibility, funding levels, and how to apply.





ED

PLANNING DIVISION
ECONOMIC
DEVELOPMENT

PUBLIC WORKS DIVISION ::::::::



The Public Works Division is comprised of the Engineering Section, Public Works Maintenance Section, Water Treatment Plant Section, and Wastewater Treatment Plant Section.

Together, these sections are responsible for:

- Capital Improvement
- Maintenance
- Operations
 - City's Water System
 - Wastewater System
 - Stormwater System
 - Transportation System
 - Parks System.



WATER QUALITY SECTION

WASTEWATER TREATMENT PLANT

PROJECT PROGRESS

- The Wastewater Treatment Plant Upgrade continues. All the floor slabs have been poured for the control building and the sequencing batch reactor and the aerobic digester. Half of the Equalization Basin floor has been poured. One-third of the walls have been poured and the treatment tanks, the masonry for the biosolids handling area is up and the framing for the remainder of the control building has been placed. The Electrical runs in the grounds are almost finished. Most of the underground plumbing has been placed. Trusses are placed with siding, roofing, plumbing, and electrical runs inside the control building to begin soon.
- The city should receive its new permit soon as the public comment period ended on September 19th. City staff are optimistic about the product of the permit. This new permit will give the city the potential to realize the full economic benefits for community and the ability to stay in compliance for the foreseeable future to include the 20-year forecasted growth.





PUBLIC WORKS
WASTEWATER
TREATMENT PLANT

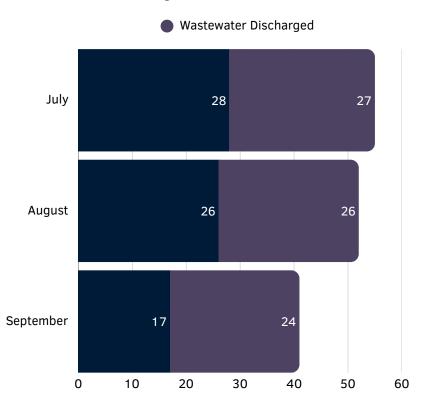
PUBLIC WORKS DIVISION ::::::



WASTEWATER TREATMENT PLANT

Staff continued Recycled Water application through this quarter

- July Received 27 million gallons of sewage, Discharge to the recycled water fields 28 million gallons of cleaned effluent.
- August Received 26 million gallons of sewage, Discharge to the recycled water fields 26 million gallons of cleaned effluent.
- September Received 24
 million gallons of sewage,
 Discharged to recycled water
 fields 17 million gallons of
 cleaned Effluent.



Wastewater Treated







WATER TREATMENT PLANT

Intake Project Progress

• The City secured a loan of \$4.65 million from the Infrastructure Finance Authority to fully fund this project! An additional \$2 million grant has been recommended for funding by Representative Bynum. Should that money be approved by Congress, the city will offset the \$4.65 million loan and only have to service \$2.65 million in debt. In either circumstance, the project is funded and moving forward from the pre-design and funding phases to the design phase!

ASR Feasibility Study Announcement

• The Aquifer Storage and Recovery (ASR) Feasibility Study is fully funded by 2 grants, one from Business Oregon and one from the Oregon Water Resources Department. This study kicked off on October 17, 2025 with work projected to continue for approximately 1-year. The purpose of this study is to determine whether Molalla has viable groundwater wells that can be used as a secondary water source for the city. The crux of ASR's is that the city can pump in water during the wet season using our additional water rights. The water can then be stored there until a need arises, and the city can withdraw and distribute up to 90% of what was pumped in. This provides a secondary drinking water source and has a very positive impact on the groundwater table.





PUBLIC WORKS
WATER
TREATMENT PLANT

WATER QUALITY SECTION

OPERATIONS & MAINTENANCE

WTP Emergency Generator Repair

• The emergency generator at the water treatment plant got so much needed repairs so that it can continue to serve the community's needs.

Backwash Pond Solids removal

Needed for continued operations and compliance

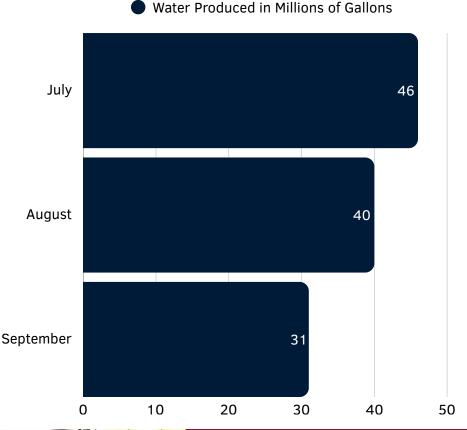




WATER TREATMENT PLANT

TREATED WATER

The water Treatment Plant treated and provided the following drinking water quantities this past quarter.





PW PUBLIC WORKS OPERATIONS

WTP

PUBLIC WORKS DIVISION :::::::

ENGINEERING SECTION

The Engineering Section manages all public projects, civil portions of private projects, civil development reviews, Capital Planning for infrastructure systems, and Master Planning for infrastructure development. Additionally, the Engineering Section is responsible for the City's facilities maintenance program.

COMPLETED PROJECTS IN Q3

- 22-22 Grid & Inlay of Streets (Shirley, Frances, N Cole & Ridings Ave.)
- o 21-09 Chief Yelkus Park Phase 1
- 23-03 710 W Main St (Molalla Petroleum)





PUBLIC WORKS DIVISION ::::::

ENGINEERING SECTION

ACTIVE PUBLIC & PRIVATE INFRASTRUCTURE PROJECTS

- 21-10 Phase VIII AV Upgrades
- 21-12 New PD Facility
- 22-14 Molalla / ODOT Curb Ramps ADA Ph 1 & 2
- 22-24 Water Distribution System Pressure Zoning / PRV Installation
- 22-28 Wellhead Aquifer Storage and Recover (ASR) Feasibility Study
- 22-29 Water Intake Structure Reconstruction
- 22-31 Stormwater Master Plan
- 22-33 Clark Park Sports Fields
- 24-05 Lola Sewer & Water Replacement
- 24-07 Park Cameras
- 24-12 N Molalla ADA Crosswalks
- 25-01 S Molalla Lift Station Upgrade and Bear Culvert Replacement
- 25-03- PFAS Study
- 25-08 Crack & Slurry
- 25-12- City Hall Remodel Ph. 5
- 22-09 1000 W Main (Bear Creek Apartments) Ph. 1

(CONTINUED)





PUBLIC WORKS DIVISION :::::::

ENGINEERING SECTION

ACTIVE PUBLIC & PRIVATE INFRASTRUCTURE PROJECTS

(CONTINUED)

- 23-06 105 Ona Way (Bear Creek Apartments) Ph. 2
- 24-01 Leza Estates Subdivision
- 24-03 370 Metzler Ave (Multi Family)
- 24-11 Industrial Park Waterline Improvements
- 24-13 ODF Storm Drain Improvements
- 25-04- 721 W Main / Superior Pool Covers
- 25-07 535 W Main / Industrial Subdivision
- 25-09 Dean Leasing LLC, Site Improvements
- 25-13 Foothills Community Church Site Improvements
- 25-15 204 E Main / Site & Frontage Improvements
- 25-17 Molalla Senior Center
- XX-XX- Molalla River Middle School

RIGHT OF WAY PROJECTS

- 83 Active ROW Permits
- 14 Closed out ROW Permits









WORK ORDERS COMPLETED BY FUND

UTILITY LOCATES COMPLETED	246
BUILDING MAINTENANCE	14
PARKS	146
WATER	53
SEWER	28
STORM	23
CATCHBASIN CLEANOUTS	218
STREET	39
TOTAL MILES SWEPT	308
FLEET	18
GENERAL	2

TOTAL 567





PUBLIC WORKS MAINTENANCE

PUBLIC WORKS DIVISION :::::

MAINTENANCE SECTION

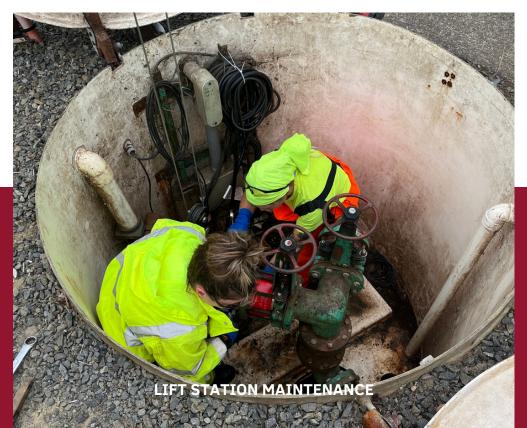
MAINTENANCE & STAINING PROJECTS





ABOVE: SPREADING CHIPS AT CHIEF YELKUS PARK
RIGHT: STORM SWALE MAINTENANCE

BELOW: LIFT STATION MAINTENANCE





PUBLIC WORKS
MAINTENANCE

PUBLIC WORKS DIVISION :::::

MAINTENANCE SECTION



L: 36-INCH STORM LINE INSPECTION





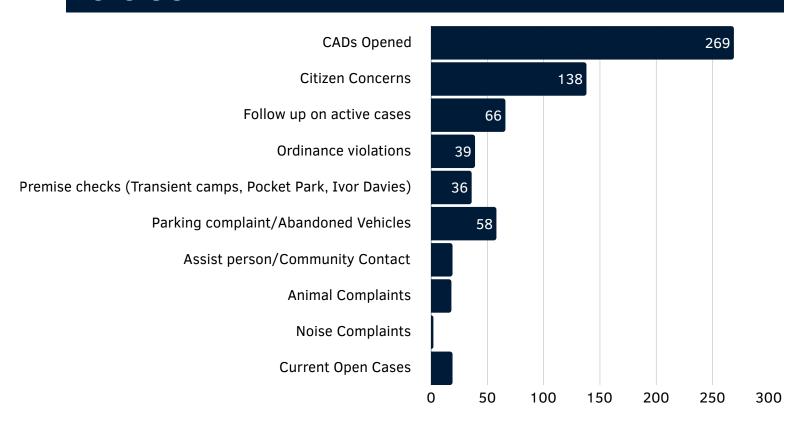
L & ABOVE: CREW POURING & FINISHING CONCRETE AT THE CITY SHOPS



COMMUNITY DEVELOPMENT



CASES OPENED



Code Compliance is working to revise the RV and trailer parking ordinance and the park exclusion ordinance for repeat offenders. After the new RV and trailer parking ordinance language is finalized and adopted, Code Compliance will begin the public outreach and education process

Code Compliance Specialist recently completed crisis intervention training (CIT) with the Clackamas County Crisis Negotiation Team. Many people experiencing houselessness suffer from neurological illnesses and this training better equips our Code Compliance Specialist to interact with people who may be experiencing a crisis and continue acting as the houseless liaison for the city.



CC

CODE COMPLIANCE