



City of Molalla
City Council - Regular Meeting
Minutes – January 28, 2026
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Regular Meeting for January 28, 2026 was called to order by Mayor Scott Keyser at 6:00 pm.

COUNCIL ATTENDANCE

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

Absent: Councilor K.C. Bisenius.

STAFF IN ATTENDANCE

Dan Huff, City Manager; Mac Corthell, Assistant City Manager; Dan Zinder, Planning Manager; Christie Teets, City Recorder; Claressa Davis, Associate Planner.

APPROVAL OF AGENDA

As presented.

CONSENT AGENDA

- A. Work Session Meeting Minutes - January 14, 2026
- B. City Council Meeting Minutes – January 14, 2026

ACTION:

Council President Vermillion made a motion to approve the Consent Agenda as presented; Councilor Shankle seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

None.

PUBLIC COMMENT

None.

PUBLIC HEARING

None.

ORDINANCES AND RESOLUTIONS

A. Resolution No. 2026-03: Authorizing an Intergovernmental Agreement with Clackamas County Relating to Tax Revenue Replacement

Mr. Huff shared in 2020, Clackamas County adopted a Pilot Program without notifying the City of Molalla, resulting in tax revenue being dispersed county-wide rather, however will now go to the Molalla Taxing District. The County has agreed to correct the funding distribution and reimburse the City \$6,302.36 in lost revenue through an Intergovernmental Agreement (IGA). This reimbursement includes the Fire District's portion, which the City will subsequently transfer to the Fire District. While the County cannot exit their existing contract with the developer and have publicly committed not to repeat this practice. Gratitude was shared for City Manager Mr. Huff, Mayor Keyser, Assistant City Manager Corthell, Senior Accountant Susan Duffy, and Fire Lt. Mike Penunuri for each of their roles in this long endeavor.

ACTION:

Council President Vermillion moved to adopt Resolution No. 2026-03: Authorizing an Intergovernmental Agreement with Clackamas County Relating to Tax Revenue Replacement and authorizing the City Manager to execute IGA; Councilor Gilmer seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

B. Resolution No. 2026-04: Adopting Updated Daycare System Development Charges

Mr. Corthell shared he and staff followed Council direction from the January 14th Council meeting, to draft a resolution that would update Daycare System Development Charges (SDCs) to the 10th edition of the Institute of Traffic Engineers manual, replacing the 9th Edition currently in use. The update would reduce trip calculations by 7.68 trips, resulting in approximately 60% cost savings for individuals establishing daycare businesses in the City. The change aligns with the City's Comprehensive Plan, which prioritizes child care as a workforce readiness issue, and reflects more current, accurate data.

ACTION:

Council President Vermillion moved to adopt Resolution No. 2026-04: A Resolution of the City of Molalla Oregon Adopting Updated Daycare System Development Charges; Councilor Shankle seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

GENERAL BUSINESS:

A. Urban Growth Boundary – Continued Discussion

Planning Manager Dan Zinder presented update on the Urban Growth Boundary (UGB) expansion project, following up on the January 14th City Council discussion of whether to use revised population forecasts from Portland State University (PSU). Staff recommended continuing with the adopted 2022 numbers, citing substantial timeline delays (pushing completion from late 2026 to late 2028/early 2029), potential loss of the existing \$115,000 DLCDC grant, regulatory uncertainties with new state housing rules, and state budget concerns may affect future grant funding availability. Staff emphasized that the City's master plans, infrastructure capacity (including the new Wastewater Treatment Plant designed for 16,000 population and water rights exceeding current needs), and comprehensive planning framework are positioned to accommodate growth sustainably. Delaying the UGB expansion would divert critical staff resources from other priority projects including Transportation System Plan updates, code amendments, and Economic Opportunities Analysis implementation. No motion was made to use updated PSU Model; staff will move forward with plan in progress.

B. Clackamas County Transportation System Plan Update

City Manager Huff presented informational materials from Clackamas County regarding their upcoming Transportation System Plan (TSP) update. The county hired a contractor to conduct public outreach for the planning process, and the City will notify Council members and staff when opportunities arise to participate in advisory groups or steering committees. Encouraged community members, both in town and outside City limits, to participate in the County-wide TSP process, noting that community input is essential for identifying problem areas and traffic concerns that might otherwise go unaddressed in the plan. Additional information is available in the Council packet or by contacting the Community Development Department.

PUBLIC COMMENT

Jim Gilbert, Molalla CPO: Request that the City use updated conservative population forecast numbers in planning work.

Corwin DiMeo, Rural Molalla: Acknowledges difficult decision and disagrees with using outdated population numbers.

Brian Rearich, Rural Molalla: Encourages growth and sensible expansion when community, elected, and staff work together.

Connie Deary, S Molalla Forest Rd: Sixth generation Oregonian supports using the updated 2024 growth rate model for City.

STAFF COMMUNICATION

- **City Recorder Christie Teets:** Announced two vacancies available to community members. The Budget Committee has an opening for a three-year term, and the Planning Commission has an opening for a four-year term, both requiring applicants to reside within Molalla City limits. Application information and additional details are available on the City Website.
- **Planning Manager Dan Zinder:** Did not have anything further to add, no report.
- **Assistant City Manager Mac Corthell:** Shared schedule for System Development Charge (SDC) reviews, including a February 25th Work Session on SDCs, followed by a March meeting with consultant Steve Donovan to discuss Parks SDCs and an anticipated early April meeting (pending 90-day notice requirements) to finalize Parks SDC updates. Mr. Corthell also highlighted a significant development in the fourth quarter Community Development Report regarding the City's Wastewater Treatment Plant project. For full details see video minutes (54:50 - 01:01:17)
- **City Manager Dan Huff:** Commended the evening's PD Grand Opening event, noting strong attendance from the structure's designers and builders who shared the City's pride in the project, and thanked Mayor Keyser for his speech. Mr. Huff also discussed observing Clackamas County's practice of noting "no impact on county general funds" on each agenda item, emphasizing that UGB-related projects do have significant impacts on the City's General Fund, which must be considered when prioritizing City initiatives and moving forward with various projects. City Manager also corrected a public comment claim that the City regularly restricts water in the Fall, clarifying this occurred only once in 2020 and was later determined to have been unnecessary. Finally, City Manager Huff shared the City would be happy to attend a Molalla Citizens Planning Organization CPO meeting if/when City staff was to be invited.

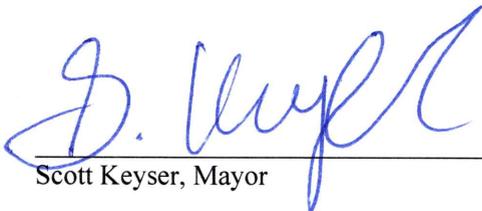
COUNCIL COMMUNICATION

- **Councilor Bartholomew:** Had no report.
- **Councilor Gilmer:** Had no report.
- **Councilor Shankle:** Reminded everyone of Chamber Auction and directed questions to the Chamber Office.
- **Councilor Childress:** Clarified during the 2020 water situation, the City encouraged conservation but never imposed water restrictions. She expressed gratitude for the strong community turnout at the Police Department Grand Opening, noting her deep satisfaction that the City was able to provide law enforcement with a proper facility. Springer reflected that the police station project had been a top priority throughout her nearly 10 years on council, and that both current and former council members had consistently supported and advanced the project, making its completion a significant accomplishment for the city and the police force.
- **Council President Vermillion:** Praised the strong community turnout at the Police Department Grand Opening and emphasized the importance of providing law enforcement with proper tools and facilities for success. He encouraged community members to attend public tours scheduled for March and commended the Mayor for his speech at the event.
- **Mayor Keyser:** Praised the Police Department Grand Opening and highlighted unique features of the new facility, including a decorative badge in the wall made from repurposed bowling lanes and an emergency safety feature in the Front Lobby where individuals can press a button to become secured in a locked area until police arrive. Mayor Keyser reported on Clackamas County Commissioners' discussion of budget shortfalls and noted commissioners proactively contacted City Manager Huff to arrange collaborative discussions with city managers throughout the county to determine appropriate service levels and fees before the county finalizes any program proposal. To conclude Mayor encouraged community members to apply for the vacant Budget Committee position, emphasizing that the role requires minimal time commitment and includes online training provided by the City with valuable insight into City finances and budget allocation.

For the complete video account of the City Council Meeting, please go to YouTube
[City of Molalla | Oregon – January 28, 2026](#)

ADJOUR

Mayor Keyser adjourned the meeting at 7:06 PM.



Scott Keyser, Mayor

PREPARED BY:

ATTEST:



Crystal Robles, Deputy City Recorder



Christie Teets, CMC - City Recorder

Meeting Attachments:

- Planning Manager Dan Zinder's, Urban Growth Presentation
- Submitted Public Comment Email : Kim Sawyer – Urban Growth Boundary Comment
- Submitted Public Comment Email : Mike Simmons – Urban Growth Boundary Comment
- Submitted Public Comment Email : Corwin Di-Meo – Urban Growth Boundary Comment
- Submitted Public Comment Email : Laura Johnson-Graham – Urban Growth Boundary Comment

PROCESS IF THE CITY CONTINUES WITH THE ADOPTED HNA:

- Re-adopt HPS document in February 2026
- Use granted \$115,000 monies from DLCD to update Goal 14 analysis on practicability of a southern expansion vs northern expansion and UGB amendment adoption.
 - Timeline of completion: End of calendar year, 2026
- Apply for TGM grant with ODOT to update the Molalla TSP to account for and update UGB expansion zoning
 - Project kickoff in 2026, likely to be completed in 2027



PROCESS IF THE CITY COMPLETES A NEW HCA WITH UPDATED NUMBERS:

- Re-adopt HPS document in February 2026
- Use granted \$115,000 monies from DLCDC to produce a new HCA and residential land BLI and then update HPS
 - New documents to be completed in compliance with new OHNA rules. The new rules require a more robust BLI, more granular breakdowns of needed housing, and outreach with local tribes. Additional outreach may be required.
 - Approximate timeline for completion of HCA/BLI/New HPS in late 2026/early 2027



CONT'D - PROCESS IF THE CITY COMPLETES A NEW HCA WITH UPDATED NUMBERS:

- Apply for a new, competitive DLCD grant in the 2027 biennium for additional Goal 14 work
 - Goal 14 work would also be completed under new OHNA rules.
 - The delay would likely not jeopardize City attempts to go north as new OHNA rules define “impracticability” in a concrete way
 - If received, UGB expansion would likely occur in late 2028/early 2029
- Apply for TGM grant with ODOT to update the Molalla TSP to account for and update UGB expansion zoning
 - Project kickoff in late 2028/early 2029, likely to be completed in late 2029

To Mayor Keyser and the Molalla City Council,

Thank you for this opportunity to share my thoughts with you regarding the Urban Growth Boundary planning. My name is Kim Sawyer. I'm not a native of Oregon. I've lived most of my life in big cities. I moved to Molalla twelve years ago, and this is truly the first small town I've lived in. Over the years, as I've learned about this community and made friends, there's one thing that I've noticed above all else.

The people love their small town. They grumble about change and about congestion. It's to be expected. They want the quiet life, and it was one reason I chose Molalla for my farm. I've watched the community come together during the fires and again during the ice storm, and I've admired how they support their neighbors.

One thing Oregon has that many other states don't is a strong commitment to farmland. Many families look to rural communities to purchase small farms to grow gardens, keep chickens, and raise other livestock, becoming more self-sustaining while instilling community values. Molalla is one of those places that people from the busy urban areas look to escape the hectic lifestyle.

Change is inevitable. Growth is inevitable. Both come at costs, including widening rural roads to support increased traffic, more control over the Molalla River to ensure there's water not just for those who live within city boundaries, but for the farms and public recreation that rely on it. And I've only touched on a portion of concerns regarding other infrastructure costs. There is also an increase in housing and business vacancies, which could be exacerbated at the cost of farmland.

We can't fight change or the need for growth, but how we grow and how we change as a city and a community is something we can control. Molalla means living among forests and farmland, preserving as much as possible for future generations.

Please consider using the updated population forecast figures for Urban Growth Boundary planning to help preserve our small-town charm and scenic beauty.

Thank you again for your time.

Respectfully,

Kim Sawyer

Molalla's UGB efforts

[Mike Simmons <Mike.Simmons@formfactor.com>](mailto:Mike.Simmons@formfactor.com)

Tue 1/27/2026 10:15 PM

To: City Recorder <recorder@cityofmolalla.com>;

Cc: Mike Simmons Hotmail <msimmons616@hotmail.com>;

Dear City of Molalla, Council and Mayor,

I would like to present comments for the 28 January meeting.

During the 14 January 2026 council it was presented that it is proposed that Molalla change course in its efforts on the UGB studies.

While the new calculations follow the current change in formulas showing a lower need of housing units, it also apparently follows different calculations resulting in possibly no net difference in the overall amount of area to be included.

The difference is a potential 2-year delay to start, reworking of the current studies, abandonment of the sequential process, abandonment of the goal 14 usability and cost studies of the southern exception lands. This time delay will in the end cost Molalla time and effort for no tangible benefit.

My family has been working to have my Grandparents property on the north edge of town be included into the UGB and the City for approximately 45 years. I have been personally actively involved in that effort for approximately 25 years, and have sponsored and redone studies and have had extremely accurate predictions from consultant's based on the path supported by DLCD at the time and am still engaged in that effort.

The only thing that has been a constant over that time is change. Change in the requirements, in the direction that Molalla is encouraged by DLCD and the state to pursue. I have seen multiple city administrations, multiple DCLD & State administration formulations, and directives. There has been support from DLCD in one direction, only for the administrations to change and the required direction change. This has happened more than once.

It would be a mistake for the City to change from its current agreed on path of sequential studies and the Goal 14 review of the Southern exception lands. It is clear that there is a very significant infrastructure cost if development is forced in that direction and significant public resistance.

Delaying the project timeline will only serve to delay, move the project into uncertain directions and cost the city more than just cost of staff time and money. There will also be cost in uncertain future and that effect on the business in Molalla

Best Regards
Mike Simmons

RE: Public Comment

[Christie Teets](#)

Wed 1/28/2026 12:21 PM

To: Corwin DiMeo-Ediger <corwinjde@gmail.com>; City Recorder <recorder@cityofmolalla.com>;

Hi Corwin,

Thank you for your submission. This will become public record and included with the City Council Meeting Minutes for tonight's meeting.

See you at 6:00 o'clock!

Best,

Christie Teets, CMC

City Recorder

Phone: 503.759.0285

www.cityofmolalla.com

Office Hours: M-Th | 8:00a-4:30p; F | 8:00a-12:00p



DISCLOSURE NOTICE: This email is a public record of the City of Molalla. The contents may be subject to public disclosure under Oregon Public Records Law and subject to the State of Oregon Records Retention Schedules.

From: Corwin DiMeo-Ediger <corwinjde@gmail.com>

Sent: Wednesday, January 28, 2026 12:17 PM

To: City Recorder <recorder@cityofmolalla.com>

Subject: Public Comment

Hi there, I would like to submit this statement as public comment for the meeting tonight. I would also like to read the comment during the relevant portion of the meeting.

Public Comment on UGB Planning / Corwin DiMeo-Ediger

I understand that a decision to proceed with the current population forecast has been made. While I disagree with that decision for a litany of reasons covered in previous meetings, I acknowledge and appreciate the difficult position the City finds itself in with respect to this phase of the sequential planning process. I also wish to thank the City staff and Council for bringing the population forecast subject back to the public forum. That signals a genuine willingness to engage with the community on difficult decisions that many might have otherwise been considered "settled."

While I realize it is not possible to persuade you to change course with further practical arguments or statistical evidence, I would like to offer a few final perspectives for the Council and staff to keep in mind as this process continues.

There were comments made in the last City Council meeting that the Council's decisions must remain rooted in the fiduciary responsibility the city has to the taxpaying residents within city limits. While technically true from an administrative standpoint, I contend that the City also has both legal and moral obligations to the greater Molalla community who are also tax payers and some of whom will be more immediately and directly impacted by this decision than anyone in the city limits.

I do not live within city limits; I live directly in the center of sub-area 5 which is being targeted for expansion and remains at risk even if the city moves north instead. Because I reside 200 feet outside the current growth boundary, I have no direct democratic recourse or remedy with this Council. I cannot vote for or against any of you. Yet, you are making decisions that will directly dictate my quality of life, the value of my land and heritage, and my future health and safety. It is true that people in the expanded boundary will generally have a choice to annex into the city or not but that choice is illusory and based on a false premise if every single one of your neighbors decides to annex.

My property tax statements show that 82% of the line items on my rural tax bill match a city tax bill. We pay taxes for the same fire district, for the same schools, for common debts/bonds, and for shared county services which there are more of than city specific services. We are, for all intents and purposes, part of the same financial, environmental, and social ecosystem.

Regardless of the final UGB plan the City pursues, I ask that you remain open to continued engagement from the community both inside and outside the city boundary. Whether the planning process continues into the exception lands or follows a northward push, I ask the City to use what flexibility and discretion it has to limit the obvious harms of aggressive overexpansion. I ask that you consider not just the economic targets and temporary financial costs, but also the permanent social, cultural, environmental, and agricultural impacts on the people who have called this land home for generations.

Thank you for your time and your consideration.

From: [Laura Johnson-Graham](#)
To: [City Recorder](#)
Subject: Testimony for City Council Meeting Jan 28th
Date: Friday, January 23, 2026 12:56:09 PM

PLEASE USE THE CORRECTED 2024 POPULATION DATA FOR THE UGB
PROCESS TO THE BENEFIT OF ALL INVOLVED

Dear Mayor Keyser and City Council members,

We support your efforts to effect responsible and orderly expansion of the Urban Growth Boundary. I am writing to offer encouragement and to express my significant concerns regarding the ongoing UGB process, which is utilizing the flawed population data from 2020. I urge you to take whatever steps are necessary to base the UGB process on the corrected data from 2024. I ask this for the following reasons:

The flawed 2020 data significantly overstates the housing requirement, which would lead to:

- Overinvestment in public infrastructure, wasting tax payer dollars on unneeded projects for a population growth that will not come;
- Potential overbuilding to meet an incorrect population growth forecast, with resulting drop in property prices for new and existing homes, which could take years to recover;
- Taking out of production agricultural acres that are increasingly scarce and valuable
- Placing greater strain on an already overstretched water supply, and putting at risk the long-held water rights and access of many agricultural land owners

The switch to the corrected population data and forecasts from 2024 is entirely achievable now that the DLCDC has agreed to support the redirection of the \$75k grant from a Northward study to a reanalysis using the corrected population data. This support from the state makes this an opportunity that will benefit all concerned, providing a more appropriate level of investment for the realistic expectation for population growth, while maintaining more of Molalla's beautiful, valuable and productive agricultural surroundings.

Thank you for taking note of our concerns, and for taking these steps to ensure that our growth is done in a way that is best for our city and all who enjoy this beautiful rural way of life

Laura Johnson-Graham, Rowan John, Tommy John
Owners, Oakwood Sport Horses, LLC, 30425 S. McCown Road, Molalla, OR 97038