



City of Molalla
City Council - Regular Meeting
Minutes – March 25, 2026
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Regular Meeting for March 25, 2026 was called to order by Mayor Scott Keyser at 6:00 pm.

COUNCIL ATTENDANCE

Present: Mayor Scott Keyser, Council President Eric Vermillion, Councilor Doug Gilmer, and Councilor Martin Bartholomew, and Councilor K.C. Bisenius.

Absent: Councilor Leota Childress and Councilor Terry Shankle.

STAFF IN ATTENDANCE

Dan Huff, City Manager; Mac Corthell, Assistant City Manager; Christie Teets, City Recorder.

EXECUTIVE SESSION

Mayor Keyser announced that an Executive Session was held prior to the City Council Meeting in accordance with Oregon Public Meeting Law, ORS 192.660(2)(i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who did not request an open hearing. No decisions were made.

APPROVAL OF AGENDA

Assistant City Manager Corthell requested the removal of item 8B from the Agenda due to the absence of the Councilor Childress and Councilor Shankle as they are the liaisons to the Beautification and Culture Committee; the Mural Code discussion relates to the committee.

ACTION:

Council President Vermillion made a motion to remove item 8B, Mural Code Discussion, from the Agenda; Councilor Gilmer seconded. Motion passed 5-0.

AYES: Gilmer, Vermillion, Bartholomew, Bisenius, Keyser.

NAYS: None.

ABSTENTIONS: None.

CONSENT AGENDA

- A. Work Session Meeting Minutes - March 11, 2026
- B. City Council Meeting Minutes - March 11, 2026
- C. OLCC License Request - Fire & Knives
- D. OLCC License Request - Grocery Outlet
- E. OLCC License Request - Molalla Market
- F. OLCC License Request - Molalla River Brewing

ACTION:

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

AYES: Bisenius, Gilmer, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

None.

PUBLIC COMMENT

None.

PUBLIC HEARING

A. Ordinance No. 2026-02: Vacating a Portion of Hezzie Lane

Public Hearing for Resolution 2026-02 was opened at 6:05pm. Mayor Keyser confirmed no conflict of interest by Council.

Assistant City Manager (ACM) Corthell presented proposed vacation of a portion of Hezzie Lane, as described in agenda Exhibits A and B and noted the proceedings were initiated by Resolution No. 2026-05 on February 25, 2026, to fulfill contractual obligations between the Molalla River School District and the City of Molalla. ACM confirmed all procedural requirements under ORS Chapter 271 were satisfied and no public utilities are located within the subject right-of-way, therefore no utility easements were required. The proposal would impact the adopted Transportation System Plan (TSP).

Seeing no Public Comment, Mayor Keyser closed the Public Hearing on Resolution 2026-02 at 06:07PM. (For full discussion please see YouTube Meeting recording minutes 11:40 - 13:26).

ORDINANCES AND RESOLUTIONS

A. Ordinance No. 2026-02: Vacating a Portion of Hezzie Lane

Assistant City Manager (ACM) Corthell had no further comments to report.

ACTION:

Councilor Gilmer moved to hold the First Reading of Ordinance No. 2026-02: An Ordinance of the City of Molalla, Oregon, Vacating a Portion of the Hezzie Lane Right-of-Way by title only; Councilor Bisenius seconded. Motion passed 5-0.

A YES: Bisenius, Gilmer, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

ACTION:

Councilor Gilmer moved to hold the Second Reading and Adoption of Ordinance No. 2026-02: An Ordinance of the City of Molalla, Oregon, Vacating a Portion of the Hezzie Lane Right-of-Way by title only; Councilor Bisenius seconded. Motion passed 5-0.

A YES: Bisenius, Gilmer, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

B. Resolution No. 2026-12: Authorizing the City Manager to Execute an Intergovernmental Agreement with Clackamas County to Provide Services for Plastic Pollution and Recycling Modernizations, and to Receive the Producer Responsibility Organization Funding Reimbursement

City Manager Huff presented a report on the proposed update to the City's longstanding recycling services arrangement with Clackamas County. He explained that the County continues to manage most of the program operations and administrative work, while the City's role remains limited to public outreach and communication. The City has operated under a Memorandum of Agreement with the County since 2008, under which the County administers recycling and plastic pollution reduction services while the City fulfills obligations primarily through public notifications and postings. The proposed Intergovernmental Agreement (IGA) formalizes and replaces the existing letter of agreement, reflecting updates required by DEQ. The City's role and workload will remain unchanged.

ACTION:

Councilor Bisenius moved to approve Resolution No. 2026-12: Authorizing a City Manager to Execute an Intergovernmental Agreement with Clackmus County to Provide Services for Plastic Pollution and Recycling Modernization and to Receive the Producer Responsibility Organization Funding Reimbursement; Council President Vermillion seconded. Motion passed 5-0.

A YES: Bisenius, Gilmer, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

GENERAL BUSINESS:

A. Wastewater Treatment Plant Update

Assistant City Manager Corthell provided construction progress update on the Wastewater Treatment Plant upgrade. Major structural and underground work is substantially complete with equipment installation underway. The Sequencing Batch Reactor (SBR) is expected to be operational in Spring 2027 and full plant anticipated in 2028. ACM reported total project cost savings of approximately \$2.5 million, and an additional \$177,000 secured after USDA Rural Development granted an exception to retainage policy. He also noted a pending earmark request through Representative Bynum's office to fund a headworks cover, which would assist in meeting effluent temperature discharge requirements at no cost to ratepayers. *(For full discussion please see YouTube Meeting recording minutes 19:17 - 25:50).*

B. Letter of Support - South Clackamas First Responders

Mayor Keyser presented a proposed Letter of Support addressing public safety risks associated with unmitigated wildfire damage from the 2020 Labor Day fires, including log jams in the Molalla River threatening the City's water intake and regional transportation corridors. Council discussed minor amendments to the letter's language, including replacing specific private landowner names with broader reference to private landholders. Council reached consensus to approve the letter with amendments and to return it at the April 8, 2026 Council Meeting for signatures. Mr. Corthell assured the City has contingency and emergency management plans in place to ensure water service can be restored instantly in the event of an issue, and emphasized that residents should not be concerned about their water supply as staff continues to actively work toward a resolution. *(For full discussion please see YouTube Meeting recording minutes 25:58 - 49:20).*

C. Dibble House Sewer Lateral Repair

Assistant City Manager Corthell presented a staff report on the compromised sewer lateral serving the Dibble House, home of the Molalla Historical Society. City maintenance staff scoped the line and confirmed it is fully compromised within the right-of-way on the lateral side. While City Code places financial responsibility for lateral repairs on the property owner, the anticipated repair cost exceeds the Dibble House's financial capacity and poses a risk of closure. Mr. Corthell recommended Council authorize a deviation from City Code to fund the repair from the existing sewer line repair reserve account.

PUBLIC COMMENT

Sherrill O'Brien and Dirk Schlagenhauser, representatives of the Dibble House, addressed the Council questions and shared three bids had been obtained ranging from \$7,500 to \$25,000 depending on scope and condition of the lateral under the street.

Following public comment, Mr. Corthell noted City staff would review all bids and staff may perform portions of the work such as trenching, which could reduce overall cost. He clarified the \$8,000–\$10,000 fiscal impact estimate in the staff report was based on the lowest known bid, any approved expenditure would not exceed \$10,000 and the distinction between the Molalla Area Historical Society as a public benefit organization was the basis for the recommended Code deviation. *(For full discussion please see YouTube Meeting recording minutes 49:35 - 59:50).*

ACTION:

Council President Vermillion moved to approve the payment for repair of the Dibble House Sewer Lateral; Mayor Keyser seconded. Motion passed 5-0.

AYES: Bisenius, Gilmer, Bartholomew, Vermillion, Keyser.

NAYS: None.

ABSTENTIONS: None.

STAFF COMMUNICATION

- **City Recorder Teets:** Provided reminder of Budget Committee and Planning Commission openings, those interested and whom live within City limits should contact City Recorder.
- **Assistant City Manager Corthell:** Reported new Community Development front desk staff member would begin Monday and is expected to strengthen department capacity. And noted the quarterly report would be presented at the next meeting.
- **City Manager Huff:** shared he and the Mayor met with ODOT Region 1 Director Rian Windsheimer regarding potential funding for repairs to Main Street/Highway 211 through town. While full highway improvement funding was not available, staff learned of a paving maintenance program through which ODOT grinds and repaves curb to curb, an option not previously discussed with the City. The Region 1 Director indicated he would add the City to the list for that program, though funding availability is not yet confirmed. ODOT also has remaining ADA sidewalk intersection repairs to complete within the City.

COUNCIL COMMUNICATION

- **Councilor Bartholomew:** no report.
- **Councilor Bisenius:** Commended Assistant City Manager Corthell and staff for securing the additional \$177,000 in savings on the Wastewater Treatment Plant project.
- **Councilor Gilmer:** no report.
- **Council President Vermillion:** Echoed appreciation for the Wastewater Treatment Plant progress and expressed interest in a site visit. Thanked Fire Chief Stafford for attending and providing information regarding the wildfire and log jam concerns.
- **Mayor Keyser:** thanked Fire Chief Stafford and City staff for their ongoing work. Reported conducting a ride-along with the Police Department and noted the following community concerns observed: modified vehicle exhausts and excessive noise on Main Street, commercial truck use of Jake brakes within City limits, speeding and unsafe driving behaviors, and damage to City park amenities by electric bikes and scooters. Mayor reminded residents to slow down, noting spring break has begun and children are out.

RECESS TO EXECUTIVE SESSION

Mayor Keyser recessed the Regular Session into Executive Session at 7:02 p.m. Held pursuant to ORS 192.660(2)(h), to consult with Counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed, and ORS 192.660(2)(i), to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Executive Session adjourned at 7:57 p.m.

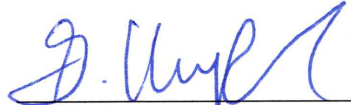
RECONVENED REGULAR SESSION

Mayor Keyser reconvened Regular Session and stated no decisions were made during the Executive Session, he adjourned the Regular Session at 08:00 p.m.

ADJOURN

Mayor Keyser adjourned the meeting at 8:00 PM.

For the complete video account of the City Council Meeting, please go to YouTube
[City of Molalla | Oregon – March 25, 2026](#)



Scott Keyser, Mayor

PREPARED BY:

ATTEST:



Crystal Robles, Deputy City Recorder



Christie Teets, CMC - City Recorder