



**CITY OF MOLALLA
CITY COUNCIL CITY COUNCIL - REGULAR
AGENDA**

Civic Center | 315 Kennel Avenue
Wednesday, March 11, 2026 | 6:00 PM

NOTICE: City Council will hold this meeting in-person and through Live-Streaming on the City's YouTube channel, City of Molalla | Oregon. Written comments may be delivered to City Hall or emailed to recorder@cityofmolalla.com. Submissions must be received by 12:00 p.m. the day of the meeting.

[This institution is an equal opportunity employer.](#)

1. CALL TO ORDER AND FLAG SALUTE

2. ROLL CALL

3. CONSENT AGENDA

- A. [Work Session Meeting Minutes - February 25, 2026](#)
- B. [City Council Meeting Minutes - February 25, 2026](#)

4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

5. PUBLIC COMMENT

(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generally engage in dialogue 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. [Resolution No. 2026-08: Adopting Findings to Support an Exemption from the Formal Invitation to Bid Process for a Sludge Removal Public Improvement Project, Declaring Such Exemption, and Authorizing Direct Award of Such Contract to Rotschy, Inc.](#)

7. ORDINANCES AND RESOLUTIONS

- A. [Resolution No. 2026-08: Adopting Findings to Support an Exemption from the Formal Invitation to Bid Process for a Sludge Removal Public Improvement Project, Declaring Such Exemption, and Authorizing Direct Award of Such Contract to Rotschy, Inc.](#)
- B. [Resolution No. 2026-09: Amending the Fee for "Mobile Food Unit as an Accessory to Primary Use"](#)
- C. [Resolution No. 2026-10: Authorizing Appropriations for Expenditure of Special Purpose Gift](#)

8. GENERAL BUSINESS

- A. [Molalla Police Department - Community Room Use Policy](#)
- B. [2026 Employee Personnel Handbook](#)
- C. [City Council Meeting Discussion - April 22, 2026](#)

9. STAFF COMMUNICATION

10. COUNCIL COMMUNICATION

11. ADJOURN

Agenda posted at City Hall, Library, and the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855.



CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, March 11, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Work Session Meeting Minutes - February 25, 2026

ATTACHMENTS:

[2-25-26 WS Meeting Minutes.pdf](#)

[2-25-26 WS_SDC Talking Points.pdf](#)

[2-25-26 WS_Pages from SDC Staff Report - April 10, 2019.pdf](#)



City of Molalla
 City Council - Work Session
 Minutes – February 25, 2026
 Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Work Session of February 25, 2026 was called to order by Mayor Scott Keyser at 5:00pm.

COUNCIL ATTENDANCE

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

STAFF ATTENDANCE

Present: City Manager, Dan Huff, Assistant City Manager, Mac Corthell, and City Recorder, Christie Teets.

GENERAL BUSINESS

City Manager Huff opened the Work Session by clarifying that System Development Charges (SDCs) are assessed only on new development, not existing residents or businesses unless they construct new buildings. Recently adopted legacy SDC language protects certain existing businesses from additional impact. He explained that SDCs fund capital improvements and, if not properly set, existing residents ultimately bear the cost of growth. Providing historical context, he noted that the park SDC increased significantly after adoption of the 2014 Parks Master Plan and updated methodology before being reduced in 2019 to help preserve funding capacity for the Wastewater Treatment Plant project. With a newly adopted Parks Master Plan and updated methodology now in place remains still lower than many comparable cities.

Assistant City Manager Corthell continued the conversation by emphasizing that SDCs are one-time fees paid only by new development or projects that increase impacts on public infrastructure, describing them as a “buy-in” to systems the community has already built, such as water, sewer, transportation, stormwater, and parks. He clarified that the session was intended to provide foundational knowledge about how SDCs work, not to discuss or adopt specific fee amounts. He outlined the two components of SDCs: the reimbursement fee, which repays the community for existing infrastructure capacity based on depreciated asset value, and the improvement fee, which funds the growth-related portion of capital improvement projects that expands system capacity. He reviewed how master plans, capital improvement plans (CIPs), growth forecasts, and level-of-service standards factor into calculating SDC rates, stressing that only the capacity-increasing portion of projects is eligible for improvement fees. Transportation SDCs, he noted, are calculated using the nationally recognized Institute of Transportation Engineers (ITE) Trip Generation Manual, with staff applying the lowest reasonable impact category when comparable. And concluded by describing SDC rate-setting as a balancing act: fees must be high enough to ensure growth pays its fair share, yet reasonable enough to avoid discouraging development, with capital plans designed to be realistic and attainable rather than inflated. Council expressed appreciation for the clarity of the presentation, noting that although SDCs are typically a complicated and convoluted topic, the explanation helped make the concepts understandable.

(For full presentation see YouTube minutes 00:00 - 49:52)

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

ADJOURN

Mayor Keyser adjourned the Work Session at 5:53 PM.

 Scott Keyser, Mayor

PREPARED BY:

ATTEST:

 Crystal Robles, Deputy City Recorder

 Christie Teets, CMC - City Recorder

Meeting Minute Attachments:

- 2019 Policy Issues/Major point concerning SDCs – 02/27/2019 revisit document
- Parks SDC History

Park SDC History

Resolution No. 2005-04	\$903
Resolution No. 2007-04	SDC Cap Opposition
Resolution No. 2014-03	\$5,570
Resolution No. 2016-21	\$7,368
*Resolution No. 2019-12	\$2,500
Today (with CPI)	\$2,643
Proposed Fee	\$6,868

*Unintended consequences = \$1.9 million reduction of capital revenue

Policy issues/major point concerning SDCs

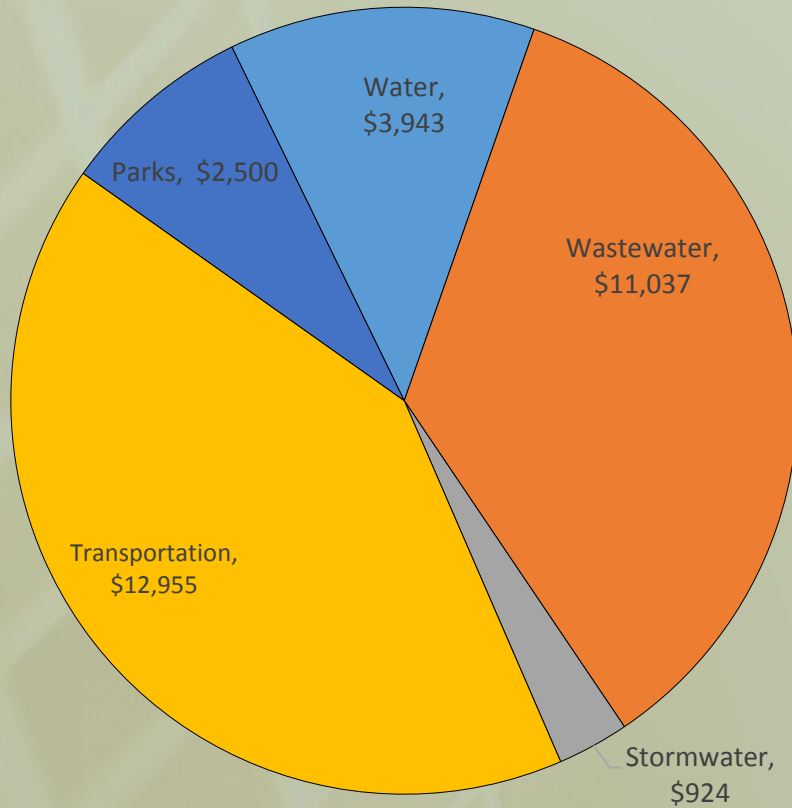


- ❑ SDCs are not charged to rate payers
 - ❖ SDCs are one time fees charged to new development at the time of permit issuance
 - ❖ By statute, SDCs consist of two unique fee components; a reimbursement fee and an improvement fee
- ❑ SDCs do have an impact on infrastructure development and the composition of our future tax base
- ❑ The Council's policy on SDC pricing has to strike a balance between the philosophy of "growth pays for growth" and the goal of attracting smart growth and living wage jobs
- ❑ Transportation SDC revision discussion from staff

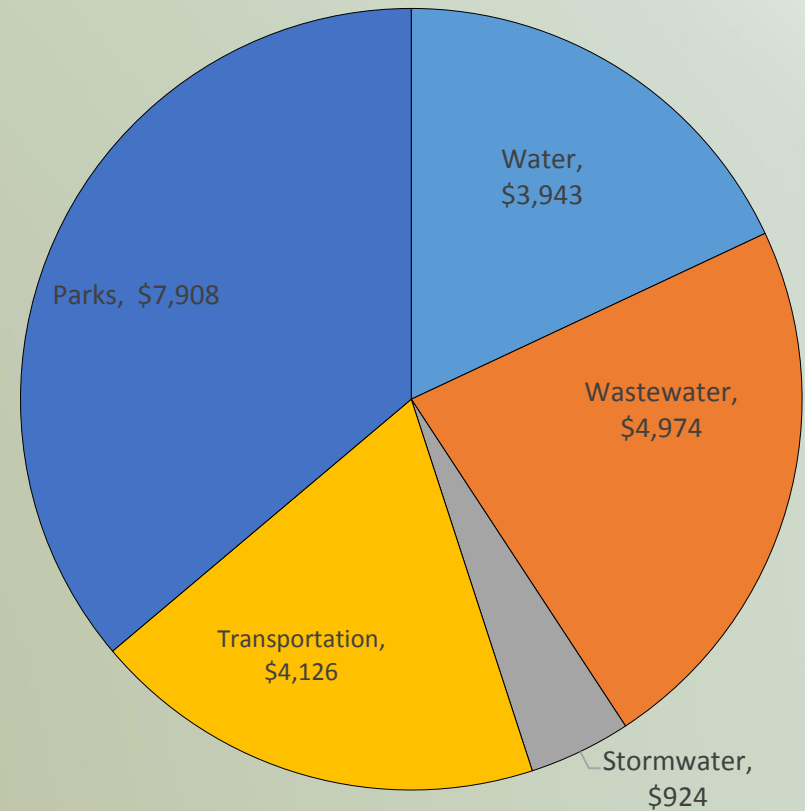
Overview – Proposed vs. Current



Proposed SDCs - \$31,359



Current SDCs - \$21,875





CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, March 11, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: City Council Meeting Minutes - February 25, 2026

ATTACHMENTS:

[2-25-26 CC Meeting Minutes.pdf](#)

[2-25-26 CC_HPS Readoption Presentation.pdf](#)



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

CALL TO ORDER

The Molalla City Council Regular Meeting for February 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 Leota Childress, Councilor Terry Shankle, Councilor Doug Gilmer, and Councilor Martin Bartholomew, and Councilor K.C. Bisenius.

STAFF IN ATTENDANCE

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

APPROVAL OF AGENDA

As presented.

CONSENT AGENDA

- A. Work Session Meeting Minutes - February 11, 2026
- B. City Council Meeting Minutes - February 11, 2026

ACTION:

Council President Vermillion made a motion to approve the Consent Agenda as presented; Councilor Gilmer seconded. Motion passed 7-0.

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

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

None.

PUBLIC COMMENT

Patricia Torsen, Molalla: requested help from the Council for more Molalla Senior Housing availability and opportunity.

PUBLIC HEARING

- A. Resolution No. 2026-07: Repealing Resolution No. 2025-05 Adopting the 2025 Housing Production Strategy and Adopting an Updating Housing Production Strategy**

Mayor Keyser confirmed no conflict of interest by Council. Public Hearing for Resolution 2026-07 was opened at 6:08pm.

Planning Manager Zinder introduced Resolution No. 2026-07 to readopt the City's Housing Production Strategy (HPS) and repeal Resolution No. 2025-05, following remand by the Oregon Department of Land Conservation and Development (DLCD). Staff explained that Oregon House Bill 2003 requires cities over 10,000 residents to adopt an HPS addressing housing deficits identified in their Housing Capacity Analysis. After DLCD remanded the City's 2025 HPS, the City secured DLCD grant funding in October 2025 to retain 3J Consulting to prepare a revised strategy. Consultant Violet Brown summarized updates, noted the revised draft incorporates multiple rounds of DLCD feedback, addressed the four remand conditions, which include additional refinements based on public comment and PAC input. Updates included expanded coordination with Clackamas County housing programs to prevent displacement and homelessness; a detailed explanation of why geospatial mapping of gentrification risk was not feasible due to unreliable census margins of error; clarification of implementation timelines by replacing general timeframes with specific calendar years; and adjustments to certain strategy implementation schedules to better reflect realistic staff capacity. The revised document also clarifies anticipated timing of housing market impacts for each strategy. Staff and the consultant reported close coordination with DLCD throughout the process and recommended adoption of the updated HPS, after which the document will be resubmitted to DLCD for final review and comment. *Seeing no Public Comment, Mayor Keyser closed the Public Hearing on Resolution 2026-07 at 06:29PM. (For full presentation and discussion please see YouTube minutes 01:02:29-01:23:56).*

ORDINANCES AND RESOLUTIONS

- A. Resolution No. 2026-07: Repealing Resolution No. 2025-05 Adopting the 2025 Housing Production Strategy and Adopting an Updated Housing Production Strategy**

Assistant City Manager Corthell and Planning Manager Zinder had no further comments to add.

ACTION:

Council President Vermillion moved to adopt Resolution No. 2026-07: Repealing Resolution No. 2025-05 Adopting the 2025 Housing Production Strategy and Adopting an Updated Housing Production Strategy by title only; Councilor Bisenius seconded. Motion passed 7-0.

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

NAYS: None.

ABSTENTIONS: None.

B. Resolution No. 2026-05: Initiating Street Vacation Proceedings for a Portion of Hezzie Lane

Assistant City Manager Corthell presented Resolution No. 2026-05, which would initiate the formal Street Vacation process for a portion of Hezzie Lane that currently bisects the middle school and elementary school properties. He explained that the proposed vacation was contemplated as part of the prior agreement involving the exchange of Fox Park property and that adoption of the resolution would simply begin the required process, directing staff to proceed with the necessary analysis and public noticing. Corthell noted that there will be additional opportunities for public comment as the process moves forward and clarified that this action does not finalize the vacation but authorizes staff to move ahead. She also reported that the Planning Commission reviewed the proposal and recommended proceeding. He emphasized Council prioritized development of Ona Way to connect into the Bear Creek neighborhood, as well as the portion of Molalla Forest Road leading to Chief Yelkus Park, the existing access will be gated, available for emergency vehicle and pedestrian access. Ona Way Avenue will be fully developed and connected to Highway 213, all notes important for the community to understand as the project moves forward.

ACTION:

Council President Vermillion moved to adopt Resolution No. 2026-05: A Resolution of the City of Molalla Oregon, Initiating Street Vacation Proceedings for a Portion of Hezzie Lane; Councilor Shankle seconded. Motion passed 6-0-1.

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

NAYS: None.

ABSTENTIONS: Councilor Bisenius, potential conflict of interest as Councilor lives on Hezzie Lane.

GENERAL BUSINESS:

A. Molalla Police Department – Community Room Use Policy

City Manager Huff presented a draft Community Room Use Policy for the new Police Department, noting the City’s intent to make the space available to the public while initially limiting use of regular business hours due to staffing and operational constraints. He explained that staff are still becoming familiar with the building and AV equipment and plan to revisit the policy in the future to potentially allow expanded access. Council discussion centered on the proposed \$75 refundable cleaning deposit, with some concern about adequacy; however, consensus was to keep the amount at \$75 for now and reassess if needed. Council also directed staff to prohibit glitter, confetti, rice, sand, birdseed, and similar materials. The policy will return at a following meeting for further review and potential adoption. *(For full discussion see YouTube minutes 01:30:08 - 01:42:45)*

STAFF COMMUNICATION

- **Planning Manager Zinder:** no report.
- **City Recorder Teets:** announced the upcoming C4 meeting and confirmed a quorum notice was issued, noted Deputy City Recorder Robles will begin covering Planning Commission meetings as the Recorder’s Office expands support to both Council and Commission meetings, and cautioned about recent phishing attempts targeting City email accounts. She noted current vacancies on the Budget Committee (two openings) and Planning Commission, both limited to City residents.
- **Assistant City Manager Corthell:** reported the City was awarded a \$43,000 grant to complete the banner holder project and will begin coordinating next steps. He confirmed the City’s \$1,092,000 Federal Grant for the Water Intake project fully approved and not impacted by current DHS funding delays. Additionally, the City submitted a new federal funding request to restore elements removed during Wastewater Treatment Plant.
- **City Manager Huff:** reported the City received payment from Clackamas County for the Pilot Program and will forward the Fire Department’s share. He acknowledged County officials for assisting in resolving the matter. He noted current staffing shortages across City Hall and the Civic Center but shared that recruitment efforts are underway, with strong applicant interest. The Compliance Officer candidate remains in an extended background process due to updated hiring requirements under the police contract.

COUNCIL COMMUNICATION

- **Councilor Bisenius:** attended the Library Board meeting, highlighting the elimination of late fees, the launch of a countywide “Library Trail” passport program.
- **Councilor Bartholomew:** shared no report.

- **Councilor Gilmer:** also attended the Library Board meeting and commended the organization’s leadership and operations. He reported that design review for a potential new library building is ongoing, with hopes of having design plans ready in the near future and also noted upcoming spring break activities for youth at the library.
- **Councilor Shankle:** Reminded everyone about the upcoming Annual Spring Clean Up April 24th – 25th from 08-04:30PM
- **Councilor Childress:** thanked staff for their work on the Police Department community room and emphasized the importance of making the space available for evening use as soon as feasible.
- **Council President Vermillion:** praised staff for a clear and thorough SDC presentation and expressed appreciation for the City’s parks and library. He also looks forward to the upcoming C4 meeting.
- **Mayor Keyser:** encouraged attendance at the upcoming C4 meeting and reminded Council about the Spring Conference.

[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:

- Submitted Public Comment Email: Molalla Community Planning Organization (CPO) Group – Draft HPS Adoption and the Sequential Planning Process.

Housing Production Strategy Readoption

**City Council Adoption of Revised HPS
February 25, 2026, 6:00pm – 8:00pm**



Readoption Conditions

- **Condition 1** Revisit burdens and articulate mitigation steps and refine impact statements as low/medium/high with no ranges and revisit implementation schedule
- **Condition 2** Address housing accessibility more directly, including articulating things the city is already doing to expand ADA protections
- **Condition 3** Elaborate on how these actions address affordability, specifically multi-unit housing
- **Condition 4** Address gentrification implications of the Zombie Housing action

Readoption Conditions

- Readoption Engagement Summary starts on page 14
- Clackamas County Housing Programs details from PAC added on page 15
- In response to a letter from FHCO/HLA, an explanation of available data and geospatial analysis for gentrification on page 48-49

1. Revisions for Accessory Dwelling Units (ADUs)

OVERVIEW

Implementation Timeline

1-2 years	3-4 years
5-6 years	7-8 years

Potential Impact:

Medium

Affordability Target:

Workforce (80-120% AMI)

Market Rate (> 120% AMI)

Tenure:

Owner/Renter

Funding Needs:

Minimal direct funding needs; administrative costs.

Funding Partners:

None

DESCRIPTION

Revising development code on ADUs:

1. To make ADU standards less restrictive, and
2. Reduce system development charges (SDCs) below the 1 EDU threshold to be commensurate with actual impact of development.

Expands affordable, flexible housing options and increases density.

Magnitude of Impact: Medium Impact (primarily due to SDC reduction)

Long-Term Affordability Considerations: Limited, as ADUs typically do not come with affordability restriction.

IMPLEMENTATION

Approach: Revise development code to increase allowed density. Pursue DLCD technical assistance grants to support this work.

Complexity: Low to High (depending on complexity of new methodology and ability to utilize model code)

Policy Lead: City

Department: Community Development

City Staffing Implications: Moderate staff time for revisions and monitoring.

Implementation Steps: Apply for DLCD funding to support this work and assess the model code once available to determine applicability in Molalla. Engage with local developers, contractors, and homeowners to understand barriers to ADU construction.

Implementation Partners: Developers and Homeowners

Annual Monitoring: Number of ADUs developed.

OPPORTUNITIES/CONSTRIANTS/EXTERNAMILITES

Benefits: Homeowners, particularly those attempting to age-in-place and communities of color, gain additional access to income.

Groups likely to have incomes relevant to the size of units produced by this action are disproportionately seniors, people living with disabilities, and communities of color, who would gain affordable housing options and increased housing accessibility and choice.

Burdens: No identified burdens for target populations.

Externalities: Neighbors may experience increased density and strain on infrastructure.

1. Revisions for Accessory Dwelling Units (ADUs)

OVERVIEW

Implementation Timeline

Adoption	2026
Implementation	2027
Impact on Needed Housing	2028

Affordability Target:

Workforce (80-120% AMI)
Market Rate (> 120% AMI)

Tenure:

Owner/Renter

Funding Needs:

Minimal direct funding needs; administrative costs.

Funding Partners:

None

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Burdens: No identified burdens for target populations.

Externalities: Neighbors may experience increased density and strain on infrastructure.

Implementation

	Evaluate		Pass Ordinance		Implement			
Policy	2025	2026	2027	2028	2029	2030	2031	2032
Code Revisions for ADUs	Yellow	Orange	Light Blue					
Develop Standards For Cottage Clusters	Yellow		Orange		Light Blue			
Small Dwelling Unit Defined	White		Yellow	Orange	Light Blue			
Modify Requirements for Ground Floor Commercial	White	Yellow	Orange		Light Blue			
Regulate Short Term Rentals	White		Yellow	Orange	Light Blue			
Address Impediments to Home Ownership	White		Yellow	Orange	Light Blue			
Remove Impediments to Duplex Parking	White		Yellow	Orange	Light Blue			
Flexible Regulatory Concessions for Affordable/Accessible Housing	Yellow	Orange	Light Blue					
Federal Low Income Housing Tax Credit	White	Yellow	Light Blue					
Address Zombie Housing	White	Yellow	Light Blue					
Land Owned By Faith Based Organizations	White			Yellow	Light Blue			
Urban Renewal Area Public Improvement Assistance	Yellow		Light Blue					
Modify SDCs based on size	White		Yellow	Orange	Light Blue			
Affordable Housing Options Library of Information	Yellow		Light Blue					
Collaborate with Clackamas County	Yellow		Light Blue					

Implementation



	Evaluate	Pass Ordinance	Implement	<i>i = Impact on housing</i>				
Policy	2025	2026	2027	2028	2029	2030	2031	2032
Code Revisions for ADUs			<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Develop Standards For Cottage Clusters					<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Small Dwelling Unit Defined					<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Modify Requirements for Ground Floor Commercial						<i>i</i>	<i>i</i>	<i>i</i>
Regulate Short Term Rentals						<i>i</i>	<i>i</i>	<i>i</i>
Address Impediments to Home Ownership						<i>i</i>	<i>i</i>	<i>i</i>
Remove Impediments to Duplex Parking						<i>i</i>	<i>i</i>	<i>i</i>
Flexible Regulatory Concessions for Affordable/Accessible Housing			<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Federal Low Income Housing Tax Credit					<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Address Zombie Housing					<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Land Owned By Faith Based Organizations						<i>i</i>	<i>i</i>	<i>i</i>
Urban Renewal Area Public Improvement Assistance				<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Modify SDCs based on size					<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Affordable Housing Options Library of Information				<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>
Collaborate with Clackamas County				<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>	<i>i</i>

Questions?



Thank you!



CITY OF MOLALLA

Staff Report

Agenda Category: PUBLIC HEARINGS

Agenda Date: Wednesday, March 11, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-08: Adopting Findings to Support an Exemption from the Formal Invitation to Bid Process for a Sludge Removal Public Improvement Project, Declaring Such Exemption, and Authorizing Direct Award of Such Contract to Rotschy, Inc.

FISCAL IMPACT:

Not to exceed \$7.2 million

RECOMMENDATION/RECOMMENDED MOTION:

Conduct Public Hearing.

BACKGROUND:

Prior to the current city administration, the lagoons experienced decades of deferred maintenance, resulting in significant accumulation of biosolids. Over the past five years, the City has committed substantial financial and operational resources to reduce sludge levels, and the current WWTP Project is intended to complete removal activities and transition the lagoons to support the new treatment process.

The new WWTP Project currently includes construction of new treatment works and conversion of lagoon #2 to a freshwater holding pond. A second and distinct phase had been planned to convert lagoon #1 to freshwater holding using any additional funding and the new sludge processing equipment included with the plant conversion.

The project was originally bid with conversion of both lagoons included in the scope; however, the City received no bids under that procurement. A revised scope excluding Lagoon #1 work was subsequently issued, resulting in multiple bids and contract award.

During post-award coordination with the contractor, it became evident that incorporating the Lagoon #1 work into the current phase would generate significant cost efficiencies estimated at approximately \$2.5 million, allowing the City to complete the work within the existing financing package with limited contingency support from City funds. Estimated savings include:

- Approximately \$1,890,060 resulting from a reduced dredging unit cost of \$578 per ton for an estimated 3,270 tons of Lagoon 1 sludge, reflecting economies of scale
- Approximately \$80,000 in avoided mobilization costs through elimination of one mobilization
- Avoided procurement and contracting costs associated with a future standalone Lagoon 1 project

In addition to direct cost savings, integrating the work into the current project would shorten the overall program schedule by an estimated three years, reduce interim financing interest exposure, decrease future operations and maintenance costs, and extend capital asset life.

These cost savings are only available as an addition to the existing contract. Going back out for public procurement would not only reduce or totally void the cost savings, but would also cause significant issues with project sequencing that could result in additional project costs beyond just elimination of savings.

NOTE:

- Notice of the public hearing and resolution for this exemption was published in the DJC Oregon on 2/23/26, at least 14-days prior to the hearing.
- The City Attorney's Office was consulted and approved of this procurement method.

ATTACHMENTS:

[Res No. 2026-08_ProcurementExemption.pdf](#)

[Res. No. 2026-08_ExA-Findings.pdf](#)



RESOLUTION NO. 2026-08

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
ADOPTING FINDINGS TO SUPPORT AN EXEMPTION FROM THE FORMAL
INVITATION TO BID PROCESS FOR A SLUDGE REMOVAL PUBLIC
IMPROVEMENT PROJECT, DECLARING SUCH EXEMPTION, AND AUTHORIZING
DIRECT AWARD OF SUCH CONTRACTS TO ROTSCHY, INC.**

WHEREAS, the City of Molalla (“City”) City Council (“Council”) is the Local Contract Review Board for the City; and

WHEREAS, ORS 279C.335(2) authorizes a Local Contract Review Board to exempt certain contracts from the least cost policy for public improvement contracts pursuant to ORS 279C, upon approval of certain findings of fact; and

WHEREAS, directly awarding this public improvement contract is unlikely to encourage favoritism, and is likely to result in cost savings and other benefits, based on the findings attached as Exhibit A; and

WHEREAS, pursuant to ORS 279C.335(5)(b), the City published notice of the proposed exemption in the Daily Journal of Commerce (DJC) not less than 14 days prior to the date on which the City Council intends to take action to approve the exemption; and

WHEREAS, the City held a public hearing to allow comments on the Local Contract Review Board’s draft findings on March 11, 2026; and

WHEREAS, after due deliberation, the City Council, acting as the Local Contract Review Board, hereby adopts the findings in support of permitting a direct award of the sludge removal contract to Rotschy, Inc., as set forth in Exhibit A.

Now, Therefore, the City of Molalla Resolves as Follows:

Section 1. Exemption Approval. The City Council hereby adopts findings supporting an exemption from the formal invitation to bid solicitation process for a sludge removal, declares such an exemption, authorizes the City to directly award such contracts to Rotschy, Inc., and authorizes the City Manager to execute a contract amendment with Rotschy, Inc., with a total not-to-exceed amount of \$7.2 million dollars. The findings are attached to this resolution as Exhibit A and incorporated herein by reference.

Section 2. Effective Date. This resolution is and shall be effective from and after the date that it is adopted.

Signed this 11th day of March 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

DRAFT

Exhibit A to Resolution No. 2026-08
Findings of Fact for Exemption from Competitive Bidding

Findings in Support of a Formal Procurement Exemption for a Construction Contract change order increasing the quantity of sludge removal to be performed as part of the City of Molalla Wastewater Treatment Plant Upgrades Rebid Project No. 19-10 and The Dyer Partnership Project No. 198.28, by Rotschy, Inc.

Oregon Law requires contracting agencies to award contracts for public improvements (i.e., contracts for construction, reconstruction, or major renovation) via an invitation to bid that is awarded to the lowest responsible bidder. In certain cases, however, an agency may wish to consider additional factors beyond price when selecting a viable contractor for a public improvement, or may require an expedited procurement process to effectively respond to the needs of a project. In such circumstances, an agency may exempt a contract (or class of contracts) from this process where its local contract review board (“LCRB”) finds that:

- (a) An exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts; and
- (b) Awarding public improvement contracts under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency.

The Molalla City Council serves as the LCRB for the City of Molalla (“City”). City staff worked with legal counsel and engineering experts to draft this document, which Council may adopt to permit the direct award of a sludge removal contract amendment to increase the volume of sludge removed from the City’s existing lagoon system. This exemption is justified for the reasons provided below.

Project:

The City is seeking an exemption from public procurement and contracting rules to approve a change order with a cost not to exceed \$7.2 million dollars, to remove and dispose of all biosolids in lagoon #1 and convert it to a clean effluent storage pond.

In February of 2024, the City of Molalla and it’s Engineer of Record, The Dyer Partnership, published an invitation to bid for Wastewater System Improvements. In summary, those improvements included: 1) Wastewater Treatment Plant Upgrades, 2) Effluent Storage Pond #2 Improvements, and 3) Sludge Removal from Lagoon #1 and #2. No bids were received by the March 26, 2024 deadline, so the City and The Dyer Partnership worked to rescope the project and reissue the invitation to bid.

In July of 2024, the invitation to bid was republished (the “rebid”) with a modified, reduced scope, which in summary included: 1) Wastewater Treatment Plant Upgrades (not modified), 2) Effluent Storage Pond #2 Improvements (modified to remove installation of liner), and 3) Sludge Removal from Lagoon #2 (modified to remove lagoon #1).

On September 11, 2024, the construction contract was awarded to the lowest responsive bidder, Rotschy, Inc. The project currently sits at approximately 50% construction and the city is now confident that it can afford to complete the biosolids removal from lagoon #1 as anticipated in the original project scope.

This is based on several factors:

- The unexpectedly low cost of the rebid award.
- The predictable nature of the remaining work versus potential for change orders.
- The completion of the technical aspects of the project with minimal cost of change orders to date.

- The increased volume of sludge removal resulting in a much lower per unit cost for removal/disposal.

The City consulted with its funding partners at USDA Rural Development, and the Clean Water State Revolving Loan Fund, and has received approval to proceed.

Public Notice and Public Hearing:

As required by ORS 279C.335(5), the City published notice for interested parties to request a public hearing to comment on these findings in the February 23, 2026 edition of the Daily Journal of Commerce.

Additional Analysis:

The following discussion is offered in support of ORS 279C.335(2) to show the exemption will be unlikely to encourage favoritism and will likely yield cost savings and other benefits to the City.

1. Availability of Potential Contractors.

Rotschy, Inc. is uniquely qualified due to its continuous on-site presence, full control of the project area, and comprehensive familiarity with site conditions, regulatory constraints, and the highly coordinated sequencing required to maintain uninterrupted wastewater treatment operations. The contractor has worked extensively with the City and The Dyer Partnership to develop and implement the critical path schedule, understands the biological dependencies within the lagoon system, and has already completed sludge profiling and secured disposal approval. No other contractor possesses this same level of operational familiarity, sequencing integration, and regulatory preparedness.

2. Budget.

The additional work is projected at \$7.2 million, representing approximately \$4 million in savings compared to prior unit pricing. These savings result from economies of scale in per-bone dry ton removal rates and substantially reduced mobilization costs due to the contractor's existing on-site presence. The project is funded through City capital funds, USDA Rural Development loans and grants, Clean Water State Revolving Fund loans and grants, and Oregon Lottery grant funding. A direct award allows the City to efficiently obligate and deploy these funds within existing timelines while avoiding the additional administrative and procurement costs associated with a new solicitation.

3. Public Benefits of Exemption.

Timely sludge removal is critical to maintaining treatment capacity, protecting water quality, and ensuring compliance with discharge permits. Accumulated biosolids reduce hydraulic capacity, disrupt biological treatment performance, and increase the risk of nutrient releases, odors, and gas accumulation. Rotschy, Inc.'s established sequencing framework, site familiarity, and secured disposal pathway position the contractor to execute this work safely and efficiently without disrupting ongoing treatment operations and at a substantially reduced cost in terms of dollars and time.

4. Value Engineering.

Continuing with the current contractor preserves the established sequencing plan and avoids costly schedule extensions associated with remobilization, contractor transition, and redesign of the critical path. Deferring the work would extend the project by approximately five years, increase financing costs, and introducing escalation risk. Integrating the work now represents the most efficient lifecycle and schedule outcome for the City.

5. Cost and Availability of Specialized Expertise.

Rotschy, Inc. brings specialized expertise in active wastewater treatment plant construction, sludge handling logistics, sequencing within biologically active systems, and regulatory compliance under live operating conditions. Their institutional knowledge of the site, existing sequencing plan, sludge characteristics, and disposal approvals significantly reduces technical and operational risk. Utilizing this expertise effectively requires a direct award so the contractor can continue work without interruption and the City can deploy funding as structured.

6. Public Safety.

Accelerated sludge removal reduces the risk of treatment process upset, uncontrolled discharge, pathogen exposure, and hazardous gas accumulation. Removing Lagoon #1 sludge now enhances operational stability and strengthens wastewater safety protections for the community.

7. Risk Reduction.

Granting the exemption minimizes operational, regulatory, financial, and schedule risks by avoiding contractor transition, sequencing disruption, and permit compliance exposure. Early integration of this work reduces the likelihood of emergency conditions or costly corrective actions.

8. Effect on Funding Source.

The project utilizes federal and state funding sources, including USDA Rural Development and Clean Water State Revolving Fund programs, which carry obligation and expenditure timelines. Incorporating this work into the existing contract allows the City to commit funds within required timeframes and complete the full scope in a single phase. Funding partners have reviewed and expressed no objection to this approach, subject to compliance with state procurement requirements.

9. Market Conditions.

Given current market conditions, including competitive contractor availability and favorable unit pricing, this procurement flexibility would allow the City to secure additional biosolids removal services at a lower per-unit cost and reduced mobilization fees while accelerating the project schedule by five years. Leveraging this exemption ensures the City can capitalize on present market efficiencies and deliver the new wastewater treatment plant project more cost-effectively and expeditiously.

10. Technical Complexity.

This project involves uniquely complex sequencing within an active wastewater treatment plant, where continuous regulatory compliance depends on carefully timed transitions between biosolids removal and lagoon conversion. Because the biological treatment process relies on the established microbial population within each lagoon, any disruption to the planned sequence—particularly with the addition of Lagoon #1 cleaning and conversion—requires precise integration into the existing construction schedule to avoid treatment interruptions or permit violations.

Rotschy, Inc. currently controls the project site and has worked extensively with the City and The Dyer Partnership to develop and implement the highly coordinated sequencing necessary to maintain uninterrupted wastewater operations throughout construction and system transition. Direct award allows the City to preserve this critical sequencing framework, avoid operational risk, and ensure continued compliance, while leveraging the contractor's established sludge profiling and secured acceptance at an approved biosolids disposal facility.

11. Nature of Public Improvement.

This public improvement involves wastewater treatment plant sludge removal.

12. Occupancy?

Although not a traditional building occupancy issue, the wastewater treatment system must remain fully operational and in continuous use throughout construction and transition. Treatment processes must remain online until commissioning and occupancy of the new facilities, anticipated in November 2026.

13. Construction Phases.

The project was originally structured in two phases: Phase 1 – new plant construction and Lagoon #2 conversion; Phase 2 – Lagoon #1 conversion. This proposal consolidates both phases into a single integrated effort, significantly reducing overall duration, cost, and operational risk.

14. Expertise of Staff and Consultants.

City staff, independent engineering experts, and legal counsel have the necessary expertise to amend the existing contract with Rotschy, Inc., to include this new scope of sludge removal work.

End of Findings

DRAFT



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, March 11, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-08: Adopting Findings to Support an Exemption from the Formal Invitation to Bid Process for a Sludge Removal Public Improvement Project, Declaring Such Exemption, and Authorizing Direct Award of Such Contract to Rotschy, Inc.

RECOMMENDATION/RECOMMENDED MOTION:

I move that the City of Molalla adopt Resolution No. 2026-08: Adopting Findings to Support an Exemption from the Formal Invitation to Bid Process for a Sludge Removal Public Improvement Project, Declaring Such Exemption, and Authorizing Direct Award of Such Contract to Rotschy, Inc.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, March 11, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-09: Amending the Fee for "Mobile Food Unit as an Accessory to Primary Use"

FISCAL IMPACT:

The proposal adjusts MFU Fees to cover staff time under the new MFU Ordinance, which is currently at a deficit.

RECOMMENDATION/RECOMMENDED MOTION:

I move to adopt Resolution No. 2026-09: Amending the Fee for "Mobile Food Unit as an Accessory to Primary Use".

BACKGROUND:

With the recent amendments to the Mobile Food Unit code, staff is proposing an update to the currently adopted fee titled "Mobile Food Unit as Accessory to a Primary Use." This one-time fee applies to the land use application required to establish an accessory mobile food unit on a site.

The recent code changes expanded and clarified the allowance of Accessory Mobile Food Units, which necessitates a more robust review. Staff must now evaluate compliance with general approval standards, proposed site plans, site access, and traffic circulation.

Based on anticipated staff time, staff believe the application can be effectively processed for a fee of \$500. This would cover all associated planning and engineering review time.

To ensure the proposed fee is consistent with regional standards, staff conducted a comparative analysis of accessory mobile food unit fees in nearby jurisdictions with similar regulations, including Oregon City, Sandy, and Woodburn. These communities assess fees ranging from \$275 to \$1,186, with an average of approximately \$723. The proposed \$500 fee would position Molalla on the lower end of the regional range while still covering review costs.

Once approved, the accessory mobile food unit land use approval would not expire. Property owners would only need to obtain approval once, provided site conditions remain consistent with the approved plans.

The MFU unit would only be subject to the business license fee. This approach reduces the administrative burden on staff while still allowing for cost recovery.

Staff is seeking:

1. Feedback on the proposed Accessory Mobile Food Unit fee or adoption of Resolution.

ATTACHMENTS:

[Resolution No. 2026-09 - Mobile Food Unit Fees.pdf](#)



RESOLUTION NO. 2026-09

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
AMENDING THE FEE FOR “MOBILE FOOD UNIT
AS ACCESSORY TO A PRIMARY USE”**

WHEREAS, The City Council has the authority to implement administrative fees; and

WHEREAS, Administrative fees are intended to recoup the cost, or a portion of the cost, of administrative processes and materials that fall outside the scope of those provided to the broader tax base; and

WHEREAS, Fees are not meant to generate excess income for the City, and the fees imposed by this resolution are not taxes subject to the property tax limitation of Article XI, Section 11(b) of the Oregon Constitution; and

WHEREAS, City Staff maintains a master fee schedule to provide to the public; and

WHEREAS, City Council adopted modified Mobile Food Unit standards and would like to update the associated fee: “Mobile Food Unit as Accessory to a Primary Use.”

Now, Therefore, the City of Molalla Resolves:

Section 1. The fee “Mobile Food Unit as Accessory to a Primary Use” is hereby amended to \$500 notwithstanding Resolution 2025-07.

Section 2. This Resolution shall be effective immediately upon adoption and signature by the Mayor.

Signed this 11th day of March 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, March 11, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-10: Authorizing Appropriations for Expenditure of Special Purpose Gift

FISCAL IMPACT:

\$11,500

RECOMMENDATION/RECOMMENDED MOTION:

I move to adopt Resolution No. 2026-10: Authorizing Appropriations for Expenditure of Special Purpose Gift, by title only.

BACKGROUND:

Of the \$21,000 donation made to the K-9 fund, only \$11,500 will need to be appropriated at this time. Due to the untimely passing of K-9 Benz, the Police Department was able to purchase another K-9 because of the donation. This is why we are requesting the authority to spend an additional \$11,500. When added to the amount already budgeted this is a true representation of the total amount donated for the current Budget year.

Under ORS 294.338 (2), Oregon Budget Law allows for expenditure of special purpose gifts such as these with a resolution of the City Council.

ATTACHMENTS:

[Res. No. 2026-10: Special Purpose Gift.pdf](#)



RESOLUTION NO. 2026-10

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
AUTHORIZING APPROPRIATIONS FOR EXPENDITURE OF
SPECIAL PURPOSE GIFT**

WHEREAS, on June 11, 2025, the City of Molalla budget for Fiscal Year 2025-2026 was adopted and funds were appropriated by the Molalla City Council; and

WHEREAS, this resolution is prepared pursuant to ORS 294.338(2); and

WHEREAS, a gift in the amount of \$21,000 was received from the Mary P. Dolciani Halloran Foundation for the purpose of purchasing a police K-9 and the training and care needed.

Now, Therefore, the City of Molalla Resolves:

Section 1. That the 2025-2026 Budget appropriations be revised as follows:

PD RESTRICTED REVENUE FUND	CURRENT APPROPRIATIONS	CHANGE	ADJUSTED APPROPRIATIONS
PD RESTRICTED	22,157	11,500	33,657

Section 2. This resolution is effective immediately upon passage by the Council and signature by the Mayor.

Signed this 11th day of March 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, March 11, 2026

Submitted by: Dan Huff, City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Molalla Police Department - Community Room Use Policy

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve the Molalla Police Department Community Room Use Policy, by title only.

BACKGROUND:

City staff presented the MPD Community Room Use Policy at the February 25, 2026 City Council meeting. Council had a chance to review and make recommendations at that time. Staff has captured Council recommendations in the attached document. If Council approves, the Policy is ready for adoption.

ATTACHMENTS:

[MPD Community Room Policy.pdf](#)



Molalla Police Department

Chris Long Chief of Police

150 Grange Ave
PO Box 248
Molalla, OR 97038

503-829-8817 ph
503-829-3461 fax
www.cityofmolalla.com

GENERAL STATEMENT OF POLICY:

It is the policy of the City of Molalla that the Molalla Police Department's Community Room shall be made available under capable and responsible adult supervision for community activities. The Community Room is available for use by public groups, private businesses and private parties. The City reserves the right to grant or deny permission for building use. Applicants may appeal against any City administration decision to deny a request for building use to the City Manager.

The Community Room has a total capacity of 118 people. There is a \$75.00 refundable deposit for use of the Community Room for groups 3, 4, 5, and 6; and the \$75.00 deposit will be refunded upon prompt return of inspection of the room after use for cleanliness and/or any damage(s).

USERS:

The Community Room is available to the following users:

Group 1 (priority 1) - Programs administered by the City of Molalla government, i.e., elected officials and City department staff members.

Group 2 (priority 2) - City-appointed committees and chartered groups, officially recognized Neighborhood Associations and related groups.

Group 3 (priority 3) - Government agencies in the local area, other than City of Molalla.

Group 4 (priority 4) - Recognized non-profit civic and service organizations and social organizations operating in the Molalla area.

Group 5 (priority 5) - Residents of the City of Molalla.

Group 6 (priority 6) - Professional, business, and commercial groups operating in the Molalla area.

The City of Molalla does not restrict access to the Community Room to any party on the basis of race, religion, sex, creed, age, national origin nor social or political views.

SCHEDULING OF ROOM:

The Community Room is available during normal business hours. The room must be cleaned and vacated no later than 15 minutes prior to the building's closing time, and all participants must exit the building by its closing time.

- Regular Business Hours: Monday through Friday 08:00am to 05:00pm
- Closed on all major holidays.

ADVANCED SCHEDULING:

Group 1: May schedule up to twelve (12) months in advance.

Group 2: May schedule up to six (6) months in advance.

Group 3, 4, & 5: May schedule up to three (3) months in advance.

Group 6: May schedule up to one (1) month in advance.

PROCEDURES FOR SCHEDULING THE COMMUNITY ROOM:

Group 1 and 2: Submit an e-mail to admin@molallapolice.com and supply the requested date and time and identify Department/Group and a contact person. A response to your request will be received advising whether the meeting is confirmed or declined.

Group 3, 4, 5, and 6: Complete the Community Room Application located on the City of Molalla website preferably received fourteen (14) days in advance of date requested. A response to your request will be received advising whether the meeting is confirmed or declined.

The requesting party (Groups 3, 4, 5, and 6) shall submit a check or card in person for the amount of \$75.00 for cleaning deposit). The deposit will be refunded upon inspection of the room for cleanliness and/or any damage(s).

CANCELLATION POLICY:

The Molalla Police Department reserves the right to cancel with due cause and with five (5) days' notice to the requesting party. The City of Molalla and the Molalla Police Department reserve the right to cancel without prior notice in the event of an emergency requiring the use of the Community Room for City emergency operations.

CONDITION OF ROOM:

1. The Community Room shall be left in a clean condition (same in which it was found), with full inventory and without damage.
2. Existing wall decorations may not be removed. Any decorations put up must use the hanging supplies provided in the Community Room supply box. No nails, tacks, or anything else that will permanently place holes in the walls and other surfaces. No decorations, postings, banners or other similar items shall be left attached to the ceiling, walls, doors, or floors.

ROOM USAGE:

1. Meals may be consumed in the Community Room, however, food preparation, including baking and frying, is not permitted.
2. Alcoholic beverages are not permitted in the Community Room or anywhere on the Molalla Police Department's property.
3. Light refreshments and non-alcoholic beverages are permitted in the Community Room.
4. Open flames and candles of any kind, including, but not limited to Sterno canned heat, **are not permitted**.
5. Animals are not permitted unless prior authorization has been granted in the event application. Service animals are exempt from this restriction.
6. The use of glitter, confetti, rice, sand, birdseed, or similar materials is not permitted in the Community Room.

EQUIPMENT AVAILABLE FOR USE:

1. Tables (24), chairs (60), podium, Wi-Fi, HMDI, projector, and speakers are provided for the Community room users. Coffee Carafe, white boards and microphones are available by request prior to event. Under no circumstances are chairs, tables or other equipment to be removed from the Community Room.
2. A United States flag and State of Oregon flag with stands are provided in the Community Room.
3. A sink is provided for general use.
4. There are public restrooms for use along with drinking fountains and a bottle fill station in the lobby area outside of the Community Room.
5. No equipment in the Community Room will be loaned, rented, nor removed from the Community Room.

INDEMNITY AGREEMENT

- Users will be held responsible for any damage caused by travel to and from the conference room and public restrooms.
- Users assume all responsibility and entire liability for losses, damages, cost, expenses, including but not limited to attorney fees on account of any damage to or destruction of any property belonging to any person, firm, or corporation.

- Users assume all liability, damage, loss, cost, or expense, included but not limited to attorney's fees, that the indemnities may sustain or incur on account of any damage to or destruction of any property that the Molalla Police Department/City of Molalla may own or have responsibility for.
- Users understand users may sustain or incur injuries; claims arising out of injury or damage to the user's display, equipment, and other property brought upon the premises of the City and shall indemnify and hold harmless the City from any and all such losses and damages.
- Any group sponsoring or using a City-owned facility assumes all liability for any accidents that occur during the scheduled reservation time of the facility.
- No alcoholic beverages, illegal drugs or use of tobacco are allowed in the Police Department building or grounds at any time. Failure of anyone within the group to comply will cause an immediate request to leave the facility and grounds. Prohibited are also flammable objects.
- Firearms are not permitted anywhere on the property except by sworn Law Enforcement personnel.

USER RESPONSIBILITY:

1. The users of the Community Room are responsible for the setting up of the room.
2. The users of the Community Room are responsible for the removal of all equipment, supplies, and other items belonging to the organization/entity reserving room, other than the Molalla Police Department property. Equipment, supplies and/or other products belonging to private groups may not be stored in the facility or on the grounds prior to or after the applicant's function.
3. The users of the Community Room are responsible for ensuring the room is left clean and in the condition in which it was found. Containers, beverage cans, bottles and trash shall be placed in the receptacles provided.
4. The users of the Community Room are responsible for the supervision of minor children using the room. Groups with minor children shall provide at least one (1) responsible adult for each ten (10) minor children.
5. The users are responsible for the condition of the room. The users/reserving party will be charged for any damage to the furnishings, equipment, ceiling, walls, flooring, and doors.

NO SMOKING POLICY:

The Molalla Police Department in a non-smoking facility which includes the Community Room area.

ACCIDENTS OR INJURIES:

In the event of an accident or injury, call 911 from a cell phone for emergency response crews; or use the emergency phone button available in the vestibule of the Molalla Police Department.

GENERAL:

1. All City and County ordinances and Oregon State Laws govern the Community Room and occupants.
2. Failure to adhere to any municipal ordinances, Oregon State Laws or to any regulations outlined in the City Council's Policy and Procedures for Community Room Use, will mean forfeiture of any deposits that otherwise would be returned to renter, immediate removal from the premises as a trespasser and may also subject renter to other charges under municipal ordinances or state law.
3. City law enforcement officers shall have the right to attend any function for the purpose of inspections, etc. The Chief of Police, any law enforcement officer or authorized staff have the right to terminate use of these facilities during any function should the participant's conduct violate any local or state laws, regulations or codes (including noise). All fees & deposits will be forfeited.
4. The City of Molalla neither approves nor disapproves of content, topics, subject matter nor points of view of individuals or groups using the Community Room.



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, March 11, 2026

Submitted by: Dan Huff, City Manager

Approved by: Dan Huff, City Manager

SUBJECT: 2026 Employee Personnel Handbook

RECOMMENDATION/RECOMMENDED MOTION:

I move to adopt the 2026 Employee Personnel Handbook.

BACKGROUND:

This version of the employee handbook has been updated to reflect the following changes to the law that became effective last year:

- Change to definition of “child” for purposes of sick leave and OFLA: Both laws now include “a child over the age of 18 who is substantially limited by a physical or mental impairment” (Eff. 9/25/25).
- Sick leave time may now be used (up to four hours) for blood donation via accredited programs (e.g., American Red Cross – Eff. 1/1/26).
- OFLA sick child leave (due to a school/child care provider closure due to a public health emergency) – Informs employees that notice is required if the declaration of the public health emergency was issued by the Governor at least 30 days before the leave starts.
- Paid Leave Oregon – Informs employees that return-to-work paperwork will be required when the employee takes PLO for a personal health condition leave (Effective 9/26/25).
- Jury Duty updated – same payout, but wording updated to be less confusing.
- Sick Leave Retirement Benefit updated to include all OPSRP employees and not just OPSRP police department employees.
- AI policy changed to include all forms of AI and not just AI chatbots.
- Pictures/video policy updated to say it is allowed if in the scope of their position and only need approval from the City Manager if not within the scope of their position.
- For continuous service recording, reference to the Peace Corps was removed.
- In the social media policy, it was added that personal social media postings were not allowed on work time.

ATTACHMENTS:

[Personnel Policy Handbook 2026.pdf](#)

PERSONNEL POLICY HANDBOOK

City of Molalla



Adopted by Council

March 11, 2026

Effective

March 16, 2026

Welcome to City of Molalla, we're glad to have you on our team. We believe that our employees are our most valuable assets. In fact, we attribute our success as an organization in significant part to our ability to recruit, hire, and maintain a motivated and productive workforce. We hope that during your employment with City of Molalla, you will become a productive and successful member of City of Molalla's team.

This employee handbook describes, in summary, the personnel policies and procedures that govern the employment relationship between City of Molalla and its employees, other than those found in applicable collective bargaining agreements. The policies stated in this handbook are subject to change at any time at the sole discretion of City of Molalla with or without prior notice. This handbook supersedes any prior handbooks or written policies of City of Molalla that are inconsistent with its provisions. It does not, however, substitute for collective bargaining agreement provisions. To the extent that a provision in a valid collective bargaining agreement contradicts or is inconsistent with what is in this employee handbook, the collective bargaining agreement provision controls.

This handbook does not create a contract of employment between City of Molalla and its employees. With the exception of employees who are subject to a collective bargaining agreement or a contract of employment, all employment at City of Molalla is "at-will." That means that either you or City of Molalla may terminate this relationship at any time, for any lawful reason, with or without notice (unless you are subject to a collective bargaining agreement or written contract of employment). No supervisor, manager, or representative of City of Molalla other than the City Manager has the authority to enter into any agreement with you regarding the terms of your employment that changes our at-will relationship or deviates from the provisions in this handbook, unless the change or deviation is put in writing and signed by City of Molalla (or that is included in a collective bargaining agreement/contract of employment).

You may receive updated information concerning changes in policy from time to time, and those updates should be kept with your copy of the handbook. If you have any questions about any of the provisions in the handbook, or any policies that are issued after the handbook, please ask your supervisor, department head or Human Resources.

The City of Molalla strives to deliver cost-effective, quality municipal services, protect public health and safety, encourage public involvement in civic affairs, promote a diversified economy and community livability, safeguard the environment, and provide family-oriented recreational opportunities.

THE LITTLE THINGS COUNT

Staff Mission: When our government partners, other communities or our own constituents talk about Molalla, we want to hear “they (Molalla) do it right, get things done and make things happen”.

Perception: How people perceive our organization mainly depends on who is perceiving us and how we present ourselves.

Control what you can: We can only control or manipulate ourselves. We have no control over what people think personally or what they do with information available.

As a public agency, **WE** always need to overcome a few real and unfounded perceptions. Do not provide any fuel to promote a bad perception. Think before you act.

One of the ways WE can accomplish that task is to look and act professional. The concept should be promoted and embraced by the City Manager, Department Heads as well as all Staff.

Specifically, we, as a team, are to strive to do the following:

- Always remember we are in a fish bowl and are being watched.
- Respect ALL co-workers as well as the City of Molalla.
- Always wear appropriate clothing. If you are unsure, check our personnel manual or speak with your supervisor.
- Be cognizant of who we are serving – especially when it comes to generational differences.
- Carry yourself respectfully in public, City Hall and whenever you represent the City.
- We want to get it right; not be right in everything we do.
- If you are unsure of any action - stop, think and ask your supervisor before taking action.

Remember, what we do here matters. It matters to the people who live and work here and it should matter to all of us, every day.

Sincerely,

Dan Huff
City Manager
City of Molalla

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II. Equal Employment Opportunity (EEO) Policies

The following EEO Policies apply to all employees. Members of management, elected officials, and employees alike are expected to adhere to and enforce the following EEO Policies. Any employee's failure to do so may result in discipline, up to and including termination.

All employees are encouraged to discuss these EEO Policies with their supervisor, department head, the City Manager or Human Resources at any time if they have questions relating to the issues of harassment, discrimination or bullying, or what it means to work in a respectful workplace.

A. No-Discrimination, No-Retaliation Policy

The City of Molalla provides equal employment opportunity to all qualified employees and applicants without unlawful regard to race, color, religion, sex, gender identity, pregnancy (including childbirth and related medical conditions), sexual orientation, national origin, age, disability, genetic information, veteran status, domestic violence victim status, or any other status protected by applicable federal, Oregon, or local law. The City of Molalla also recognizes an employee's right to engage in protected activity under Oregon and federal law, as discussed in various policies below, and will not retaliate against an employee for engaging in protected activity.

For purposes of this and all other City of Molalla policies, "race" is defined to include physical characteristics that are historically associated with race, including but not limited to natural hair, hair texture, hair type and protective hair styles). Further, "protective hairstyles" is defined as "hairstyle, hair color or manner of wearing hair, including braids (regardless of whether the braids are created with extensions or styled with adornments, locs and twists)."

The City of Molalla's commitment to equal opportunity applies to all aspects of the employment relationship — including but not limited to, recruitment, hiring, compensation, promotion, demotion, transfer, disciplinary action, layoff, recall, and termination of employment.

B. Statement Regarding Pay Equity

The City of Molalla supports Oregon's Pay Equity Law and federal and Oregon laws prohibiting discrimination between employees on the basis of a protected class (as defined by Oregon or federal law) in the payment of wages or other compensation for work of comparable character. Employees who believe they are receiving wages or other compensation at a rate less than that at which the City of Molalla pays wages or other compensation to other employees for work of comparable character are encouraged to discuss the issue with the City Manager or Human Resources.

See *also* "Statement Regarding Pay Practices" policy, below.

C. No-Harassment Policy

The City of Molalla prohibits harassment and sexual assault in the workplace, or harassment and sexual assault outside of the workplace that violates its employees, volunteers and interns' right to work in a harassment-free workplace. Specifically, City of Molalla prohibits harassment or conduct related to an individual's race, color, religion, sex, pregnancy, sexual orientation, gender identity, national origin, age, disability,

genetic information, veteran status, domestic violence victim status, or any other protected status or activity recognized under Oregon, federal or local law.

Each member of management is responsible for creating an atmosphere free of discrimination, harassment, and sexual assault. Further, all employees are responsible for respecting the rights of other employees and refrain from engaging in conduct prohibited by this policy, regardless of the circumstances, and regardless of whether others participate in the conduct or do not appear to be offended. All employees are encouraged to discuss this policy with their immediate supervisor, any member of the management team, or with the City Manager or Human Resources, at any time if they have questions relating to the issues of discrimination or harassment.

This policy applies to and prohibits sexual or other forms of harassment that occur during working hours, during City of Molalla — related or — sponsored trips (such as conferences or work-related travel), and during non-working hours when that off-duty conduct creates an unlawful hostile work environment for any of City of Molalla's employees.

Such harassment is prohibited whether committed by City of Molalla employees or by non-employees (including elected officials, members of the community, volunteers, interns and vendors).

Sexual Harassment

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature (regardless of whether such conduct is “welcome”), when:

1. Submission to such conduct is made either implicitly or explicitly a term or condition of employment;
2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
3. Such conduct interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment.

Some examples of conduct that could give rise to sexual harassment are unwanted sexual advances; demands for sexual favors in exchange for favorable treatment or continued employment; sexual jokes; flirtations; advances or propositions; verbal abuse of a sexual nature; comments about an individual's body, sexual prowess, or deficiency; talking about your sex life or asking others questions about theirs; leering or whistling; unwelcome touching or assault; sexually suggestive, insulting, or obscene comments or gestures; displays of sexually suggestive objects or pictures; making derogatory remarks about individuals who are gay, lesbian, bisexual or transgender; or discriminatory treatment based on sex.

This is not a complete list.

Other Forms of Prohibited Harassment

City of Molalla policy also prohibits harassment against an individual based on the individual's race, color, religion, sex, pregnancy, sexual orientation, gender identity, national origin, age, disability, genetic information, veteran status, domestic violence victim status, or any other protected status or activity recognized under Oregon, federal or local law.

City of Molalla policy also prohibits harassment such as verbal, written or physical conduct that denigrates, makes fun of, or shows hostility towards an individual because of that individual's protected class or protected activity, and can include:

- Jokes, pictures (including drawings), epithets, or slurs;
- Negative stereotyping;
- Displaying racist symbols anywhere on City of Molalla property;
- "Teasing" or mimicking the characteristics of someone with a physical or mental impairment or disability;
- Criticizing or making fun of another person's religious beliefs, or "pushing" your religious beliefs on someone who doesn't have them;
- Threatening, intimidating, or hostile acts that relate to a protected class or protected activity; or
- Written or graphic material that speaks badly of or shows hatred toward an individual or group because of one or more protected statuses;
- Negative comments or teasing a person about their natural hair, hair texture, hair type or hair style (see definition of "race" on page 1). Employees may not touch another employee's hair without permission to do so, even if the touch is extended out of curiosity or as a compliment.

This is not a complete list. All employees are expected to exercise common sense and demonstrate professional conduct in the workplace at all times.

Complaint Procedure

Employees, volunteers, or interns who have experienced a sexual assault, any harassment or discrimination in violation of this policy, who have witnessed such behavior, or who have information about such behavior occurring, are expected to and should bring the matter to the attention of the City Manager or Human Resources, or a supervisor or member of management as soon as possible. Employees are strongly encouraged to document the information or incident in any written or electronic form, or with a voice mail message (or phone call). An employee who experiences or witnesses harassment is encouraged, but not required, to tell the harasser that the behavior is offensive and unwanted, and that they want it to stop.

Investigation and Confidentiality

All complaints and reports will be promptly and impartially investigated and will be kept confidential to the extent possible, consistent with City of Molalla's need to investigate the complaint and address the situation. If conduct in violation of this policy is found to have occurred, City of Molalla will take prompt, appropriate corrective action, and any employee found to have violated this policy will be subject to disciplinary action, up to and including termination of employment.

Employees who have been subjected to harassment, sexual assault, or discrimination are encouraged to use the City of Molalla's complaint-reporting procedure, described above, to ensure a timely, thorough investigation and handling of the situation. Employees may, however, seek redress from the Oregon Bureau of Labor and Industries (BOLI) pursuant to ORS 659A.820 to 659A.865, or in a court under any other applicable law, whether criminal or civil. Although the City of Molalla cannot provide employees with legal advice, employees should be aware of the statute of limitations applicable to

harassment or discrimination claims under ORS 659A.030, 659A.082 or 659A.121 (five years). Further, before an employee can take any legal action against the City of Molalla, they must provide written notice of the claim to City of Molalla within 180 days of the act or omission the employee claims caused them harm. When an employee can prove harm as a result of unlawful harassment or discrimination in an administrative proceeding or in a court, remedies available to the employee include enforcement of a right, imposition of a penalty, or issuance of an order to the employee's employer (in limited circumstances).

Protection Against Retaliation

City of Molalla prohibits retaliation in any way against an employee because the employee has made a good-faith complaint pursuant to this policy or the law, has reported (in good faith) sexual assault, harassing or discriminatory conduct, or has participated in an investigation of such conduct.

Employees who believe they have been retaliated against in violation of this policy should immediately report it to the City Manager or Human Resources or any supervisor or member of management. Any employee who is found to have retaliated against another employee in violation of this policy will be subject to disciplinary action up to and including termination of employment.

See also the No-Discrimination, No-Retaliation Policy, above, and the Reporting Improper and Unlawful Activity Policy, below.

Other Resources Available to Employees

The City of Molalla provides an Employee Assistance Program (EAP) through Canopy to all employees and their dependents regardless of part-time or full-time status. For access to confidential help 24 hours a day, seven days a week, call toll-free: 1-800-433-2320, or go online to canopywell.com. The EAP program provides confidential counseling services and educational tools such as resources relating to eldercare, childcare, legal consultation, financial coaching, identity theft, and others.

The City of Molalla cannot provide legal resources to its employees or referrals to specific attorneys. Employees may contact the Oregon State Bar for more information: <https://www.osbar.org/public/>.

Other Employee Rights

Nothing in this policy is intended to diminish or discourage an employee who has experienced workplace harassment or discrimination, or sexual assault, from talking about or disclosing their experience.

The City of Molalla is committed to creating and maintaining a workplace free of sexual assault, harassment, discrimination, and retaliation and it has confidence in the process it has developed for addressing good-faith complaints. However, Oregon law requires the City of Molalla to inform employees that if they have been aggrieved by workplace harassment, discrimination or sexual assault and want to enter into an agreement with the City of Molalla regarding their experience and/or employment status, the employee should contact the City Manager or Human Resources. The employee's request to enter into such an agreement must be in writing (email or text is acceptable). Requests of this nature will be considered on a case-by-case basis; such agreements are not appropriate

for every situation. If the City of Molalla and employee do reach an agreement, the City of Molalla will not require an employee to enter into a nondisclosure agreement (which would prohibit the employee from discussing or communicating about their experiences in the workplace or the terms of the agreement) or a non-disparagement agreement (which would prohibit the employee from speaking slightly about the City of Molalla or making comments that would lower the City of Molalla in rank or reputation). If, however, the employee makes a request for an agreement under this paragraph, nondisclosure and non-disparagement are terms that the City of Molalla and the employee may agree to. The employee will have seven days to revoke the agreement after signing it.

D. No-Bullying Policy

City of Molalla strives to promote a positive, professional work environment free of physical or verbal harassment, "bullying," or discriminatory conduct of any kind. City of Molalla, therefore, prohibits employees from bullying one another or engaging in any conduct that is disrespectful, insubordinate, or that creates a hostile work environment for another employee for any reason. For purposes of this policy, "bullying" refers to repeated, unreasonable actions of individuals (or a group) directed towards an individual or a group of employees, which is intended to intimidate and that creates a risk to the health and safety of the employee(s). Examples of bullying include:

1. Verbal Bullying: Slandering, ridiculing, or maligning a person or their family; persistent name calling that is hurtful, insulting or humiliating; using a person as butt of jokes; abusive and offensive remarks.
2. Physical Bullying: Pushing; shoving; kicking; poking; tripping; assault, or threat of physical assault; damage to a person's work area or property.
3. Gesture Bullying: Non-verbal threatening gestures, glances that can convey threatening messages.
4. Exclusion Bullying: Socially or physically excluding or disregarding a person in work-related activities. In some cases, failing to be cooperative and working well with coworkers may be viewed as bullying.
5. Cyber Bullying: Bullying that takes place using electronic technology, which includes devices and equipment such as cell phones, computers, and tablets as well as communication tools including social media sites, text messages, chat, and websites. Examples of cyberbullying include transmitting or showing mean-spirited text messages, emails, embarrassing pictures, videos or graphics, rumors sent by email or posted on social networking sites, or creating fake profiles on websites for coworkers, managers or supervisors or elected officials.

This is not a complete list.

Employees who have experienced bullying in violation of this policy, who have witnessed an incident of bullying, or who have credible information about an incident, are expected and should bring the matter to the attention of their supervisor, department head, the City Manager or Human Resources as soon as possible. If conduct in violation of this policy is found to have occurred City of Molalla will take prompt, appropriate action, and any employee found to have violated this policy will be subject to disciplinary action, up to and including termination of employment.

E. Disability Accommodation Policy

City of Molalla is committed to complying fully with the Americans with Disabilities Act (ADA) and Oregon's disability accommodation and anti-discrimination laws. We are also committed to ensuring equal opportunity in employment for qualified persons with disabilities.

Accommodations

City of Molalla will make reasonable efforts to accommodate a qualified applicant or employee with a known disability unless such accommodation creates an undue hardship on the operations of City of Molalla.

Requesting an Accommodation

A reasonable accommodation is any change or adjustment to a job or work environment that does not cause an undue hardship on the department or unit (or, in some cases, City of Molalla) and that permits a qualified applicant or employee with a disability to participate in the job application process, to perform the essential functions of a job, or to enjoy benefits and privileges of employment equal to those enjoyed by employees without disabilities. For example, a reasonable accommodation may include providing or modifying equipment or devices, job restructuring, allowing part-time or modified work schedules, reassigning an individual, adjusting or modifying examinations or training materials provided by the City of Molalla, providing readers and interpreters, or making the workplace readily accessible to and functional for people with disabilities.

Employees should request an accommodation as soon as it becomes apparent that a reasonable accommodation may be necessary to enable the employee to perform the essential duties of a position. All accommodation requests should be made to Human Resources, and they should specify which essential functions of the employee's job cannot be performed without reasonable accommodation. In most cases, an employee will need to secure medical verification of their need for a reasonable accommodation. Both the City of Molalla and employee must monitor the employee's accommodation situation and make adjustments as needed.

All accommodation requests, including medical-related information, will be kept confidential and shared only with individuals who need to know in order to facilitate the accommodation process. The City prohibits discrimination or retaliation against any employee or applicant who requests an accommodation under this policy.

F. Pregnancy Accommodation Policy

Employees who are concerned that their pregnancy, childbirth, or a related medical condition (including lactation) will impact their ability to work should contact Human Resources to discuss their options for continuing to work and, if necessary, leave of absence options. The City of Molalla will provide one or more reasonable accommodations for employees with known limitations unless such accommodations impose an undue hardship on the City of Molalla's operations.

Although this policy refers to “employees,” the City of Molalla will apply this policy equally to an applicant with known limitations caused by pregnancy, childbirth or a related medical condition.

Requesting a Pregnancy-Related Accommodation

Employees who are concerned that their pregnancy, childbirth or a related medical condition will limit their ability to perform their duties should request an accommodation as soon as it becomes apparent that a reasonable accommodation may be necessary to enable the employee to work. All requests for accommodation should be made with Human Resources and should specify which essential functions of the employee’s job cannot be performed without a reasonable accommodation. In most cases, information from the employee’s doctor may be needed to assist the City of Molalla and the employee find an effective accommodation, or to verify the employee’s need for an accommodation. Both the City of Molalla and employee must monitor the employee’s accommodation situation and make adjustments as needed.

No Discrimination, No Retaliation

The City of Molalla prohibits retaliation or discrimination against any employee who, under this policy: (1) asked for information about or requested accommodations; (2) used accommodations provided by the City of Molalla; or (3) needed an accommodation.

Employees who ask about, request or use accommodations under this policy and applicable law have the right to refuse an accommodation that is unnecessary for the employee to perform the essential functions of the job or when the employee doesn’t have a known limitation.

Leave of Absence Options for Pregnant Employees

Employees who are pregnant or experiencing pregnancy-related medical conditions should also be aware of their leave of absence options under Paid Leave Oregon, Oregon’s sick leave law, the Oregon Family Leave Act and the Family Medical Leave Act. See policies beginning on page 21 of this Personnel Handbook or speak with Human Resources.

G. Reporting Improper or Unlawful Conduct - No Retaliation

Employees may report concerns about the City of Molalla’s compliance with any law, regulation or policy, using one of the methods identified in this policy. The City of Molalla will not retaliate against employees who disclose information that the employee reasonably believes is evidence of:

- A violation of any federal, Oregon, or local law, rules or regulations by the City of Molalla;
- A violation of law, regulation, or standard pertaining to safety and health in the place of employment;
- Mismanagement, gross waste of funds, abuse of authority;
- A substantial and specific danger to public health and safety resulting from actions of the City of Molalla or one of its employees; or
- The fact that a recipient of government services is subject to a felony or misdemeanor arrest warrant.

Further, in accordance with Oregon law, the City of Molalla will not prohibit an employee from discussing the activities of a public body or a person authorized to act on behalf of a public body with a member of the Legislative Assembly, legislative committee staff acting under the direction of a member of the Legislative Assembly, any member of the elected governing body of a political subdivision, or an elected auditor of a city, county or metropolitan service district.

Employee Reporting Options

In addition to the City of Molalla's Open Door Policy, employees who wish to report improper or unlawful conduct should first talk to their supervisor. If you are not comfortable speaking with your supervisor, or you are not satisfied with your supervisor's response, you are encouraged to speak with the City Manager or Human Resources. Supervisors and managers are required to inform the City Manager and Human Resources about reports of improper or unlawful conduct they receive from employees.

City of Molalla will not disclose the identity of any employee who reports any of the information described in this policy during an investigation without the written consent of the employee. Reports of unlawful or improper conduct will be kept confidential to the extent allowed by law and consistent with the need to conduct an impartial and efficient investigation.

If the City of Molalla were to prohibit, discipline, or threaten to discipline an employee for engaging in an activity described above, the employee may file a complaint with the Oregon Bureau of Labor and Industries or bring a civil action in court to secure all remedies provided for under Oregon law.

Additional Protection for Reporting Employees

Oregon law provides that, in some circumstances, an employee who discloses a good faith and objectively reasonable belief of the City of Molalla's violation of law will have an "affirmative defense" to any civil or criminal charges related to the disclosure. For this defense to apply, the employee's disclosure must relate to the conduct of their coworker or supervisor acting within the course and scope of their employment. The disclosure must have been made to: (1) a state or federal regulatory agency; (2) a law enforcement agency; (3) a manager with the City of Molalla; or (4) an Oregon-licensed attorney who represents the employee making the report/disclosure. The defense also only applies in situations where the information disclosed was lawfully accessed by the reporting employee.

Policy Against Retaliation

The City of Molalla will not retaliate against employees who make reports or disclosures of information of the type described above when the employee reasonably believes they are disclosing information about conduct that is improper or unlawful, and who lawfully accessed information related to the violation (including information that is exempt from disclosure as provided in Oregon law or by City of Molalla policy).

In addition, the City of Molalla prohibits retaliation against an employee for participating in good faith in any investigation or proceeding resulting from a report made pursuant to this policy. Further, no City of Molalla employee will be adversely affected because they refused to carry out a directive that constitutes fraud or is a violation of local, Oregon, federal or other applicable laws and regulations. The City of Molalla may take disciplinary

action (up to and including termination of employment) against an employee who has engaged in retaliatory conduct in violation of this policy.

This policy is not intended to protect an employee from the consequences of their own misconduct or inadequate performance simply by reporting misconduct or inadequate performance. Furthermore, an employee is not entitled to protections under this policy if the City of Molalla determines that the report is known to be false, or information was disclosed with reckless disregard for its truth or falsity. If such a determination is made, an employee may be subject to discipline up to and including termination of employment.

III. Classification and Compensation

A. Probationary Period of Employment

All new employees, including current employees who are promoted or transferred within the City of Molalla, are hired into a probationary training period that generally lasts no less than 365 days. The probationary period is an extension of the employee selection process. During this period, you are considered to be in training and under observation and evaluation by your manager. Evaluation of your adjustment to work tasks, conduct and other work rules, attendance and job responsibilities will be considered during the probationary period. This period gives you an opportunity to demonstrate satisfactory performance for the position and also provides an opportunity to determine if your knowledge, skills and abilities and the requirements of the position match. It is also an opportunity for you to decide if the City of Molalla meets your expectations of an employer.

At or before the end of the probationary period, a decision about your employment status will be made. The City of Molalla will decide whether to: (1) Extend your probationary period; (2) Move you to regular, full-time or regular, part-time status; or (3) Terminate your employment.

Employees are not guaranteed any length of employment upon hire or transfer/promotion; both you and City of Molalla may terminate the employment relationship during the probationary period for any lawful reason. Further, completion of the probationary period or continuation of employment after the probationary period does not entitle you to remain employed by City of Molalla for any definite period of time. Both you and City of Molalla are free to terminate the employment relationship, at any time, with or without notice and for any reason not prohibited by law.

B. Employee Classification

City of Molalla classifies employees as follows:

1. Regular Full-time: Employment in an established position requiring 40 hours or more of work per week. Generally, full-time employees are eligible to participate in City of Molalla's benefit programs.
2. Regular Part-time: Employment in an established position requiring less than 40 hours of work per week. Normally a part-time schedule, such as portions of days or weeks, will be established. Occasional workweeks of over 40 hours will not constitute a change in status from part-time to full-time. Regular, part-time employees working 30 hours or more per week are eligible to participate in the City's benefit programs. Part-time employees

working less than 30 hours per week are not eligible for benefits except those mandated by applicable law.

3. Temporary: Employment in a job established for a specific purpose, for a specific period of time, or for the duration of a specific project or group of assignments. Temporary employment can either be full-time or part-time. Temporary employees are not eligible for benefits other than those mandated by applicable law.

Additionally, all employees are defined by federal and Oregon law as either "exempt" or "non-exempt," which determines whether the employee is eligible for overtime. Employees will be instructed as to whether they are exempt or non-exempt at the time of hire or when a promotion or demotion occurs. All employees, regardless of employment classification, are subject to all City of Molalla rules and procedures.

C. The Workweek

The City of Molalla has established regular working hours to promote a productive work environment that will serve our citizens. The general office hours are Monday through Friday, 8 a.m. to 5 p.m.

For purposes of overtime (if applicable), the workweek begins 12:00 am on Sunday and ends 11:59 pm on Saturday.

The normal workday is eight (8) hours, and the normal work week is 40 hours. If you are a non-exempt employee, you should not begin work before your normal starting time nor continue to work beyond the normal quitting time without advanced approval from your direct supervisor.

The direct supervisor may schedule specific work hours for individual employees. Changes to work schedules may be made on an individual basis based on business necessity, at the discretion of the direct supervisor with approval from the department head or the City Manager. Management reserves the right to modify schedules consistent with the needs of the City.

D. Meal Periods and Rest Breaks

Non-exempt employees are required to take a paid, uninterrupted 10-minute rest break for every four-hour segment or major portion thereof in the work period. The rest break should be taken in the middle of each segment, whenever possible. Whenever a segment exceeds two hours, the employee must take a rest break for that segment.

Non-exempt employees are required to take at least a 30-minute unpaid meal period when the work period is six hours or more. The law requires an uninterrupted period in which the employee is relieved of all duties. No meal period is required if the work period is less than six hours. If, because of the nature or circumstances of the work, an employee is required to remain on duty or to perform any tasks during the meal period, the employee must inform their supervisor before the end of the shift so that City of Molalla may pay the employee for that work.

Meal periods and rest breaks are mandatory and are not optional. An employee's meal period and rest break(s) may not be taken together as one break. Meal periods and rest breaks may not be "skipped" in order to start work late or leave early. An employee who

fails to abide by this policy and applicable laws may be subjected to discipline, up to and including termination.

Sample rest and meal break schedules are listed below. Employees with questions about the rest or meal breaks available should contact Human Resources.

Length of Work Period	Rest Breaks	Meal Periods
2 hours or less	0	0
2 hrs. & 1 min – 5 hrs. & 59 min	1	0
6 hours	1	1
6 hrs. & 1 min – 10 hrs.	2	1
10 hrs. & 1 min – 13 hr. & 59 min	3	1

E. Rest Breaks for Expression of Breast Milk

The City of Molalla will provide reasonable rest periods to accommodate an employee who needs to express milk for their child eighteen (18) months of age or younger. If possible, the employee will take the rest periods to express milk at the same time as the rest breaks or meal periods that are otherwise provided to the employee. If not possible, the employee is entitled to take a reasonable period each time the employee needs to express milk.

Rest breaks needed to express milk for children one (1) year or younger will be considered paid time if the employee is also working. The City of Molalla will treat the rest breaks used by the employee for expressing milk for children over one (1) year of age to eighteen (18) months as paid rest breaks up to the amount of time the City of Molalla is required to provide as paid rest breaks and/or meal periods under applicable personnel rules or collective bargaining agreements. Additional time needed during an employee's scheduled working hours beyond the paid rest breaks and/or meal periods for children one (1) year to eighteen (18) months will be unpaid.

The City of Molalla will make a reasonable effort to provide the employee with a private location within close proximity to the employee's work area to express milk. For purposes of this policy, "close proximity" means within walking distance from the employee's work area that does not appreciably shorten the rest or meal period. A "private location" is a place, other than a public restroom or toilet stall, in close proximity to the employee's work area for the employee to express milk concealed from view and without intrusion by other employees or the public.

If a private location is not within close proximity to the employee's work area, the City of Molalla will identify a private location the employee can travel to. The travel time to and from the private location will not be counted as a part of the employee's break period.

Notice

An employee who intends to express milk during work hours must give their supervisor, department head, or Human Resources reasonable oral or written notice of their intention to do so in order to allow the City of Molalla time to make any preparations necessary for compliance with this rule.

Storage

Employees are responsible for storing expressed milk. Employees may bring a cooler or other insulated food container to work to store the expressed milk. If an office provides access to refrigeration for personal use, an employee who expresses milk during work hours may use the available refrigeration.

F. Overtime

Time-and-a-Half

City of Molalla pays one and one-half times a non-exempt employee's hourly rate for all hours worked over 40 in any workweek. See "Employee Classification," above.

Limitation on Overtime Pay

Paid hours not actually worked (for example, sick, vacation, holidays, and family leave) will not be counted toward the 40 hours worked per workweek required to receive overtime pay.

Supervisor Authorization

No overtime may be worked by non-exempt employees unless specifically authorized by a supervisor or manager. Employees who work unauthorized overtime may be subject to discipline up to and including termination.

Compensatory (Comp) Time

The employee may receive compensatory (Comp) time in lieu of overtime payments upon mutual agreement of the employee and the City. There shall be a maximum accumulation of eighty (80) hours of compensation time at any one time for each employee. When an employee is paid for accrued compensatory time, payment will be at their prevailing straight rate of pay regular rate earned at the time the employee receives the payment. When an employee is separated from employment with City of Molalla, any remaining comp time will be paid to the employee at their prevailing straight rate of pay.

G. Timekeeping Requirements

All non-exempt employees must accurately record time worked on a timecard for payroll purposes. Employees are required to record their own time at the beginning and end of each work period, including before and after the meal period. Employees also must record their time whenever they leave the building for any reason other than City of Molalla business.

Salaried exempt employees also may be required to record their time on either a timecard or time sheet. These employees will be instructed separately on this process.

H. Employee-Incurred Expenses and Reimbursements

The City of Molalla will pay actual and reasonable business-related expenses incurred by employees during the performance of their job responsibilities if they are: (1) listed below or elsewhere in this handbook; and (2) pre-approved by the employee's supervisor/manager before they are incurred. The City of Molalla will not pay for or reimburse the costs incurred by a spouse, registered domestic partner or travel companion who accompanies the employee on City of Molalla-approved travel.

The paid and reimbursement amounts will be determined by IRS guidelines when applicable.

Employees must provide a completed and signed expense report and evidence of proof of purchase (receipts must be itemized) within one month of the expense being incurred or the employee risks forfeiting their payment or reimbursement. Receipts are not required for conference and training meals; see "meals" section below.

Some examples of actual and reasonable business-related expenses that the City of Molalla will reimburse/pay for after verified and approved by supervisor are:

- *Professional conferences, seminars, training, and meetings as approved by your Department Director or City Manager, which will enhance the employees' performance and value to the city. City officials and employees should exercise good judgment, regard for economy and recognition of proper use of public monies when selecting training, meetings, courses, conferences, etc. in connection with City business.*
Also, this policy establishes guidelines regarding travel for the conduct of official City business and for the payment of, or reimbursement of, expenses incurred while performing such travel. All employees are expected to follow the guidelines outlined in this policy. Requests for training and travel shall be submitted in writing to Department Head or City Manager. Training and travel expenses must have a public purpose and serve the public interest. People travelling on City business are expected to be prudent and only incur costs they normally would incur if traveling at their own expense. The City will not pay travel costs for people not employed by the City unless the person incurs the cost as a member of the City Council.
- Meals: Conference and training meals not included as part of the program are provided in advance or reimbursed based on U.S. General Service Administration at gsa.gov/travel/plan-book/per-diem-rates. Search by State. Find Results/Meals. Completion of a TRAVEL/TRAINING EXPENSE FORM is required.
- *Mileage, Ride-Share Expenses and Parking:* Employees will be reimbursed for authorized use of their personal vehicles at a rate established by the Internal Revenue Service. Reasonable parking costs are also reimbursed upon submission of receipts on an expense report. Finally, employees using a ride-share service to travel to or from an airport or in connection with work-related travel may also be reimbursed upon submission of receipts on an expense report (the least expensive, but private, option must be selected). Any traffic citations or court-ordered fees

relating to driving or parking offenses (including parking tickets) are the responsibility of the employee and will not be reimbursed by the City of Molalla.

- Lodging: The most economical lodging should be arranged at or near the meeting, conference, or training site when possible. Employees must exercise good judgment when selecting appropriate lodging for a meeting, training, or conference, and must consult with their supervisor before reserving and paying for a hotel room that is not at the conference site and/or not the most economical choice in the area of a training or conference.

As part of each employee's official compensation package, employees may retain any travel benefit program rewards such as frequent flier miles for the employee's own personal use. If the employee receives such travel benefit awards for their personal use, the employee may need to report the value of such rewards for income tax purposes. If an employee receives compensation from a carrier for delay or cancellation of travel, or similar situation, the employee may retain such compensation for delay or cancellation provided there was no increased cost to the City of Molalla. Any vouchers for unused transportation or lodging paid for by the City of Molalla are the property of the City of Molalla.

- I. Food, beverages, activity fees, and other related items provided by the city to employees, including council, commissions and committees, and any of their relatives or household members who are accompanying them during work-related events such as, but not limited to meetings, team building activities, and potlucks, are provided as part of the employee's official compensation package.

J. Payroll Policies

Paydays are twice a month on the 15th (for the 26th of prior month through the 10th of current month) and the last day of each month (11th through 25th of current month). If the payday falls on a weekend or holiday, paychecks will be distributed on the Friday prior to the established payday. The City of Molalla does not provide advance payments of salary or loans from salary to be earned.

Net pay will be directly deposited into the employee's bank account, unless an employee requests otherwise. If an employee requests to pick up their paycheck from City of Molalla, only the employee named on the paycheck will be allowed to do so unless the employee provides written permission to City of Molalla for someone else to receive the check.

K. Statement Regarding Pay Practices

The City of Molalla makes all efforts to comply with applicable Oregon and federal wage and hour laws. In the event you believe that the City of Molalla has made any improper deductions, has failed to pay you for all hours worked or for overtime, has failed to pay you in accordance with the law, or has failed to properly calculate your wages in any way, you must immediately report the error to Human Resources. City of Molalla will

investigate all reports of improper pay practices and will reimburse employees for any improper deductions or omissions. No employee will suffer retaliation or discrimination for reporting an error or complaint regarding the City of Molalla's pay practices.

See also "Statement Regarding Pay Equity" policy, above.

L. Reporting Changes to an Employee's Personal Data

Because personnel records are used to administer pay and benefits, and other employment decisions, employees are responsible for keeping information current regarding changes in name, address, phone number, exemptions, dependents, beneficiary, etc. Keeping your personnel records current with regard to pay, deductions, benefits and other matters is important. If you have changes in any of the following items, please notify Human Resources to ensure that the proper updates are completed as quickly as possible:

- Name;
- Marital status/Domestic Partnership (for purposes of benefit eligibility determination only);
- Address or telephone number;
- Dependents;
- Person to be notified in case of emergency;
- Tax withholding;
- Job related physical or other limitations that impact employment;
- Changes in status of driver's license or CDL if required to drive for the City of Molalla;
- Changes in job related professional licenses;
- Other information having a bearing on your employment.

Employees may not intentionally withhold information from City of Molalla about the items listed above in order to continue to receive benefits or anything of value for themselves or anyone else. Upon request, City of Molalla may require employees to provide proof of marital status/domestic partnership status. Employees who violate this policy may be subject to discipline, up to and including termination.

M. Performance Reviews

All City of Molalla employees will receive periodic performance reviews. Performance reviews serve as one factor in decisions related to employment, such as training, merit pay increases, job assignments, employee development, promotions, retention and discipline/termination. Any employee who fails to satisfactorily perform the duties of their position is subject to disciplinary action (up to and including termination).

City of Molalla's goal is to provide an employee with their first formal performance evaluation within six months after hire or promotion. After the initial evaluation, the City of Molalla will strive to provide a formal performance review on an annual basis.

Reviews will generally include the following:

- An evaluation of the employees' quality and quantity of work.
- A review of exceptional employee accomplishments.
- Establishment of goals for career development and job enrichment.
- A review of areas needing improvement.

- Setting performance goals for the employee for the following year.

Employees who disagree with a performance evaluation may submit a written response with reasons for disagreement. The employee's response shall be filed with the employee's performance evaluation in the employee's personnel file. Such response must be filed no later than 30 days following the date the performance evaluation was received.

Supervisors and managers are encouraged to provide employees with continuous feedback of their performance throughout the time the employee works with the City of Molalla; from hire to termination.

N. Language Skills Differential

The City of Molalla recognizes special assignments, skills, qualifications, or credentials that add value to the city's workforce.

Differential applies to employees who must use bilingual skills to perform assigned duties. "Bilingual skills" means translation to and from English, interpretation of another language or the use of sign language. The direct supervisor must assign and approve interpretation and translation duties. The supervisor documents the assignment and updates the employee's job description and City Manager must approve Personnel Action Form.

Differential incentives vary depending on the level of proficiency and calculated solely on current base pay.

- A. It is the direct supervisor's responsibility to verify employee's skills, qualifications, or credentials prior to assigning language skills differential.
- B. The language proficiency test will be conducted by Human Resources with the City's designated testing provider.
- C. Following the test, Human Resources notifies direct supervisor and the employee of test results.
- D. City Manager approves Personnel Action Form indicating effective date of differential pay.
- E. Language differential pay will vary depending on test results:
 - a. Beginning = 3%
 - b. Intermediate = 5%
 - c. Advanced = 7%
- F. Differentials will be removed when an employee is no longer performing the work, position no longer requires the work be performed, or employee no longer has the special assignment, skills, qualifications, or credentials.
- G. An employee is eligible for one language differential regardless of how many language skills are performed.

This policy describes, in summary, the Language Skills Differential Policy. The policy may be subject to change at any time at the sole discretion of the City of Molalla with or without prior notice.

IV. Time Off and Leaves of Absence

A. Attendance, Punctuality and Reporting Absences

Employees are expected to report to work as scheduled, on time and prepared to start work. Employees are also expected to remain at work their entire work schedule, except for unpaid break periods or when required to leave on authorized City of Molalla business, and perform the work assigned to or requested of them. Late arrivals, early departures, or other absences from scheduled hours are disruptive and must be avoided if possible.

Unless specified otherwise in the policy below, employees who will be unexpectedly absent from work for any reason or who will not show up for work on time must inform their supervisor via phone call, email, or text based on each supervisors requirement no later than one hour before the start of the employee's shift/work day. Not reporting to work and not calling to report the absence is a no-call/no-show and is a serious matter. The first instance of a no call/no show will result in a final written warning. The second separate offense may result in termination of employment with no additional disciplinary steps. A no call/no show lasting two (2) days may be considered job abandonment and may result in termination of employment.

B. Vacation

It is the policy of City of Molalla to provide each full-time employee with vacation time on a periodic basis. The amount of vacation to which an employee becomes entitled is determined by the employee's length of service as of their employment anniversary date. For regular, full-time employees, vacation accrues as follows:

<u>Years of Service</u>	<u>Accrual Rate</u>
After completion of 6 months will receive one time accrual of 48 hours	
Beginning of 7 th month-Completion of 5 th year	8 hours monthly
Beginning of 6 th year-Completion of 10 th year	10 hours monthly
Beginning of 11 th year-Completion of 15 th year	12 hours monthly
Beginning of 16 th year-Completion of 20 th year	14 hours monthly
Beginning of 21 st year and thereafter	16 hours monthly

Vacation Scheduling

Requests for vacation are to be made in writing and submitted to the department head/supervisor for approval 30 days in advance (less notice is acceptable if approved by department head/supervisor) so that arrangements for work coverage can be made. Consideration will be given to each request, and requests will be granted whenever possible. In granting vacation leave, consideration will be given to both the employee's request and the operational needs of the department. In the event of competing requests for times submitted concurrently, approval will be given to the employee with the longest tenure.

Continuous Service

"Continuous Service" is defined as that service unbroken by separation from the City services other than by military, vacation, sick leave, leave protected under applicable

Oregon or federal law, other authorized paid leave, or an employee who voluntarily resigns and returns to employment with the City within thirty (30) days. Employees returning from unpaid leave or employees who were laid off, shall be entitled to credit for years of service prior to the leave or layoff.

Vacation Maximum Accumulation

Vacation accruals cannot exceed 360 hours at the beginning of any calendar year for full-time regular employees. Any vacation hours exceeding 360 hours will be transferred to a non-cashable sick leave bank, not to exceed 1,056 hours.

Treatment of Vacation Pay upon Termination or Death

Upon separation of employment, employees who have completed six consecutive months of employment will be paid for unused vacation time that has been earned through the last day of work at the employee's prevailing straight time rate of pay. In the case of an employee death, the City will pay any unearned wages (including accrued vacation) in accordance with ORS 652.190.

Cash in Lieu of Vacation

Employees are encouraged to take vacations at least annually. Vacation is intended for rest and recreation away from work. The City of Molalla discourages "cashing in" vacation time but will consider such requests on a case-by case basis to accommodate unanticipated extenuating needs or circumstances such as personal emergency only. The City Manager may authorize cashing out accrued Discretionary Paid Leave under the following conditions:

1. Employees are eligible after five years of employment.
2. Employees shall have taken a minimum of two weeks of vacation during the year preceding the request.
3. The employee maintains at least 80 hours of Discretionary Paid Leave after the cash-in.
4. All requests will be considered and approved or denied by the City Manager once per year per employee based on these administrative criteria and availability of funds.

C. Sick Leave

City of Molalla provides eligible employee with paid sick leave in accordance with Oregon's Sick Leave Law. This policy will be updated as necessary to reflect changes in and to ensure compliance with Oregon law.

Employees with questions about this policy may contact Human Resources. Please also refer to the Oregon Sick Leave Law poster that is posted on the Human Resources board at your location and is located here:

<https://www.oregon.gov/boli/employers/pages/required-worksite-postings.aspx>.

Sick leave is meant to be used or carried over; any unused sick leave will not be cashed out upon separation from employment. If an employee leaves employment and is rehired within 180 days, the employee's sick leave balance will be restored.

Eligibility and Accrual of Paid Sick Leave

Under Oregon's Sick Leave Law and this policy, "employee" includes part-time, full-time, hourly, salaried, exempt and non-exempt, and seasonal and temporary employees. Sick leave runs concurrently with Oregon Family Leave Act, Family and Medical Leave Act and other leave where allowed by law.

Employees begin to accrue paid sick leave on the first day of employment but may not use paid sick leave until the 91st day of employment. After the 91st day of employment, paid sick leave may be used as it is accrued.

Regular full-time employees will accrue 8 hours of sick leave per month. Sick leave accruals for regular full-time employees will not exceed 1056 hours.

Part-time employees shall accrue at the rate of one hour for every 30 hours worked until the 40-hour yearly accrual cap is reached. Paid sick leave shall be taken in hourly increments except when approved by their supervisor.

Part Time Employees may carry over up to a maximum of 40 hours of accrued and unused sick leave for use in a subsequent calendar year but may use only 40 hours of sick leave each calendar year. Sick leave accrual is capped at 40 hours.

Pay Rate and Carryover

Sick leave will be paid at the employee's regular rate of pay. Exempt employees are presumed to work 40 hours in each workweek for purposes of their sick leave accrual unless their normal workweek is less than 40 hours, in which case sick leave is accrued based on the employee's normal workweek. Generally, sick leave pay will be included in the paycheck for the next payroll period after sick leave is used, provided the employee submits adequate documentation verifying that the absence was for a qualifying reason as defined in the "Use of Sick Leave" section below.

Sick leave is meant to be used or carried over; any unused sick leave will not be cashed out upon separation from employment. If an employee leaves employment and is rehired within 180 days, the employee's sick leave balance will be restored.

Use of Sick Leave

Sick leave may be used each calendar year for any of the following reasons:

1. For the diagnosis, care or treatment of a mental or physical illness, injury or health condition or need for preventive medical care. This is available for the employee or their covered family member.
 - a. "Family member" means the employees:
 - Spouse or registered domestic partner;
 - Child or the child's spouse or registered domestic partner;
 - A child over the age of 18 who is substantially limited by a physical or mental impairment.
 - Parent or the parent's spouse or registered domestic partner;

- Sibling or stepsibling or the sibling's or stepsibling's spouse or registered domestic partner;
 - Grandparent or the grandparent's spouse or registered domestic partner;
 - Grandchild or the grandchild's spouse or registered domestic partner; or
 - Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.
2. To care for an infant or newly adopted child under 18 years of age, or for a newly placed foster child under 18 years of age, or an adopted or foster child older than 18 years of age if the child is substantially limited by a physical or mental impairment, completed within 12 months after birth or placement of the child.
 3. To recover from or seek treatment for a health condition that renders the employee unable to perform at least one essential function of the position.
 4. Absence associated with the death of a family member (attending funeral, making arrangements, grieving the death).
 5. If the employee, or the employee's minor child or dependent, is a victim of domestic violence, harassment, sexual assault, stalking or bias crime as defined by Oregon law and requires leave for any of the purposes under Oregon's domestic violence leave law (ORS 659A.272).
 6. In the event of certain public health emergencies or other reasons specified under Oregon's sick leave law.
 7. Evacuation, air quality index and other heat index orders.
 8. Up to four (4) hours of sick leave each calendar year to donate blood. Blood donations must be made through a program accredited by the American Association of Blood Banks or the American Red Cross.

Employees absent from work for one or more of the qualifying reasons above must use accrued sick time hours for that reason and on each subsequent day of absence.

Employee Notice of Need for Sick Leave

Foreseeable Sick Leave. If the need for sick leave is foreseeable, an employee must notify their immediate supervisor or department head as soon as practicable before the leave begins. Generally, an employee must provide at least 10 days' notice for foreseeable sick leave. The request shall include the anticipated duration of the sick leave, if possible. Employees must make a reasonable effort to schedule foreseeable sick time in a manner that minimally disrupts the operations of City of Molalla. Employees must notify their immediate supervisor or department head of any change in the expected duration of sick leave as soon as is practicable.

Unforeseeable Sick Leave: If the need for sick leave is unforeseeable, the employee must notify their immediate supervisor or department head as soon as practicable and comply generally with City of Molalla's call-in procedures.

Employees must contact their supervisor daily while on sick leave, unless an extended period of sick leave has been prearranged with the supervisor or when off work on protected leave. Employees shall inform their supervisor of any change in the duration of sick leave as soon as practicable.

If an employee fails to provide proper notice or make a reasonable effort to schedule leave in a manner that is only minimally disruptive to the organization and operations, City of Molalla may deny the use and legal protections of sick leave.

Sick Leave Documentation

If an employee takes more than three consecutive scheduled workdays as sick leave, City of Molalla may require reasonable documentation showing that the employee was absent for an approved reason and for future absences. Reasonable documentation includes documentation signed by a healthcare provider, or documentation for victims of domestic violence, harassment, sexual assault, bias crimes, or stalking.

Sick Leave Abuse

If City of Molalla suspects sick leave abuse, including but not limited to repeated use of unscheduled sick leave or repeated use of sick leave adjacent to weekends, holidays, vacations, and paydays, City of Molalla may require documentation from a healthcare provider. Employees found to have abused sick leave as described here may also be subject to discipline, up to and including termination.

Sick Leave Retirement Benefit

OPSRP Employees with at least 120 months of continuous service with the City of Molalla who retire under PERS and who are in good standing with the city (e.g.: not pending disciplinary investigation), are eligible to receive a contribution to their individual HRA account in the amount equivalent to their base rate of pay for 50% of their accrued sick leave up to a maximum payment of 500 hours. This provision does not apply to employees who have already retired under PERS.

D. Holidays and Floating Holidays

City of Molalla recognizes ten holidays each year. All full-time employees will receive their regular straight-time compensation for each holiday up to a maximum of eight (8) hours.

The holidays celebrated are:

- | | | |
|----|------------------------|--------------------------------------|
| 1. | New Year's Day | Jan. 1 st |
| 2. | Martin Luther King Day | 3 rd Monday in January |
| 3. | Presidents' Day | 3 rd Monday in February |
| 4. | Memorial Day | Last Monday in May |
| 5. | Independence Day | July 4 th |
| 6. | Labor Day | First Monday in September |
| 7. | Veteran's Day | Nov. 11 th |
| 8. | Thanksgiving Day | 4 th Thursday in November |
| 9. | Day after Thanksgiving | Friday after Thanksgiving |

- | | | |
|-----|-------------------------|--|
| 10. | Christmas Day | Dec. 25 th |
| 11. | Floating Holiday | (to be used any time during the calendar year with approval by the City) |

A holiday that falls on a weekend will be observed on either the preceding Friday or the following Monday to coincide with local custom.

If an employee is on vacation when a holiday is observed, the employee will be paid for the holiday and will be granted an alternate day of vacation at a later date.

Floating Holidays

Employees may select one additional day of with pay (known as a "floating holiday") during a calendar year and employees must coordinate requests with their supervisor.

Employees who begin employment after January 1 receive a pro-rated number of hours of a floating holiday of 2 hours per quarter. The floating holiday does not carry over. See the Human Resource department for more information.

E. Leaves of Absence

OFLA Leave Policy

The following is a summary of Oregon Family Leave Act (OFLA) policy and procedures. Generally, and as will be discussed, eligible employees are entitled to 12 weeks of unpaid leave for the reasons identified below. Oregon law prohibits retaliation against an employee with respect to hiring or any other term or condition of employment because the employee asked about, requested or used OFLA Leave. In all cases, applicable Oregon laws, rules, policies, and collective bargaining agreements govern the employee's and the City of Molalla's rights and obligations, not this policy.

Employees seeking further information should contact Human Resources. Please also refer to the "Oregon Family Leave Act" notice posted on the Human Resources/Safety bulletin board at your location, which is incorporated here by reference.

- Definitions

Family Member - Is defined as a spouse or domestic partner, a child of a covered individual or the child's spouse or domestic partner, a parent of a covered individual or the parent's spouse or domestic partner, a sibling or stepsibling of a covered individual or the sibling's or stepsibling's spouse or domestic partner, a grandparent of a covered individual or the grandparent's spouse or domestic partner, a grandchild of a covered individual or the grandchild's spouse or domestic partner, any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family relationship.

Child - Includes a biological, adopted, foster or stepchild, the child of a registered domestic partner, or a child with whom the employee is in a relationship of *in loco parentis*, under the age of 18 or over 18 if incapable of self-care if substantially limited by of a mental or physical impairment.

Eligible Employee

OFLA - To qualify for OFLA leave an employee must have been employed for at least 180 days and worked an average of at least 25 hours per week.

OMFLA - For purposes of Oregon Military Family Leave Act leave, the employee need have only worked 20 hours per week (no minimum length of employment required). A different calculation method applies for reemployed service members under USERRA who seek OMFLA leave; see Human Resources for more information.

Public Health Emergency Leave - Employees are eligible to take any OFLA leave during a Public Health Emergency if they have worked: (a) more than 30 days immediately before the date on which the leave would begin; or (b) an average of 25 hours per week in the 30 days immediately before the date on which the leave would begin. See definition of "public health emergency" definition below.

Public Health Emergency

A "public health emergency" is a public health emergency declared under ORS 433.441 or an emergency declaration declared under ORS 401.165. An example of this is when the State of Oregon declared a COVID-19 state of emergency in March 2020 and the wildfire state of emergency in June 2021.

- Reasons for Taking Leave

OFLA leave may be taken for any of the following purposes:

1. Pregnancy Disability Leave: For the employee's own pregnancy-related incapacity before or after the birth of the child or for prenatal care. OFLA provides up to 12 additional weeks for pregnancy disability.
2. Sick Child Leave: For the employee to care for their child because of an injury, illness, or condition that requires home care. Sick child leave includes both serious and non-serious health conditions (OFLA sick child leave is in addition to family leave for a child's serious health condition under Paid Leave Oregon). Sick child leave is also available for school and childcare closures in conjunction with public health emergencies. Note: For purposes of sick child leave, the child must be either under the age of 18 or an adult dependent child substantially limited by physical or mental impairment.
3. Bereavement Leave: Available within 60 days after an employee learns of the death of a family member to make arrangements, attend the service, or grieving the Family Member's death. Employees are eligible for two (2) weeks per family member, up to a maximum of four (4) weeks per leave year.
4. Oregon Military Family Leave Act Leave ("OMFLA"): During a period of military conflict, as defined by the statute, eligible employees with a spouse or registered domestic partner who is a member of the Armed Forces, National Guard, or military reserve forces ("Military Spouse"), and who has been notified of an impending call or order to active duty (or who has been deployed) is entitled to a total of 14 days of unpaid leave per deployment after the Military Spouse has been notified of an impending call or order to active duty and before deployment and when the Military Spouse is on leave from deployment.
5. Public Health Emergency Leave: Employees are eligible to take any OFLA leave during a Public Health Emergency if they have worked: (a) more than 30 days

immediately before the date on which the leave would begin; or (b) an average of 25 hours per week in the 30 days immediately before the date on which the leave would begin. This is available to employees who are eligible for OFLA only. See the definition of "public health emergency" below.

If applicable, OFLA leave will run concurrently with FMLA.

- Length of Leave

In any one-Year Period, eligible employees may take up to 12 weeks of unpaid protected time off per leave year. Employees are eligible to take up to two (2) weeks of unpaid Bereavement leave, up to a maximum of four (4) weeks per leave year.

- Benefit Year

For purposes of determining the amount of OFLA leave that an eligible employee may take, the benefit year begins the Sunday before the leave start date and lasts for 52 consecutive weeks.

- Intermittent Leave

Intermittent or reduced-schedule leave may be taken when medically necessary. Employees must make reasonable efforts to schedule planned medical treatments to minimize disruption of City of Molalla operations, including consulting management prior to the scheduling of treatment to work out a treatment schedule which best suits the needs of both City of Molalla and the employee.

- Employee Responsibilities – Notice

Employees must provide at least 30 days' notice before OFLA leave is to begin. If 30 days' notice is not practicable, because of a lack of knowledge of approximately when leave will be required to begin or a change in circumstances, notice must be given as soon as practicable. If the situation giving rise to a Sick Child Leave is unforeseeable, an employee must give verbal or written notice to City of Molalla within 24 hours of commencement of the leave.

Whether leave is to be continuous or is to be taken intermittently or on a reduced schedule basis, notice need only be given one time, but the employee shall advise their immediate supervisor and Human Resources as soon as practicable if dates of scheduled leave change or are extended or were initially unknown.

If circumstances change during the leave and the leave period differs from the original request, the employee must notify their immediate supervisor and Human Resources within three business days, or as soon as possible.

Regardless of the reason for leave, or whether the need for leave is foreseeable, employees will be expected to comply with City of Molalla's normal call-in procedures. Employees who fail to comply with City of Molalla's call-in procedures may be disciplined or may have their period of OFLA leave reduced.

- Certification

Employees may be required to provide sufficient information for City of Molalla to determine if the leave may qualify for OFLA protection and the anticipated timing and

duration of the leave. An employee will be required to provide a note from a doctor or healthcare provider if the employee has used more than three days (i.e., one, three-day occurrence or three separate instances) of sick child leave within a One-Year Period,

Employees must furnish City of Molalla's requested medical certification information within 15 calendar days after such information is requested by City of Molalla.

Employees requesting leave to care for their dependent child(ren) due to a public health emergency will be required to notify City of Molalla of their intent to take leave if the Governor declares an emergency at least 30 days prior to the start of the emergency. Notice is not required if the emergency is effective in less than 30 days.

- Substitution of Paid Leave for Unpaid Leave

Employees are required to use accrued paid leave, including floating holidays, vacation, compensatory time, and sick leave prior to a period of unpaid leave of absence on OFLA leave.

- Holiday Pay While on Leave

Employees using accrued paid leave during a portion of approved OFLA leave in which a holiday occurs will qualify to receive holiday pay.

- Benefits While on Leave

City of Molalla will continue the employee's health coverage under any group health plan during a period of approved OFLA leave on the same terms as if the employee had continued to work. The employee must continue to make any regular contributions to the cost of the health insurance premiums during the period of approved OFLA leave. Employees will not accrue vacation, sick leave or other benefits (other than health insurance) while the employee is on an unpaid OFLA leave (once their accrued paid leave is exhausted). The leave period, however, will be treated as continuous service (i.e., no break in service) for purposes of vesting and eligibility to participate in City of Molalla benefit plans.

- Job Protection

Employees returning to work from OFLA Leave will be reinstated to their former position. If the position has been eliminated, the employee may be reassigned to an available equivalent position. Reinstatement is not guaranteed if the position has been eliminated under circumstances where the law does not require reinstatement.

Employees are expected to promptly return to work when the circumstances requiring OFLA Leave have been resolved, even if leave was originally approved for a longer period. If an employee does not return to work at the end of a designated OFLA Leave period, reinstatement may not be available unless the law requires otherwise.

The use of OFLA Leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

- Restoration of Leave Bank at Time of Re-Employment

An employee who leaves employment with City of Molalla for any reason may be eligible for OFLA leave if they are re-employed by City of Molalla within 180 days of the separation and if the employee was eligible for OFLA leave at the time of the separation.

Special rules apply to employees who temporarily stop working for City of Molalla for 180 days or less; please speak with Human Resources for more information.

FMLA Policy

The following is a summary of the policy and procedures under the federal Family Medical Leave Act (FMLA).

Generally, and as will be discussed, eligible employees are entitled to 12 weeks of unpaid leave for the reasons identified below. Federal law prohibits retaliation against an employee with respect to hiring or any other term or condition of employment because the employee asked about, requested or used FMLA. In all cases, applicable federal laws, rules, policies and collective bargaining agreements govern the employee's and the City of Molalla's rights and obligations, not this policy.

Employees seeking further information should contact Human Resources. Please also refer to the "Employee Rights and Responsibilities Under the Family Medical Leave Act" notice posted on the Human Resources/Safety bulletin board at your location, which is incorporated here by reference.

Definitions

Child/Son or Daughter

A "son or daughter" is defined as a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis* who is either under 18 years of age or is 18 years of age or older and "incapable of self-care because of a mental or physical disability" at the time FMLA leave is to commence. FMLA military family leave is not restricted by age — see below.

Eligible Employee

Employees are eligible for FMLA leave if they have worked for a covered employer for at least one year (which may be based on separate stints of employment) and for 1,250 hours during the 12 months preceding the date leave is to begin. They must also be employed at a worksite where 50 or more employees are employed by the employer within 75 miles of that worksite.

Leave under FMLA and OFLA will run concurrently when permitted. If applicable, leave under FMLA will also run concurrently with Paid Leave Oregon leave – see Paid Leave Oregon policy below.

Family Medical Leave

This includes all the types of leave identified in the section below, entitled "Reasons for Taking Leave," unless otherwise specified.

Family Member

- A "family member" is defined as a spouse, parent or a "son" or "daughter" (defined above).

Serious Health Condition

"Serious health condition" is defined as an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing

treatment by a healthcare provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a healthcare provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition.

Other conditions may meet the definition of a "serious health condition;" see Human Resources for more information. The common cold, flu, earaches, upset stomach, minor ulcers, headaches other than migraine, routine dental or orthodontia problems, periodontal disease, and cosmetic treatments (without complications), are examples of conditions that are not generally defined as serious health conditions.

- Reasons for Taking Leave

FMLA may be taken under any of the following circumstances:

1. Call to Active Duty Leave: Eligible employees with a spouse, son, daughter or parent on active duty or call to active duty status in the regular Armed Forces, National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain "qualifying exigencies." "Qualifying exigencies" may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.
2. Employee's Serious Health Condition Leave: To recover from or seek treatment for an employee's serious health condition, including pregnancy-related conditions and prenatal care.
3. Family Member's Serious Health Condition Leave: To care for a family member with a serious health condition.
4. Parental Leave: For the birth of a child or for the placement of a child under 18 years of age for adoption or foster care. Parental leave must be completed within 12 months of the birth of a newborn or placement of an adopted or foster child.
5. Servicemember Family Leave: Eligible employees may take up to 26 weeks of leave to care for a "covered servicemember" during a single 12-month period. A "covered servicemember" is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform their duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list. Under some circumstances, a veteran will be considered a "covered servicemember."

- Length of Leave

In any one-year period, eligible employees may take up to 12 weeks of unpaid protected leave.

When leave is taken for Servicemember Family Leave, an eligible employee may take up to 26 weeks of leave during the One-Year Period to care for the servicemember.

During the One-Year Period in which Servicemember Family Leave is taken, an eligible employee is entitled to a combined total of 26 weeks of FMLA Leave (some of which may include other types of FMLA-specific leaves of absence).

- Benefit Year

For purposes of determining the amount of FMLA leave that an eligible employee may take, the benefit year begins the Sunday before the leave start date and lasts for 52 consecutive weeks.

When leave is taken for Servicemember Family Leave, an eligible employee may take up to 26 weeks of leave during the benefit year to care for the servicemember.

- Intermittent Leave

Intermittent or reduced schedule leave may be taken during a period of Family Member or Employee Serious Health Condition Leave or Servicemember Family Leave. Additionally, Call to Active Duty Leave may be taken on an intermittent or reduced leave schedule basis. An employee may be temporarily reassigned to a position that better accommodates an intermittent or reduced schedule. Employees must make reasonable efforts to schedule planned medical treatments to minimize disruption of City of Molalla operations, including consulting management prior to the scheduling of treatment in order to work out a treatment schedule which best suits the needs of both City of Molalla and the employee.

- Employee Responsibilities – Notice

Employees must provide at least 30 days' notice before FMLA leave is to begin if the reason for leave is foreseeable based on an expected birth, placement for adoption or foster care, planned medical treatment for a serious health condition of the employee or of a family member, or the planned treatment for a serious injury or illness of a covered servicemember (Servicemember Family Leave). If 30 days' notice is not practicable, because of a lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as practicable.

For Call to Active Duty Leave, notice must be provided as soon as practicable, regardless of how far in advance such leave is foreseeable.

Whether leave is to be continuous or is to be taken intermittently or on a reduced schedule basis, notice need only be given one time, but the employee must let their immediate supervisor and Human Resources know as soon as practicable if dates of scheduled leave change or are extended or were initially unknown.

If circumstances change during the leave and the leave period differs from the original request, the employee must notify their immediate supervisor and Human Resources within three business days, or as soon as possible. Further, employees must provide written notice within three days of returning to work.

Regardless of the reason for leave, or whether the need for leave is foreseeable, employees will be expected to comply with City of Molalla's normal call-in procedures. Employees who fail to comply with City of Molalla's leave procedures may be denied leave, subject to discipline, or the start date of the employee's FMLA leave may be delayed.

- Certification

Employees must provide sufficient information for City of Molalla to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include whether the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a healthcare provider, or circumstances supporting the need for either Call to Active Duty or Servicemember Family Leave.

Employees also must inform the City of Molalla if the requested leave is for a reason for which FMLA leave was previously taken or certified. Additionally, Employees requesting serious health condition leave for themselves or to care for a covered family member will be required to provide certification from the healthcare provider of the employee or the covered family member to support the request.

Employees must furnish City of Molalla's requested medical certification information within 15 calendar days after such information is requested by City of Molalla. In some cases, City of Molalla may require a second or third opinion, at City of Molalla's expense. Employees also may be required to submit subsequent medical verification.

Employees will not be asked for, and they should not provide any genetic information about themselves or a family member in connection with a medical certification.

- Medical Certification Prior to Returning to Work

If FMLA leave is for the employee's own serious health condition, the employee must furnish, prior to returning to work, medical certification from their healthcare provider stating that the employee is able to resume work.

- Substitution of Paid Leave for Unpaid Leave

Employees are required to use accrued paid leave, including floating holidays, vacation, compensatory time, and sick leave prior to a period of unpaid leave of absence when on a FMLA leave. If an employee receives Paid Leave Oregon benefits, the employee is not required to use their accrued leave. Use of accrued paid leave will run concurrently with FMLA leave.

- Holiday Pay While on Leave

Employees using vacation pay or sick pay during a portion of approved FMLA leave in which a holiday occurs will qualify to receive holiday pay. Employees who are on unpaid leave during a holiday will not qualify to receive holiday pay.

- On-the-Job Injury or Illness

Periods of employee disability resulting from a compensable on-the-job injury or illness will qualify for FMLA Leave if the injury or illness is a "serious health condition" as defined by applicable law.

If the employee's serious health condition is the result of an on-the-job injury or illness, the employee may qualify for workers' compensation time-loss benefits.

- Benefits While on Leave

If an employee is on approved FMLA Leave, City of Molalla will continue the employee's health coverage under any "group health plan" on the same terms as if the employee

had continued to work. An employee wishing to maintain health insurance during a period of approved FMLA leave will be responsible for bearing the cost of their share of group health plan premiums which had been paid by the employee prior to the FMLA leave. Employees will not accrue vacation, sick leave or other benefits (other than health insurance) while the employee is on an unpaid FMLA leave. The leave period, however, will be treated as continuous service (i.e., no break in service) for purposes of vesting and eligibility to participate in City of Molalla benefit plans.

- Job Protection

Employees returning to work from FMLA leave will be reinstated to their former position. If the position has been eliminated, the employee may be reassigned to an available equivalent position. Reinstatement is not guaranteed if the position has been eliminated under circumstances where the law does not require reinstatement.

Employees are expected to promptly return to work when the circumstances requiring FMLA leave have been resolved, even if leave was originally approved for a longer period. If an employee does not return to work at the end of a designated FMLA leave period, reinstatement may not be available unless the law requires otherwise.

The use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Employees who work for other employers during a "serious health condition" leave may be subject to discipline up to and including termination. Additionally, all employees who use FMLA leave for reasons other than the reason for which leave had been granted may be subject to discipline up to and including termination.

F. Paid Leave Oregon (PLO)

Paid Leave Oregon (PLO) is a state-run program, administered by the Oregon Employment Department (OED), that allows eligible employees to take up to 12-weeks of paid time off per benefit year, for the following reasons:

- **Family leave** – for an employee to care for an eligible family member with a serious illness or injury, to bond with a new child after birth, adoption, or foster care placement, or to effectuate the legal process required for placement of a foster child or the adoption of a child.
- **Medical leave** – for an employee experiencing their own serious health condition or disability due to pregnancy.
- **Safe leave** – for an employee or eligible child dependent experiencing issues related to sexual assault, domestic violence, harassment, bias, or stalking.

The PLO program also allows employees to take an additional two (2) weeks of paid leave for pregnancy, childbirth, or related medical conditions.

Notification Requirements

Although the PLO program is administered by the Oregon Employment Department (OED), employees are required to notify the City of Molalla when they have applied for leave.

Foreseeable Leave: If the need for PLO leave is foreseeable or planned, the employee is required to provide their immediate supervisor and Human Resources with at least 30 days' written notice before paid leave begins.

Unforeseeable: If the need for PLO leave is unforeseeable or unplanned, an employee is required to provide oral notice to their immediate supervisor and Human Resources within 24 hours of the start of the leave, and the employee must also provide written notice within three (3) days after the start of the leave.

Written notice must include the employee's first and last name, type of leave, explanation of the need for leave, and anticipated timing and duration of leave. Timing and duration of leave should include the employees' plan for taking leave on an intermittent basis (and the proposed schedule) or in one block of time. See Human Resources for a Leave of Absence Request form.

If the employee's dates of scheduled leave change, are extended by the PLO program, or if the reason for leave becomes known and/or, if circumstances change during the leave and the leave period differs from the employee's original notice, the employee must notify their immediate supervisor and Human Resources within three business days, or as soon as possible.

Regardless of the reason for leave, or whether the need for leave is foreseeable, employees are expected to comply with City of Molalla's normal call-in procedures.

Under Oregon law, an employee who fails to follow these notification requirements may receive reduced PLO benefits; specifically, the first weekly benefit amount will be reduced by 25 percent (the penalty calculated for leaves that are taken in increments of less than a full work week differs). See OAR 471-070-1310(9) and (10).

Concurrent use of FMLA Leave

If an employee's PLO leave is also eligible for protected leave under FMLA, FMLA leave will be taken concurrently with Paid Leave.

Employees must provide sufficient information for the City of Molalla to determine if the PLO leave qualifies for FMLA leave.

If an employee is eligible for FMLA leave due to a serious health condition or has a family member with a serious health condition, employees must furnish medical certification information within 15 days as required by the City of Molalla's leave policy.

Accrued Leave and Holiday Pay While on Leave

Employees using accrued leave in addition to receiving PLO benefits will continue to accrue sick, vacation, or other employer-provided leave, and receive holiday pay. Employees who do not use accrued leave while on a Paid Leave will not accrue sick, vacation, or other employer-provided leave, and will not receive holiday pay.

Benefits While on Leave

If an employee is receiving PLO leave benefits, the City of Molalla will continue the employee's healthcare, life, disability, and all eligible voluntary coverage, on the same terms as if the employee had continued to work. An employee wishing to maintain coverage when on PLO leave is responsible for paying their share of premiums, the same as when premiums were paid by the employee, prior to receiving PLO leave benefits.

If the City of Molalla chooses to pay the employee's portion of the insurance coverage during the period of PLO leave, employees are expected to repay the City of Molalla for those premiums. Upon return to work, the City of Molalla will deduct those premiums from an employee's pay, up to 10% of an employee's gross pay, each period, until the City of Molalla has been paid back.

If an employee cannot or will not pay their share of premiums, the City of Molalla may discontinue coverage until the employee returns from leave. Additionally, if an employee fails to return to work from leave under PLO, then the City of Molalla may use any legal means available to collect any amount the employee owes to the City for covering the employee's share of the premiums while the employee was on leave under PLO.

Medical Certification Prior to Returning to Work

If an employee uses more than three consecutive scheduled workdays for their own serious health condition, prior to returning to work the employee must furnish medical certification from their healthcare provider stating that the employee is able to resume work.

Job Protection

Employees who worked for the City of Molalla for more than 90 consecutive calendar days prior to taking PLO leave will be reinstated to their former position if the position still exists. If the position has been eliminated, the employee will be restored to a similar position with similar job duties with the same employment benefits and pay.

Reinstatement is not guaranteed if the position has been eliminated under circumstances where the law does not require reinstatement.

Employees are expected to promptly return to work when the circumstances requiring PLO leave have been resolved. If an employee does not return to work at the end of their PLO leave, reinstatement may not be available.

Use of Accrued Leave During PLO Leave

PLO benefits may not provide employees with 100% of their gross regular wages. Employees receiving PLO benefits may choose to use accrued paid leave (sick, vacation, paid time off, etc.), and/or comp time in addition to receiving PLO benefits. Accrued paid leave must be used in the following order: Sick leave, vacation leave, comp time, selected holiday, etc.

Complaint Procedure

The City of Molalla prohibits retaliation against an employee with respect to hiring or any other term or condition of employment because the employee asked about, requested, or used PLO leave.

Who to Contact for More Information

For more information, or if you have questions about the Paid Leave Oregon policy, contact Human Resources.

For more information about the PLO program, including steps for applying for PLO benefits and contact information, go to <https://paidleave.oregon.gov/>

A poster with Paid Leave Oregon information, including information about how to apply for benefits is notice posted on the Human Resources/Safety bulletin board at your location, which is incorporated here by reference.

G. Leave Donation

The City of Molalla has implemented a leave donation program to allow employees to voluntarily donate sick, vacation, or compensatory time off to another employee who exhausts, or is likely to exhaust, accumulated paid leave due to an employee's family medical emergency that would otherwise likely cause the employee to take unpaid leave or terminate employment. An "family medical emergency" is defined as a medical condition of the employee or an immediate family member that will require prolonged/extended absence of the employee from duty and will result in a substantial loss of income to the employee due to the exhaustion of all paid leave available. An immediate family member is defined as a spouse, child, or parent.

Any City of Molalla employee who has worked at least twelve months in a benefits-eligible position is eligible to participate in the program as a recipient. Any employee who has sick, vacation, or compensatory time available may participate in the program as a donor. The donating employee is required to keep a minimum of 80 hours in their own combined leave banks. Donations may be made between any employee. City of Molalla will keep donations confidential, and donors will remain anonymous.

Employees seeking donated leave must provide the City of Molalla with medical verification of the need for the time off, which includes a certification of the employee's or family member's medical emergency and need for time off, and an estimated return-to-work date (if available).

An employee who is receiving, or is eligible to receive, any type of retirement disability, short-term or long-term disability, or other supplemental income is not eligible to receive donated leave. An eligible employee must apply for the short-term disability, if available, and long-term disability benefits.

Any paid sick leave not used by the recipient for the specified incident will be returned to the donor employee.

Donated leave may not be used to extend employment beyond the point that it would otherwise end by operation of law, rule, policy, or regulation. For example, if an employee had otherwise been terminated due to layoff or other reasons, donated leave may not be used to extend employment.

Employees who would like to request donated leave are required to complete a Donated Leave Request Form and submit it to Human Resources. This request must state the reason for the request, and to validate that they are qualified based on this policy. Once Human Resource verifies the information it will be forwarded to the City Manager for approval. Once approved Human Resources will send an email along with the Announcement & Donation Form to all employees.

Bereavement Leave

Employees who have worked for City of Molalla for 180 calendar days, and averaged at least 25 hours per week, may take up to two (2) weeks of unpaid bereavement leave per death of a Family Member, up to a maximum of four (4) weeks per leave year. The first three days of bereavement leave will be paid. Employees may use accrued leave for any remaining days. Employees who have worked for City of Molalla for 90-180 days may use up to 40 hours of accrued sick leave for bereavement purposes, and who have experienced the death of a Family Member (refer to OFLA definition). Employees who have worked for City of Molalla for fewer than 90 days may not be eligible for leave.

Under this policy, "Family Member" means the employees:

- Spouse or registered domestic partner;
- Child or the child's spouse or registered domestic partner;
- Parent of the parent's spouse or registered domestic partner;
- Sibling or stepsibling or the sibling's or stepsibling's spouse or registered domestic partner;
- Grandparent or the grandparent's spouse or registered domestic partner;
- Grandchild or the grandchild's spouse or registered domestic partner; or
- An individual related by blood or affinity whose close association with an employee taking bereavement leave is the equivalent of a family relationship.

H. Jury and Witness Duty

Jury Duty

City of Molalla will grant employees time off for mandatory jury duty and/or jury duty orientation. A copy of the court notice must be submitted to the employee's manager to verify the need for such leave. Jury duty is paid by the city, but employee must turn in any pay received from the court for attending to the Finance department. The employee may keep any mileage payments received.

The employee is expected to report for work when doing so does not conflict with court obligations. It is the employee's responsibility to keep their supervisor or manager informed about the amount of time required for jury duty.

Witness Duty

Time spent serving as a witness in a work-related, legal proceeding will be treated as time worked for pay purposes, provided the time served occurs during regularly scheduled hours, the employee is subpoenaed to testify, and the employee submits witness fees to their supervisor upon receipt.

Except for employee absences covered under City of Molalla's "Crime Victim Leave Policy" or "Domestic Violence Leave and Accommodation Policy," or PLO Safe Leave, employees who are subpoenaed to testify in non-work-related legal proceedings must use any available vacation time to cover their absence from work. If the employee does not have any available vacation time, the employee's absences may be unexcused and may subject the employee to discipline, up to and including termination. Employees

must present a copy of the subpoena served on them to their supervisor for scheduling and verification purposes no later than 24 hours after being served.

I. Religious Observances Leave and Accommodation Policy

The City of Molalla respects the sincerely held religious beliefs and observances of all employees. The City of Molalla will make, upon request, an accommodation for such beliefs and observances when a reasonable accommodation is available that does not create an undue hardship on City of Molalla's business. Employees may use vacation or unpaid time for religious holy days or to participate in a religious observance or practice; if accrued leave is not available, then an employee may request to take unpaid leave. Requests for religious leave or accommodation should be made with Human Resources and may require information from the employee in support of the request for accommodation or leave.

J. Crime Victim Leave Policy

Any employee who has worked an average of at least 25 hours per week for 180 days immediately before the date the employee takes leave is eligible for reasonable, unpaid leave to attend criminal proceedings if the employee or their immediate family member (defined below) has suffered financial, social, psychological or physical harm as a result of being a victim of certain felonies, such as kidnapping, rape, arson, and assault.

"Immediate family member" includes a spouse, registered domestic partner, father, mother, sibling, child, stepchild, or grandparent of the employee.

Employees who are eligible for crime victim leave may use any accrued vacation leave during the leave period, must provide as much advance notice as is practicable of their intention to take leave (unless giving advance notice is not feasible); and submit a request for the leave in writing to their immediate supervisor and Human Resources as far in advance as possible, indicating the amount of time needed, when the time will be needed, and the reason for the leave.

In all circumstances, City of Molalla may require certification of the need for leave, such as copies of any notices of scheduled criminal proceedings that the employee receives from a law enforcement agency or district attorney's office, police report, a protective order issued by a court, or similarly reliable sources.

K. Domestic Violence Leave and Accommodation Policy

All employees are eligible for reasonable unpaid leave to address domestic violence or the crimes of harassment, sexual assault, bias or stalking (either the employee or the employee's minor dependents).

Reasons for taking leave include the employee's (or the employee's dependent's) need to: seek legal or law enforcement assistance or remedies; secure medical treatment for or time off to recover from injuries; seek counseling from a licensed mental health professional; obtain services from a victim services provider; or relocate or secure an existing home.

Leave is generally unpaid, but the employee may use any accrued vacation or sick leave while on this type of leave. Employees should also determine whether Paid Leave Oregon may provide pay during this type of leave. See the "Paid Leave Oregon" policy for more information.

When seeking this type of leave, the employee should provide as much advance notice as is practicable of their intention to take leave, unless giving advance notice is not feasible.

Notice of need to take leave should be provided by submitting a request for leave in writing to their immediate supervisor and Human Resources as far in advance as possible, indicating the time needed, when the time will be needed, and the reason for the leave. City of Molalla will then generally require certification of the need for the leave, such as a police report, protective order or other evidence of a court proceeding, or documentation from a law enforcement officer, attorney, healthcare professional, member of the clergy, or victim services provider.

If more leave than originally authorized needs to be taken, the employee should give City of Molalla notice as soon as is practicable prior to the end of the authorized leave. When taking leave in an unanticipated or emergency situation, the employee must give verbal or written notice as soon as is practicable. When leave is unanticipated, this notice may be given by any person on the employee's behalf.

Finally, employees who are victims of domestic violence, harassment, sexual assault, bias crimes or stalking may be entitled to a "reasonable safety accommodation" that will allow the employee to more safely continue to work, unless such an accommodation would impose an "undue hardship" on City of Molalla. Please contact Human Resources immediately with requests for reasonable safety accommodations.

L. Military Leave

Employees who wish to serve in the military and take military leave should contact Human Resources for information about their rights before and after such leave. You are entitled to reinstatement upon completion of military service, provided you return or apply for reinstatement within the time allowed by law.

All employees who are members of the National Guard, National Guard Reserve or of any reserve component of the Armed Forces of the United States or of the United States Public Health Service are entitled to a paid leave of absence from duties for a period not exceeding 21 work days in any federal fiscal year (October 1st through September 30th) for training, provided the employee is employed at least six months prior to the leave. Employees who have not worked for the City of Molalla for six months will also receive up to 21 work days in any federal fiscal year for the same purposes, but such leave will not be paid. Employees are not required to take their leave in one block of time but may use the paid leave allowed under this rule over the course of the federal fiscal year. The actual number of paid work hours allowed is dependent on the employee's standard work schedule but must be consistent with the intent of this rule. Employees may use military leave for active duty or inactive duty for training, state active duty and duty under Title 10 or 32 of the United States Code.

The total number of paid days for both training and active duty shall not exceed the total amount allowed above in any federal fiscal year.

Absences incurred for additional active duty or inactive duty for training, state active duty and duty under Title 10 or 32 of the United States Code may be charged to accrued paid time off such as vacation or compensatory time or taken as unpaid leave.

V. Employee Benefits

Healthcare Benefits

Benefit eligible employees are those employees who are classified as full-time employees working 30 or more hours per week. City of Molalla pays a portion of the cost of individual coverage for its regular, full-time employees and their eligible dependents. Part-time employees are not eligible for health insurance coverage. Those employees who wish to have their dependents included in the insurance plan are required to pay a portion of the monthly premium for that coverage on a payroll deduction basis.

The group insurance policy and the summary plan description issued to employees set out the terms and conditions of the health insurance plan offered by City of Molalla. These documents govern all issues relating to employee health insurance. As other employee benefits are offered by City of Molalla, employees will be advised and provided with copies of relevant plan documents. Copies are available from Human Resources.

M. Employee Assistance Program (EAP)

This free, confidential service is provided by Canopy and is available to all FT and PT employees and anyone that is currently living in the household. The EAP can be used to assist employees and eligible family members with any personal problems, large or small. Each covered employee and eligible family members can receive up to five (5) personal counseling sessions per situation per year. Sessions can be face to face, over the phone, or online for concerns such as marital conflict, conflict at work, depressions, stress management, family relationships, anxiety, alcohol or drug abuse, grieving a loss, and career development services.

Canopy also provides educational tools as resources relating to eldercare, childcare, legal consultation, financial coaching, identity theft, home ownership, and gym membership discounts.

More information regarding this service can be obtained by contacting Human Resources, or you can contact Canopy directly at 1-800-433-2320, or at www.canopywell.com.

N. Workers' Compensation and Safety on the Job

You are protected by workers' compensation insurance under Oregon law. This insurance covers you in case of occupational injury or illness by providing, among other things, medical care and compensation and temporary or other disability benefits. Employees are expected to work safely and in a safe environment.

Steps to Take if You are Injured on the Job

If you are injured on the job, City of Molalla wants to know about it and expects to learn about it no later than 24 hours after your injury (report all work-related injuries to your supervisor and Human Resources).

If you seek treatment for your work-related injury and want to apply for workers' compensation benefits, you must do all of the following:

1. Report any work-related injury to your supervisor and Human Resources. You must report the injury no later than 24 hours after the injury.

2. Seek medical treatment and follow-up care if required.
3. Promptly complete a written Employee's Claim Form (Form 801) and return it to Human Resources.

Failure to timely follow these steps may negatively affect your ability to receive benefits.

Return to Work

If you require workers' compensation leave, you will — under most circumstances — be reinstated to the same position that you held at the time your leave began, or to an equivalent position, if available. However, you must first submit documentation from a healthcare provider who is familiar with your condition certifying your ability to return to work and perform the essential functions of your position.

When returning from a workers' compensation leave you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not been on leave, or if your position is eliminated, and no equivalent or comparable positions are available, then you may not be entitled to reinstatement. These are only examples, and all reinstatement/reemployment decisions are subject to the terms of any applicable collective bargaining agreement. City of Molalla does not discriminate against employees who suffer a workplace injury or illness.

Early Return-to-Work Program

Our Return-to-Work program provides guidelines for returning you to work at the earliest possible time after you have suffered an on-the-job injury or illness that results in time loss. This program is not intended as a substitute for reasonable accommodation when an injured employee also qualifies as an individual with a disability. The Return-to-Work Program is intended to be transitional work, to enable you to return to your regular job in a reasonable period of time.

The Return-to-Work program for job-related injuries consists of a team effort by City of Molalla, injured employees and their treating physicians, and our workers' compensation insurance carrier claims staff. The goal is to return our employees to full employment at the earliest possible date that is consistent with their medical condition and the advice of the treating physician.

If your doctor determines that you are able to perform modified work, City of Molalla will attempt to provide you with a temporary job assignment for a reasonable period of time until you can resume your regular duties (except where provided as an accommodation for a disability). If, due to a work-related injury, you are offered a modified position that has been medically approved, failure to phone in or report at the designated time and place may affect your compensation and employment with City of Molalla. While you are on modified or transitional work, you are still subject to all other City of Molalla rules and procedures.

Overlap with Other Laws

City of Molalla will account for other leave and disability laws that might also apply to your situation, such as the Americans with Disabilities Act (ADA) and FMLA or Paid Leave Oregon leave. If, after returning from a workers' compensation leave, it is determined that you are unable to perform the essential functions of your position because of a

qualifying disability, you may be entitled to a reasonable accommodation, as governed by the ADA and/or applicable Oregon laws covering disabilities in the workplace.

O. PERS (Public Employees' Retirement System) Benefits

City of Molalla participates in the Public Employees Retirement System (PERS); therefore, your designation as a Tier I, Tier II, or Oregon Public Service Retirement Plan (OPSRP) member will depend on your prior PERS service and PERS rules. An employee's designation and eligibility for participation in PERS or the OPSRP are determined by law. For more information about these plans, please contact PERS at 1-888-320-7377 or visit their website at www.oregon.gov/PERS. For information about City of Molalla's contributions to employee PERS or OPSRP plans, please see Human Resources.

City of Molalla may consider allowing PERS-eligible employees to retire from their employment with the City of Molalla and then rehiring them, as permitted under Oregon law. The City of Molalla will consider, among other factors, the uniqueness of the employee's skills or experience, the needs of the City of Molalla, and the ability of existing employees to perform the work of the retiring employee. Please see your department head and Human Resources for more information.

VI. Miscellaneous Policies

A. Alcohol/Drug Use, Abuse and Testing

City of Molalla works to maintain a safe and efficient work environment. An employee's off-the-job as well as on-the-job involvement with drugs and alcohol can have a significant impact on the workplace and can present a substantial risk to the employee who is using alcohol and drugs, to coworkers and others.

City of Molalla expects employees to report to work free of illegal drugs and alcohol and in a condition that is conducive to performing their duties in a safe, effective and efficient manner.

This policy applies to all employees (except where noted in this policy or where it is inconsistent with applicable law and/or collective bargaining agreement provisions.) This policy revises and supersedes all previous drug and alcohol testing policies and practices.

Prohibited Conduct

The following examples of prohibited conduct do not apply to law enforcement employees who possess drugs, alcohol or other items identified in this policy in connection with law enforcement work.

- Possession, transfer, use or being under the influence of any alcohol while on City of Molalla property, on City of Molalla time, while driving City of Molalla vehicles (or personal vehicles while on City of Molalla business), or in other circumstances which adversely affect City of Molalla operations or safety of City of Molalla employees or others.
 - The conduct prohibited by this rule includes consumption of any intoxicating liquor within four hours of reporting to work or during rest breaks or meal periods. If use of alcoholic liquor or an alcohol "hangover" adversely affects an employee's physical or mental faculties while at work

to any perceptible degree, or the employee's blood alcohol content exceeds .02 percent, the employee will be deemed "under the influence" for purposes of this rule.

- Possession, distribution, dispensing, sale, attempted sale, use, manufacture or being under the influence of any narcotic, hallucinogen, stimulant, sedative, drug or other controlled substance while on City of Molalla property, on City of Molalla time, while driving City of Molalla vehicles (or personal vehicles while on City of Molalla business), or in other circumstances which adversely affect City of Molalla operations or safety of City of Molalla employees. Employees may not have any detectable amount of narcotic, hallucinogen, stimulant, sedative, drug or other controlled substance in system while on City of Molalla property or on City of Molalla time.
 - The conduct prohibited by this rule includes consumption of any such substance prior to reporting to work or during rest breaks or meal periods. If use of such substances or withdrawal symptoms adversely affects an employee's physical or mental faculties while at work to any perceptible degree, or the employee tests "positive" for any such substances by screening and confirmation tests, the employee will be deemed "under the influence" for purposes of this rule.
 - As used in this policy, "controlled substance" includes, but is not limited to, any controlled substance listed in Schedules I through V of the Federal Controlled Substance Act, including marijuana that is otherwise lawful to use under Oregon, Washington, or any other state's law.
- Bringing to City of Molalla property, or possessing, items or objects on City of Molalla property that contain any "controlled substance," including, for example, "pot brownies," "edibles," and candy containing marijuana. No employee, regardless of position held, may knowingly serve items containing marijuana or any other "controlled substance" to coworkers, members of the public, or elected officials while on work time or on/in City of Molalla property.
- Bringing equipment or any devices marketed for use or designed specifically for use in ingesting, inhaling or otherwise introducing marijuana (or controlled substances), such as pipes, bongs, "vape" pens, smoking masks, roach clips, and or other drug paraphernalia.
- Bringing equipment, products or materials that are marketed for use or designed for use in planting, propagating, cultivating, growing, or manufacturing marijuana, including live or dried marijuana plants to City of Molalla property. This prohibition does not apply to employees who possess such items in connection with law enforcement work.

Prescription Drugs and Medical Marijuana

With the exception of medical marijuana, nothing in this rule is intended to prohibit the use of a drug taken under supervision by a licensed healthcare professional, where its use does not present a safety hazard or otherwise adversely impact an employee's performance or City of Molalla operations.

Employees must inform their supervisor about their use of any prescription or over-the-counter drugs that could affect their ability to safely perform the duties of their position. If an employee's use of such prescription drugs could adversely affect City of Molalla operations or safety of City of Molalla employees or other persons, City of Molalla may reassign the employee using the prescription drugs to other work or take other appropriate action to accommodate the physical or mental effects of the medication. Failure to report use of prescription drugs covered by this rule will subject an employee to disciplinary action, up to and including termination. (Although an employee is not required to provide City of Molalla with the name(s) of the prescription medication(s) taken, medical verification of the prescription may be required.)

The use of marijuana, which is a Schedule 1 controlled substance under federal law, is expressly prohibited under this policy, even if its medical use is authorized under state law. Employees who use medical marijuana in connection with a disability should discuss with their supervisor other means of accommodating the disability in the workplace, as City of Molalla will not agree to allow an employee to use medical marijuana as an accommodation. (See "Disability Accommodation Policy," above.)

Testing

City of Molalla reserves the right to:

- a. Subject applicants who are given a condition offer of employment in a safety-sensitive position to a drug and alcohol test;
- b. Test employees reasonably suspected of using drugs or alcohol in violation of this policy;
- c. Discipline or discharge employee who test positive or otherwise violate this policy; and
- d. Test employees when they: (1) cause or contribute to accidents that seriously damage a City of Molalla vehicle, machinery, equipment or property; (2) result in an injury to themselves or another employee requiring offsite medical attention; and (3) when City of Molalla reasonably suspects that the accident or injury may have been caused by drug or alcohol use.

Reasonable Cause Testing

If there is reasonable cause to suspect that an employee is under the influence of controlled substances or alcohol during work hours or has used drugs or alcohol in violation of this policy, City of Molalla may require the employee to undergo testing for controlled substances or alcohol.

As used in this policy, unless the context indicates otherwise:

- The terms "test" and "testing" shall be construed to mean job impairment field tests, laboratory tests, breathalyzer tests, and other tests of saliva, blood and urine. No testing shall be performed under this rule without the approval of the City Manager or designee.
- "Reasonable cause" as used in this policy means an articulable belief based on specific facts and reasonable inferences drawn from those facts that an employee is more likely than not under the influence of controlled substances or alcohol or has used drugs or alcohol in violation of this policy. Circumstances

which can constitute a basis for determining "reasonable cause" may include, but are not limited to:

- a pattern of abnormal or erratic behavior;
- information provided by a reliable and credible source;
- direct observation of drug or alcohol use;
- presence of the physical symptoms of drug or alcohol use (*i.e.*, glassy or bloodshot eyes, alcohol odor on breath, slurred speech, poor coordination and/or reflexes);
- unexplained significant deterioration in individual job performance;
- unexplained or suspicious absenteeism or tardiness;
- employee admissions regarding drug or alcohol use; and
- unexplained absences from normal work areas where there is reason to suspect drug or alcohol related activity.

Supervisors need to immediately contact Human Resources and the City Manager if they suspect an employee is under the influence of alcohol or controlled substances per this policy. Supervisors, Human Resources, and the City Manager will determine if reasonable cause exists to warrant alcohol or controlled substance testing. The supervisor is to detail in writing the specific facts, symptoms or observations. This documentation shall be forwarded to Human Resources.

An employee whose initial laboratory screening test for controlled substances yields a positive result shall be given a second test. The second test shall use a portion of the same test sample withdrawn from the employee for use in the initial screening test. If the second test confirms the initial positive test result, the employee shall be notified of the results in writing by Human Resources. The letter of notification shall state the particular substance identified by the laboratory tests. The employee may request a third test of the sample within 24 hours of receiving the letter of notification, but such testing will be paid for by the employee.

Search of Property

When reasonable cause exists to believe an employee possesses alcohol or a controlled substance on City of Molalla property or has otherwise violated provisions of this rule regarding possession, sale or use of controlled substances or alcohol, City of Molalla may search furniture, equipment or other property provided to the employee by City of Molalla, including but not limited to, clothes (uniforms), locker, toolbox, and desk. Employees should have no expectation of privacy in any property, equipment or supplies provided by City of Molalla to employee.

Employee Refusal to Test/Search

An employee who refuses to consent to a test or a search when there is reasonable cause to suspect that the employee has violated this policy is subject to disciplinary action up to and including termination. The reasons for the refusal shall be considered in determining the appropriate disciplinary action.

An employee who refuses to cooperate with any tests required by this policy is also subject to discipline, up to and including termination. This includes, but is not limited to, tampering with, or attempting to tamper with, a specimen sample, using chemicals or other ingredients to mask or otherwise cover up the presence of metabolites, drugs or

alcohol in a specimen, or providing a blood or urine specimen that was produced by anyone or anything other than the employee being tested.

Crimes Involving Drugs and/or Alcohol

Employees shall report the following within one business day of the event:

- Any criminal arrest or conviction for drug- or alcohol-related activity;
- Entry into a drug court or diversion program; or
- Loss or limitation of driving privileges when the employee's job is identified as requiring a valid driver's license (regular or CDL).

Failure to report as required will result in disciplinary action up to and including termination.

Drug and Alcohol Treatment

City of Molalla recognizes that alcohol and drug use may be a sign of chemical dependency and that employees with alcohol and drug problems can be successfully treated. City of Molalla is willing to help such employees obtain appropriate treatment.

An employee who believes they have a problem involving the use of alcohol or drugs should ask a supervisor, department head, the City Manager or Human Resources for assistance.

City of Molalla will work with an employee to identify all benefits and benefit programs that may be available to help deal with the problem. Attendance at any rehabilitation or treatment program will be a shared financial responsibility of the employee and City of Molalla to the extent its existing benefits package covers some or all program costs.

Although City of Molalla recognizes that alcohol and drug abuse can be successfully treated and is willing to work with employees who may suffer from such problems, it is the employee's responsibility to seek assistance *before* drug or alcohol problems lead to disciplinary action. Once a violation of City of Molalla policy is discovered, the employee's willingness to seek City of Molalla or outside assistance will not "excuse" the violation and generally will have no bearing on the determination of appropriate disciplinary action.

Discipline and Consequences of Prohibited Conduct

An employee who violates this policy will be subject to either termination or a last-chance agreement.

A last-chance agreement is an agreement whereby an employee who would otherwise be terminated is provided an opportunity to address their substance abuse issue and/or performance or safety issues. The last-chance agreement will inform the employee of the problems noted with their performance and specify the performance required for the employee to achieve in order to continue to be employed by City of Molalla. Violation of the provisions of a last-chance agreement shall result in immediate termination of the employee, notwithstanding the provisions of any other personnel rule.

Confidentiality

All information from an employee's drug and alcohol evaluation is confidential and only those with a need to know are to be informed of test results. Disclosure of such information to any other person, agency, or City of Molalla is prohibited unless written authorization is obtained from the employee.

B. Dress Code

It is the City's expectation that employees project a neat and professional image at work in their dress and in their manner. General cleanliness and personal hygiene are important in all work environments. It is expected that all employees will exercise good judgment and dress appropriately for their jobs. Different styles will be necessary depending on the degree of customer contact, the nature of the work, work location, and safety issues. If a question arises about the appropriateness of particular items of clothing, employees should speak to their supervisor, Human Resources, or the City Manager.

This policy is always in effect, including the time designated as Casual days, and applies to all employees except those exempted due to the nature of their employment. Employees exempted from this policy are required to follow their department's dress code and personal protective policies (Police, Public Works).

Listed below is a general overview of acceptable business casual wear as well as a listing of some of the more common items that are not appropriate for the office. Neither list is intended to be all-inclusive.

Examples of appropriate business casual attire:

- Business casual shirts, blouses, or tops
- Business casual pants or slacks, capri pants, jeans
- Business casual dresses or skirts
- Jackets, sweaters, or cardigans
- Open or closed toe shoes and sandals

The following types of clothing are not appropriate at any time:

- Shorts of any length
- Any clothing with political or offensive language on them.
- Undershirts or tank tops
- Ripped, torn or soiled clothing.
- Revealing clothing, including cropped tops and halter tops, clothing that is too tight or too short, transparent clothing.
- Leotards, spandex or leggings, unless worn under longer tops, skirts or dresses
- Strapless, spaghetti strap or low-cut dresses or tops
- Sweatpants or warm-up suits
- Slippers, flip-flops
- Visible undergarments

Supervisors/managers may exercise reasonable discretion to determine appropriateness in employee dress and appearance. Employees who do not meet a professional standard may be sent home to change, and non-exempt employees will not be paid for that time. Reasonable accommodation will be provided where required.

Any questions regarding this policy should be directed to your supervisor or Human Resources.

B. Mobile Devices Policy

This policy applies to employee use of cell phones, smart phones, tablets and similar devices, all of which are referred to as “mobile devices” in this policy.

Cell Phones and Mobile Devices in General

Employees are allowed to bring personal mobile devices to work with them. During working hours, however, employees should refrain from using them except in an emergency or during a meal period or rest break.

Employees who use personal or City of Molalla-provided mobile devices may not violate City of Molalla's policies against harassment, bullying, and discrimination. Thus, employees who use a personal or City of Molalla-provided mobile device to send a text or instant message or DM to another employee (or to someone not employed by the City of Molalla) that is in violation of City of Molalla's policies prohibiting discrimination, harassment, and bullying will be subject to discipline up to and including termination.

Non-exempt employees may not use their personal or City of Molalla-provided mobile device for work purposes outside of their normal work schedule without written authorization in advance from their department head or the City Manager. This includes, but is not limited to, reviewing, sending and responding to emails or text messages, and responding to calls or making calls. Employees who violate this policy may be subject to discipline, up to and including termination. Nothing in this policy removes a non-exempt employee's obligation from recording time for all hours worked.

Employee Use of City of Molalla - Provided or Paid for Mobile Devices

Mobile devices are made available to City of Molalla employees on a limited basis to conduct City of Molalla's business. Determinations as to which employees receive City of Molalla-provided mobile devices will be made on a case-by-case basis; employees are not guaranteed a cell phone or cellular device. In some cases, City of Molalla may provide a monthly cellular telephone allowance to employees who regularly make calls on behalf of the City of Molalla away from the office (see Human Resources for more information).

Employees who receive a mobile device from City of Molalla must agree to not use the mobile device for personal use except in emergency situations and must abide by all aspects of the Mobile Device Policy. Further, employees who receive a cell phone or mobile device from City of Molalla must acknowledge and understand that because the mobile device is paid for and provided by City of Molalla, or subsidized by City of Molalla, any communications (including text messages) received by or sent from the mobile device may be subject to inspection and review if City of Molalla has reasonable grounds

to believe that the employee's use of the cell phone violates any aspect of the Mobile Device Policy or any other City of Molalla policy. Employees should have no reasonable expectation of privacy in a City of Molalla-provided or -paid for mobile device An employee who refuses to provide City of Molalla access to their personal mobile device (that the city pays an allowance for) in connection with an investigation and after reasonable notice may be subject to discipline, up to and including termination. Employees who are issued a Molalla-provided mobile device must keep Human Resources informed at all times what the log-in/security passcode is for that device.

Family and friends may not use an employee's City of Molalla-provided mobile device.

Mobile Devices and Public Records

City of Molalla-related business conducted on City of Molalla-provided or personal cell phones/cellular devices may be subject to disclosure and production under Oregon's Public Records laws or in connection with litigation filed against City of Molalla or individual employees.

Employee Use of Mobile Devices with Cameras

Cameras of any type, including mobile devices with built-in cameras and video photography options, personal or city-provided may be used by employees during working hours, or at any City of Molalla-sponsored function only if it fits in the scope of their position and for work-related tasks. Any other use of cameras on personal or city-provided devices is prohibited unless authorized to do so by the City Manager.

Mobile Device Use While Driving

The use of a mobile device while driving may present a hazard to the driver, other employees and the general public. Subject to a few narrow exceptions for emergency or public safety purposes, Oregon law also prohibits the use of handheld cell phones while driving, even if the driving is for work-related reasons. This policy is meant to ensure the safe operation of City of Molalla vehicles and the operation of private vehicles while an employee is on work time. It applies equally to the usage of employee-owned cell phones and phones provided or subsidized by City of Molalla.

Employees are prohibited from using handheld cell phones for any purpose while driving on City of Molalla-authorized or City of Molalla-related business. This policy also prohibits employees from using a cell phone or other mobile device to send or receive text or "instant" messages or DMs while driving on City of Molalla business (other than those employees engaged in law enforcement work). Should an employee need to make a business call while driving, the employee must locate a lawfully designated area to park and make the call, unless the employee uses a hands-free cell phone or cellular device for the call according to Oregon's Hands-Free law. In either situation, such calls should be kept short and should the circumstances warrant (for example, heavy traffic, bad weather), the employee should locate a lawfully designated area to park to continue or make the call, even if the employee is using a hands-free device. Violation of this policy will subject the employee to discipline, up to and including termination.

C. Use of City of Molalla Email and Electronic Equipment and Services

City of Molalla uses multiple types of electronic equipment and services for producing documents, research and communication including, but not limited to, computers,

software, email, copiers, telephones, voicemail, fax machines, online services, the Internet and any new technologies used in the future. This policy governs the use of such City of Molalla property.

Ownership

All information and communications in any format, stored by any means on or received or transmitted via City of Molalla's electronic equipment or services is the sole property of City of Molalla.

Use

All City of Molalla's electronic equipment and services are provided and intended for City of Molalla business purposes only and not for personal matters, communications, or entertainment. Access to the Internet, websites and other electronic services paid for by City of Molalla are to be used for City of Molalla business only. This means, for example, that employees may not use the City of Molalla-provided Internet, or City of Molalla electronic equipment and services to:

- Display or store any sexually explicit images or documents, or any images or documents that would violate City of Molalla's no-harassment, no-discrimination or bullying policies;
- Play games (including social media games) or use apps of any kind;
- Engage in any activity that violates the rights of any person or City of Molalla, and that is protected by copyright, trade secrets, patent or other intellectual property (or similar laws or regulations);
- Engage in any activity that violates the right to privacy, of protected healthcare information or otherwise, or other City of Molalla-specific confidential information;
- Engage in any activity that would introduce malicious software purposefully into a workstation or network (e.g., viruses, spyware, adware and other malware);
- Download or view streaming videos for personal use. This includes, without limitation, YouTube videos, movies, and TV shows. Streaming audio is allowed, provided it does not contain explicit material, adversely affects network speed, or interferes with others' ability to work.

Further, employees may not use City of Molalla-provided email addresses to create or manage personal accounts (e.g., shopping websites, personal bank accounts, and social media accounts). City of Molalla email addresses for professional-based social media accounts such as LinkedIn may be allowed with the approval of the employee's supervisor.

Inspection and Monitoring – No Right to Privacy

Employee communications, both business and personal, made using City of Molalla electronic equipment and services are not private. Any data created, received, or transmitted using City of Molalla equipment services are the property of City of Molalla and usually can be recovered even though deleted by the user.

All information and communications in any format, stored by any means on City of Molalla's electronic equipment or services, are subject to inspection at any time without notice. Personal passwords may be used for purposes of security, but the use of a personal password does not affect City of Molalla's ownership of the electronic information, electronic equipment, or services, or City of Molalla's right to inspect such

information. City of Molalla reserves the right to access and review electronic files, documents, archived material, messages, email, voicemail, and other such material to monitor the use of all City of Molalla's electronic equipment and services, including all communications and internet usage and resources/sites visited. City of Molalla will override all personal passwords if it becomes necessary to do so for any reason.

Personal Hardware and Software

Employees may not install personal hardware or software on City of Molalla's computer systems or mobile devices without prior approval from the City Manager and Risk Manager. All software installed on City of Molalla's computer systems must be licensed. Copying or transferring of City of Molalla-owned software to a personal device/equipment may be done only for personal devices/equipment used for City of Molalla business and with the written authorization of the City Manager and Risk Manager.

Unauthorized Access

Employees are not permitted unauthorized access to the electronic communications of other employees or third parties unless directed to do so by City of Molalla management. No employee can examine, change, or use another person's files, output, username or password unless they have explicit authorization from the City Manager and Risk Manager to do so.

Security

Many forms of electronic communication are not secure. Employees who use cell phones, cordless phones, fax communications or email sent over the Internet should be aware that such forms of communication are subject to interception. These methods of communicating should not be used for privileged, confidential, or sensitive information unless appropriate encryption measures are implemented.

Inappropriate Web Sites

City of Molalla's electronic equipment, facilities or services must not be used to visit Internet sites that contain obscene, hateful, or other objectionable materials, or that would otherwise violate City of Molalla's policies.

D. Social Media

For purposes of this policy, "social media" includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal, or diary, personal or commercial website, social networking website, web bulletin board or a chat room, whether or not associated or affiliated with City of Molalla, as well as any other form of electronic communication.

Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of coworkers, or otherwise adversely affects our residents or people who work on behalf of City of Molalla or City of Molalla's legitimate business interests may result in disciplinary action up to and including termination.

Prohibited Postings

Employees will be subject to discipline, up to and including termination, if they create and post any text, images or other media that violate any City of Molalla policies, including City of Molalla's no-harassment and no-discrimination and workplace violence policies. Similarly, postings that include threats of violence, are physically threatening or intimidating, bullying or harassing, will not be tolerated and may subject an employee to discipline, up to and including termination.

Do not create a link from your blog, website or other social networking site to a City of Molalla-owned or maintained website without identifying yourself as a City of Molalla employee.

Express only your personal opinions. Never represent yourself as a spokesperson for City of Molalla unless you are authorized by your manager/supervisor to do so. If City of Molalla is a subject of the content you are creating, be clear and open about the fact that you are a City of Molalla employee and make it clear that your views do not represent those of City of Molalla or its employees or elected officials.

Encouraged Conduct

Always be fair and courteous to coworkers, the residents we serve, City of Molalla's employees and elected officials, and suppliers or other third parties who do business with City of Molalla.

Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your coworkers, or by utilizing our Open-Door Policy, than by posting complaints to a social media outlet. If you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage citizens, coworkers, City of Molalla employees or elected officials, that might constitute harassment or bullying, and/or that violate City of Molalla policies. Examples of such conduct might include offensive posts that a reasonable person would perceive as calculated to intentionally harm an individual's personal or professional reputation, posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or City of Molalla policy.

Maintain the confidentiality of City of Molalla's confidential information. Do not post internal reports, policies, procedures or other internal, City of Molalla-related confidential communications or information. (See "Confidential City of Molalla Information" policy, below.)

Nothing in this policy is meant to prevent an employee from exercising their right to make a complaint of discrimination or other workplace misconduct, engage in lawful collective bargaining activity, or to express an opinion on a matter of public concern that does not unduly disrupt City of Molalla operations. Employees are free to express themselves as private citizens on social media sites, but an employee's exercise of expression is balanced against the City of Molalla's interest in the effective and efficient fulfillment of its responsibilities to the public. Employees are prohibited from posting on any social media platform during working hours, unless it is a part of their job duties.

Request for Employee Social Media Passwords

City of Molalla's supervisors and managers are prohibited by law from requiring or requesting an employee or an applicant to disclose or to provide access through the employee's or applicant's username and password or other means of authentication that provides access to a personal social media account. This includes, without limitation, a username and password that would otherwise allow a supervisor/manager to access a private email account not provided by City of Molalla.

Nothing in this policy prohibits City of Molalla from requiring an employee to produce content from their social media or internet account in connection with a City of Molalla-sponsored investigation into potential misconduct, unlawful or unethical behavior, or policy or rule violations.

E. Confidential City of Molalla Information

Employees must not access, use, or disclose sensitive or confidential information or data except in accordance with City of Molalla policies, practices and procedures, and as authorized by state or federal laws or regulations. Employees with access to confidential information, including but not limited to customer or employee financial, medical or personal information (including, without limitation, Social Security numbers), are responsible for the safekeeping and handling of that information to prevent unauthorized disclosure. Employees who access, use, or disclose confidential information contrary to Oregon or federal laws or for personal use or financial gain may be subject to civil or criminal penalties under those laws, in addition to appropriate disciplinary action for violating this policy.

No records or information including (without limitation) protected data, documents, files, records, computer files or similar materials (except in the ordinary course of performing duties on behalf of City of Molalla) may be removed from our premises without permission from the City Manager. Likewise, any materials developed by City of Molalla's employees in the performance of their jobs is the property of City of Molalla and may not be used for personal or financial gain. Additionally, the contents of records or information otherwise obtained in regard to the City of Molalla's business may not be disclosed to anyone, except where required for a business purpose or when required by law.

F. Artificial Intelligence in the Workplace

This policy aims to ensure that employee use of AI conforms with City of Molalla's policies and goals relating to privacy, confidentiality and data security and is used to enhance productivity and efficiency.

AI takes many forms and can serve many different functions; this policy addresses all forms of AI. This policy applies to all City of Molalla employees and to all work associated with City of Molalla that those employees perform, regardless of location (on or off City of Molalla premises).

AI Usage in General

Employees wishing to use AI in connection with work should discuss the parameters of the intended use with their department head, the City Manager and Human Resources. The department head, the City Manager and Human Resources may approve, deny or modify the requested parameters as best meets City of Molalla policy, legal requirements

or other needs of City of Molalla. A supervisor or manager may not approve any request to use AI when the use will involve entering propriety or confidential City of Molalla data without review by the City Manager and Human Resources.

All AI generated content must be properly cited as "AI generated content" when used as a resource for City of Molalla work, except for general correspondence (such as email or text).

All AI-generated content must be reviewed for accuracy before relying on it for work purposes. If a reliable source cannot be found to verify actual information generated by the chatbot, that information cannot be used for work purposes.

Authorized AI-generated uses include general knowledge questions meant to enhance your understanding on a work-related topic; to brainstorm ideas related to projects you are working on; to create formulas for Excel spreadsheets or similar programs; to draft an email or letter; for drafting job descriptions or job announcements; or to summarize online research or to create outlines for projects.

Employees must always comply with Oregon's record retention and public records laws, and any City of Molalla policy relating to the retention or destruction of public records.

Prohibited AI Uses

Prohibited AI-generated uses include:

- Using any text created by an AI chatbot in final work products of any kind (except as noted above);
- Copying/pasting, typing or in any way submitting City of Molalla content or data of any kind into the AI chatbot;
- Inputting confidential or sensitive information about City of Molalla employees (past or present), any individual with reasonable or legally protected privacy interests, or descriptions of City of Molalla personnel matters into the AI chatbot; or
- Inputting data or information into AI that discloses confidential or propriety information of City of Molalla.

Ethical use

Employees must use generative AI in accordance with all City of Molalla policies and values. These technologies must not be used to create content that is inappropriate, discriminatory, or otherwise harmful to others or City of Molalla. Such misuse will result in discipline, up to and including termination of employment.

Monitoring

All City of Molalla policies relating to computer usage, mobile devices and the like apply when using AI on work time, regardless of whether the equipment is owned or provided by City of Molalla.

G. Ethics

City of Molalla believes in treating people with respect and adhering to ethical and fair business practices. Employees must avoid situations that may compromise their reputation or integrity, or that might cause their personal interests to conflict with the interests of the City of Molalla or the City of Molalla 's residents.

City of Molalla's employees are public employees, and as such, are also subject to the State of Oregon's ethics laws. In some cases, these laws provide additional limitations on employees, such as prohibitions on gifts and strict definitions of conflict of interest. Information on Oregon's ethics laws is available at the Oregon Government Ethics Commission website: <http://www.oregon.gov/OGEC>. All employees will receive training in the State of Oregon's ethics laws upon hire and annually.

If you have questions about whether an activity meets the City of Molalla's or Oregon's ethical standards, please talk with your department head, the City Manager or Human Resources. Employees who violate the Ethics Policy, or who violate Oregon ethics laws, may be subject to disciplinary action up to and including termination.

H. Open-Door Policy

City of Molalla's Open Door Policy is based on our belief that open, honest communication between managers and employees should be a common business practice. City of Molalla's managers and supervisors are responsible for creating a work environment where employee input is welcomed, and where issues are identified early and shared without the fear of retaliation (when the employee provides the input in good faith). If you have a complaint, suggestion, or question about your job, working conditions, or the treatment you are receiving from anyone in City of Molalla, please raise them first with your immediate supervisor. If you are not satisfied with the response from your immediate supervisor, or if your issue involves your immediate supervisor, request to have the facts/situation reviewed by the City Manager or Human Resources.

I. Outside Employment

Generally, employees may obtain employment with an employer other than City of Molalla or engage in private income-producing activity of their own so long as that activity is not otherwise prohibited by these rules. Employees are responsible for assuring that their outside employment does not conflict with these rules.

An employee is prohibited from, directly or indirectly, soliciting or accepting the promise of future employment based on the understanding that the offer is influenced by the employee's official action.

Employees may not accept outside employment that involves:

- The use of City of Molalla time (including the employee's work time), City of Molalla facilities, equipment and supplies, or the prestige or influence of the employee's position with City of Molalla. In other words, the employee may not engage in private business interests or other employment activities on the City of Molalla's time or using the City of Molalla's property;
- The performance of an act that may later be subject to control, inspection, review or audit by the department for whom the employee works (or by a state agency);
or
- Receipt of money or anything of value for performance of duties that the employee is required to perform for the City of Molalla.

The City of Molalla requires employees to report outside employment that could potentially conflict with the rules to their immediate supervisor or department head and Human Resources before the outside employment begins. Thereafter, an employee must provide an update to their immediate supervisor or department head and Human

Resources on an annual basis, or sooner if any changes in outside employment occur. Employees who accept outside employment in violation of this policy may be subject to discipline, up to and including termination.

J. Criminal Arrests and Convictions

Employees must promptly and fully disclose to their supervisor on the next working day:

1. All drug- or alcohol-related arrests, citations, convictions, guilty pleas, no contest pleas or diversions that result from conduct which occurred while on duty, on City of Molalla property, or in an City of Molalla vehicle (see "Alcohol/Drug Use, Abuse and Testing" policy above);
2. All arrests, citations, convictions, guilty pleas or no contest pleas that result from crimes involving the theft or misappropriation of property, including money; or
3. If you are arrested, cited, or convicted of a violation of any law that will prevent you from performing the essential functions of your position.

Reporting an arrest or conviction will not automatically result in termination of employment. Situations will be evaluated on a case-by-case basis.

Employees who are unavailable to report for work because they have been sent to jail or prison may not use sick leave or vacation time to cover the absence, and may be subject to disciplinary action, up to and including termination.

K. Political Activity

Employees may engage in political activity except to the extent prohibited by Oregon law when on the job during working hours. This means that employees cannot:

- Be required to give money or services to aid any political committee or any political campaign;
- Solicit money or services (including signatures) to aid or oppose any political committee, nomination or election of a candidate, ballot measure or referendum, or political campaign while on the job during working hours (this is not intended to restrict the right of City of Molalla employees to express their personal political views); or
- Be disciplined or rewarded in any manner for either giving or withholding money or services for any political committee or campaign.

L. Bad Weather/Emergency Closing

Except for regularly scheduled holidays identified by the City of Molalla (see "Holidays" section, above), City of Molalla is open for business on Mondays through Fridays during normal business hours. If there are circumstances beyond our control, such as inclement weather, a national crisis, or other emergencies that make one or more of our office locations inaccessible for all or part of a regularly scheduled workday, the City Manager or their designee will decide whether to and to what extent the City of Molalla will close.

In the event of extreme bad weather, we recognize that each employee's ability to safely reach work may be different. If you cannot safely report to work in such circumstances, you should contact your supervisor. If staff cannot reach the office and are able to serve City of Molalla from home, you should do so subject to approval by your supervisor. Safety and a trustworthy approach are your guides.

M. Driving While on Business

Employees working in positions where driving is an essential function of their duties must possess a valid driver's license and must carry auto liability insurance on any personal vehicles used to conduct City of Molalla business. Employees who use their own vehicles for authorized City of Molalla business use should make any necessary arrangements with their insurance carriers.

The City of Molalla may verify the validity of an employee's driver's license and/or driving record at the time of hire, annually, and at any point during their employment if driving is an essential function of their job or if so doing relates to a legitimate business purpose of City of Molalla.

While conducting City of Molalla business, drivers are expected to make every reasonable effort to operate their vehicle safely, with due regard for potential hazards, weather, and road conditions. Drivers are to obey all traffic laws, posted signs and signals, and requirements applicable to the vehicle being operated. Seatbelts are to be used in all vehicles while on business. Drivers are to ensure that the use of prescribed or over the counter drugs does not interfere with their ability to drive while on business; operating a vehicle under the influence of alcohol or controlled substances is prohibited. Employees are responsible for notifying their manager of any subsequent restrictions, limitations, or other change in their driving status within 72 hours of the change or new restrictions/limitations. See also, "Mobile Device Use While Driving" policy, above.

Employees who receive a ticket or citation while driving a City of Molalla-owned vehicle or while on City of Molalla business will be responsible for paying the fine (if any) associated with the ticket or citation and may face discipline up to and including termination.

N. Workplace Violence

Threats and acts of violence made by an employee against another employee, volunteer, elected official, or member of the public with respect to that person's life, health, well-being, family, or property will be dealt with in a zero-tolerance manner by City of Molalla.

All employees have an obligation to report any incidents that pose a real or potential risk of harm to employees or others associated with City of Molalla, or that threaten the safety, security or financial interests of City of Molalla. Employees are also strongly encouraged to report threats or acts of violence by non-employees, such as vendors or citizens, against any employee, volunteer or elected official. Employees should make such reports directly to their supervisor or department head, the City Manager and Human Resources.

City of Molalla also may conduct an investigation of a current employee where the employee's behavior raises concern about work performance, reliability, honesty, or potentially threatens the safety of coworkers or others. See policy on "Workplace Inspections."

O. Workplace Inspections – No Right to Privacy

This policy applies to inspections conducted by City of Molalla pursuant to policy, established practice or law unless otherwise addressed in a different policy in this Handbook or applicable CBA.

A City of Molalla-led inspection may include a search of any organization-provided property, such as desks, work areas, file cabinets, voicemail/phone systems and computer systems (including email accounts maintained by City of Molalla and internet browsing history). *Employees are strongly discouraged from storing personal items in the desks, lockers, work areas, file cabinets and other office equipment or furniture, as well as voicemail/phone and computer systems assigned to them by the City of Molalla; **these areas are not private.***

P. Oregon's Indoor Clean Air Act

City of Molalla follows Oregon's Indoor Clean Air Act which prohibits smoking and vaping within 10 feet of all entrances, exits, windows that open, and air-intake vents in City of Molalla facilities and buildings. For this policy, "tobacco" includes the smoking of any tobacco-based product, smoking in any form (including, without limitation, cigars and e-cigarettes). Marijuana is also prohibited under this policy. This policy applies to employees, volunteers, and any visitors.

City of Molalla vehicles are tobacco- and marijuana-free areas. Tobacco/marijuana use is prohibited in city vehicles and around equipment or machinery.

Employees who smoke must do so outside of City of Molalla's facilities/buildings, only in designated smoking areas, and out of visitor view. Smoking is not allowed near building entrances; Oregon law prohibits smoking within 10 feet of building entrances and other openings, including second-story windows.

Q. Hiring of Family Members

Relatives of current employees, or individuals involved in an intimate personal or financial relationship with a current employee, are eligible for hire at the City of Molalla subject to the same selection and evaluation process and job requirements as any other applicant. However, persons will not be hired or promoted into positions in which one family member (as defined by Oregon law) or person involved in an intimate personal or financial relationship, would fall under the direct line of supervision of the other family member or partner.

All employees shall avoid being in a position where they are subject to supervisory or oversight authority by a family member, member of their household, or a person with whom they have an intimate personal or financial relationship. If the relative relationship is established after employment as a result of organizational restructuring, marriage, or the development of an intimate personal or financial relationship, the employees involved have an obligation to immediately inform the City Manager and Human Resources. The employees and City of Molalla will jointly make a good faith effort to find an alternative assignment for one of the two employees. Depending on business need, this may include, but is not limited to restructuring duties, assignment to another position, and assignment to another shift or change in supervision. If no alternative assignment is available, the two employees will have 30 days to decide who will resign. If a decision is

not made within 30 days, the City of Molalla will make the final decision, based on the operational and financial needs.

Policy violations including, but not limited to, failure to disclose a family relation, or an intimate personal or financial relationship, will be investigated by the City of Molalla. Policy violations may result in discipline, up to and including termination of employment. Supervisors and lead workers may be disciplined for taking employment actions based upon the relationship.

R. Prohibition on Secret Recordings

Employees may not obtain or attempt to obtain the whole or any part of a conversation by means of any device without first obtaining permission from all of the people in the conversation. This rule applies to the recording of conversations made during work hours, while at work-related functions, or in connection with work between or among employees, supervisors/managers, elected officials, or members of the public. It does not apply to conversations where there is no expectation of privacy, such as a City Council meeting, a Board of Commissioners work session, and the like.

This policy does not apply to law enforcement employees who record conversations in connection with their official public safety duties. Nothing in this policy prohibits or restricts an employee's right under the federal or Oregon constitutions to make recordings outside of working hours or while not representing or working on behalf of City of Molalla. If anything in this policy contradicts existing CBA provisions on the recordings of personnel meetings, or Oregon or federal law that provide for lawful secret recordings, the CBA provision or law will apply.

Employees who secretly record meetings with supervisors, coworkers, elected officials, members of the public or others while on duty will be subject to discipline, up to and including termination of employment.

VII. Progressive Discipline and Termination of Employment

A. Workplace Rules and Prohibited Conduct

Any violation of the rules or prohibited conduct in this policy may result in discipline, up to and including termination. This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare and City of Molalla's operations, some of which are described elsewhere in this Handbook, may also be grounds for discipline, up to and including termination.

- Falsification of employment, time or other City of Molalla records.
- Recording time worked by anyone other than yourself; allowing another employee to record your work time.
- Theft or the deliberate or careless damage or destruction of any City of Molalla property, or the property of any other employee, member of the public, vendor or third party.
- Unauthorized use of City of Molalla equipment, materials, or facilities.
- Engaging in discriminatory, harassing, sexual harassing, or bullying behavior.
- Provoking a fight or fighting during work hours or on City of Molalla property.
- Carrying firearms or any other dangerous weapon on City of Molalla premises at any time.
- Engaging in criminal conduct while at work.

- Causing, creating, or participating in a significant or substantial disruption of work during working hours on City of Molalla property.
- Insubordination, including but not limited to failure or refusal to follow the lawful orders or instructions of a supervisor or member of management.
- Failure to notify a supervisor when unable to report to work, or when leaving work during normal working hours without permission from a supervisor to do so.
- Two consecutive days of no-call, no-show to work or two single day instances of no-call, no-show to work.
- Failure to observe work schedules, including rest breaks and meal periods. Employees are expected to be at work on time, remain until the workday ends, and perform the work assigned to or requested.
- Sleeping on the job; faking illness or injury to avoid working.
- Excessive personal telephone calls or texting during working hours.
- Failing to attend scheduled work sessions and related activities at conferences, workshops, or educational events that are paid for by the City of Molalla.
- Misrepresentation of City of Molalla policies, practices, procedures, or your status or authority to enter into agreements on behalf of the City of Molalla. Employees may not use the City of Molalla's name, logo, likeness, facilities, assets, or other resources of the City of Molalla for personal gain or private interests.
- Violation of any safety, health, security or City of Molalla policy, rule, or procedure. Employees are expected to act in accordance with all appropriate codes, laws, regulations, and policies, regardless of whether they are set by City of Molalla or outside regulatory or legislative bodies.
- Failing to pay water/sewer/tax accounts with City of Molalla on time, and/or whose City of Molalla -provided services are disconnected. This includes, without limitation, situations where the employee writes a check to City of Molalla that is refused for payment due to non-sufficient funds.

This statement of prohibited conduct does not alter City of Molalla's policy of at-will employment. Except for employees subject to a collective bargaining agreement or contract of employment, City of Molalla remains free to terminate the employment relationship at any time, with or without cause or notice.

B. Corrective Action/Discipline Policy

Employees are expected to always perform to the best of their abilities. There will be occasions, however, where employees perform at an unsatisfactory level, violate a policy or law, or commit an act that is inappropriate. When performance or conduct does not meet City of Molalla standards, City of Molalla will determine whether it will terminate the employee's employment or correct the deficiency through progressive discipline: verbal warning, written warning, suspension, etc. The corrective action process will not always commence with verbal counseling or include a sequence or steps. Some acts, particularly those that are intentional or serious, warrant more severe action (including termination) on the first or subsequent offense.

In all cases, City of Molalla will determine the nature and extent of any discipline based upon the circumstances of each individual case and, where applicable, collective bargaining agreement provisions. City of Molalla may proceed directly to a written warning or termination for misconduct or performance deficiency, without any prior disciplinary steps, when City of Molalla deems such action appropriate. City of Molalla

retains the right to terminate any employee's employment at any time and for any reason, with or without advance notice or other prior disciplinary action (other than those employees who are subject to a collective bargaining agreement or contract of employment).

C. Retirement or Resignation from Employment

Employees choosing to resign or retire are asked to give City of Molalla as much notice as possible — preferably a minimum of two weeks. When giving two weeks' notice, vacation, personal, or sick days should not be used in lieu of notice. Employees who do not give two-weeks' notice of their intent to leave City of Molalla may not be eligible for re-employment at a later date.

Employees who miss two or more consecutive workdays without contacting their immediate supervisor (no-call, no show) are considered to have resigned from their employment.

If the employee's decision to resign is based on a situation that could be corrected, the employee is encouraged to discuss it with their immediate supervisor or department head or Human Resources before making a final decision.

Employees must return all City of Molalla property, including phones, computers, identification cards, credit cards, keys, and manuals, to their immediate supervisor, department head, or Human Resources on or before their last day of work.

D. References

All requests for references or recommendations must be directed to Human Resources. No manager, supervisor or employee is authorized to give references for current or former employees. Managers and supervisors are expressly prohibited from providing LinkedIn "recommendations" or using a website on the internet to discuss a current or former employee's performance or termination of employment.

By policy, City of Molalla discloses only the dates of employment and position(s) held of former employees. A former employee who wants additional personnel information disclosed must authorize City of Molalla to do so in a writing that identifies City of Molalla by name and authorizes City of Molalla to disclose documents or other information specifically identified by the former employee.

Employee Acknowledgement

Acknowledgment of Receipt of 2026 Employee Handbook

I acknowledge that I have received and will read a copy of City of Molalla's 2026 Employee Handbook. I also understand that a copy of the Employee Handbook is available to me at any time for review in the Human Resources department.

I understand that City of Molalla has adopted the Employee Handbook only as a general guide about policies, work rules and the work environment, and that they are subject to change at any time in City of Molalla's sole discretion. I also understand that the Employee Handbook has control over any other contradictory statements, other than those found in applicable collective bargaining agreements. I acknowledge that the Employee Handbook is not an employment contract and is not intended to give me any express or implied right to continued employment or to any other term or condition of employment.

I understand that either City of Molalla or I may terminate my employment relationship at any time, for any lawful reason and with or without notice, unless my employment is covered under a collective bargaining agreement. Other than promises that may be found in that collective bargaining agreement, I acknowledge that no promises have been made to me that are inconsistent with this "at will" statement.

I have reviewed or will review City of Molalla's policies regarding equal employment opportunity and that the City of Molalla aims to provide a workplace free of harassment, discrimination, and retaliation. I will bring any questions or concerns I have regarding equal employment opportunities, discrimination, retaliation, or harassment to Human Resources, the City Manager, or any trusted manager or supervisor.

During my employment with City of Molalla, I understand that it is my responsibility to remain informed about the policies as revisions, updates and new policies are issued, and to ask questions about any interpretation of any of the policies.

I have read this acknowledgement carefully before signing.

Employee Signature

Date

The original of this document will be kept in the Employee's personnel file. A copy will be provided to the Employee upon request.



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, March 11, 2026

Submitted by: Dan Huff, City Manager

Approved by: Dan Huff, City Manager

SUBJECT: City Council Meeting Discussion - April 22, 2026

RECOMMENDATION/RECOMMENDED MOTION:

This item is for Council discussion and will require a motion.

BACKGROUND:

Molalla City Councilors will attend the upcoming League of Oregon Cities Spring Conference in Pendleton, April 23-25. The conference creates a conflict for the April 22nd City Council meeting.

Staff recommends moving the City Council meeting to Tuesday, April 21, 2026.