



**CITY OF MOLALLA
CITY COUNCIL
AGENDA**

Civic Center | 315 Kennel Avenue
Wednesday, June 24, 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. [City Council Meeting Minutes - June 10, 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. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2026-2027 Fiscal Year](#)

7. ORDINANCES AND RESOLUTIONS

- A. [Resolution No. 2026-18: Authorizing a Contingency Transfer in the General Fund](#)
- B. [Resolution No. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2026-2027 Fiscal Year](#)

8. GENERAL BUSINESS

- A. [Water Rate Adjustment Announcement](#)
- B. [July 8th City Council Meeting](#)

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, June 24, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: City Council Meeting Minutes - June 10, 2026

ATTACHMENTS:

[6-10-26 CC Meeting Minutes.pdf](#)

[6-8-26 J Thompson Public Comment.pdf](#)

[Handout #1 Park SDCs- Request for Clarification Regarding Resolution No. 2019-12.pdf](#)

[Handout #2 Completed_Public_Records_Request_Form.J. Thompson.pdf](#)

[Handout #3 Pages from City of Molalla Parks SDCs Update Final Report - March 11 2026 WS.pdf](#)

[Handout #4 Park SDC Explanation 6-2026.pdf](#)



City of Molalla
City Council - Regular Meeting
Minutes – June 10, 2026
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Regular Meeting for June 10, 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 Doug Gilmer, Councilor Martin Bartholomew, and Councilor K.C. Bisenius. Absent: Councilor Terry Shankle

STAFF IN ATTENDANCE

Dan Huff, City Manager and Christie Teets, City Recorder.

APPROVAL OF AGENDA

As presented.

CONSENT AGENDA

- A. Work Session Meeting Minutes - May 27, 2026
- B. City Council Meeting Minutes - May 27, 2026
- C. Resolution No. 2026-16: Supporting an Oregon Department of Transportation (ODOT) Transportation Growth Management (TGM) Grant Application for Concept Planning Related to the Urban Renewal Boundary Expansion
- D. Resolution No. 2026-17: Supporting an Oregon Department of Land Conservation and Development (DLCD), Housing Accountability and Production Office (HAPO), 2026 Urban Growth Boundary Expansion Area Planning Grant

ACTION:

Councilor Childress made a motion to approve the Consent Agenda as presented; Councilor Gilmer seconded. Motion passed 6-0.

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

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

None.

PUBLIC COMMENT

Todd Carver, Molalla: addressed Council regarding the City's Urban Growth Boundary (UGB) planning efforts. He expressed interest in future UGB expansion to the south of Molalla and stated several other property owners share a similar interest. Mr. Carver encouraged consideration of southern expansion areas as the City evaluates future growth opportunities.

Scott Keyser, Molalla: Mr. Keyser, speaking as a resident of Molalla and founder of Molalla Cares, shared a community fundraising concert scheduled for June 13th at Molalla River Brewing in support of former Police Chief Frank Schonfeld following a serious accident. He highlighted the community involvement, volunteer support, and charitable purpose of the event, and encouraged residents to attend and support the fundraiser. *Mayor Keyser temporarily stepped away from the dais, and Council President Vermillion presided during the comment period.*

City Recorder Teets informed the Council correspondence and a public records request from resident Jimmy Thompson had been provided for review. City Manager Huff responded to concerns raised regarding the City's Park System Development Charges (SDCs), explaining that the 2019 reduction in the Park SDC was a policy decision of the governing body and did not require a new methodology study because the fee was reduced below the maximum justified amount. *(For full discussion refer to YouTube meeting recording minutes 01:15:14 - 01:29:40)*

PUBLIC HEARING

None.

ORDINANCES AND RESOLUTIONS

None.

GENERAL BUSINESS

A. Banner Pole Tops - Ben Dye Images

Councilor Childress presented the proposed artistic embellishment for the City's new downtown banner system, funded through a grant project. She explained the Beautification and Culture Committee (B&C) conducted a community survey and selected a Molalla River-themed design featuring fish and river elements. B&C recommended the design for the banner support structures.

B. MMC Chapter 5.24 General Business Licensing - Potential Code Update

City Manager Huff presented proposed updates to Chapter 5.24 of the Molalla Municipal Code relating to business licensing. He explained that the ordinance, originally adopted in 1999 and amended several times since, contains outdated provisions and areas requiring clarification. Proposed revisions include streamlining the application and renewal processes, removing obsolete language, and evaluating potential changes to hobbyist business thresholds.

STAFF COMMUNICATION

- **City Recorder Teets:** reminded Council of the upcoming Clackamas County Cities Association dinner and requested attendance confirmations. She also noted that election season is underway and reported that the City is recruiting for two Office Specialist V positions, one being an Accounting Specialist position within the Finance Department.
- **City Manager Huff:** City Manager Huff reported on a recent water line failure at City Hall that resulted in flooding within portions of the building. He provided historical background on the facility and noted that repairs were underway.

COUNCIL COMMUNICATION

- **Councilor Bisenius:** expressed support for the upcoming fundraiser benefiting former Police Chief Frank Schoenfeld and wished organizers success with the event.
- **Councilor Bartholomew:** announced the Cars and Coffee event scheduled for August and encouraged participation.
- **Councilor Gilmer:** No Report.
- **Councilor Childress:** thanked the Council for supporting the Beautification and Culture Committee (B&C) banner system design recommendation and recognized fellow committee members for their contributions. She also encouraged residents to purchase Buckeroo Rodeo tickets directly from the official event website to avoid higher prices from third-party vendors.
- **Council President Vermillion:** reminded motorists to exercise caution as students begin summer break and spend more time outdoors. He also reported on his attendance at the C4 conference, highlighting discussions related to economic development, business competitiveness, and transportation funding, and noted the value of regional collaboration among local government officials.
- **Mayor Keyser:** No Report.

For the complete video account of the City Council Meeting, please go to [YouTube City of Molalla | Oregon – June 10, 2026](#)

ADJOUR

Mayor Keyser adjourned the meeting at 7:59 PM.

Scott Keyser, Mayor

PREPARED BY:

ATTEST:

Crystal Robles, Deputy City Recorder

Christie Teets, CMC - City Recorder

Meeting Minute Attachments:

- Scott Keyser Public Comment
- Jimmy Thompson Public Comment, Public Records Request, and City Staff Communication

From: [Christie Teets](#)
To: [Jimmy Thompson](#)
Cc: [Dan Huff](#)
Subject: RE: Park SDCs- Request for Clarification Regarding Resolution No. 2019-12
Date: Monday, June 8, 2026 2:27:23 PM
Attachments: [Public Records Request Form.pdf](#)

Hello,

I'm in receipt of your letter to the Mayor & Council.

I will include this message as public comment and it will be included in the Meeting Minutes for the June 10th City Council Meeting.

Much of what you are requesting can be located on the City's [website](#). There were two Work Sessions held related to Parks SDC's. They were held on February 25th and March 11th, and contained information related to your questions below. Council made a final decision to [adopt Resolution No. 2026-13: Amending SDC's for Parks](#) at the May 13th City Council meeting. Packet information can be found on the website and playbacks of the meetings can be found on the [City's YouTube](#) page.

After reviewing documents on the website and you determine whether you have remaining questions, please submit the attached Public Records Request. Thank you.

Christie Teets, CMC

City Recorder

Phone: 503.759.0285 | Fax: 503.829.3676

Office Hours: M-Th; 8:00am – 4:30pm | Fri; 8:00am-12pm

www.cityofmolalla.com



DISCLOSURE NOTICE: This email is official business of the City of Molalla and is subject to Oregon Public Records Law.

From: Jimmy Thompson <jthompson97233@hotmail.com>

Sent: Saturday, June 6, 2026 4:04 PM

To: City Recorder <recorder@cityofmolalla.com>

Subject: Park SDCs- Request for Clarification Regarding Resolution No. 2019-12

Honorable Mayor, Council, and City Staff:

During my tenure as a Councilor and Mayor for the City of Molalla, one of the issues we worked to address was the City's Parks Master Plan and associated Parks System Development Charges (SDCs). Historically, population growth had outpaced park development and acquisition, creating deficiencies in the park system while development continued. As a Council, we took steps to better align growth with the infrastructure and amenities needed to support it, ensuring that growth contributed appropriately to the facilities necessary to serve that growth.

According to City records, Resolution No. 2019-12 reportedly resulted in an unintended reduction of approximately \$1.9 million in park capital revenue. As a former elected official and resident, I would appreciate clarification regarding the analysis supporting that decision, the methodology used to establish the revised rate, and the distribution of its impacts.

Specifically:

- First and foremost, please provide the methodology, analysis, and supporting documentation used to establish the revised Parks SDC rate adopted under Resolution No. 2019-12.
- As I understand Oregon's SDC framework, system development charges are generally required to be supported by an adopted methodology establishing the basis for the charge. Accordingly, I would appreciate any studies, calculations, memoranda, consultant reports, legal analyses, or other documentation demonstrating how the revised rate was determined and how it was found to comply with applicable legal requirements.
- Was an analysis prepared showing the estimated revenue impact of the reduction prior to adoption?
- Was Council presented with project-specific estimates showing the financial benefit to individual developments resulting from the reduction?
- How much of the reported reduction in capital revenue was attributable to specific developments, including StonePlace Apartments, Cascade Place, and the Bear Creek subdivision?
- How many dwelling units ultimately received the reduced rate?
- How many units associated with those developments were already constructed, permitted, under construction, or otherwise vested when the reduction was adopted?
- What public benefits were anticipated to offset the reduction in park capital revenue?

Please make available any analyses, memoranda, staff reports, presentations, meeting materials, consultant reports, legal opinions, or other supporting documentation related to this decision.

I would also respectfully request that this letter be included in the public comment portion of the next regular Council meeting packet and that any available responses be included as part of the public record.

Thank you for your time and assistance in helping me better understand this decision.

Kind regards,

Jimmy Thompson
Former Mayor, City of Molalla

From: [Jimmy Thompson](#)
To: [Christie Teets](#)
Cc: [Dan Huff](#)
Subject: RE: Park SDCs- Request for Clarification Regarding Resolution No. 2019-12
Date: Monday, June 8, 2026 5:03:59 PM
Attachments: [Completed Public Records Request Form\(1\).pdf](#)

Thank you very much Ms. Teets. As requested, please find attached a formal public records' request.

On Jun 8, 2026 3:52 PM, Christie Teets <cteets@cityofmolalla.com> wrote:

Mr. Thompson,

I will include our correspondence with the public record from your previous message.

Persons interested in public records are required to complete a Public Records Request. Thank you.

Christie Teets, CMC

City Recorder

Phone: 503.759.0285 | Fax: 503.829.3676

Office Hours: M-Th; 8:00am – 4:30pm | Fri; 8:00am-12pm

www.cityofmolalla.com



DISCLOSURE NOTICE: This email is official business of the City of Molalla and is subject to Oregon Public Records Law.

From: Jimmy Thompson <jthompson97233@hotmail.com>
Sent: Monday, June 8, 2026 3:39 PM
To: Christie Teets <cteets@cityofmolalla.com>
Cc: Dan Huff <dhuff@cityofmolalla.com>
Subject: RE: Park SDCs- Request for Clarification Regarding Resolution No. 2019-12

Mr. Huff and Ms. Teets,

Respectfully, I reviewed the materials referenced in the response to my prior comment. Most of the discussion appeared focused on how the Park SDC is calculated today and what the fee should be going forward. I was unable to locate discussion regarding how the 2019 reduction was originally determined, beyond Mr. Huff's statement during the meeting that the reduction was an "arbitrary" decision.

As a rough estimate, StonePlace Phases 2 and 3 reportedly included approximately 200 units, while Cascade Place reportedly included approximately 140 units, for a combined total of roughly 340 multifamily units. Applying a reduction of approximately \$5,000 per unit suggests a potential impact approaching \$1.7 million.

If those unit counts are inaccurate, or if my estimate is otherwise incorrect, I would appreciate any records identifying the actual number of units affected, the projects that benefited from the reduction, and the methodology used to calculate the City's reported revenue impacts associated with the decision.

I am also interested in understanding how many units had already been constructed, permitted, vested, or otherwise approved at the time the reduced Park SDC was adopted, and whether those units ultimately received the reduced rate.

Given the magnitude of the reported revenue impact and the apparent lack of a documented methodology in the materials I reviewed, I remain interested in understanding the basis for the decision, the analysis supporting it, and how the City arrived at its reported estimates.

Thank you for your time and consideration. I respectfully request that this correspondence be included in the public record.

Sincerely,

Jimmy Thompson Former Councilor and Mayor City of Molalla

On Jun 8, 2026 2:27 PM, Christie Teets <cteets@cityofmolalla.com> wrote:

Hello,

I'm in receipt of your letter to the Mayor & Council.

I will include this message as public comment and it will be included in the Meeting Minutes for the June 10th City Council Meeting.

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11th, and contained information related to your questions below. Council made a final decision to [adopt Resolution No. 2026-13: Amending SDC's for Parks](#) at the May 13th City Council meeting. Packet information can be found on the website and playbacks of the meetings can be found on the [City's YouTube](#) page.

After reviewing documents on the website and you determine whether you have remaining questions, please submit the attached Public Records Request. Thank you.

Christie Teets, CMC

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According to City records, Resolution No. 2019-12 reportedly resulted in an unintended reduction of approximately \$1.9 million in park capital revenue. As a former elected official and resident, I would appreciate clarification regarding the analysis supporting that decision, the methodology used to establish the revised rate, and the distribution of its impacts.

Specifically:

- First and foremost, please provide the methodology, analysis, and supporting documentation used to establish the revised Parks SDC rate adopted under Resolution No. 2019-12.
- As I understand Oregon's SDC framework, system development charges are generally required to be supported by an adopted methodology establishing the basis for the charge. Accordingly, I would appreciate any studies, calculations, memoranda, consultant reports, legal analyses, or other documentation demonstrating how the revised rate was determined and how it was found to comply with applicable legal requirements.
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- How many dwelling units ultimately received the reduced rate?
- How many units associated with those developments were already constructed, permitted, under construction, or otherwise vested when the reduction was adopted?
- What public benefits were anticipated to offset the reduction in park capital revenue?

Please make available any analyses, memoranda, staff reports, presentations, meeting materials, consultant reports, legal opinions, or other supporting documentation related to this decision.

I would also respectfully request that this letter be included in the public comment portion of the next regular Council meeting packet and that any available responses be included as part of the public record.

Thank you for your time and assistance in helping me better understand this decision.

Kind regards,

Jimmy Thompson

Former Mayor, City of Molalla



PUBLIC RECORDS REQUEST

City of Molalla | 117 N. Molalla Avenue | Molalla, OR 97038
T: 503-829-6855 | F: 503-829-3676 | E: recorder@cityofmolalla.com

Jimmy Thompson

Requestor's Name

Name of Business/Organization (If applicable)

Address

Molalla

OR

97038

City

State

Zip

June 8, 2026

jimmy@ikigaikids.org

Date of Request

Daytime Phone Number

Email Address

Information Requested: Please be specific and provide as much detail as possible to allow City staff to determine the requested records' nature, content, and department in which in the record(s) may be located, including dates and key words.

Please see Attachment A - Records Requested.

REQUESTOR TO READ AND SIGN

I understand that Oregon Revised Statute (ORS) 192.314 states that every person has a right to inspect any nonexempt public record. Further, I understand that fees may be charged to reimburse the City for its actual costs in making the records available. Such calculation may include staff time, costs for compiling, or copying a record to meet my request. I hereby request that the City of Molalla City Recorder produce, as best to their ability, the records specified above. Any fees must be paid prior to release of the record(s) requested. A deposit for fees, based on the estimated cost, will be required for any estimate above \$25.00. For estimates above \$25.00, the City will provide a written estimate of the cost, and will seek confirmation to proceed or cancel the request. I understand that if the fee is not paid or addition requested information is not provided within 60 days, the request will be closed.

Jimmy Thompson /s/

June 8, 2026

Signature of Requestor

Date

FOR OFFICE USE ONLY

Date Received _____

Date Compiled _____

Date Notified _____

Received By _____

Compiled By _____

Prepayment Received \$ _____

Actual Cost \$ _____

Refund Due \$ _____

Balance Due City \$ _____

Attachment A - Records Requested

Requestor: Jimmy Thompson

Date of Request: June 8, 2026

I request public records related to the City of Molalla's 2019 Park System Development Charge (Park SDC) reduction, including records related to the adoption, basis, methodology, implementation, and financial impact of Resolution 2019-12 and/or any related action reducing Park SDCs in 2019.

Timeframe: January 1, 2018 through December 31, 2020, unless a responsive record outside that range is necessary to show the methodology, adoption history, implementation, or impact of the 2019 reduction.

Records requested:

1. Any staff reports, memoranda, agenda materials, presentations, spreadsheets, calculations, fiscal impact analyses, consultant materials, or other records prepared for or provided to City Council concerning the 2019 Park SDC reduction or Resolution 2019-12.
2. Any records showing how the reduced Park SDC amount was determined, including the methodology, assumptions, calculations, data sources, or policy rationale used to arrive at the reduction.
3. Any records identifying the projected or actual revenue impact of the 2019 Park SDC reduction, including any records supporting or explaining the City's reported revenue-impact estimates.
4. Any records identifying the developments, projects, permits, lots, dwelling units, or equivalent dwelling units that received, were eligible for, or were expected to receive the reduced Park SDC rate.
5. Records sufficient to identify whether StonePlace Apartments Phases 2 and 3 and Cascade Place received the reduced Park SDC rate, including the number of units affected and the amount of Park SDCs charged, reduced, waived, credited, deferred, or otherwise not collected as a result of the 2019 reduction.
6. Any records showing how many units had already been constructed, permitted, vested, approved, or were otherwise in process at the time the reduced Park SDC was adopted, and whether those units received the reduced rate.
7. Communications, including emails and attachments, between City staff, consultants, developers, or representatives concerning the 2019 Park SDC reduction, Resolution 2019-12, StonePlace Apartments, Cascade Place, I&E; Construction, Karl Ivanov, or the application of the reduced Park SDC rate to multifamily development.

Suggested keywords: Park SDC, Parks SDC, system development charge, Resolution 2019-12, StonePlace, Stone Place, Cascade Place, I&E;, Ivanov, multifamily, apartment, EDU, reduction, methodology, fiscal impact, revenue impact, arbitrary, permit, vested, constructed, occupancy, certificate of occupancy.

Please provide responsive records electronically by email where possible. If the City believes any portion of this request requires clarification or narrowing, please identify the specific portion and any suggested narrowing that would reduce staff time while preserving the substance of the request.

If the estimated cost exceeds \$25.00, please provide a written cost estimate before proceeding. I also request that the City consider reducing or waiving fees to the extent allowed because the requested records concern public financial impacts, SDC methodology, and municipal decision-making affecting public infrastructure funding.

City of Molalla – Public Records Request Policy

Resolution No. 2023-03

Adopted February 22, 2023

Upon receipt of a public records request, the City shall reply within five business days that the request was received and confirm whether the City is the custodian of the requested records or explain why more time is needed for a full response. ORS 192.324(1)(2). The City shall complete its response as soon as practicable and without unreasonable delay. ORS 192.329(1); ORS 192.329(5).

It is the City’s policy, in accordance with state law, to recover its actual costs for retrieval of documents not immediately available or requiring staff research. ORS 192.324(4). The City may furnish records without charge or a reduced fee if its determined that making the record available benefits the general public. ORS 192.324(5).

The estimate of expected costs shall be provided to the requestor by staff in writing and the response will be suspended until the fees are paid (or waived). ORS 192.329(3). If the City requests additional information or clarification from the requestor, the response to the request is suspended until the requested information is provided. ORS 192.329(4).

Should the actual cost of responding to the request be less than estimated, a refund will be made to the requestor. Should the actual cost of responding to the request exceed the estimate by less than \$25, requestor shall pay balance due.

Upon receipt of the cost estimate or the initial receipt of the request, the City has ten business days to complete its response or provide in writing that additional time is needed. ORS 192.329(5).

FEES

Level 1 Request (staff time of 30 minutes or less)

- A. Provided via email *No Charge*
- B. Hard copies to be picked up or mailed *25 cents per side (50 cents double sided)*

Level 2 Request (staff time up to 30 minutes or more)

- A. Actual costs to reproduce, staff time, per page fees *Research Fee + per page fee*

Level 3 Request (staff time exceeds 30 minutes, complex request)

- A. Actual costs to reproduce, including staff time, legal review, outside services/consultants, per page fee, redaction fees *Research Fee + per page fee*

Research Fee: \$25.00 for 30 minutes or more. (Any research more than 30 minutes will be at actual employee personnel costs)

Hard copies: 25 cents for single side | 50 cents for double side

Redaction Fee: Employee personnel services costs and/or legal review

Flash Drive (1GB): \$5.00 each

Electronic search of city server: Actual costs (employee personnel costs or consultant fees)

**Fees set according to City of Molalla Resolution*

RECORDS OFFICER ACKNOWLEDGMENT OF REQUEST:

- The City is the custodian of the requested records.
- The City is NOT the custodian of the requested records. This completes the request and no further action is required.
- The City is unsure whether it is the custodian of the requested records. We will search for the record and make an appropriate response as soon as possible. Additional details: _____
- We request the following additional information to clarify and /or expedite the request: _____

- Copies of the requested record(s) are attached or are available on the city’s website: www.cityofmolalla.com

Presented by:



March

2026

Parks SDC Methodology Update

Final Report

Prepared for:



Donovan Enterprises, Inc.
9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
☎ 503.517.0671

2026 Parks SDC Update



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Introduction/History of the Project

Introduction

The City of Molalla conducts periodic updates to its Comprehensive Plan and its various Public Facility Plans to provide orderly and sustainable growth of municipal infrastructure. A key component to funding these public facilities is the system development charge (SDC) program. SDCs are one-time charges for new development—designed to recover the costs of infrastructure capacity needed to serve new development. This section describes the policy context and project scope upon which the body of this report is based. It concludes with a numeric overview of the calculations presented in subsequent sections of this report for parks SDCs.

Recent History of Parks SDCs

The city's current schedule of park SDCs was last reviewed and adopted by the City Council in January 2014. At that time, the parks SDC fee was established at \$5,570 per single-family and multi-family residential dwelling unit. In subsequent years, the fee was adjusted for inflation, reaching \$7,752 by 2019. However, in June 2019, the City Council opted to reduce the fee to \$2,500. This adjustment was not informed by a facilities plan update or a cost of service analysis but rather reflected a policy decision by the City's governing body. Since then, minor inflation-based adjustments have been applied, bringing the current rate to \$2,643 per residential dwelling unit. Readers are encouraged to consider this context when comparing the recommended parks SDC fees from this 2026 analysis. The current recommendations exceed the existing policy-based fee but closely align with the rates in effect prior to the City Council's 2019 decision.

Objectives

With this review and update, the City has stated a number of objectives:

- Review the basis for charges to ensure consistency with the City's proposed parks SDC methodology;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its way;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions and results, so that City staff could, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort and was done in close coordination with City staff and available facilities planning documents. The SDC updates comply with Molalla Municipal Code (MMC) Chapter 13.14 (System Development Charges).

Park SDC Review – 6-2026

2018 - 2019

The Molalla City Council had gone through many City Council discussion sessions regarding System Development Charges (SDC). The City of Molalla, like other cities, has SDC's for water, wastewater, transportation, storm drainage and parks. In 2018 and 2019 Council was wrestling with overall charges for the new Wastewater Treatment Plant and its effect on local ratepayers as well as new developments.

Council elected to reduce the park SDC in favor of and increase in other SDC's in order to keep the total SDC amount to a certain level. The City is required to have an approved CIP with justifiable methodology to charge or set SDC rates. Council may at their own discretion lower rates without those studies.

Park Master Plan - The former Parks Master Plan was updated in 2014, and the new Parks Master Plan was completed approximately one year ago. As Council is aware, the new Plan was crafted more practically and included attainable projects and upgrades. The new Park CIP and the recently adopted Park SDC Methodology (May 2006) was developed based on these principles.

Maintenance Funding - Molalla has a very limited parks maintenance staff, and we have reached our maintenance limit for the crew. We will need to create additional revenue to hire additional maintenance staff to increase park acreage beyond today's total acreage.

Park Projects since 2019

Strawberry Park
Chief Yelkus Park
Fox Park Playground replacements
Long Park Pickleball Courts
Ivor Davies improvements
Cemetery Park improvements

We are currently working on a Clark Park playground replacement project and Clark Park Athletic Field improvement project.

February 25, 2026

City Staff met with Council during a Work Study session to discuss overall SDC methodology and history of the Park SDC.

March 15, 2026

Council heard the new Parks SDC methodology report from SDC Consultant, Steve Donovan.

May 13, 2026

Council adopted Resolution No. 2026 -13 implementing the new Park SDC.



CITY OF MOLALLA

Staff Report

Agenda Category: PUBLIC HEARINGS

Agenda Date: Wednesday, June 24, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2026-2027 Fiscal Year

RECOMMENDATION/RECOMMENDED MOTION:

Conduct the Public Hearing for Resolution No. 2026-19.

BACKGROUND:

The Molalla Budget Committee reviewed and acted on the proposed City Budget on May 20, 2026, and has approved and recommended a balanced budget to the City Council for adoption.

The recommended budget is \$73,949,535 of which \$6,756,920 is reserved.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, June 24, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-18: Authorizing a Contingency Transfer in the General Fund

RECOMMENDATION/RECOMMENDED MOTION:

I move to adopt Resolution No. 2026-18: Authorizing a Contingency Transfer in the General Fund, by title only.

BACKGROUND:

Unanticipated expenses occurred after budget adoption in various departments within the General Fund. Contingency appropriations can be used with authorization to cover these costs in the following departments:

1) Administration Department

- The City was unaware of the impact the Police Department would have on service contracts such as janitorial, power, maintenance contracts, etc. when they relocated to the new Police Facility. The Administration budget absorbed these costs.

2) Police Department

- Estimates were budgeted for the new Police Facility, but fell short in areas such as janitorial, power, etc.
- The City reimbursed MRSD for a portion of the time that Police Department staff was unable to fulfill the SRO Agreement. This was an unexpected expense of almost \$34,000

3) City Council Department

- Increased expenditure due to unexpected legal services billed to the City. These services were related to a public records request in January.
- Council was under budget on training and travel expenses.

4) Municipal Court

- Increased appointed attorney fees.
- Increased security fees.

ATTACHMENTS:

[Resolution 2026-18 Authorizing a Contingency Transfer Resolution.v2.pdf](#)



RESOLUTION NO. 2026-18

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
AUTHORIZING A CONTINGENCY TRANSFER IN THE GENERAL FUND**

WHEREAS, this resolution proposes to amend the Fiscal Year 2025-2026 City of Molalla budget due to a need for funds that were budgeted and appropriated as operating contingency; and **WHEREAS**, the General Fund requires additional authority in the current fiscal year; and **WHEREAS**, OAR 150-294-0430(4) provides that a city must transfer appropriation authority from the contingency category to the category from which it will be expended; and **WHEREAS**, the contingency transfer is less than 15% of the original total General Fund appropriation thus allowing budget action to be carried out by Council resolution as provided in ORS 294-463(2).

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

Section 1. That 2025-2026 contingency appropriations in the General Fund be transferred as follows:

GENERAL FUND	CURRENT APPROPRIATIONS	CHANGE	AMENDED APPROPRIATIONS
Administration	1,728,800	80,000	1,808,800
Police	4,948,389	50,000	4,998,389
Municipal Court	354,635	25,000	379,635
City Council	67,796	10,000	77,796
Parks	1,279,458		1,279,458
Planning	546,450		546,450
Not Allocated:			-
Contingency	1,541,390	(165,000)	1,376,390
TOTAL APPROPRIATIONS	10,466,918	-	10,466,918
Reserve	800,000.0		800,000
TOTAL	11,266,918		11,266,918

Section 2. Effective Date. This Resolution shall be effective upon adoption.

Signed this 24th day of June 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

DRAFT



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, June 24, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2026-2027 Fiscal Year

FISCAL IMPACT:

\$73,949,535

RECOMMENDATION/RECOMMENDED MOTION:

I move to adopt Resolution No. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2026-2027 Fiscal Year, by title only.

ATTACHMENTS:

[Res. No. 2026-19 Resolution Adopting City 26-27 Budget.v2.pdf](#)



RESOLUTION NO. 2026-19

**A RESOLUTION OF THE CITY OF MOLALLA
ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND IMPOSING AND
CATEGORIZING TAXES FOR THE 2026-2027 FISCAL YEAR**

WHEREAS, the Molalla Budget Committee approved and recommended a balanced budget for fiscal year 2026-2027 to the City Council on May 20, 2026; and

WHEREAS, a public hearing for the 2026-2027 City Budget as approved by the Budget Committee was duly advertised and held on June 24, 2026.

NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES and hereby adopts the budget for fiscal year 2026-2027 in the total amount of \$73,949,535. This budget is now on file at 117 N. Molalla Avenue, Molalla, Oregon.

THE CITY OF MOLALLA FURTHER RESOLVES as follows:

Section 1. THAT the amounts for the purpose of operating the City of Molalla for the fiscal year 2026-2027 budget be appropriated as follows, beginning July 1, 2026.

GENERAL FUND

Administration	\$ 1,896,874
Police	5,115,433
Municipal Court	393,347
City Council	47,990
Parks	966,913
Planning	890,888
Not Allocated:	
Transfers	33,100
Contingency	1,122,641
TOTAL APPROPRIATIONS	\$ 10,467,186
Reserve	810,918
TOTAL	\$ 11,278,104

LIBRARY FUND

Library	\$ 4,582,171
Contingency	79,402
TOTAL APPROPRIATIONS	\$ 4,661,573
Reserve	263,758
TOTAL	\$ 4,925,331

STREET FUND

Streets	\$ 2,566,051
Transfers	75,000
Debt Service	135,488
Contingency	1,175,734
TOTAL APPROPRIATIONS	\$ 3,952,273
Reserve	535,711
TOTAL	\$ 4,487,984

PD RESTRICTED REVENUE FUND

PD Restricted	\$ 20,019
Transfers	50,000
TOTAL APPROPRIATIONS	\$ 70,019

SEWER FUND

Sewer	\$ 7,679,281
Transfers	852,349
Contingency	1,906,165
TOTAL APPROPRIATIONS	\$ 10,437,795
Reserve	813,000
TOTAL	\$ 11,250,795

WATER FUND

Water	\$ 4,084,251
Transfers	71,725
Contingency	3,644,325
TOTAL APPROPRIATIONS	\$ 7,800,301
Reserve	575,000
TOTAL	\$ 8,375,301

STORM WATER FUND

Storm Water	\$	720,028
Transfers		15,000
Contingency		276,136
TOTAL APPROPRIATIONS	\$	1,011,164
Reserve		107,000
TOTAL	\$	1,118,164

GO BOND DEBT FUND

Debt Service	\$	812,750
TOTAL APPROPRIATIONS	\$	812,750
Reserve		2,000
TOTAL	\$	814,750

SEWER DEBT RETIREMENT FUND

Debt Service	\$	413,492
TOTAL APPROPRIATIONS	\$	413,492
Reserve		370,132
TOTAL	\$	783,624

STREET SDC FUND

Transfers	\$	800,000
TOTAL APPROPRIATIONS	\$	800,000
Reserve		1,180,494
TOTAL	\$	1,980,494

PARK SDC FUND

Transfers	\$	625,000
TOTAL APPROPRIATIONS	\$	625,000
Reserve		150,527
TOTAL	\$	775,527

SEWER SDC FUND

Transfers	\$	950,000
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TOTAL APPROPRIATIONS	\$ 950,000
Reserve	836,031
TOTAL	\$ 1,786,031

WATER SDC FUND

Transfers	\$ 400,000
TOTAL APPROPRIATIONS	\$ 400,000
Reserve	160,264
TOTAL	\$ 560,264

STORM WATER SDC FUND

Transfers	\$ 275,000
TOTAL APPROPRIATIONS	\$ 275,000
Reserve	193,900
TOTAL	\$ 468,900

WWTP UPGRADE PROJECT FUND

Capital Projects	\$ 24,000,000
TOTAL APPROPRIATIONS	\$ 24,000,000
Reserve	758,185
TOTAL	\$ 24,748,185

FLEET REPLACEMENT FUND

Fleet Replacement	\$ 516,062
TOTAL APPROPRIATIONS	\$ 516,062

TOTAL APPROPRIATIONS, ALL FUNDS	\$ 67,192,615
TOTAL RESERVE, ALL FUNDS	6,756,920
TOTAL FY 2026-2027 ADOPTED BUDGET	\$ 73,949,535

Section 2. THAT the following ad valorem property taxes are hereby imposed upon the assessed value of all taxable property within the district for the tax year 2026-2027:

- (1) At the rate of \$5.3058 per \$1,000 of assessed value for the permanent tax rate
- (2) In the amount of \$820,684 for debt service on general obligation bonds

Section 3. THAT the taxes imposed are hereby categorized for purposes of Article XI section 11b as:

Subject to General Government Limitation

Permanent Rate \$5.3058 / \$1,000.00

Excluded from Limitation

General Obligation Bond Debt Service....\$820,684

Section 4. This resolution is adopted immediately upon passage by the Council and signature by the Mayor and becomes effective July 1, 2026.

Signed this 24th day of June, 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, June 24, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT: Water Rate Adjustment Announcement

RECOMMENDATION/RECOMMENDED MOTION:

For discussion only.

BACKGROUND:

Water rate adjustments occur annually on July 1st. The attached announcement was placed in the June 2026 Newsletter, as well as utility billing statements.

ATTACHMENTS:

[Water Rate Announcement.pdf](#)



YOUR UTILITY BILL

Per adopted City of Molalla Resolutions, the following rate schedule will go into effect on July 1, 2026:

- **Water Base Rate:** \$16.35 for 3/4" meter*
- **Water Usage Rate:** per 100 cubic feet of usage
 - > 0 - 500 cubic feet: \$3.76
 - > 501 - 1000 cubic feet: \$4.13
 - > Over 1000 cubic feet: \$4.70
- **Sewer Base Rate:** \$65.11 per EDU**
- **Sewer Usage Rate:** \$6.45 per 100 cubic feet of average winter water usage
- **Storm Drain Rate:** \$5.06 per EDU** of Impervious Area

** *Equivalent Dwelling Unit*

For water conservation information and tips, visit

<https://www.cityofmolalla.com/publicworks/page/water-conservation-tip-sheet>

*Please visit www.cityofmolalla.com for the Water Base Rate for larger meters.



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, June 24, 2026

Submitted by: Dan Huff, City Manager

Approved by: Dan Huff, City Manager

SUBJECT: July 8th City Council Meeting

RECOMMENDATION/RECOMMENDED MOTION:

For Council discussion. If decision is made to cancel, please see the suggested motion.

Suggested Motion: I move to cancel the July 8th City Council.

BACKGROUND:

The City Manager and Assistant City Manager are scheduled to attend the OCCMA Conference in Ashland the week of July 7-10. Staff is seeking direction from Council as to whether to hold the meeting or not.