



**CITY OF MOLALLA
CITY COUNCIL
AGENDA**

Civic Center | 315 Kennel Avenue
Wednesday, May 27, 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 - May 13, 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

7. ORDINANCES AND RESOLUTIONS

A. [Resolution No. 2026-14: Amending the Financial Policy for Purchasing and the Usage of Purchase Orders](#)

B. [Resolution No. 2026-15: Updating Local Public Contracting Rules](#)

8. GENERAL BUSINESS

A. [Waste Water Treatment Plant Construction Progress Update](#)

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, May 27, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: City Council Meeting Minutes - May 13, 2026

ATTACHMENTS:

[5-13-2026 City Council Meeting Minutes w.exhibits.pdf](#)



City of Molalla
City Council - Regular Meeting
Minutes – May 13, 2026
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Regular Meeting for May 13, 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, Councilor Martin Bartholomew, and Councilor K.C. Bisenius.

STAFF IN ATTENDANCE

Dan Huff, City Manager; Mac Corthell, Assistant City Manager; Christie Teets, City Recorder; Dan Zinder, Planning Manager; Bobby Call, Police Lieutenant; Diana Hadley, Library Director; Beka Murcay, Library Director.

APPROVAL OF AGENDA

As presented.

CONSENT AGENDA

A. City Council Meeting Minutes - April 20, 2026

ACTION:

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

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

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

A. Introduction - Rebekah Murcay

City Manager Dan Huff introduced Beka Murcay as the newly appointed Library Director. Beka has been employed with the City for eight and a half years and was mentored by outgoing Library Director, Diana Hadley in preparation for the role. Council congratulated her appointment.

B. New Library Director Retirement Farewell – Diana Hadley

Incoming Library Director Murcay recognized outgoing Library Director Diana Hadley, who is retiring after 12 years of service with the City. Beka highlighted significant growth under Hadley's leadership, noting that library programs increased by 71% and participant engagement increased by 66% during her tenure. Hadley's initiatives included mobile library services, community cultural events, citizenship classes, summer reading programs, homebound delivery, school outreach, and various physical improvements to the library facility. Council members expressed gratitude for Hadley's service, noting the library's consistent excellence and positive impact. City Manager Huff credited Hadley's leadership as the driving force behind the library's success.

C. Library Director Library Preliminary Design Update

City Manager Huff provided an update on the preliminary library design, which was budgeted in the current fiscal year. The preliminary design phase addressed four objectives: establishing projected project costs, developing a design sufficient to support grant applications, determining how the new library would interface with the existing Civic Center building, and identifying opportunities to phase the project. The City does not have sufficient funding secured and will pursue grants and additional funding sources. No bond measure is planned.

PUBLIC COMMENT

Brian Rearick, Molalla: presented plans for a proposed 300-unit affordable housing development with mixed-use commercial space located just outside the current UGB.

Char Penni, Molalla: Shared she and Mr. Potts would be at Safeway collecting signatures for referendums.

PUBLIC HEARING

None.

ORDINANCES AND RESOLUTIONS

A. Resolution No. 2026-13: Amending System Development Charges and Fees for Parks

Assistant City Manager Mac Corthell presented Resolution No. 2026-13, amending System Development Charges (SDCs) for parks. Following adoption of the updated Parks and Trails Master Plan in February 2025, SDC rates were updated per standard practice to reflect the revised Capital Improvement Plan. The level of service standard was reduced from 10 to 7 acres of parkland per person by Council policy. Corthell noted that park SDCs were intentionally lowered in 2015 to offset Wastewater Treatment Plant SDC increases, and the proposed rates would restore them to the 2015 recommended level, moving Molalla from the lowest in the region to the lower-middle range. *(For full discussion see YouTube minutes 37:08 – 40:35)*

ACTION:

Council President Vermillion moved the City of Molalla to adopt Resolution No. 2026-13: A Resolution of the City of Molalla, Oregon, amending System Development Charges and Fees for Parks; Councilor Bisenius seconded. Motion passed 7-0.

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

NAYS: None.

ABSTENTIONS: None.

GENERAL BUSINESS:

A. HPS Implementation and MHLCD Code Updates

Planning Manager Dan Zinder presented the 2026 Housing Production Strategy (HPS) implementation update. Required Code updates include adopting a middle housing land division process for duplexes, reducing minimum duplex parking from three to two spaces per state mandate, and updating ADU standards including reduced transportation SDCs and removal of the 40% size limitation. Cottage cluster development standards are required by 2027. Staff recommended waiting for the DLCD model code in September 2026 before drafting and requested a future Work Session for Council discussion. Administrative projects include a zombie housing inventory, Clackamas County collaborations, and an affordable housing resource page on the City website. *(For full discussion see YouTube minutes 40:45 – 01:18:45)*

B. Molalla Police Department - Post Evaluation Report

City Manager Huff presented the post-project evaluation for the new Molalla Police Department building. The project was completed on time and under budget, fulfilling commitments made to the community. The Construction Manager/General Contractor was credited with facilitating cost savings and timeline adherence. The budget savings were returned to the Urban Renewal fund for future infrastructure improvements. Lieutenant Call confirmed the project went well and that staff was pleased with the outcome. *(For full discussion see YouTube minutes 01:18:45 – 01:29:15)*

C. Charter Update

Councilor Bisenius reported following attendance at the League of Oregon Cities (LOC) conference, Council and staff determined the Charter update process needed to be approached more deliberately. The Council will step back, develop a prioritized plan, and move forward with greater intentionality. *(For full discussion see YouTube minutes 01:29:16 – 01:30:45)*

D. Discussion 2026 November General Election Announcement

City Recorder Christie Teets announced the November 3, 2026, General Election will feature three expiring City Council positions held by Councilor Leota Childress, Councilor Terry Shankle, and Councilor K.C. Bisenius. Candidate filing opens June 3, 2026. *(For full discussion see YouTube minutes 01:30:46 – 01:32:35)*

STAFF COMMUNICATION

- **Lieutenant Call:** Noted an officer recently retired and a new recruit was already in the field.
- **Planner Manager Zinder:** No Report.
- **City Recorder Teets:** No Report.
- **Assistant City Manager Corthell:** recognized City employee Landon Sheppard for coordinating the Wildfire Ready community event held May 9th at the Police Department Community Room, hosted by PGE with participation from the Molalla Fire Department and other agencies. He announced a Stormwater Master Plan Open House on May 19th at the Civic Center, with consultant Keller Engineering. He also shared the City of Molalla received the League of Oregon Cities Good Governance Award for mid-size cities for the Molalla Current communications and public engagement platform.
- **City Manager Huff:** announced that paving work on 2nd and 3rd Streets is scheduled for the week of May 25th, rescheduled to avoid conflicts with the District Track Meet. 5th Street and Sweigel paving will also occur that week. The School District will begin street improvements on 2nd Street concurrently.

COUNCIL COMMUNICATION

- **Councilor Bisenius:** reported the LOC conference was educational and valuable, particularly the charter review session, which provided tools the Council has already begun applying to the charter update process.
- **Councilor Bartholomew:** announced the Molalla River Summer Jam fundraiser scheduled for June 13th at 1:00 p.m. at Molalla River Brewing Company, benefiting retired Chief Frank Shoenfeld who was injured in a motorcycle accident in January.

- **Councilor Gilmer:** reported attending the LOC conference, noting productive engagement with fellow councilors and informative sessions on upcoming legislative and regulatory matters.
- **Councilor Shankle:** shared upcoming Chamber events including a morning networking meeting and a multi-chamber after-hours event on May 19th at Aurora Vineyards. She also reminded the community to submit parade applications for the July 4th Molalla Parade, themed "Cheers to 250 Years".
- **Councilor Childress:** announced the Molalla Spring Clean-up saw record participation, processing 416 loads on Friday and 720 loads on Saturday, with Key Club volunteers credited for the high volume.
Councilor Childress also reported the banner holders for Molalla Avenue light poles are expected to be installed by mid-June. Public Works employee Adam Schultz was recognized for retrofitting existing hardware rather than purchasing new holders, saving the City approximately \$57,000. The City was also awarded \$43,000 from Mount Hood Territory, \$10,500 from the Ford Family Foundation for the downtown arch banner project, with installation anticipated by end of summer.
- **Council President Vermillion:** shared the LOC conference was beneficial, highlighting the charter review session as immediately applicable to the Council's work. Vermillion also noted that Molalla's activity and recent recognition generated significant interest from other elected officials at the conference.
- **Mayor Keyser:** reported attending the Final Call ceremony for retiring Officer Aaron Christopherson, expressed appreciation for years of service to the community. Mayor Keyser extended broad recognition to City staff, crediting their expertise, initiative, and dedication as the driving force behind Molalla's reputation among peer cities. He credited staff with the success of the Molalla Current communications platform and the police station project and noted the Council's effectiveness is a direct reflection of the quality of City staff.

[For the complete video account of the City Council Meeting, please go to YouTube
City of Molalla | Oregon – May 13, 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:

- Dan Huff – Handout to City Council
- Brian Rearick – Public Comment Presentation to Council
- Char Pennie – Public Comment Submission

Dan Huff

From: Heidi Bell <heidi.bell@pgn.com>
Sent: Tuesday, May 12, 2026 3:23 PM
To: Clackamas County CMs/CAs; Bush, Nancy; Holowetzki, Tonia; Lorenzini, Jaimie; West, Ben; Phelan, Megan; Mac Corthell; Ben Bryant; Dayna Webb; Elaina Turpin; Digby, Dylan; Koper, Steve; Judy Davis (johnson.city@comcast.net); manager@cityofrivergrove.com; Zoe Mombert; Everett Wild; Wilson, Trent; Craig Roberts; Savas, Paul; Martha Schrader; dhelm@clackamas.us; Peterson, Lynn; Shad Ahmed; Ahmad Qayoumi; West, Ben
Cc: Linda Morton; Meredith Armstrong
Subject: RE: You're Invited - PGE's Integrated Operations Center in Tualatin Tour

Hello Clackamas County/City and Newberg Leaders:

Please forward this invitation to your Elected Leaders as well as your key leadership/safety/emergency staff.

You're invited to join Portland General Electric (PGE) for a guided tour of our Integrated Operations Center (IOC) in Tualatin, hosted by Vice President Power Markets and Grid Operations Martin Wyspianski.

Following the successful hosting of recent tours, which received overwhelmingly positive feedback from attendees, CEO Maria Pope has requested that additional IOC tours be scheduled to meet continued interest and demand for our governmental leadership. We're excited to offer this opportunity to your elected leaders and key staff. The IOC is a state-of-the-art facility that centralizes critical operations to strengthen resilience against seismic, cyber, and physical threats. It enables PGE to monitor, control, and optimize our energy distribution system in real time. The tour will also include informal discussion with PGE leadership—an excellent chance to connect and learn more about our emergency operations and local partnerships.

Attendees will also have the opportunity to engage with elected officials and staff from across the region.

Tour Dates:

- **Thursday, June 4, 2026, from 9:00am to 11:00am**
- **Monday, June 22, 2026, from 9:00am to 11:00am**

Please RSVP to Linda Morton at linda.morton@pgn.com and myself to attend. Linda will notify our IOC Security Team so they will admit you through the security gates. You are confirmed when Linda sends you an Outlook Invitation with directions, map, and IOC Security procedures to follow.

We hope to see you there!

All the best,
 Heidi

Heidi Bell
 Local Government Affairs Manager | 971-259-9004
portlandgeneral.com | Follow us on social @PortlandGeneral

Highland Estates

A masterplan project using a diverse mix of affordable housing types to provide home and business ownership for all income brackets; as listed in your “hps” and “eoa” studies.

Whether your 3 generations working together to afford 1 of our Zero lot line multigenerational units with an “adu”, for supplemental income or housing for ‘Mom and Dad’. Our multi-dwelling unit models will comfortably fit 3 generations of family or your 1st time buyer executive couple starting their portfolio of rental properties.

Our mixed use commercial commerce park will consist of 48 units with a commercial aspect on the 1st floor and 2 floor plans for the housing unit above; either a 3 bdrm- 2 bth housing unit or 2- 625sqft 2 bdrm apts.

Allowing for a business owner to have a house, office and warehouse all in 1 location to drastically cut overhead for both business and living expenses, or the entrepreneur wanting to offset some monthly business expenses with 2 apt rentals upstairs.

The principle design of our commerce park is to consolidate business and living expenses, opening up new opportunities for employment and housing with small business and farm cottage industries in mind. There are currently no opportunities offered like this in the Molalla area.

The park will have amenities such as a food truck round up, Tesla superchargers, along with a playground-pocket park and green space pavilion area, multiple entrance and exits from 2 roads and main street-south Molalla Ave frontage. It will also have access to the multipath trail system soon to tie the Molalla river and one day the Canby area together.

Highland Estates *

A proposal aligning with the city's affordable housing projection strategy and employment opportunity analysis.

FREQUENTLY ASKED QUESTIONS

01 — Production Housing

Aligns with the production housing strategy — meets goals for:

- (a) Senior housing and people with disabilities
- (b) Home ownership at all income levels
- (c) A diverse mix of affordable housing types

03 — Utilities Infrastructure

All four utilities are within reach.

- (a) Molalla Sewer main located within 1,400 ft
- (b) Molalla City water services within 10 ft
- (c) Molalla Communications at the corner of the property
- (d) NW Natural Gas within 1,000 ft of the property

02 — Employment Opportunity Analysis

Highland Estates meets EOA requirements through:

- (a) Need (4×) 5-acre sites — Highland Estates offers 6 acres of mixed-use space
- (b) Affordable housing based on \$36,000/yr income
- (c) 150 to 500 jobs from the 48 commercial units

04 — Community Connections

Already woven into Molalla's civic fabric.

- (a) Adjacent to the Molalla Forest Road trail system, connecting Molalla River to Ivor Davies Park, Pioneer Cemetery Park, Bear Creek Annex, and Chief Yelkis Park
- (b) Close to the library
- (c) On the existing city limits and U.G.B.

Subject Property — Location on Molalla Proposed Park / Trail System

Property cutout shown alongside the official trail map for direct comparison



Molalla Parks & Rec — Map E.1 Proposed Park System



South of Bear Creek • outside city UGB
Adjacent to proposed Molalla Forest Rd Multiuse Path

Subject property location shown against Molalla Parks & Rec — Map E.1 Proposed Park System

PROJECT AT A GLANCE

6

Acres mixed-use

48

Cumulative sq ft

150–500

Projects now in progress

5

Completed parks

HIGHLAND ESTATES · MOLALLA, OR

GARY MUSGROVE · BERKSHIRE HATHAWAY HOMESERVICES NW





Overall Site Plan - Option #2

S. Molalla Forest Rd.

Residential
(78) Units 33' x 40'

Cottages
(41) Units 16' x 28'
(17) Units 20' x 22'

Residential
(11) Quadplex
(5) Duplex
(54) Units Total
(32) with ADU's

Mixed-Use
2-Story Buildings
48 Units 30' x 50'
1st Floor = Commercial
2nd Floor = Residential

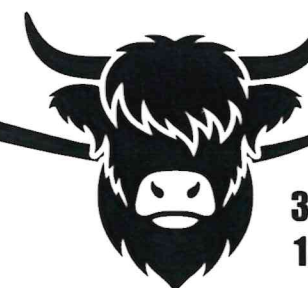


S. Warrick Rd.

S. Molalla Avenue

HIGHLAND ESTATES

**MOLALLA
OREGON**



32 + Acres
32595 Molalla Ave. &
13595 S. Warrick Rd.



Overall Site Plan - Option #3

S. Molalla Forest Rd.

Residential
(78) Units 33' x 40'

Cottages
(41) Units 16' x 28'
(17) Units 20' x 22'

Residential
(11) Quadplex
(5) Duplex
(54) Units Total
(32) with ADU's

Mixed-Use
2-Story Buildings
48 Units 30' x 50'
1st Floor = Commercial
2nd Floor = Residential

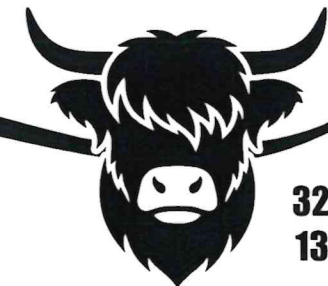


S. Warrick Rd.

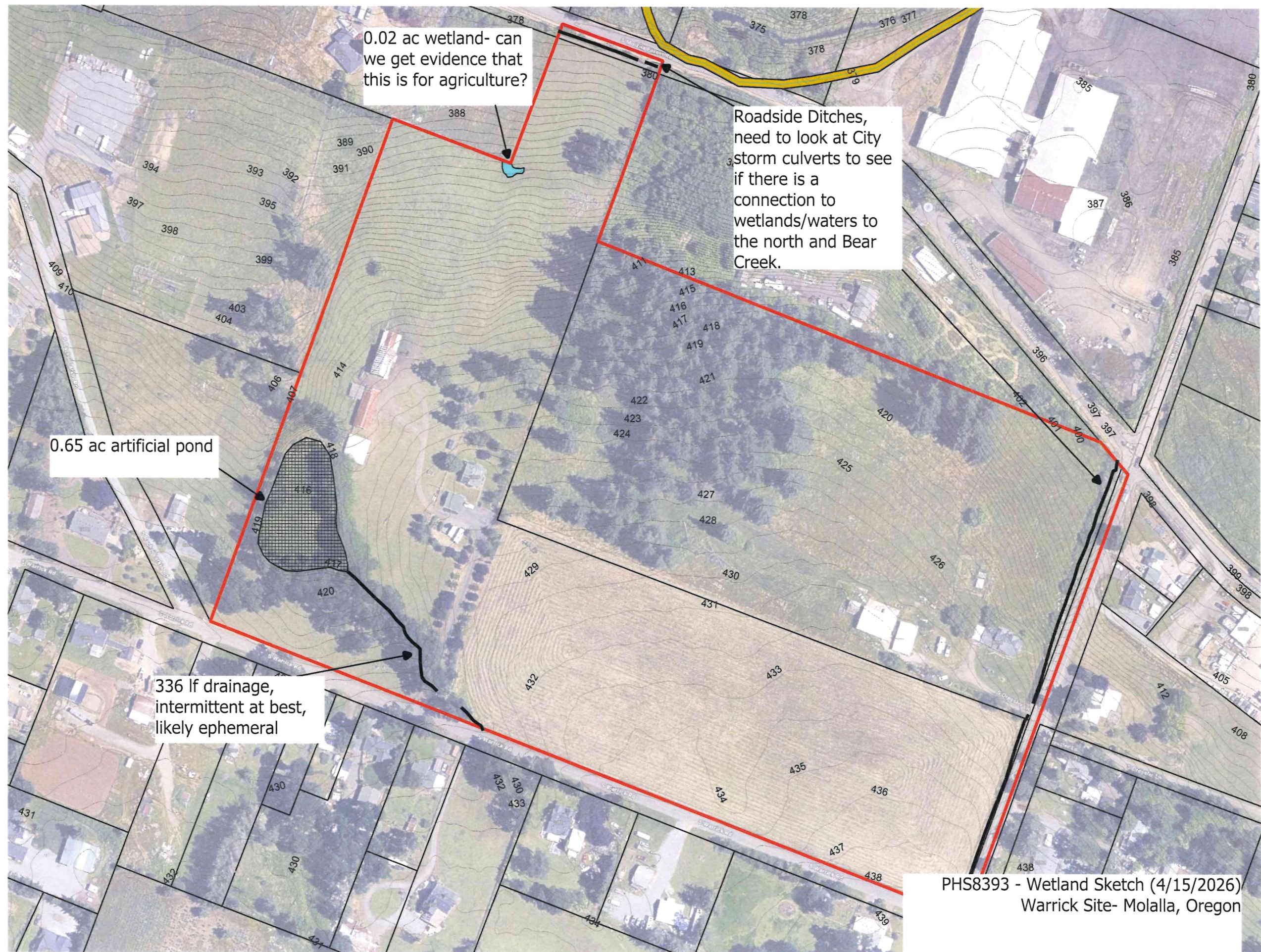
S. Molalla Avenue

HIGHLAND ESTATES

**MOLALLA
OREGON**

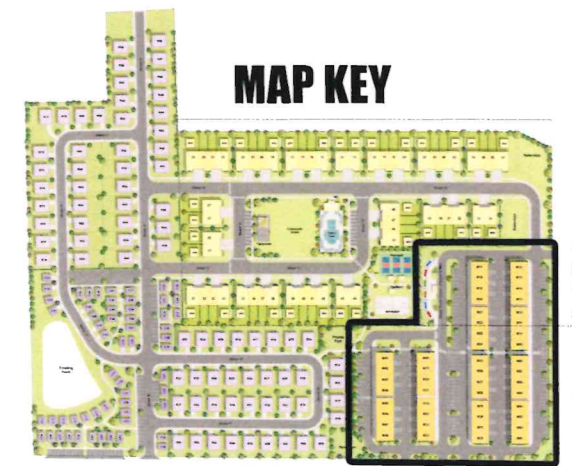


32 + Acres
32595 Molalla Ave. &
13595 S. Warrick Rd.





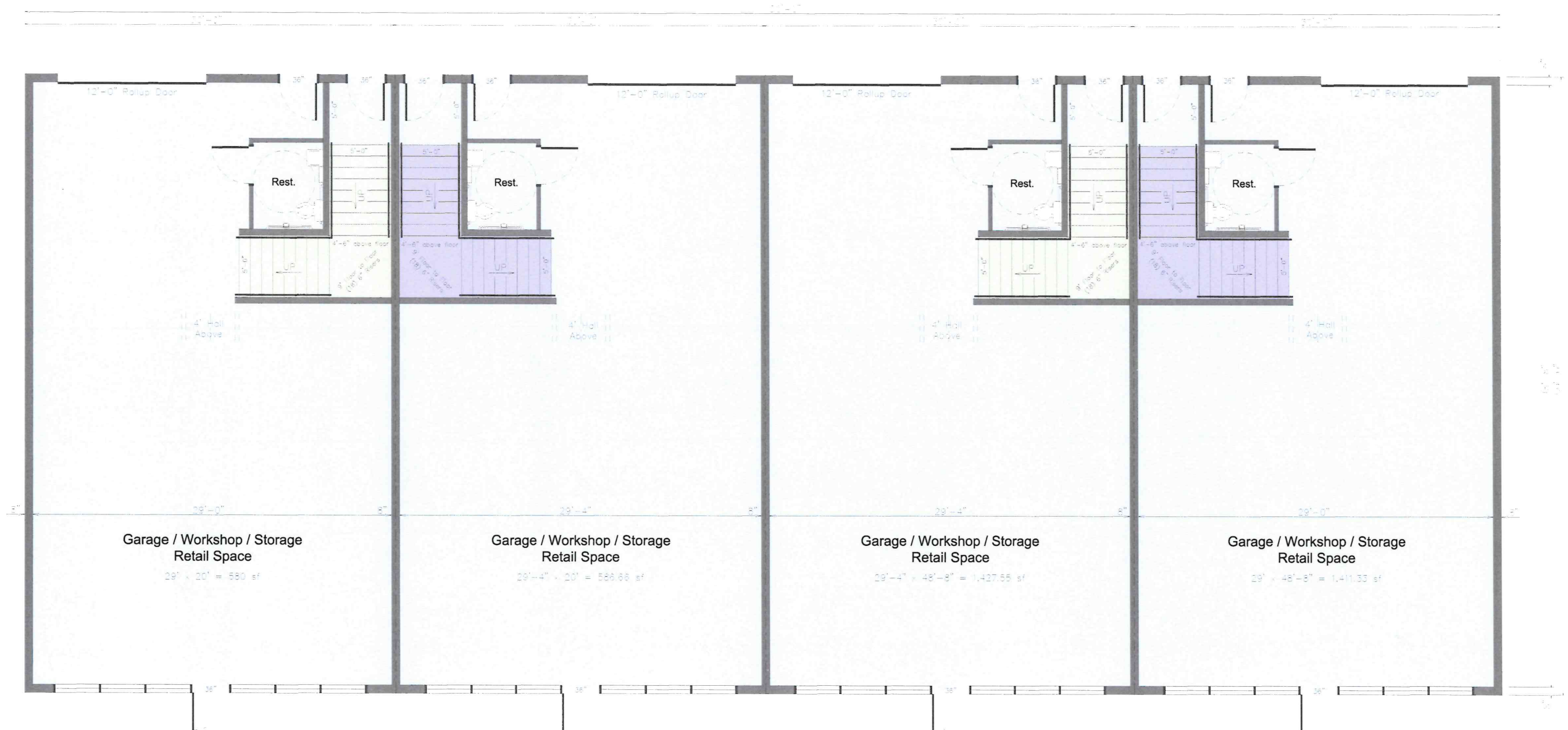
Molalla Commerce Park



HIGHLAND ESTATES

MOLALLA OREGON

32 + Acres
32595 Molalla Ave. &
13595 S. Warrick Rd.



Mixed-Use: 1st Floor
Each Unit 1st Floor = 1,500 SF
Total SF = 6,000 SF



Mixed-Use: 2nd Floor
Each Unit 2nd Floor = 1,500 SF
Total SF = 6,000 SF

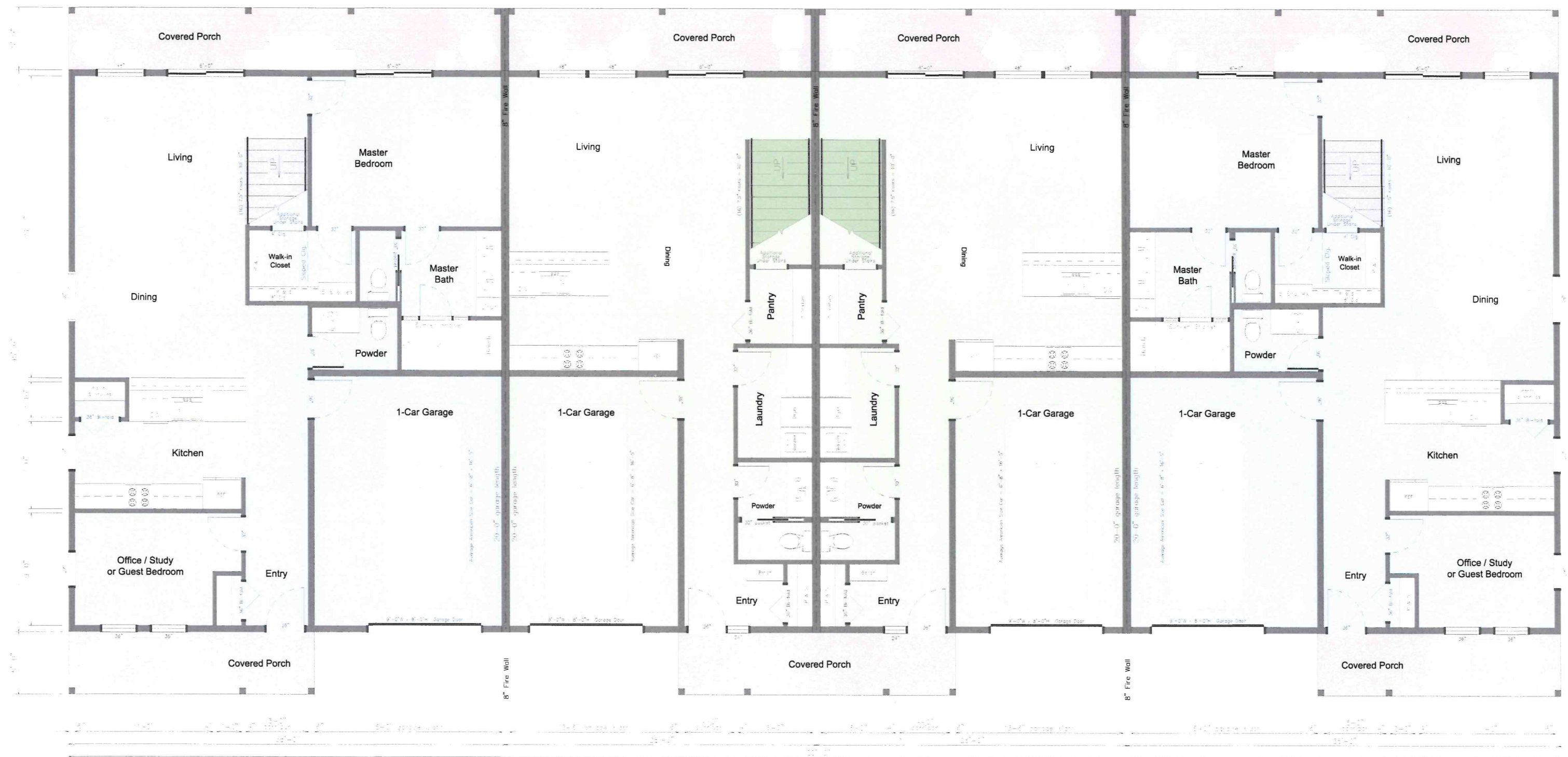
Sunset Ridge at Highland Estates

Phase 1 ← → Phase 2



Phase 1 ← → Phase 2





Unit #1
35' x 45' = 1,575 SF

Unit #2
25' x 45' = 1,125 SF

Unit #3
25' x 45' = 1,125 SF

Unit #4
35' x 45' = 1,575 SF

Single Family: 1st Floor



Unit # 1
35' x 45' = 1,425 SF (minus balconies)

Unit # 2
25' x 45' = 1,125 SF

Unit # 3
25' x 45' = 1,125 SF

Unit # 4
35' x 45' = 1,425 SF (minus balconies)

Single Family: 2nd Floor

S. Molalla Forest Rd.

Highland Estates



Phase 1

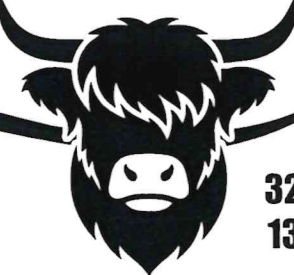


S. Warrick Rd.



HIGHLAND ESTATES

MOLALLA OREGON



32 + Acres
32595 Molalla Ave. &
13595 S. Warrick Rd.



ADA Accessible Unit = 836 SF
Residential Plan 1: 1st Floor



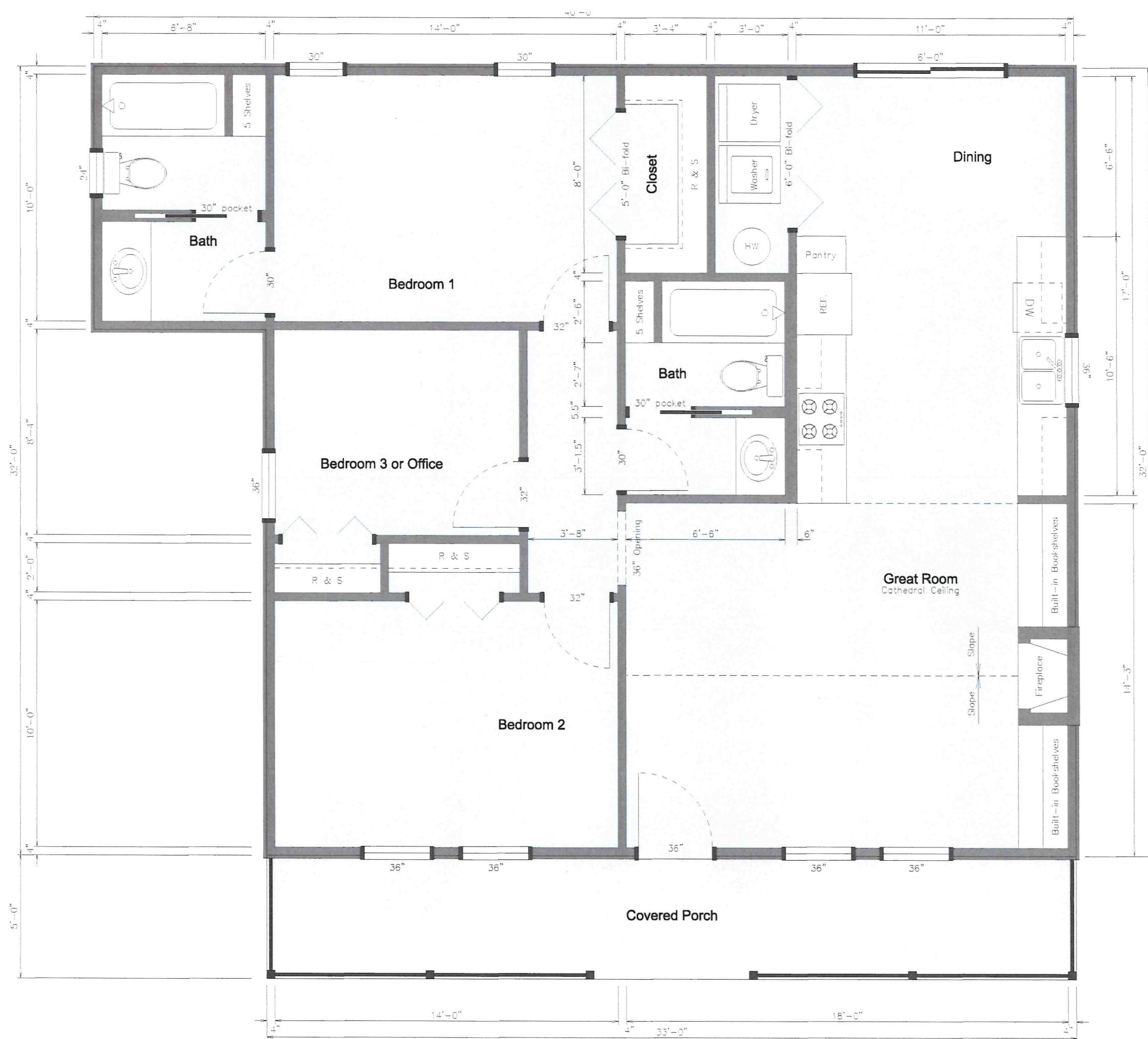
Residential Plan 1: 2nd Floor



Residential Plan 2: 1st Floor
1st Floor = 1,320 SF
(can be made ADA Accessible)



Residential Plan 2: 2nd Floor
2nd Floor = 1,320 SF
Total SF = 2,640 SF



Residential
Plan 3: 1st Floor
1st Floor = 1,130 SF
Covered Porch = 165 SF



A.D.U. Plan 1: 1st Floor
A.D.U. Unit = 625 SF

Cottages at Highland Estates



Phase 1
Phase 2



Phase 1
Phase 2

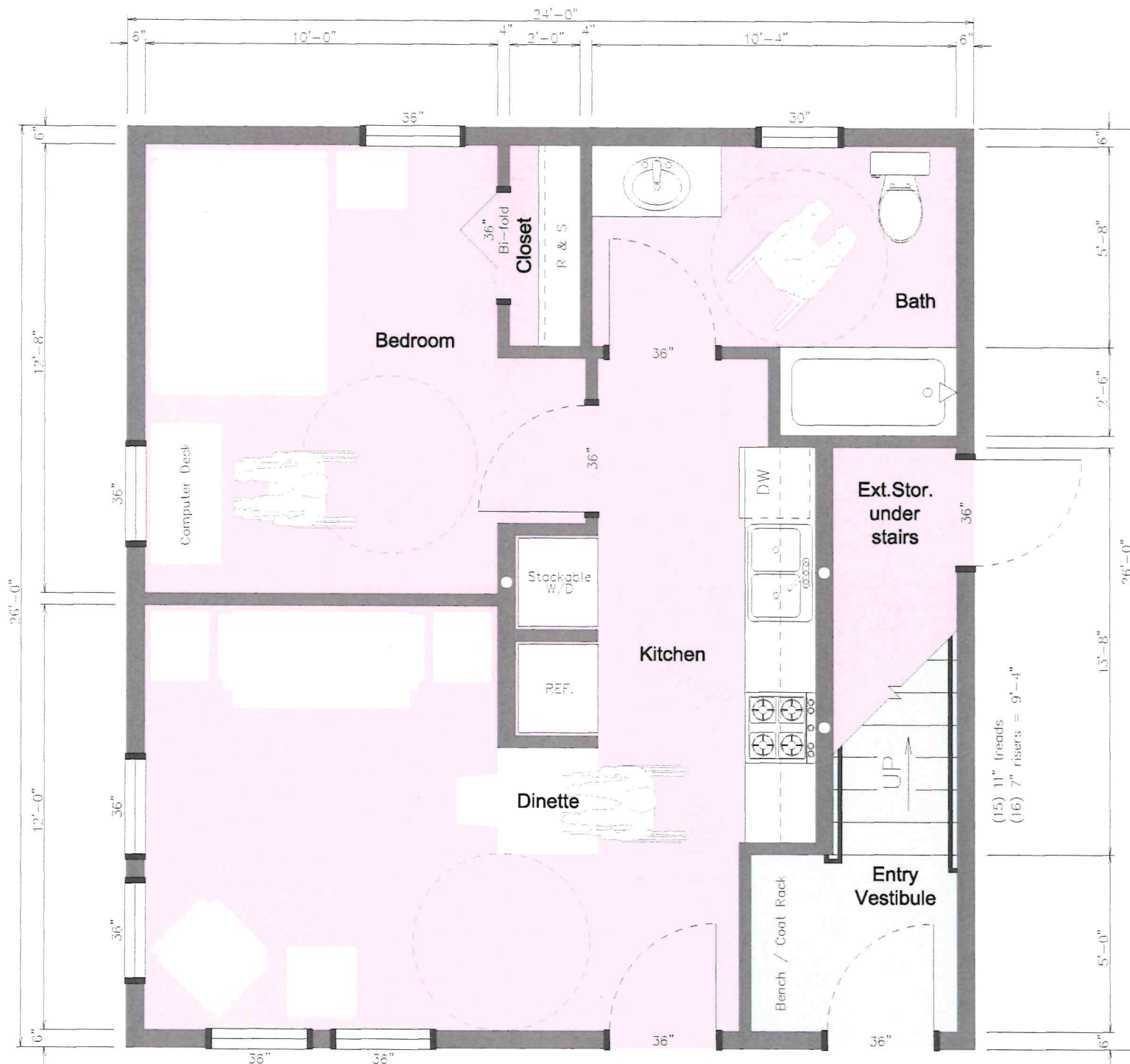
S. Warrick Rd.

HIGHLAND ESTATES

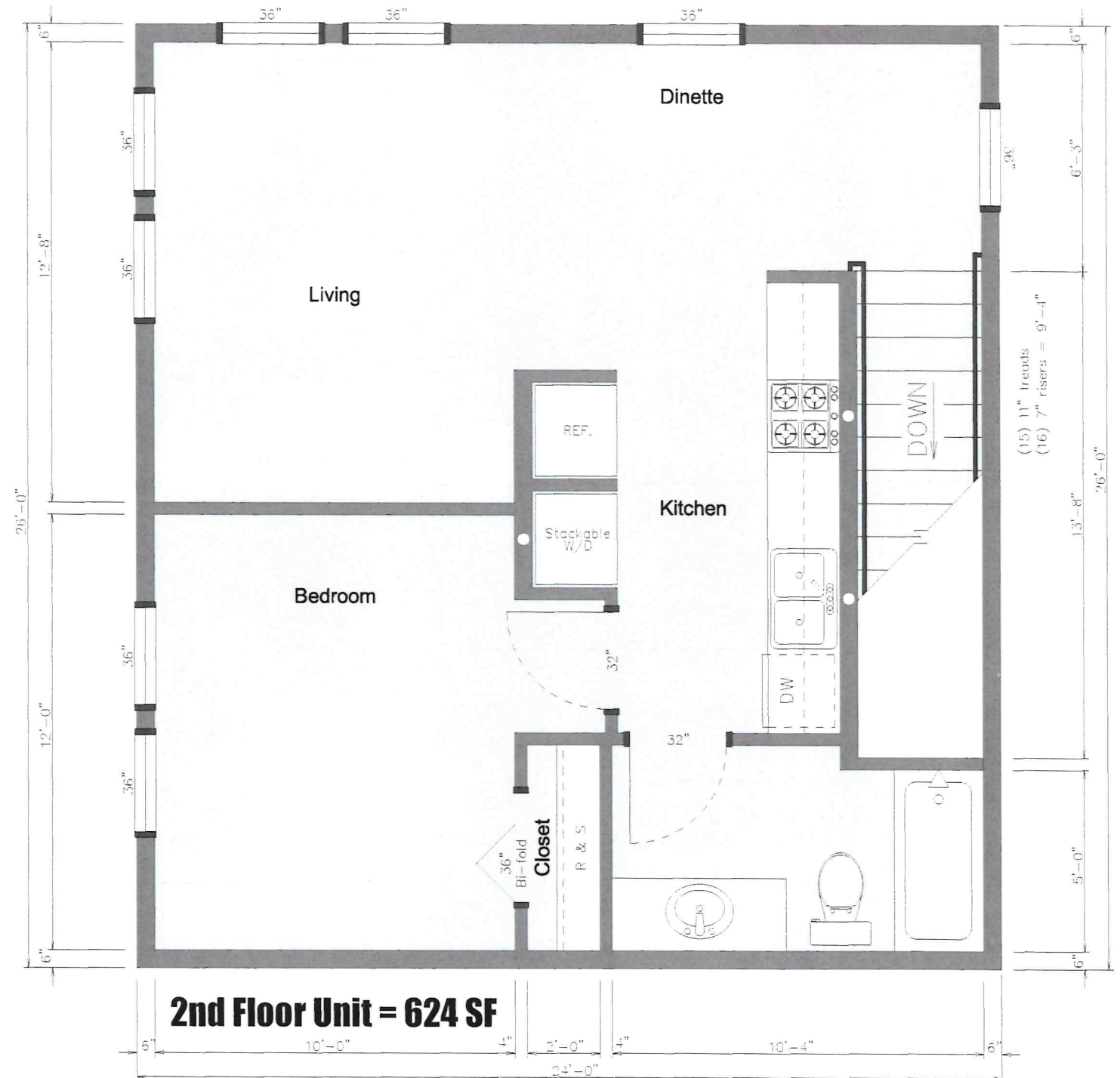
**MOLALLA
OREGON**



32 + Acres
32595 Molalla Ave. &
13595 S. Warrick Rd.

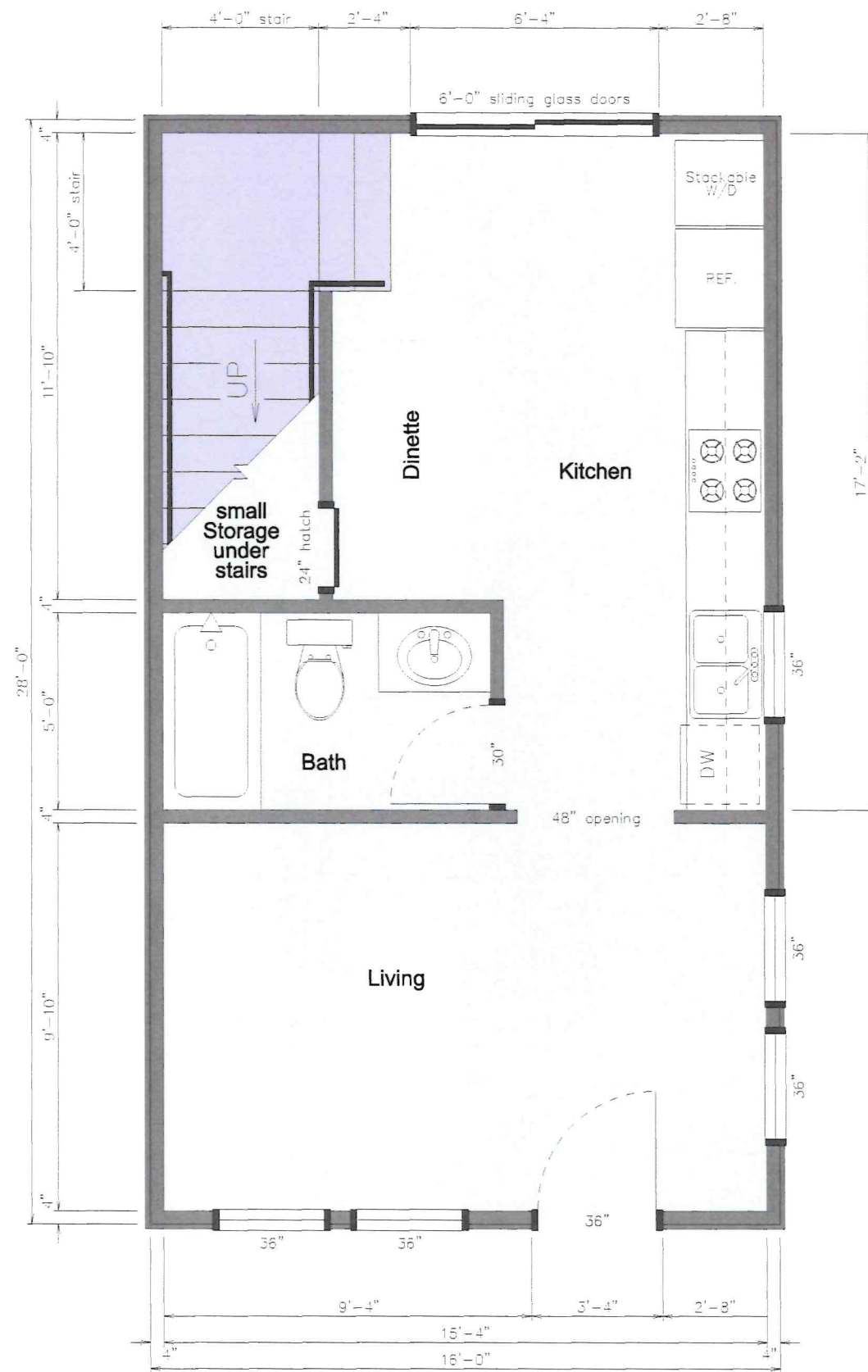


Cottage Cluster Plan 1: 1st Floor

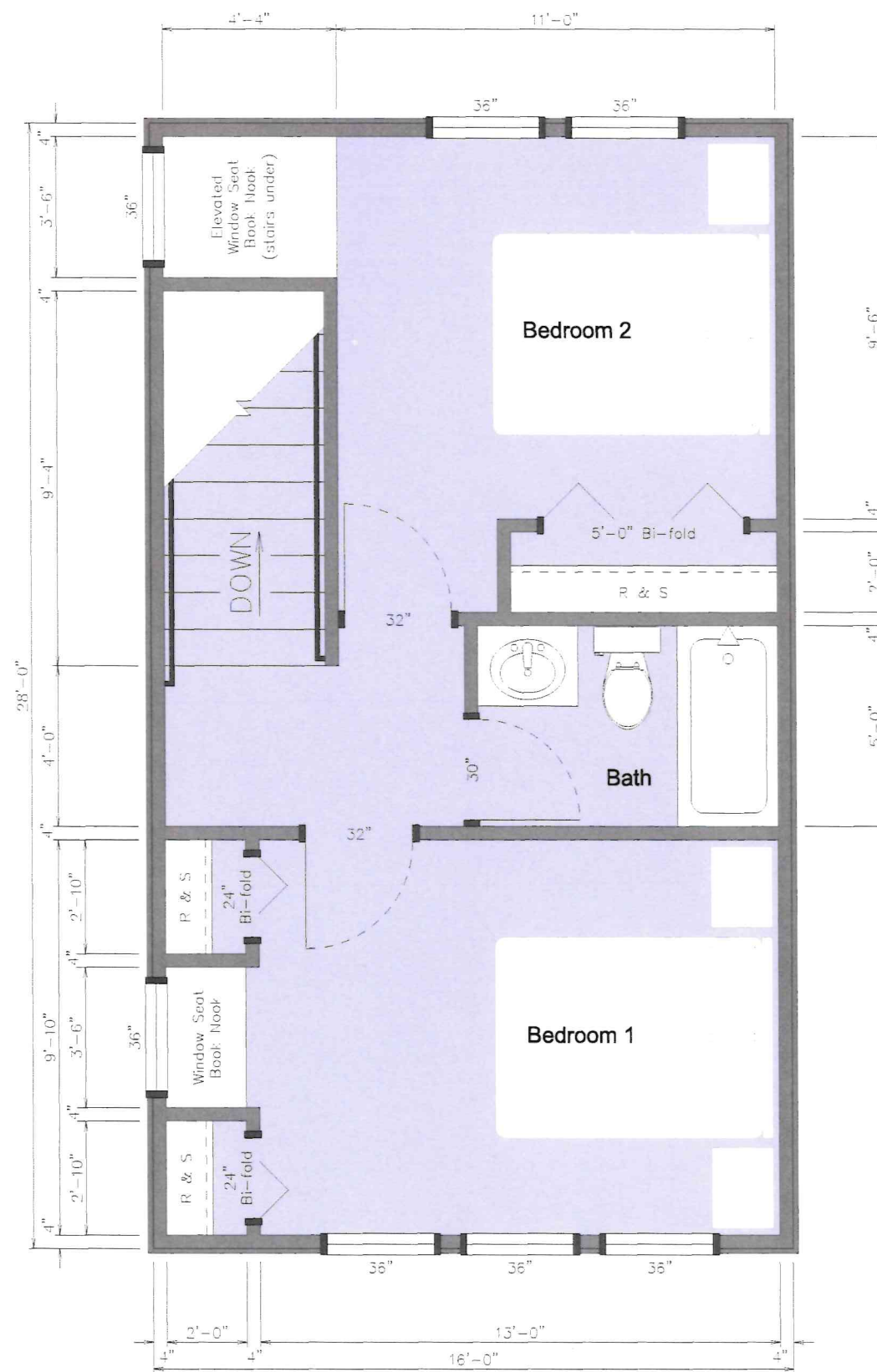


Cottage Cluster Plan 1: 2nd Floor

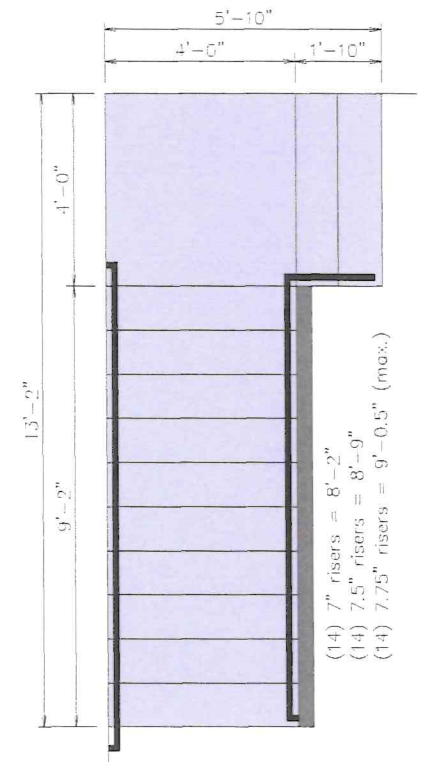
Total SF = 1,248 SF



Cottage Cluster Plan 2: 1st Floor
1st Floor = 448 SF

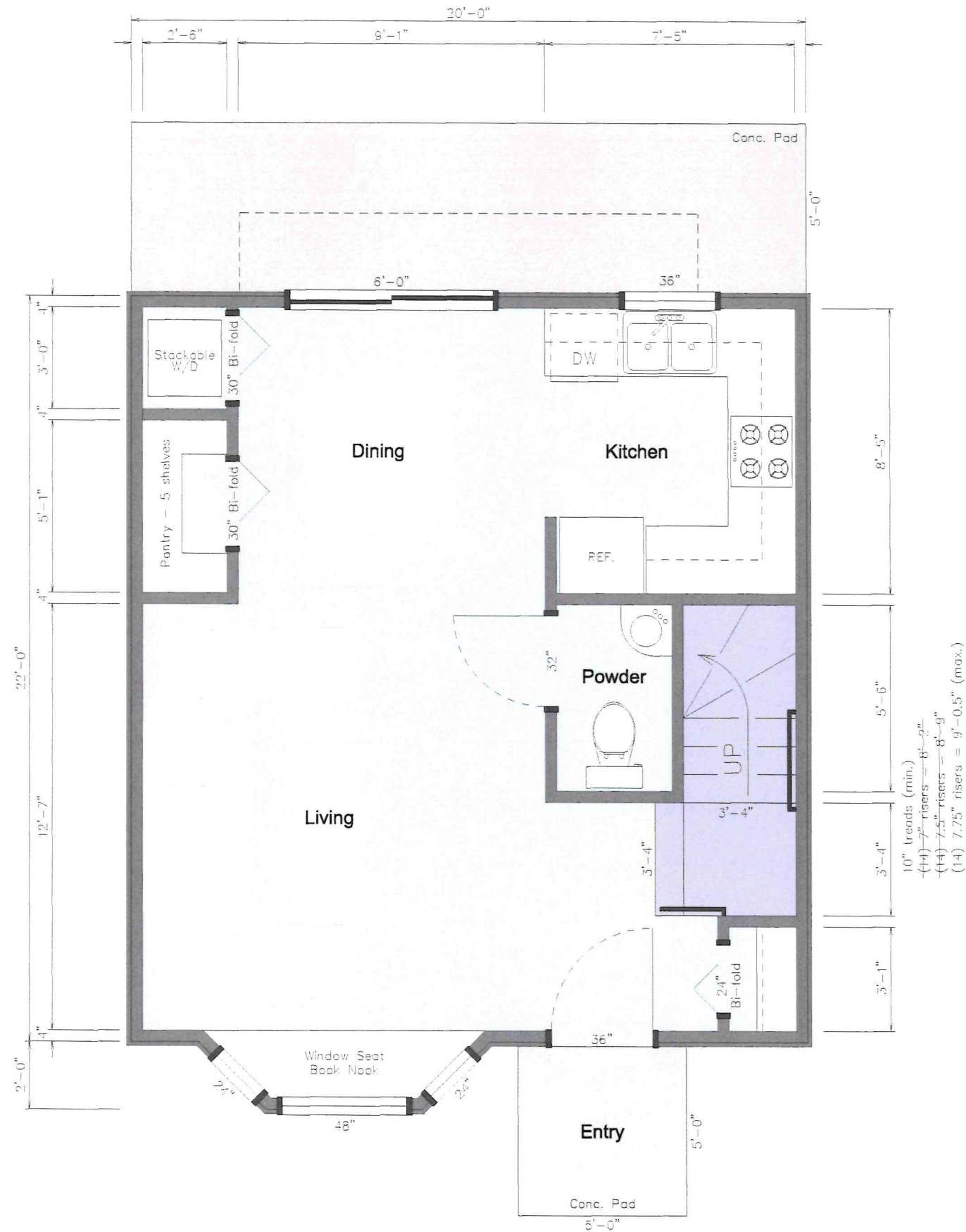


Cottage Cluster Plan 2: 2nd Floor
2nd Floor = 448 SF

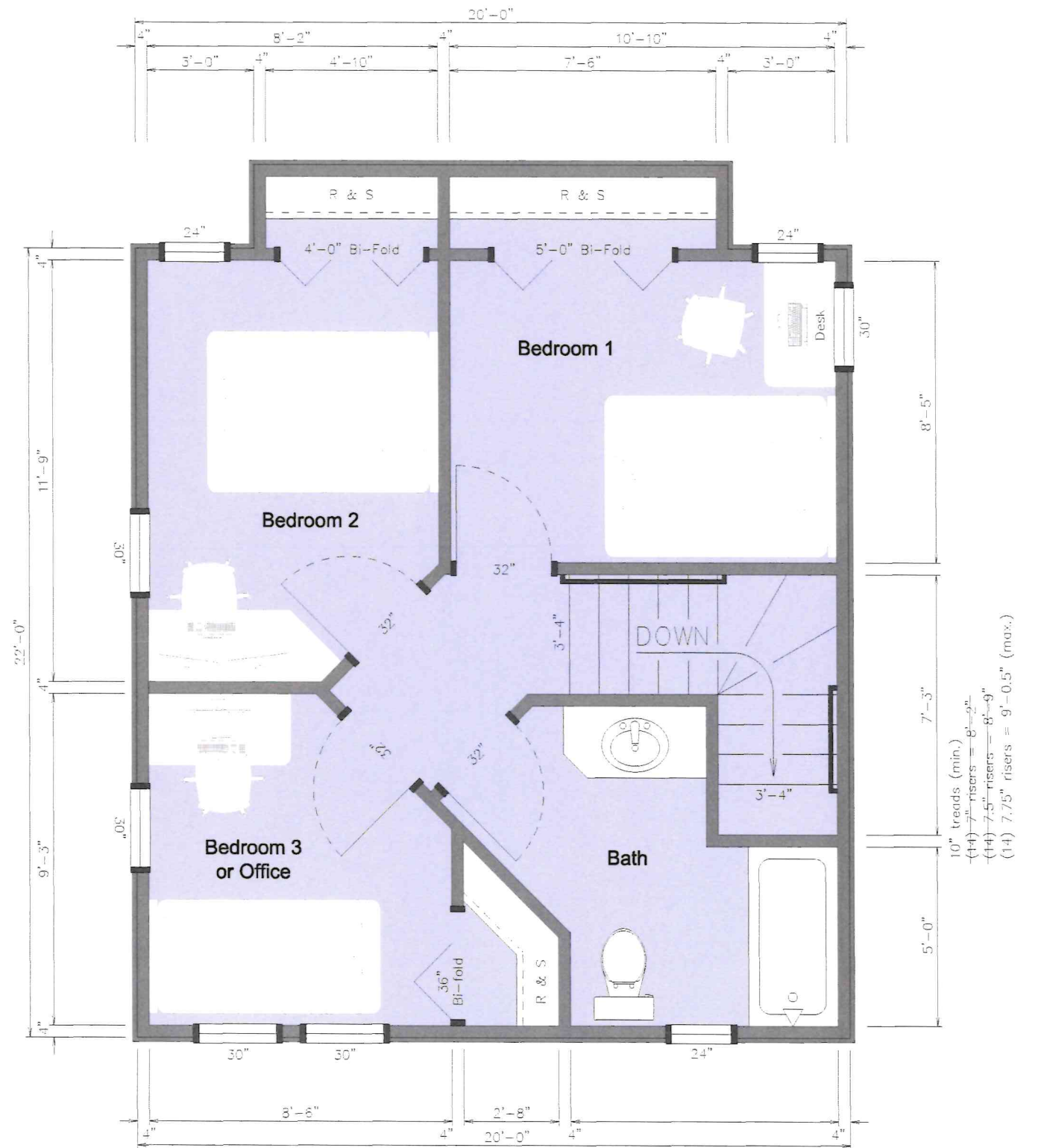


Stair Detail

Total SF = 896 SF



Cottage Cluster Plan 3: 1st Floor
 1st Floor = 440 SF



Cottage Cluster Plan 3: 2nd Floor
 2nd Floor = 440 SF
 Total SF = 880 SF

CITY COUNCIL ANNOUNCEMENT 5/13/26 CHAR PENNIE

I would like to announce to the millions of people watching the live stream that we will be collecting signatures for the four new referendums along with Let us Paddle at the Molalla Safeway on Saturday May 16 from 10:00 – 2PM

If you have signed the 4 referendums and haven't signed the Let Us Paddle please stop by and sign that one as well.

The petitions are:

No Tolls

Crime Fighting Act

No Tax Clawback

End the Death Tax

Let Us Paddle



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, May 27, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT:

Resolution No. 2026-14: Amending the Financial Policy for Purchasing and the Usage of Purchase Orders

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve Resolution No. 2026-14: A Resolution of the City of Molalla, Amending the Financial Policy for Purchasing and the Usage of Purchase Orders, by title only.

BACKGROUND:

In 2023, the City began using the purchase order function with our financial software and realized the addition of an associated policy to our established Financial Policies would be needed. Resolution No. 2023-21 was adopted accordingly.

The policy as originally adopted included a specific expense authority amount by position. It also included very specific assignments for the handling of credit cards receipts by certain personnel. In the past three years, staffing has changed, responsibilities have changed, and prices have risen. Review of the policy reveals amendment is required to allow the City Manager to adjust expense authority as necessary, and to allow departments flexibility in who coordinates credit cards records.

Exhibit A shows the changes. Exhibit B reflects the new policy.

ATTACHMENTS:

[Resolution No. 2026-14 draft.pdf](#)

[Exhibit A Revisions to Purchasing Policy.pdf](#)

[Exhibit B Purchasing Policy.pdf](#)



RESOLUTION NO. 2026-14

A RESOLUTION OF THE CITY OF MOLALLA, OREGON AMENDING THE FINANCIAL POLICY FOR PURCHASING AND USAGE OF PURCHASE ORDERS

WHEREAS, the City of Molalla has a responsibility to ensure it manages public funds and assets appropriately; and

WHEREAS, written, adopted financial policies have many benefits in assisting Council with the financial management of the City; and

WHEREAS, these policies should be updated when necessary,

WHEREAS, the City Council adopted Resolution No. 2023-21 Establishing a Purchasing Policy and Usage of Purchase Orders on July 26, 2023; and

WHEREAS, staff has determined that the policy is overly specific in regard to signature authority limits and the handling of credit card purchasing records; and

WHEREAS, proposed changes to the policy are therefore submitted as Exhibit A.

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

Section 1. That the City of Molalla amended Purchasing Policy document, attached hereto to as Exhibit B, is hereby adopted.

Section 2. Effective Date. This Resolution is effective upon the signature of the Mayor.

Signed this 27th day of May 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, City Recorder

City of Molalla



~~Establishing a Purchasing Policy~~ **and**

Usage of Purchase Orders

Resolution No. ~~2023-21~~

Adopted by City Council on ~~July 26, 2023~~

EXHIBIT A



City of Molalla

117 N Molalla Ave / PO Box 248

Molalla, OR 97038

Phone 503.826.6855

www.cityofmolalla.com

PURCHASING POLICY, AND USAGE OF PURCHASE ORDERS

I. Purpose

The purpose of the Purchasing Policy is to ensure efficiency and accountability in purchasing, while mitigating the risk of theft and impropriety.

II. Scope

This policy applies to all City of Molalla Department Purchases, including all divisions and subdivisions thereof.

III. Authority

Specific spending authority by position will be established This policy is provided under the expense authority signed by the City Manager **and updated as needed. See current approved expense authorization.**

Spending Authority:

- ~~Community Development Director/Assistant City Manager — up to \$5,000~~
- ~~Police Chief — up to \$5,000~~
- ~~Finance Director — up to \$5,000~~
- ~~Library Director — up to \$5,000~~
- ~~Police Lieutenant — up to \$1,000~~
- ~~Public Works Maintenance Manager — up to \$1,000~~
- ~~Water Treatment Plant Manager — up to \$1,000~~
- ~~Wastewater Treatment Plant Manager — up to \$1,000~~
- ~~Assistant Library Director — \$1,000~~
- ~~Support Specialist — up to \$500~~
- ~~Executive Administrative Assistant — up to \$500~~
- ~~Police Support Supervisor — up to \$500~~

IV. Policy

Purchasing with a Purchase Order (PO)

PO's **SHALL** be used for the following purchase types:

1. All purchases of \$5,000 or more.
2. When a paper PO is required by a vendor.



City of Molalla

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www.cityofmolalla.com

PO's **MAY** be used for the following purchase types:

1. For recurring expenses that can be encumbered for the entire fiscal year (e.g. utilities).

Purchasing without a PO

For any purchase made without a PO:

1. Before Purchasing - Permission to purchase must be granted by a manager or supervisor with expense authority over the purchaser. (*see Spending Authority, Paragraph III*).
2. During Purchasing - An invoice or receipt for the full cost of the expenditure must be retained by the purchaser and provided to the authorizing Manager or Supervisor.
3. After Purchasing – The authorizing manager or supervisor will code the invoice/receipt with the account number (and activity code if applicable), initial and date the document.
4. Routing after coding and initialing.
 - a. **Cash/Check purchase** invoices/receipts will be submitted to Accounts Payable upon coding and initialing by the authorizing manager or supervisor.
 - b. **Credit card purchase** receipts/invoices shall be coded, initialed, and retained. Upon receipt of the monthly credit account statement, each expenditure on the statement will be coded and initialed and all corresponding receipts will be attached to the statement.
 - c. **Account purchase** receipts/invoices shall be noted in addition to the coding and manager initials, then turned into Accounts Payable.
5. Credit Purchasing Records
 - a. **Individuals are required to review, sign, code and attach all receipts to their credit card statements each month and provide them to their supervisor for review and approval signature. Completed documents must be submitted to the Finance Department by the deadline given. The Planning and PW Support Specialist, and Police Support Supervisor shall create separate folders for their department. Everyone with a city issued credit card will collect all their receipts for credit card purchases.**



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- b. **Notwithstanding (5a) above, the Police Department will assign an individual to collect receipts from all department cardholders and provide either a comprehensive spreadsheet, or individual coded statements, with the receipts. The spreadsheet or statements must be reviewed/signed by the Chief or Lieutenant and approved by the City Manager. All receipts submitted will be coded and initialed by the approving manager or supervisor prior to delivery to the Support Specialists listed in (5a.)**
- c. ~~Upon receipt of the monthly credit statements, the Support Specialist listed in (5a) will reconcile all receipts with the monthly statement. Provide account numbers for each purchase on the statement, attach all receipts to the statement (ensuring each purchase noted on the statement has a matching receipt.) Then submit to accounts payable for processing.~~

City of Molalla



Purchasing Policy and Usage of Purchase Orders

Resolution No. 2026-14

Adopted by City Council on May 27, 2026

EXHIBIT B



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PURCHASING POLICY, AND USAGE OF PURCHASE ORDERS

I. Purpose

The purpose of the Purchasing Policy is to ensure efficiency and accountability in purchasing, while mitigating the risk of theft and impropriety.

II. Scope

This policy applies to all City of Molalla Department Purchases, including all divisions and subdivisions thereof.

III. Authority

Specific spending authority by position will be by the City Manager and updated as needed. See current approved expense authorization.

IV. Policy

Purchasing with a Purchase Order (PO)

PO's **SHALL** be used for the following purchase types:

1. All purchases of \$5,000 or more.
2. When a paper PO is required by a vendor.

PO's **MAY** be used for the following purchase types:

1. For recurring expenses that can be encumbered for the entire fiscal year (e.g. utilities).

Purchasing without a PO

For any purchase made without a PO:

1. Before Purchasing - Permission to purchase must be granted by a manager or supervisor with expense authority over the purchaser. (*see Spending Authority, Paragraph III*).
2. During Purchasing - An invoice or receipt for the full cost of the expenditure must be retained by the purchaser and provided to the authorizing Manager or Supervisor.
3. After Purchasing – The authorizing manager or supervisor will code the invoice/receipt with the account number (and activity code if applicable), initial and date the document.



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4. Routing after coding and initialing.

- a. **Cash/Check purchase** invoices/receipts will be submitted to Accounts Payable upon coding and initialing by the authorizing manager or supervisor.
- b. **Credit card purchase** receipts/invoices shall be coded, initialed, and retained. Upon receipt of the monthly credit account statement, each expenditure on the statement will be coded and initialed and all corresponding receipts will be attached to the statement.
- c. **Account purchase** receipts/invoices shall be noted in addition to the coding and manager initials, then turned into Accounts Payable.

5. Credit Purchasing Records

- a. Individuals are required to review, sign, code and attach all receipts to their credit card statements each month and provide them to their supervisor for review and approval signature. Completed documents must be submitted to the Finance Department by the deadline given.
- b. Notwithstanding (5a) above, the Police Department will assign an individual to collect receipts from all department cardholders and provide either a comprehensive spreadsheet, or individual coded statements, with the receipts. The spreadsheet or statements must be reviewed/signed by the Chief or Lieutenant and approved by the City Manager.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, May 27, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-15: Updating Local Public Contracting Rules

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve Resolution No. 2026-15: A Resolution of the City of Molalla, Updating Public Contracting Rules, by title only.

BACKGROUND:

The State Contracting Code (the Model Code) and Attorney General's Model Rules for Public Contracting (the Model Rules), apply to all municipal contracts in the State of Oregon. ORS 279A.065(6) explicitly allows local agencies, like the City of Molalla, to adopt their own set of rules, use the model rules, or use a combination of both; though all must be compliant with the model code.

The City of Molalla has used a combination of the Model Rules and local rules to contract for over 20 years. Notably, the City's Contracting Rules have a fairly narrow scope:

1. Name the Council as the City's Local Contract Review Board
2. Name the City Manager as the City's Contracting Agent
3. Regulate personal services contracts
4. Provide authority for electronic procurements
5. Allow the City Manager to declare a sole-source

All other public contracts and associated processes are regulated by the Model Rules.

In 2023, the City's 2005 contracting rules were updated to bring them into compliance with state law/rule changes that had occurred over the prior 18 years.

In 2024, the state legislature provided a long overdue amendment to the public contracting limits that had been in place since 2003. The adjustment is largely nominal in nature meaning it changes the dollar limits but keeps spending power near that of the 2003 limits.

This resolution will move Molalla's public contracting limits from the 2003 levels to the 2024 levels, tie them to the statutory limits for the sake of posterity, and remove extraneous sections with no effect.

ATTACHMENTS:

[Resolution No. 2026-15Updating Public Contracting Rules.draft..pdf](#)



RESOLUTION NO. 2026-15

A RESOLUTION OF THE CITY OF MOLALLA, OREGON UPDATING PUBLIC CONTRACTING RULES

WHEREAS, The Oregon Public Contracting Code (the Code) is codified in ORS chapters 279, 279A, 279B, and 279C; and

WHEREAS, The Oregon Attorney General has adopted Model Rules for Public Contracting (the Model Rules) codified in OAR 137, divisions 46, 47, 48, and 49; and

WHEREAS, The Code and Model Rules apply to all public contracts advertised or executed after March 1, 2005; and

WHEREAS, The Code and Model Rules allow local governments to adopt contracting rules different from or in addition to those in the Model Rules so long as they are consistent with the Code; and

WHEREAS, The City Council finds it in the best interest of the community to adopt local rules that increase efficiency, reduce costs, and ensure fair and unbiased competition for public contracts.

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

SECTION 1. PUBLIC CONTRACTING RULES FOR THE CITY OF MOLALLA

1. General Provisions

- a) Except as provided within these rules, City public contracting is governed by the Oregon Public Contracting Code (the Code) and the Attorney General's Model Rules (the Model Rules).
- b) The Molalla City Council is the City's Contract Review Board (the Board). Except as otherwise provided in these rules, the powers and duties of the Board under the Code and Model Rules will be exercised by the Board and the powers and duties given or assigned to contracting agencies by the Code or Model Rules will be exercised by the City Manager acting as the City's contracting agent.
- c) For the purposes of these rules, "City Manager" means the City Manager for the City of Molalla, or their designee.

2. Personal Service Contracts

- a) **"Personal service contract"** means a contract for personal or professional services performed by an independent contractor, primarily for the provision of services that require specialized technical, creative, professional or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment skills, and for which the quality of the service depends on attributes that are unique to the service provider. Such services include, but are not limited to, the services of attorneys, accounting and auditing services, information technology services, planning and development services, artists, designers, performers,

property managers and consultants. The City Manager has discretion to determine whether a particular

- b) contract or service falls within this definition. For the purposes of this section, personal services contracts do not include such contracts as architectural, engineering and land surveying services. The procedures for those contracts are found in Model Rules, OAR 137, division 48.
- c) **Formal Selection.** The following formal selection procedure will be used when the estimated payment to the personal services contractor exceeds the maximum limit set for intermediate procurements in ORS 279b.070.
 - i) Announcement. The city will give notice of its intent to provide personal services through any means the city deems appropriate, including contacting prospective contractors directly. Announcements will include:
 - (1) A description of the proposed project.
 - (2) The scope of the services required.
 - (3) The project's completion dates.
 - (4) A description of special requirements.
 - (5) When and where the application may be obtained and to whom it must be returned.
 - (6) The closing date; and
 - (7) Other necessary information.
 - ii) Application. Applications will include a statement that describes the prospective contractor's credentials, performance data, examples of previous work product or other information sufficient to establish contractor's qualifications for the project, references, and other information identified by the City as necessary to make its selection.
 - iii) Initial screening. The City Manager will evaluate the qualifications of all applicants and select a prospective contractor or prospective contractors whose application demonstrates that the contractor is best qualified to meet the City's needs.
 - iv) Final selection. The City Manager will interview the finalist(s) selected from the initial screening. At the City Manager's discretion, the interviews may be conducted before the Board.
 - (1) After the interview process concludes, the City Manager will make the final selection. If the interviews are conducted before the Board, the Board will make the final selection.
 - (2) The final selection will be based upon applicant capability, experience, project approach, compensation requirements, references and any other criteria identified by the City as necessary for the City to select a contractor.
- d) **Informal Selection.** The following informal selection procedure may be used when the estimated payment to the personal services contractor is less than the maximum limit set for immediate procurements in ORS 279b.070 and the City Manager determines that the informal procedures will not interfere with competition among prospective contractors, reduce the quality of services or increase costs.

The City Manager will contact a minimum of three prospective contractors qualified to offer the services sought. The City Manager will request an estimated fee and make the selection consistent with the City's best interests. If three quotes are not received, the City Manager will make a written record of efforts to obtain the quotes.

- i) **Direct Negotiations.** The City Manager may enter personal service contracts not exceeding an estimated one half of the maximum limit set for intermediate procurements in ORS

279b.070 without following the procedures under subsection (2) or (3), so long as the work is within a budgetary appropriation or otherwise approved by the City Council.

- ii) Emergency Appointments. The City Manager may select a contractor without following any procedures when conditions require immediate action to protect life or property. In such instances, the City Manager must make written declarations of the circumstances that justify the emergency appointments.

3. Authority to Electronically Advertise Solicitations for Goods and Services

- a) The City Manager is authorized to develop an "electronic procurement system" in accordance with OAR 137-047-0300(2)(b) and defined in OAR 137-046-0110(16).
- b) Prior to implementation of an electronic procurement system, the city may advertise solicitations for goods and services on the internet and/or in the newspaper as necessary to comply with the provisions of this policy and superseding state laws and rules.

4. Authority to Electronically Advertise Solicitations for Public Improvements

- a) For all public improvement contracts the City Manager may either electronically advertise solicitations in a manner deemed appropriate or ensure they are published in a newspaper of general circulation in the Molalla region. This method of advertising will save the City time and money, may be used exclusively, and is allowed under ORS 279C.360(1).
- b) For public improvement contracts with an estimated cost over the limit provided for statewide publication by ORS 279c.360, the City Manager shall advertise solicitations at least once in a trade newspaper of general statewide circulation, such as the Daily Journal of Commerce.

5. Sole-source Procurements

- a) Pursuant to ORS 279B.075(1), the City Manager is authorized to declare in writing certain goods and services to be available from only one source.
- b) The determination of a sole-source must be based on findings required by ORS 279B.075(2), and otherwise be processed in accordance with OAR 137-047-0275.

SECTION 2. EFFECTIVE DATE, SEVERABILITY, AND REPEAL

- 1. This Resolution is effective upon passage by the City Council and Signature by the Mayor.
- 2. The sections, subsections, paragraphs and clauses of this resolution are severable. The invalidity of one section, subsection, paragraph, or clause does not affect the validity of the remaining sections, subsections, paragraphs, or clauses.
- 3. Resolution No. 2023-02 and all prior conflicting resolutions, policies, and directives are repealed upon this resolution becoming effective.

Signed this 27th day of May 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, May 27, 2026

SUBJECT:

Waste Water Treatment Plant Construction Progress Update

BACKGROUND:

The new wastewater treatment plant has surpassed 50% construction progress.

Thus far, staff efforts and decision making have reduced the overall cost to the City's rate payers in the following ways:

- \$5 million grant from Oregon Lottery
- \$2 million grant from USDA
- \$500k grant from Oregon DEQ
- \$2.5 million +/- in resequencing biosolids removal

Staff continues to look at cost saving options with some promising developments currently in work:

- \$380k Potential Community Program Funding Grant
- \$200-\$500k Potential Biosolids Land Application